Social Democratic Horizon (5):

Neoliberalism, Social Democracy, and the Unfinished Question of Ownership

(An essay accompanying *Rebuilding Social Democracy*)

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August 22, 2026

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1. Abstract

This essay understands neoliberalism neither as the direct expression of an economic science nor simply as a political instrument of capital, but as a diverse lineage of ideas and practices of government that emerged from partially shared historical conditions, subsequently diverged across national settings, and recombined in different forms. The distance between neoliberalism's founding doctrines and their political implementation, the crisis of social democracy, and experiences with privatization, tax credits, collective ownership, and codetermination demonstrate that the durability of an economic order cannot be explained by changes in ownership alone. It may also arise from the creation of material interests, shifts in the boundaries of legitimate public debate, and the consolidation of institutional arrangements. Examination of the Meidner Plan, German codetermination, the Spanish Mondragón and Argentine cooperatives, and European public financial infrastructure likewise indicates that legal ownership alone is insufficient to determine whether an enterprise or economic system is democratic. The more consequential questions are who actually exercises decision-making authority, to whom decision-makers are accountable, and through what structures participation occurs. The essay therefore argues for a pluralist economy in which private, cooperative, codetermined, and public ownership can coexist, while the state maintains the practical and epistemic capacity required to regulate, evaluate, and, when necessary, intervene in economic life. A postscript considers the limitations of this analysis with respect to gender, unpaid care work, informal employment, and the distinction between the biological and institutional meanings of work.

2. A "Coalescent" Point of Departure

Neoliberalism is neither the political expression of an economic science nor the instrument through which "capitalism"—understood as a transhistorical tendency toward the totalization of the market—finally captured the machinery of the state. Both

explanations share a common flaw: they treat neoliberalism as an effect, in the sense of the downstream realization of a cause that precedes and exceeds it, whether that cause is called “economic law” or “capital’s own interest.” A "coalescent" approach begins by refusing this move.[1] Instead of tracing an effect back to a single prior and functional cause, it treats neoliberalism as a lineage: a family of related but historically distinct positions that can be traced to loosely shared ancestral conditions and that subsequently diverged, recombined, and were transmitted unevenly across different national settings. I use “coalescent” analogically, not as a formal model in population genetics: the account begins with historically observed variants, traces them backward toward partially shared ancestry, and then follows their subsequent divergence and recombination in political practice. Such an approach does not ask what prior force neoliberalism served; it asks where the lineage’s shared ancestry lies, and how and why its branches diverged.

This question took shape during the interwar and immediate postwar decades at gatherings such as the 1938 Colloque Walter Lippmann in Paris and the founding of the Mont Pèlerin Society in Switzerland in 1947. What united the economists, jurists, and philosophers who participated in these gatherings was not so much a shared doctrine as a shared diagnosis: nineteenth-century laissez-faire liberalism had failed, and its failure had opened the way to totalitarianism, whether fascist or socialist. Their task, as they understood it, was not to revive the old liberalism but to reconstruct it on new foundations—to ask how the state must actively govern, legislate, and intervene to create and sustain a market order that, if left to itself, could not simply reproduce or maintain itself. This is the decisive point: neoliberalism does not begin with the minimal state and less government. It begins with the conviction that the market is neither natural nor self-sustaining and therefore requires permanent, positive construction by political authority (Foucault 2008; Eucken 1952).

A coalescent account must trace this very inversion. Neoliberal thinkers frequently distinguished their project from a version of classical liberalism in which competitive order was regarded as largely self-sustaining once political interference had been removed. Neoliberalism, in its various branches—from the German ordoliberalism associated with Eucken and Röpke to the Chicago variant that later crystallized around Friedman—instead treats the market as an artifact of governmental technique: something that must be engineered, monitored, and continuously protected through law, competition policy, and monetary discipline. The state does not withdraw; it is redeployed, and its rationale is reorganized around the creation of competitive order rather than the correction of market outcomes. To describe this simply as a rejection of the welfare state is to mistake one possible political outcome—the projects to dismantle welfare provision pursued during the 1970s and 1980s—for the underlying lineage itself. In its founding texts, that lineage was compatible with strong state action and, in some of its forms, regarded such action as necessary.

None of this denies that capitalism, understood as an expansionary logic of commodification, has a much longer history—one that Polanyi traces to the deliberate construction of self-regulating markets in the nineteenth century and that Marx locates

earlier in the real subsumption of labour under industrial capital (Polanyi 2001 [1944]; Marx 1976 [1867]). But a coalescent account of neoliberalism cannot simply absorb this longer history as its own explanation. To do so would substitute an economic narrative for a history of governmental techniques and determine in advance what the lineage is supposed to reveal. The relationship between neoliberalism and this older expansionary tendency—whether one of continuation, reaction, capture, or mutation—is precisely what must be demonstrated, not what may be assumed at the outset.

The argument that follows is that neoliberalism's political durability cannot be explained by changes in ownership alone. Policies become durable through different mechanisms—material, discursive, and institutional—and the democratic quality of an economic order depends less on its nominal form of ownership than on the structures of accountability and participation through which effective control is exercised.

3. Doctrine and Implementation: The Founding Gap

The founding neoliberals were not of one mind, but one of their most important early branches—German ordoliberalism—proposed a model closer to a permanently interventionist state than to a minimal one. Eucken's *Ordnungspolitik*, or policy of economic order, required the state to actively design the "economic constitution": competition law to prevent monopolies, a robust legal framework, monetary rules, and, in Alfred Müller-Armack's formulation of the *soziale Marktwirtschaft*, or social market economy, explicit social policies to compensate for market-generated inequalities and secure the political legitimacy of the entire arrangement (Müller-Armack 1947; Eucken 1952). Even Hayek, who is often read retrospectively through Thatcher, defended a state-guaranteed minimum income and social insurance in *The Road to Serfdom* (Hayek 1944). In this vision, the state does not retreat; it remains the market's permanent architect and guarantor.

By the time a more market-radical branch of neoliberalism became a governing programme—first under Pinochet, particularly after the Chicago Boys acquired decisive policymaking authority in 1975, and subsequently under Thatcher from 1979 and Reagan from 1981—its emphasis had shifted substantially towards deregulation, privatisation, and the rollback of state provision. This form of neoliberalism comes much closer to its popular image as "capitalism unleashed." Although both are classified under the same label, it draws far more heavily on the Chicago School of Friedman and Stigler than on the ordoliberal architects (Harvey 2005).

This gap between doctrine and practice can be interpreted in two ways, which are not mutually exclusive.

First, as selective inheritance: the political actors of the 1970s and 1980s retained certain neoliberal premises—the market as an artifact requiring active construction and competition as the organizing principle of public policy—while discarding others,

particularly the compensatory social function that ordoliberals considered necessary for legitimacy.

Second, as convergence with crisis: the implementation phase coincided with the stagflation of the 1970s and the exhaustion of the postwar Keynesian settlement, supplying a political opportunity and urgency that the original theorists had not encountered.

Foucault's influential account must also be situated within this chronology. He delivered his lectures on neoliberal governmentality in 1978–79, just as the implementation phase was beginning—Thatcher came to power in 1979. His genealogy is therefore primarily an account of neoliberal doctrine at the threshold of its most consequential political realization, not a retrospective analysis of the gap that later emerged between doctrine and practice (Foucault 2008).

The formulation "rejection of the welfare state" is therefore too hasty. Although characteristic of many later implementations, it does not define neoliberalism's founding rationality as such. Conflating the two obscures the very historical development that this account seeks to recover.

4. What Was Social Democracy's Own Crisis? Five Explanations

If neoliberalism's implementation phase depended on a founding rationality developed over several decades, the corresponding question is why social democracy could not organize an equivalent resistance when the crisis of the 1970s arrived. At least five explanations compete in the historiography, and they are not mutually exclusive.

The first explanation is theoretical. Stagflation—the simultaneous rise of unemployment and inflation, intensified by the 1973 oil shock—seriously undermined confidence in the simple, relatively stable Phillips-curve relationship on which part of postwar Keynesian economic management had relied. This was not merely a rhetorical defeat. Social democratic legitimacy rested partly on claims of technical competence in economic management, and that legitimacy suffered when conventional policy instruments no longer provided an immediate or persuasive explanation of, or response to, the combination of inflation and unemployment. Monetarism, with Friedman's expectations-augmented account of a "natural rate" of unemployment, offered an interpretation that was readily available and politically influential at the time, although it was neither the only explanation of stagflation nor the end of the theoretical debate (Friedman 1968).

The second explanation is infrastructural. From the Colloque Walter Lippmann in 1938 to the 1970s, neoliberal thinkers developed networks of intellectual exchange, research institutions, and academic affiliations through which they refined alternatives to the prevailing economic order. Social democracy also possessed substantial institutional resources, including trade unions, research organizations, and governmental expertise.

However, because it had helped establish the postwar settlement and was responsible for administering it, much of this capacity was directed toward managing and defending existing arrangements rather than developing a successor to them. When the settlement entered crisis, neoliberal networks could present an alternative they had spent decades elaborating, while social democracy was less prepared to rethink its own institutional foundations.

Successful organizations do not endure merely by preserving the structures that once made them successful. Their survival depends on periodically reassessing and reorganizing those structures as circumstances change. Social democracy, having helped establish and administer the postwar settlement, proved less prepared to undertake an equivalent reassessment of its own institutional arrangements before changing economic conditions exposed their limitations.

The third explanation is sociological. Social democratic strength rested on an industrial working class organized through trade unions, a constituency whose share of the workforce declined through deindustrialization, technological innovation, and automation. Even where industrial production remained substantial, mechanization and productivity gains reduced the number of workers required and altered the skills demanded. At the same time, service, white-collar, and professional employment expanded. Parties organized to represent industrial workers were slow to offer a compelling programme to this emerging and increasingly differentiated population of wage and salary earners.

The fourth explanation is corporatist and, in one respect, self-undermining. In several European countries, postwar social democracy relied on varying forms of coordination among government, trade unions, and employers to reconcile wage demands, economic stability, and full employment. By the 1970s, union strength—itself an achievement of social democracy—interacted with inflationary pressures and wage–price dynamics, placing these arrangements under increasing strain. Britain's 1978–79 Winter of Discontent provides a particularly visible example of failed coordination: public-sector strikes under a Labour government weakened that government's claim to be capable of managing its own coalition. Under stagflationary conditions, arrangements intended to sustain social democratic governance could thus become factors contributing to its loss of legitimacy.

The fifth explanation is structural: the growing divergence between an increasingly international economy and predominantly national political institutions. The collapse of the Bretton Woods system in 1971 was followed by the progressive liberalization of international capital movements. As capital became more mobile, individual governments faced increasing constraints on their ability to pursue independent policies of full employment, redistribution, and economic regulation. Social democratic politics remained largely organized within national boundaries, while the economic forces it sought to govern increasingly operated across them.

James Tobin's proposal for a tax on foreign-exchange transactions represented one attempt to address the mismatch between internationally mobile capital and nationally organized economic policy by discouraging short-term currency speculation and preserving greater autonomy for national governments (Tobin 1978). Its failure to gain coordinated international adoption illustrates not only the difficulty of regulating economic activity across national borders, but also the inability of social democratic parties to coordinate their responses among themselves and through international institutions.

5. Case Study: Thatcher's Privatizations as Constituency Engineering

Margaret Thatcher's government made privatization—or, more precisely, denationalization—a central instrument of its economic programme, selling industries that had been nationalized after 1945, including British Telecom, British Gas, British Airways, and British Steel. According to an official British government report issued in April 1990, 29 major businesses involving approximately 800,000 jobs had by then been transferred to the private sector, generating approximately £27.5 billion in proceeds[2]. Thatcher herself presented the expansion of share ownership as one of her government's central achievements, telling the 1987 Conservative Party Conference: "Soon there will be more shareholders than trade unionists in this country." Commentators have since argued that this transformation substantially increased the electoral and administrative costs of comprehensive renationalization for the Labour Party, which had itself been responsible for most of the original nationalizations.

The episode can be understood in three registers. **As an economic technique**, privatization was justified by the claim that state monopolies, insulated from market discipline, operated inefficiently and that competition and private ownership would improve outcomes. **As statecraft**, privatizations were deliberately structured through underpriced share offers and extensive marketing campaigns—such as the "Tell Sid" advertisements for British Gas—to create a broad constituency of small shareholders with a material stake in the permanence of the new arrangement. **As ideological realignment**, the same process redirected citizens' material interests away from identification with labour and trade unions and toward identification with capital and share ownership—a mechanism closer to Gramscian political thought than to Hayekian theory (Gramsci 1971).

Read through Foucault's account of neoliberal governmentality, this process is not incidental to neoliberalism but nearly constitutive of it: a governmental rationality operates not only by managing the economy but also by producing subjects—in this case, the shareholder-citizen—whose interests help sustain that rationality itself (Foucault 2008). The concept of "privatized Keynesianism" (Crouch 2009), together with the broader literature on Thatcher's project of "popular capitalism," develops the same theme from a more directly political-economic perspective.

The technique was not confined to Britain. Under Pinochet and the Chicago Boys, Chile implemented an early organized programme of enterprise divestiture during the 1970s, helping consolidate a new economic order and making a return to the economic policies of the Allende period institutionally more difficult. Privatization subsequently spread across developed economies during the 1980s and 1990s, including Australia, Canada, France, Italy, New Zealand, Portugal, Spain, and Sweden, often with the British programme serving as a model. Under Chirac, France pursued its own programme of *actionnariat populaire*, or popular share ownership, following a similar logic. A structurally more radical version of the same technique appeared in post-communist Eastern Europe, where voucher privatization contributed to the rapid creation of widespread private ownership while making a return to state ownership more difficult. Outcomes differed sharply according to institutional context. Russia's 1992–94 programme distributed vouchers amid weak institutional safeguards, producing concentrated insider ownership and an oligarchic class rather than a stable shareholder democracy. In Czechoslovakia, the investment-fund model initially produced a broader distribution of ownership, although ownership subsequently became more concentrated there as well.

6. Case Study: Sweden's In-Work Tax Credit as a Discursive Variant

A structurally different but functionally comparable example is Sweden's *jobbskatteavdrag*, or in-work tax credit, introduced by Fredrik Reinfeldt's government in 2007 and justified by the expectation that lower taxation of labour income would increase consumption, growth, and employment. The empirical evidence is more contested than either the reform's supporters or critics generally acknowledge. Microsimulations associated with the Swedish government estimated employment gains broadly consistent with official projections. By contrast, the Institute for Evaluation of Labour Market and Education Policy (IFAU) concluded that credibly isolating the reform's employment effects was very difficult: almost the entire working population qualified for the credit, leaving no suitable comparison group, and several other reforms were introduced simultaneously. The defensible claim is not that the reform's predictions failed, but that its causal effect on employment was not convincingly demonstrated in either direction—a case of methodological indeterminacy rather than falsification. The claim concerning public revenue is more secure: in response to a direct question, Sweden's Ministry of Finance confirmed that the reform reduced tax revenues.

The more revealing parallel with Thatcher's privatizations concerns the reform's political afterlife rather than its economic effects. Unlike privatization, an income tax credit creates no registered and transferable asset comparable to a share certificate; the operative mechanism here is discursive rather than ownership-based. Following the Social Democrats' electoral defeat in 2010, party leader Mona Sahlin conceded that the in-work tax credit "maybe isn't so stupid after all." Over the following decade, the Social Democrat party maintained its rhetorical opposition to the credits without reversing any of the five successive rounds of tax cuts. In 2014, the Social Democratic finance minister, Magdalena Andersson, explicitly defended this position by stating that the party would

not “reverse into the future.” By 2018, the Social Democrats were the only major party proposing no reduction in income tax.

Over approximately a decade, the most redistributive position they considered politically viable had shifted from reversing earlier cuts to merely opposing further ones.

The reform’s significance for a genealogy of implementation, therefore, lies not in creating a class of asset holders, as privatization did, but in shifting the boundaries of legitimate fiscal debate until leaders of the affected opposition party openly acknowledged that campaigning to reverse the policy was no longer viable. This case identifies a second mechanism, distinct from Thatcher’s manufacture of ownership, through which a contingent policy choice becomes a settlement that is structurally difficult to reverse: not by creating a material stake, but by discursively normalizing what counts as fiscally reasonable.

7. Case Study: The Meidner Plan and Its Limits

If Thatcher’s privatizations demonstrate the political power of widespread ownership, the natural question is why social democracy did not pursue an equivalent strategy of its own instead of relying on conventional nationalization, which merely replaces ownership by private capital with ownership by a small group of government officials. Sweden’s Meidner Plan offers the clearest historical answer, and its fate is instructive.

The plan was developed from 1975 by Rudolf Meidner, an economist at the Swedish Trade Union Confederation, *Landsorganisationen i Sverige* (LO), and was unanimously endorsed by the LO Congress in 1976. It would have required profitable companies to issue new shares annually equivalent to 20 percent of their profits and transfer them to union-controlled wage-earner funds. Over several decades, these funds could have acquired majority ownership of major Swedish companies (Meidner 1978). The difference from Thatcher’s model is clear: shares were not distributed to individuals as tradable personal property but were held collectively, with dividends allocated to shared purposes such as education, workplace health, and occupational safety rather than distributed as individual income. Ownership, in other words, carried collective control rights rather than individual rights to cash flows. This represented a genuine third form of ownership, distinct from both dispersed private shareholding and bureaucratic state ownership.

The plan became a central issue in the 1976 election and contributed to the Social Democrats’ first loss of power since 1932. The version eventually enacted in 1983 differed substantially from Meidner’s original proposal: the sweeping annual issuance of shares was replaced by five regional funds financed through modest taxes on corporate profits and payrolls. Even this diluted version, however, acquired approximately 7 percent of the Swedish stock market before being abolished by the newly elected conservative government in 1992. The employers’ confederation organized what has been described as the most extensive political mobilization in Swedish history against

the proposal, while the Social Democratic leadership itself showed little enthusiasm for it.

Two limitations of the plan bear directly on the broader argument.

The first limitation is structural. Meidner addressed the question of ownership—who holds the shares and who receives the dividends—without resolving the deeper problem of representation. Control was exercised through the LO, the same hierarchical trade-union apparatus that already stood between individual workers and their ability to exercise effective influence. This resembles what Robert Michels called the "iron law of oligarchy": any organization capable of coordinating action on a large scale tends toward control by a professional leadership stratum, regardless of its founders' democratic intentions (Michels 1962 [1911]). The funds changed who owned Swedish industry without a corresponding expansion in the number of people who could exercise effective agency over that ownership.[3]

The second limitation is categorical. Even Meidner's radicalism remained bounded by "class" as its basic unit and, more narrowly, by the LO's blue-collar membership, as distinct from the white-collar and professional confederations. The practical category of "wage-earner" embedded in the plan's institutional machinery was narrower than its universalist rhetoric and considerably narrower than the layered plurality of occupational, sectoral, and generational interests present within any contemporary population of wage and salary earners.

Read sympathetically, these limitations reflect not a failure of Meidner's vision but the boundaries of the instruments available to him: the trade union as institutional vehicle and class as organizing category. He pushed both to their limits without stepping beyond them. By any fair assessment, Meidner was among the most original thinkers produced by postwar social democracy. His audacity in proposing a genuinely institutional third way between state ownership and private capital deserves to be assessed on its own terms, even where implementation fell short of ambition.

8. Absorbing or Being Absorbed: The Missed Opportunity

Taken together, the Thatcher and Meidner cases raise a sharper question than either poses separately. The issue is not simply why social democracy declined, but why it failed to *absorb* neoliberalism's own techniques—to adopt market mechanisms such as privatization and redirect them toward democratic ends—instead of either resisting them until defeated or surrendering to them entirely. Structurally, this resembles Gramsci's concept of "passive revolution," or *trasformismo*, operating in reverse. Gramsci described how a dominant order absorbs oppositional demands to neutralize them without structural change. The question here is why the opposition did not absorb the dominant order's own instruments and repurpose them (Gramsci 1971).

German codetermination demonstrates that this possibility was practical rather than merely hypothetical. The 1976 Codetermination Act, or *Mitbestimmungsgesetz*, gave employees in large companies the right to elect representatives to nearly half the seats on the supervisory board, combining shareholder legitimacy with that of elected employee representatives within the governance of the firm itself. Unlike Meidner's funds, this model placed workers' voices directly inside the firm rather than mediating them through an external trade-union body holding shares at a distance. The system endured under governments of different political orientations. In 2006, marking the thirtieth anniversary of the Codetermination Act, Chancellor Angela Merkel described codetermination as "one of the essential elements of the social market economy."[4]

The missed opportunity was that the same instrument was never systematically incorporated into the wave of privatization outside Germany. British privatizations occasionally preserved "golden shares"—special government voting rights in a small number of strategically sensitive companies—demonstrating that conditional privatization was technically and legally possible. However, these rights were used to prevent foreign takeovers rather than to establish employee or citizen participation in corporate governance. A mechanism for democratizing marketization existed and was known, but outside the German case it was not directed toward that purpose.

Together, the three cases complete a comparison that deserves explicit statement. Thatcher privatized and successfully created a durable constituency to consolidate the outcome. Meidner pursued collective ownership but channeled it through an inherited hierarchical organization and an inherited homogenizing category, thereby reproducing the problem of concentrated, unaccountable control that his proposal was intended to overcome. Codetermination demonstrates that a genuinely democratic alternative—participatory governance embedded directly in firm-level decision-making—already existed, operated in practice, and enjoyed support across party lines. Yet it remained a national peculiarity instead of becoming a standard condition for transferring public assets into private ownership. On this account, the missed opportunity resulted not from a failure of imagination—codetermination demonstrates that both the idea and its legislative model already existed—but from a lack of political will and cross-national coordination to insist that privatization be conditional on accountable, codetermined governance rather than permitted to proceed without such safeguards.

A further explanation for this missed opportunity lies in the unequal intellectual ancestry of the competing traditions. Most social-democratic parties emerged from labour movements or developed within, alongside, or in response to socialist traditions, often defining their reformist identity through a critical engagement with Marxism rather than through an equally systematic reconstruction of liberalism. Eduard Bernstein illustrates this trajectory. He advocated parliamentary democracy, gradual reform, and the adaptation of socialism to changing economic conditions. Although he incorporated liberal principles, his argument remained rooted in the socialist tradition (Bernstein 1899). Consequently, social democracy generally approached markets, private ownership, competition, and individual economic freedom from the standpoint of a

movement seeking to restrain or modify capitalism, rather than as institutional instruments that might themselves be redesigned and redirected toward democratic ends. This intellectual inheritance does not explain every national case, but it helps clarify why social-democratic parties were often better equipped to defend existing arrangements than to appropriate and transform the techniques through which their opponents reorganized them.

An alternative trajectory was nevertheless available. In Britain, T. H. Green, J. A. Hobson, and L. T. Hobhouse criticized laissez-faire from within liberalism, arguing that meaningful individual freedom required social reform, public provision, and active political intervention (Green 1881; Hobson 1909; Hobhouse 1911). In Italy, Carlo Rosselli developed a related but distinct conception of "liberal socialism," seeking to connect socialist commitments to equality with liberal principles of individual freedom and democratic method (Rosselli 1994 [1930]). These traditions influenced political debate, reform programmes, and, in Rosselli's case, organized antifascist opposition. They did not, however, consolidate into a comparably durable and internationally coordinated political movement capable of integrating liberal and socialist resources into a coherent alternative to both orthodox Marxism and market fundamentalism. The missed opportunity was therefore not simply a failure to adopt particular policies. It also reflected the absence of an institutionalized political tradition capable of treating liberal instruments as material for democratic reconstruction rather than as the exclusive property of an opposing camp.

9. The Ownership Question: Toward a Pluralist Resolution

Behind these historical cases lies a more fundamental question that the preceding discussion has not yet addressed: does private ownership arise from something fixed in human nature, or is it simply one of several workable institutional arrangements available within any given domain of economic life?

Two frequently cited counterexamples—the Sami *siida* or *sameby* system of the Nordic Arctic and the Israeli kibbutz—complicate rather than confirm a simple opposition between private and communal ownership. The Sami system is, in practice, a hybrid: land and pasture are subject to common-use rights at the level of the herding collective, while the reindeer themselves—the actual productive assets—are owned by individuals or families within the cooperative structure. The kibbutz, by contrast, represented a genuine experiment in full communal ownership. Recent research on its non-market economy, however, identifies one source of its social crisis not primarily in economic failure but in the social costs associated with removing market mediation from everyday life. Without the market's usual and largely invisible role in settling interpersonal claims, community members had to resolve such claims through direct and often exhausting moral negotiation, producing persistent moralizing, envy, and unresolved resentment (Ben-Rafael 1997; Senderowicz 2025).

Neither case supports a categorical claim about human nature. Graeber and Wengrow's recent anthropological synthesis documents extensive historical and ethnographic variation in property arrangements, including societies that consciously alternated between hierarchical and egalitarian forms of organization according to the season (Graeber and Wengrow 2021). Such evidence challenges any simple historical model that treats private property as humanity's natural and final condition. What recurs across these cases is a narrower and more defensible proposition concerning scale: durable collective arrangements depend on face-to-face, recognition-based accountability, which becomes more difficult to sustain as groups grow larger and their members become more anonymous. Cooperation among unrelated individuals, when sustained by repeated mutual recognition and the expectation of future interaction, is closer to Trivers's account of reciprocal altruism than to models of kin selection (Trivers 1971). It also converges with Elinor Ostrom's empirically derived principles for the sustainable governance of common-pool resources: clearly defined boundaries, active monitoring, graduated sanctions, and—where arrangements exceed the capacity for direct, face-to-face accountability—nested and federated structures rather than administration from a single distant centre (Ostrom 1990). Dunbar's proposed cognitive limit on stable social relationships provides a rough, much-debated, but useful indication of the approximate scale at which recognition-based accountability begins to come under strain (Dunbar 1992).

This condition of mutual recognition supplies a concrete institutional principle rather than merely a diagnostic observation. Governance and ownership rights should be distributed through the nested structure that any sufficiently large organization already employs for ordinary coordination: small, clearly bounded local units at the base, intermediate tiers, and only then a body operating at the level of the entire company or federation. They should not be concentrated in a single remote board or fund.[5] German codetermination partially anticipates this principle through its two-tier structure: the locally elected works council, or *Betriebsrat*, operates beneath the company-wide supervisory board, or *Aufsichtsrat*. However, the system organizes employee representation through nested institutions without distributing ownership rights in the same manner.

The actual extent of worker ownership, when assessed against this principle, is significant but limited. Argentina's *empresas recuperadas*, or worker-recovered enterprises, emerged after the country's economic collapse in 2001. By 2020, they included more than 400 enterprises employing between 15,000 and 20,000 workers. The best-known example is the Zanon ceramics factory, occupied by its workers in 2001 and subsequently operated as a cooperative under the name *Fábrica Sin Patrones*, or "Factory Without Bosses."

A national survey conducted in 2004 found that two-thirds of the recovered enterprises in the sample operated at only 20 to 80 percent of their previous productive capacity. This finding indicates the economic constraints facing these enterprises but does not, by itself, establish any relationship between enterprise size and recognition-based

accountability. The Mondragón federation, founded in Spain in 1956, provides the strongest counterexample to the claim that such experiments cannot expand. It comprises approximately 100 federated cooperatives and more than 80,000 workers and is organized around the principle that capital should remain subordinate to labour. Mondragón's federated organization is consistent with the principle of nested structures, although its survival cannot be attributed to that feature alone. It is not a single unified enterprise but a federation of cooperatives connected through shared banking, educational, and solidarity institutions.

Even here, strain becomes visible precisely where the federation must operate as a unified actor in global markets. By 2019, the proportion of actual cooperative owner-members among Mondragón's total workforce had fallen well below half in several sectors, with much of the growth in employment occurring in non-cooperative foreign subsidiaries. Moreover, Fagor, the federation's largest and longest-established industrial cooperative, entered bankruptcy in 2013 after strategic decisions to relocate production abroad were made through a structure that might be described as a "reverse dominance hierarchy," largely insulated from the ordinary control of worker-owners.

None of these cases, whether successful or under pressure, seeks to eliminate the price mechanism or operate outside the market. Mondragón's cooperatives, Argentina's recovered enterprises, and German codetermined firms all operate in ordinary markets under competitive pressure. Fagor failed in much the same way as a conventional private company might have failed. What varies across these examples is the form of ownership and internal governance, not the principle of conducting economic activity within a market.

The same distinction between ownership and control reappears, in a different register, in the mechanisms of political entrenchment examined earlier. Thatcher's privatizations directly changed ownership, whereas Sweden's in-work tax credit entrenched a policy arrangement through a discursive shift without any corresponding change in ownership. This further suggests that the political durability of an economic order does not necessarily depend on who owns what.

These observations also bear on an active political debate. Some socialists regard private ownership of productive capital as the principal source of economic injustice. They consider worker or public ownership its most fundamental remedy. From this perspective, redistributive social democracy accommodates capital rather than offering a structural alternative. The evidence considered here does not support treating ownership as the decisive variable. Wherever genuine worker ownership has been attempted over several decades and at a meaningful scale, it has remained a limited share of the national economy.

- Mondragón, the most prominent large-scale cooperative federation, accounted for approximately 4.5 percent of the Basque region's gross domestic product at

the end of the 1990s: economically significant, but far from becoming the region's dominant form of ownership.
- After two decades, Argentina's recovered enterprises employed approximately 20,000 people nationwide.
- The kibbutz movement, the twentieth century's most comprehensive experiment in communal ownership, underwent extensive internal privatization and institutional transformation.
- Apart from a limited number of federated industrial examples, many of the most enduring large-scale cooperatives have remained concentrated in particular sectors—especially agriculture, retail, housing, and finance—rather than becoming the general form of ownership in modern industrial economies.

This evidence does not show that ownership is unimportant, nor does it suggest that public financial infrastructure or codetermination should refrain from expanding collective and cooperative ownership beyond its present limited share. What it does indicate is that ownership form, considered in isolation, is insufficient to explain the democratic quality, accountability, or performance of an economic arrangement. The cases examined here support the hypothesis that the accountability structure governing an enterprise is, alongside its form of ownership, an independent and fundamental variable: the participatory, nested, and recognition-based conditions described above.

A social-democratic settlement that regulates and taxes private capital, subjects it to codetermination, and establishes parallel public and cooperative institutions wherever private capital fails to serve the public interest is not a timid or incomplete compromise with the "real" solution. On the evidence considered here, it offers a more empirically grounded account of where the underlying problem lies.

The resulting position is neither abolitionist nor purist. A pluralist economy permits private, cooperative, codetermined, and state ownership to coexist, with each occupying the domain in which its particular accountability structure operates most effectively. Cooperative formation can also be encouraged through targeted incentives rather than imposed or excluded by ideological decree. The most durable examples of collective ownership have, moreover, generally been financed and sustained by those with the strongest interest in their success. Mondragón's internal bank, Caja Laboral, relied substantially on the savings of worker-members themselves, while Argentina's recovered enterprises were sustained by workers who relinquished severance entitlements and legal claims to rebuild production. In both cases, those most directly invested in the enterprise bore much of the financial risk, rather than depending chiefly on external ideological sponsors. This pattern is consistent with the recognition-based accountability principle developed above.

10. Financial Infrastructure as a Parallel Domain of Pluralism

Ownership of the means of production is only one axis along which pluralism can operate. A second, largely overlooked axis concerns who directs the flow of credit

toward production in the first place. Before the wave of financial liberalization in the 1980s and 1990s, most Western European countries maintained extensive but often overlooked networks of public and semi-public financial institutions alongside conventional private banking.

Sweden provides a particularly clear example. Alongside its private banking sector, it maintained Postgirot for cashless transfers and payment services; Statshypoteket as a state fund financing housing and agriculture; and SBAB, *Statens Bostadsfinansieringsaktiebolag*, as a state-owned mortgage bank. Nordbanken passed into full state ownership following the banking crisis of the early 1990s, while the Swedish Export Credit Corporation, *Svensk Exportkredit* (SEK), and the Swedish Export Credit Agency, *Exportkreditnämnden* (EKN), served as instruments of industrial and trade policy. The Swedish Shipping Mortgage Bank, *Svenska Skeppshypotekskassan*, and the network of local savings banks, *Sparbankerna*, provided shipping finance and household savings services, respectively. Taken together, this interconnected network functioned not merely as a mechanism for allocating credit but as one foundation of financial stability and balanced economic development in Sweden.

Comparable arrangements existed elsewhere in Western Europe. Germany maintained a network of local savings banks, *Sparkassen*; state-level banks, *Landesbanken*; and the federal development bank KfW, *Kreditanstalt für Wiederaufbau*. France operated a postal current-account system, *Comptes chèques postaux* (CCP); the mortgage lender Crédit Foncier de France; and Crédit Agricole, which supported the agricultural sector. Italy's Cassa Depositi e Prestiti (CDP) and Poste Italiane performed comparable functions, as did the Netherlands' Postbank and its National Investment Bank, *Nationale Investeringsbank* (NIB). Even Britain maintained the National Girobank and the Export Credits Guarantee Department (ECGD). Before the 1980s, most European countries therefore possessed networks of public or postal financial institutions intended to facilitate payments, encourage saving, and direct credit toward productive sectors of the economy.

A concrete example of a union-owned enterprise operating within this broader financial ecosystem is Riksbyggen, one of Sweden's largest housing construction companies. It was established in 1940 by the country's building-trade unions in direct response to severe housing shortages and unemployment among construction workers. Enterprises of this kind, owned by unions and working with member-owned savings banks, acted as a counterbalancing force between labour and capital markets. Riksbyggen continues to operate on this basis.

The weakening, privatization, or market-oriented redirection of this parallel credit infrastructure during the 1980s and 1990s has received considerably less attention than the contemporaneous privatization of industrial assets, although its consequences may have been more far-reaching. As the role of these institutions in financing households, small and medium-sized enterprises, local industry, and productive sectors gradually diminished in many countries, investment and credit increasingly moved toward global

financial markets and institutions that operated largely beyond direct public oversight. Networks that had previously supported financial stability and continuity of credit were partly displaced by arrangements in which short-term profit and financial speculation increasingly overshadowed public and productive functions. By the time of the 2008 financial crisis, large parts of the economy had become dependent on inadequately supervised financial institutions. Where institutions serving public purposes had been weakened or redirected, governments found themselves compelled to rescue markets that had previously been released from public oversight and responsibility.

Nevertheless, the interventions of 2008 demonstrate the ultimate dependence of financial markets on public authority. The United States' Troubled Asset Relief Program and the German government's guarantee of savers' deposits were emergency measures intended to protect citizens and the wider economy after financial institutions proved unable to restore confidence without government assistance. This does not mean that public ownership is inherently stabilizing: Germany's public-sector banks also suffered substantial losses. The more defensible conclusion is that financial stability depends on institutional mandates, governance, risk exposure, and accountability—not simply on whether ownership is public or private.

A useful interpretive framework for this argument begins with Adam Smith's phrase "the invisible hand of Jupiter." In Smith's original passage, Jupiter is the deity invoked by ancient peoples to explain irregular natural events. Here, however, I deliberately activate the name's second, astronomical meaning. Jupiter's gravitational influence becomes an analogy for the stabilizing role that strong public financial institutions may perform within an otherwise decentralized economy. I call this the "Jupiter effect."[6] Where governments, particularly social-democratic governments, maintained such institutions under sound and accountable governance, they could achieve two distinct benefits: restraining the unchecked expansion and concentration of private financial power, and partially insulating the real economy—households, small and medium-sized enterprises, local industry, and productive sectors generally—from direct exposure to financial-sector losses. Such institutions could thereby reduce the likelihood that governments would later be forced to use public funds to rescue the very financial institutions that had contributed to a crisis.

This history yields a normative principle that deserves explicit statement because it identifies when a public or state presence in the economy is genuinely warranted rather than merely preferred on ideological grounds. Such a presence may rest on at least four distinct foundations.

1. Meeting citizens' essential needs. Public intervention is justified when private capital cannot or will not meet essential public needs adequately, at an appropriate standard, and on acceptable terms. Housing, healthcare, education, and care for children and older people are representative areas for such intervention.

2. Preserving competition and countering monopoly. When the concentration of capital threatens competition and the public interest, the state may intervene to prevent monopolies from emerging or to limit their effects. Infrastructure such as railway networks, roads, electricity transmission, and mass communications is especially relevant because these sectors are naturally susceptible to concentration and monopoly.

3. Protecting consumers and public health. In certain circumstances, preventing profit-seeking behaviour that threatens public health or safety may justify extensive regulation, restrictions on private activity, or even a state monopoly. State control of alcohol sales, intended to limit the harms associated with commercial incentives, provides one example. This justification should remain conceptually distinct from intervention intended to meet essential needs or counter monopoly.

4. Developing practical knowledge and establishing public benchmarks for evaluating markets. A government that attempts to regulate and guide economic activities of which it has no practical experience or independent understanding becomes dependent on information and interpretations supplied by the very firms whose performance it must evaluate. Public reference enterprises, independent testing and evaluation centres, applied research institutes, and other public bodies with practical experience can therefore provide governments with institutional knowledge and independent benchmarks. Such institutions can compare products, services, technologies, and production methods under standardized conditions; test manufacturers' claims about quality, safety, durability, cost, and efficiency; establish reliable market standards; and provide consumers with information that individuals could not reasonably or affordably obtain on their own. They can also develop public benchmarks for assessing costs, productivity, service quality, employment conditions, and other aspects of private-sector performance. This knowledge constitutes an independent justification for a public presence in the economy and is also necessary for identifying unmet needs, detecting monopolistic practices, and protecting consumers effectively. A government that obtains all its information about markets from market participants gradually loses the capacity to evaluate their claims and performance independently.

None of these forms of public participation necessarily requires the exclusion of the private sector. Intervention may occur at the national, regional, or municipal level and may, depending on the circumstances, involve private enterprises, cooperatives, and employee organizations. The objective is not to replace the private sector as such, but to meet citizens' needs, preserve competition, protect consumers, and maintain the state's practical and epistemic capacity to assess the economy independently.

The Nordic experience, however, also suggests a further condition: public institutions, enterprises, and monopolies must not become instruments of short-term partisan advantage. They must possess sufficient institutional independence and be governed competently, transparently, accountably, and, wherever possible, through participatory arrangements that ensure effective employee representation and remain oriented toward the long-term public and national interest.

11. Swedish and German Codetermination Laws: A Structural Comparison

Although Sweden's *Medbestämmandelagen* (MBL) and Germany's *Mitbestimmungsgesetz*, both enacted in 1976, are commonly translated into English as "codetermination" legislation, they are not equivalent institutions. They operate at different levels of the enterprise and confer different forms of authority (Hedin 2015; Hedin 2019).

German codetermination operates at two structurally distinct levels. At the board level, the 1976 law gives employees in large companies—those with more than 2,000 employees—the same number of seats as shareholders on the supervisory board. However, when votes are tied, the chair elected by the shareholders normally holds the deciding vote. Below this level stands the works council, or *Betriebsrat*, whose modern powers were largely defined by the Works Constitution Act of 1972. It is elected directly by all employees at a workplace, whether or not they belong to a trade union, and is legally distinct from union structures. It also possesses substantive codetermination rights over personnel and workplace matters. The German model therefore establishes independently elected employee representation at two structurally protected points within the organization, although employees do not enjoy complete equality of effective power at the board level.

Sweden's MBL, by contrast, does not create an independent, directly elected body of this kind. Instead, it regulates the bargaining relationship between employers and trade unions through rights of access to information, obligations to negotiate before major decisions, and rules governing collective agreements. Crucially, these rights are exercised through existing union representation rather than through a body elected by the entire workforce. Its central mechanism is the employer's duty to negotiate, not a binding vote capable of preventing a decision. Sweden separately adopted legislation on employee board representation in 1972, which more closely resembles the German board-level model. However, the MBL—the better-known and more consequential of the two reforms—occupies the institutional space that Germany assigns to the works council, but with a markedly different design: negotiation and consultation rights are exercised through the existing union apparatus rather than through an independent, legally mandated body representing employees across occupational categories and possessing binding local authority.

This difference in institutional design has a direct practical consequence. Because Swedish law grants a right to be consulted and negotiated with rather than a general right to block management decisions, an employer determined to proceed despite union opposition can normally do so, provided the required negotiations are conducted and properly documented. Where procedural obligations are breached, the consequence is generally liability for damages rather than a substantive union veto. By contrast, the German works council's codetermination rights are considerably harder to override in the specific matters to which they apply.

12. A Cautionary Note: The Risk of Self-Interested Representation

Whatever their formal design, codetermination structures share a deeper vulnerability that appears across nearly every case examined here: Meidner's funds administered through the LO, Swedish codetermination operating through existing unions, and even German codetermination's reliance on elected representatives who may gradually become detached from those they represent. Without active safeguards, any institution established to represent a collective interest can gradually restrict its actual function to defending the status, credentials, or membership boundaries of the represented group itself, rather than the broader workplace, sectoral, or national interest it was originally established to serve. This is the tendency Robert Michels identified more than a century ago in political parties and labour organizations: leaders entrusted with representing a constituency tend over time to prioritize their organization's institutional position—and, consequently, their own standing—over the substantive interests of the people they represent, regardless of the organization's original democratic intentions (Michels 1962 [1911]).

A union representative defending a member's professional status or credentials, a party leadership seeking to remain in power, or fund trustees defending their institution's prerogatives rather than the interests of its ultimate beneficiaries all illustrate the same underlying failure: representation becomes a means of reproducing and perpetuating itself. When such factional or self-interested capture occurs within a formal codetermination mechanism, that mechanism may continue to function procedurally—negotiations still take place, and agreements are still signed—while ceasing to serve the collective interests across occupational groups that it was designed to protect. Any institutional arrangement for shared ownership or governance, however carefully designed at its foundation, therefore requires continuing structural safeguards against this tendency, not merely sound principles at the moment of its creation.

13. Further Avenues

Three extensions of this argument remain beyond its present scope but deserve mention. First, land as a category distinct from business or financial capital has not been examined here, although the case of the Sami in northern Scandinavia points directly toward it. An analysis of land values and land trusts from a Georgist perspective, derived from the work of the American political economist Henry George, would naturally complement the discussion of ownership in Section 9. Second, the case studies assembled here are qualitatively rich, including Fagor's collapse and the varying levels of capacity utilization among Argentina's recovered enterprises, but a systematic comparison of cooperative and conventional firms using a larger sample would strengthen the argument for more skeptical readers. Third, the essay's empirical evidence is concentrated primarily between the 1940s and the 1990s. Contemporary examples, such as platform cooperativism and employee-ownership trusts increasingly used in the United Kingdom and the United States, could extend the argument into the

present and deserve separate examination. Beyond these three avenues, questions concerning gender, care work, and informal employment, as discussed in the postscript, also require independent investigation.

14. Conclusion

This essay began by asking how neoliberalism should be understood: as the political implementation of an economic science, as a historical instrument of capital, or as a diverse lineage of ideas and practices of government. A coalescent approach makes it possible to trace both the partially shared origins of its different branches and their subsequent divergences without reducing the phenomenon to a single cause. From this perspective, neoliberalism did not initially signify the simple withdrawal of the state. The central issue was how the state should be reorganized to establish and maintain a competitive order. Yet when these ideas became a governing programme during the crisis of the 1970s, some elements were retained and others discarded. The distance between doctrine and implementation is not an incidental deviation in neoliberalism's history; it is one of the central developments that requires explanation.

The case studies demonstrate that policies acquire political durability through different mechanisms. Thatcher's privatizations created a constituency for the new order by establishing material interests and expanding share ownership. Sweden's in-work tax credit created no new assets, but shifted the boundaries of acceptable fiscal debate and made a return to the previous arrangement politically difficult. The Meidner Plan attempted to collectivize ownership but channeled control through a hierarchical structure and did not fully resolve the problem of effective representation. German codetermination demonstrated another possibility: incorporating employees' voices into corporate governance without abolishing private ownership or participation in markets. Taken together, these cases indicate that an economic order can become entrenched through material, discursive, or institutional means, and that its durability does not necessarily follow from its form of ownership.

This clarifies the unfinished question of ownership. Ownership is not unimportant: those who control capital acquire rights, income, and power that can affect the lives of others. However, replacing private ownership with state or collective ownership does not, by itself, democratize decision-making. If effective authority remains concentrated in a distant board, an administrative apparatus, or a professional stratum of representatives, a change in ownership may merely relocate concentrated power. The more fundamental questions are who actually makes decisions, who can hold decision-makers accountable or replace them, and whether participation is organized at a scale that permits mutual recognition, accountability, and effective representation. Small, nested, and federated structures, together with direct employee participation in decision-making, may therefore matter more than the legal designation of ownership.

The same principle applies to the state's presence in the economy. A public institution does not become efficient, stable, or accountable merely because it is publicly owned,

just as a private enterprise does not serve the public interest simply because it operates in a market. Public intervention is justified when private capital fails to meet citizens' essential needs, when concentrated capital threatens competition, or when consumers' health and safety require special protection. In addition, the state must maintain an independent practical and epistemic capacity to understand the economy it regulates. Public reference enterprises, independent testing centres, applied research institutes, and public financial institutions can provide knowledge, experience, and benchmarks that prevent governments and citizens from becoming entirely dependent on the claims of private market participants. The "Jupiter effect" names one form of this public presence: a stabilizing public force that, when combined with sound and accountable governance, can restrain the unchecked concentration of financial power and protect parts of the real economy from financial crises without directly administering every component of economic life.

The conclusion is not a defence of any pure or universally applicable form of ownership. A pluralist economy can accommodate private, cooperative, codetermined, and public ownership, selecting for each domain the arrangements under which accountability and participation function most effectively. In such an order, the task of social democracy is not to abolish the market or replace all existing owners with a single owner. Its task is to disperse power, preserve competition, meet unmet needs, build independent public capacity, and expand opportunities for effective participation in decisions that affect people's lives. The ownership question therefore cannot be settled simply by asking, "Who owns the assets?" It must always be accompanied by another question: **Who actually decides, and to whom are they accountable?**

15. Postscript: Gender, Work, and the Boundaries of Economic Agency

After circulating an initial version of this essay among a small group of friends, I received feedback from the perspective of the sociology of gender and work that drew my attention to four limitations of the present analysis: first, the role of unpaid domestic and care work in the reproduction of social life; second, the potential intensification of gender inequality through regional deprivation and unequal access to ownership and credit; third, the possibility that male dominance may be reproduced within councils and codetermination institutions; and fourth, the tendency to restrict economic representation to formal wage employment, with insufficient attention to informal workers, precarious occupations, and others situated outside conventional forms of economic organization. I thank my friend for this constructive criticism.

These criticisms deserve attention. I must acknowledge that, when writing this essay, I did not independently examine the gender dimensions of work, ownership, and representation with the attention their importance demands. I regret this omission. However, addressing these issues seriously requires more than adding a few references to women or inserting familiar terminology into the text. Integrating them meaningfully into the essay's theoretical framework requires more careful study, examination of the evidence, and reconsideration of the scope of concepts such as work, ownership,

participation, and economic agency. What follows is therefore not a definitive response to the criticisms but a preliminary account of how they relate to arguments already developed in this essay.

First, unpaid domestic and care work. This essay has concentrated primarily on enterprise ownership, wage employment, and decision-making structures within the formal economy. Yet providing food, raising children, caring for older people, and performing other activities that sustain daily life and enable individuals to participate in the labour market also require time, energy, and skill. When these activities are excluded from economic accounts, systems of social support, and mechanisms of representation, part of the work necessary for the continuation of society remains outside institutional recognition. Although the essay identifies childcare and eldercare among citizens' essential needs, that acknowledgement does not replace an independent analysis of unpaid care work.

Second, gender inequality and regional disparities. This essay does not present an independent theory of territorial justice or regional budgeting. Nevertheless, its arguments concerning access to credit, ownership, accountability, and economic agency can also be extended to this domain. If geographical circumstances, legal restrictions, and social norms simultaneously constrain a group's access to land, capital, education, or financial services, evaluating inequality solely through regional averages will not suffice. Under such conditions, transferring public resources to a region does not necessarily ensure their equitable distribution among all its residents. The relevant questions remain: who controls those resources, who decides how they are used, and who is effectively excluded from decision-making?

Third, the gender composition of codetermination institutions. The essay has already argued that collective ownership and formal representation do not, by themselves, prevent the concentration of power or the emergence of professional representatives who are insufficiently accountable. The same concern applies to the gender composition of works councils, supervisory boards, and other participatory institutions. If women or other underrepresented groups do not, in practice, have equal access to these bodies, democratizing the enterprise may merely redistribute power among a limited segment of its workforce. Participatory arrangements must therefore be assessed not only according to whether representation formally exists, but also according to the composition of representative bodies, the conditions governing access to decision-making positions, and the ability of different groups to exercise genuine influence.

Fourth, moving beyond formal employment. The critique of the Meidner Plan showed that the category of "wage-earner" was effectively restricted to membership in established organizations and, in particular, to certain groups of industrial workers. The same problem arises more broadly. Informal workers, temporary employees, part-time workers, outsourced personnel, platform workers, and those engaged in domestic and care work may have no place within conventional trade-union or codetermination structures. The question of economic agency must therefore extend beyond employees

holding formal contracts with a particular enterprise to include those whose work is essential to the economy and social life but who lack adequate institutional recognition or opportunities for representation.

* * *

My background in the natural sciences, particularly genetics and the study of evolutionary processes, has led me to consider the distinction between the biological and institutional meanings of work. As I explain in "Excursus 045: On the Biological and Institutional Senses of Work", the activities required for survival, reproduction, raising offspring, and caring for dependants are not confined to human societies but arise from more general necessities of life. What varies across human societies is not the necessity of these activities, but how they are organized, distributed, recognized, and compensated.

This distinction has direct implications for the present discussion. The necessity of reproduction and care cannot be eliminated from social life. However, the distribution of their costs and responsibilities among individuals, families, markets, and public institutions; the classification of particular activities as "work"; and the allocation of income, social protection, and participatory rights to those who perform them are institutional matters, not immutable biological imperatives. Biology explains why certain activities are necessary for the continuation of life. It does not determine who should bear their burdens or how society should distribute those burdens among its members.

Rethinking economic democracy therefore requires a broader accounting of work: one that recognizes not only paid activity recorded within markets but also care work, domestic labour, informal activity, and other forms of effort necessary to sustain social life. Such an approach does not set aside the essay's concern with ownership and accountability; it extends it. The question is not only who owns and who decides, but also whose work is recognized, how the burden of work is distributed, and who possesses effective agency in decisions concerning the conditions that shape their lives.

This postscript does not claim to resolve the issues raised. Its purpose is to acknowledge a limitation in the present analysis, express appreciation for an illuminating criticism, and open a path toward closer examination of the relationship among gender, the division of labour, social reproduction, and economic democracy. If this essay's central concern is the actual distribution of authority and accountability, that concern must also encompass those whose work is essential but whose share of recognition, support, and decision-making power remains invisible.

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[1] For the original formulation of coalescent theory, see Kingman (1982a, 1982b). For a lucid introduction to coalescent methods in population genetics, see Nielsen and Slatkin (2013). Foucault's genealogy is not a coalescent model, but it expresses an analogous methodological orientation: a refusal to treat a historical formation as the simple manifestation of a single prior or underlying cause (Foucault 2008).

[2] Thatcher, Margaret. 1990. "Privatisation." Written answer to Nicholas Bennett, 27 April. *Hansard*, House of Commons, cols. 357–58.

[3] The Associative Democratic Model (ADM), presented in Appendix 2 of *Rebuilding Social Democracy*, is designed to address precisely this failure. See also the concept of the Effective Number of Decision Makers (ENDM), developed there to assess whether collective ownership genuinely expands effective agency rather than merely relocating it.

[4] Angela Merkel, address at the Hans Böckler Foundation's event marking the thirtieth anniversary of the Codetermination Act, Berlin, August 30, 2006.

[5] This principle of nested governance corresponds to the Associative Democratic Model (ADM, Appendix 2) and the framework of Democratic Participation (ENAP, Appendix 3), developed in *Rebuilding Social Democracy*.

[6] Compare the "Statistical Reinterpretation of Smith" (ENEA, Appendix 4) in *Rebuilding Social Democracy*, which develops a related and less frequently explored reading of Smith's argument.