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Who Is Afraid of T. H. Marshall? Or, What Are the Limits of the Liberal Vision of Rights?

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Abstract

The liberal construction of the citizen is a man (sic) empowered with reciprocal rights to the nation state, which will maintain his dignity by providing work and welfare if he can prove need. The challenge for the new century is to find out whether we still can live in a finely balanced world of citizen/civil society state and capital from which these rights will flow. We need to understand why many of the rights died and subsequently to be able to redefine what it means to be a citizen; by taking into account the unequally weighted power relations that favor corporate citizenship. Then *human rights*, defined as international standards and norms for economic rights (labor rights, housing and food rights), cultural rights and the right to protection from physical harm, can become a meaningful reality.

¿Quien tiene miedo de T. H. Marshall? ¿O cuales son los límites de la visión liberal de los derechos?

La definición liberal del ciudadano es la de un hombre con unas relaciones de reciprocidad con el Estado, que debe mantener su dignidad proporcionándole trabajo y bienestar si tiene necesidad. El reto para el nuevo siglo es averiguar si podemos seguir viviendo en el equilibrio entre el ciudadano, el Estado y el capital de donde proceden esos derechos. Tenemos que entender por qué han muerto muchos de esos derechos y ser capaces de redefinir lo que significa la ciudadanía, teniendo en cuenta la desigualdad de relaciones de poder que favorecen los derechos de las corporaciones. *Los derechos humanos*, entendidos como normas de protección de derechos económicos (vivienda y alimento), derechos culturales y el derecho a ser protegidos de la enfermedad, pueden así convertirse en una realidad llena de sentido.

Qui a peur de T. H. Marshall? Ou, quelles sont les limites de la vision libérale des droits?

La construction libérale du citoyen est un homme autorisé avec des droits réciproques à l'état de nation, qui maintiendra sa dignité en fournissant le travail et le bien-être s'il peut prouver le besoin. Le défi pour le nouveau siècle doit découvrir si nous pouvons encore vivre dans un monde finement équilibré entre la société civile et le capitale duquel ces

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droites couleront encore. Nous devons comprendre pourquoi plusieurs de ces droits de citoyen sont mortes et pouvoir plus tard redéfinir ce que signifie-t-il pour être un citoyen. Il faut le faire en tenant compte des relations inégales de puissance qui favorisent la citoyenneté du corporation sur celle de la personne. Puis peuvent-t-ils devenir une réalité significative *les droits du citoyen*, définis en tant que des normes internationales et des normes économiques: des droits de travail, de logement et de nourriture; des droits culturels et le droit à la protection contre le mal physique.

Keywords

citizen, citizenship, contractual welfare, social welfare, human rights, democratic process, work, Economic Liberalism, economic rights, work rights, alternatives

The brand of social liberalism that came out of the London School of Economics and Political Science (or the LSE) was the focus of fear and deep skepticism for Economic Liberals¹ Why?² Too look at this we have to see what the social liberals from the LSE advocated, what they taught and what they practiced. One of the LSE's least well known but in many ways an encapsulating LSE figure was Thomas Humphrey (T. H.) Marshall (1893–1981). T. H. Marshall perhaps presents the ultimate liberal statement on citizenship. I will argue that this is the case and now is the time to revisit him and his LSE colleagues so we can see liberalism at its best and worry about its associated limitations. The call for this visit is predicated upon our generalized neediness created by living in the debris and detritus of failed economic liberal regimes; where self interested individuals in power make market based 'efficiency' guided decisions for us, about our welfare, about our health and about our education. We need to revisit T. H. Marshall and his friends, to look again at their ideas of citizenship and to see whether it is possible to stir their twentieth century pot, add to it to make a new and inspired twenty-first century citizenship recipe. Or are the limitations too great?

Who Is T. H. Marshall?

T. H. Marshall was a British sociologist arising from the British liberal tradition.³ Importantly, however, he rejected its market driven and anti-collectivist

¹) For example, see Von Hayek 1941, p. 408.

²) An extract from a 1999 Mont Pelerin Report.

³) This included men such as Dudley North, Thomas Hobbes, Adam Smith, John Locke and David Hume.

rationales for action. (These rationales are seen most clearly in the work of the early classical economist Adam Smith (1723–1790) but also amongst later monetarists such as Milton (1912–2006) and Rose Freidman (1910-) and Fredrich von Hayek (1899–1992).) Marshall instead, was deeply immersed in the socially liberal tradition of the LSE where he taught from 1925 to 1956. Figure 1 shows the competing ideas for work and citizenship.

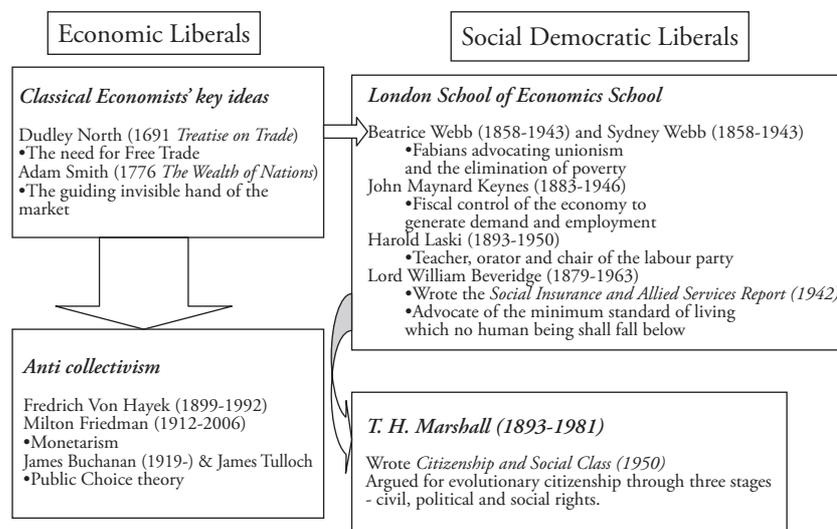


Figure 1. Competing liberal ideas for human rights and citizenship.

The importance of the time (through the 1930s depression and the post-war economic rise) and the place (LSE) cannot be over stated when trying to understand T. H. Marshall's construction of citizenship.⁴ For this LSE intellectual hot house in which Marshall planted himself, was a milieu of the most progressive and prolific people of his or many other eras. LSE insiders included Beatrice Webb (1858–1943) and her husband Sidney Webb (1859–1947) famous for their anti poverty advocacy and their seminal work on unionism. Contemporaneous with the Webbs were two other leading Fabians, George Bernard Shaw (1856–1950) and Graham

⁴) Bauman 2005.

Wallas (1858–1932), who both helped them set up the LSE, in 1895. Their general aim was to advance reformist rather than revolutionary socialism. The group also included the key figure of John Maynard Keynes (1883–1946) who, amongst his many outstanding contributions, was an advocate of economic state interventionist policy to manipulate fiscal and monetary ends to help elevate the worst ravages of cyclical recessions and depressions.

Another luminary, within this coterie, was the famous orator and teacher Harold Laski (1893–1950), who in 1945–1946 was chair of the English Labor Party; and the very influential Lord William Beveridge (1879–1963) who was the director of the LSE (1916–1937) and the author of the parliamentary *Social Insurance and Allied Services Report*, more commonly known simply as the *Beveridge Report*. In this report he proposed a model of citizenship that included a social security system that was ‘an attack upon want.’⁵ This system led to the British National Health Service (NHS). Beveridge argued that this would provide a minimum standard of living “below which no one should be allowed to fall.”⁶ According to Zigmund Bauman:

Keynes and Beveridge were the theoretical spearheads of an almost universal consensus that saw according to Beveridge (and to the prevailing public opinion of his time) the combination of personal and political freedoms (freedom from the state and freedom in the state, [providing] boundaries of the sovereign state mark[ing] the limits of what humans could contemplate, and what they thought they should jointly do, in order to make their world more user-friendly.⁷

Thus the citizen in the LSE model was an advanced construct of a man (sic) who could operate with dignity free from want and enforced idleness. As laid out as a guiding Beveridge Report principle “Want is one . . . of five giants on the road of reconstruction and in some ways the easiest to attack. The others are Disease, Ignorance, Squalor and Idleness.”⁸ Thus the LSE citizen evolves within a humane, paternalist and essentially residual welfare framework.

⁵ Beveridge 1942.

⁶ Beveridge 1942.

⁷ Bauman 2005, p. 13.

⁸ Beveridge 1942.

In 1950, this evolving LSE citizen-script was significantly added to by T. H. Marshall in his essay *Citizenship and Social Class*. His construction of citizenship in that essay was based on individual attainment of civil, social and political rights located in struggles within historical moments of time (see below) whilst dealing with the state. In his model the state is the citizen's simultaneous "birth place, executive manager and guardian."⁹

What Is Citizenship?

For T. H. Marshall *Citizenship* accumulatively evolves¹⁰ through social struggle over rights. The three major rights fought for and won were civil, political and social rights;

- i. **Civil rights** were identified as beginning in the 17th century¹¹ and fought fiercely for by civil rights movements that demanded individual freedom and the right to justice, freedom of speech, thought and faith, the right to own property, the liberty of the person and the right to conclude valid contracts. Property rights were held to be the over-arching basis for liberal demands for rights in law, economy, and culture.¹²
- ii. **Political rights** are associated with representative democracy, that is, voting in free elections for a member of parliament, were gained in the eighteenth century (in 1789–1799 in France) filtering gradually to the US and the rest of Europe. The franchise for male workers enabled them to organise political parties, the right to be free of foreign military or religious group control, to petition, to assemble, and to hold public office. By the early twentieth century these political rights extended to most women. Political rights need to be extended to ethnic and religious minorities to enable them to organise and function with their own cultural values. This does not always happen (e.g. refugees in Australian detention centres). Marshall believed that

⁹ Bauman 2005, p. 13.

¹⁰ Marshall 1950, pp. 8–15.

¹¹ Particularly John Locke (1632–1704) for his advocacy of revolution as not only a right but in some circumstances an obligation and Jean Jaques Rousseau (1712–1778) for his argument that "man is born free but everywhere is in chains".

¹² Crutthers and Ariovich 2004, p. 23.

achieving civil and political rights helped the working classes move democratically onward to demand social rights.¹³

- iii. **Social rights** are associated with membership of viable local communities and functional associations essential to work. “Social equality involved free collective bargaining over wages and working conditions, insurance against unemployment and in health, and the guarantee of minimum standards of housing, employment, and health care.”¹⁴ The successful fight for social rights came after the very bleak 1930s depression when loudly agitated demands for a fairer distribution of resources within the capitalist system were made and eventually heard and positively reacted to.

In this T. H. Marshall model

the state, [an] enclosed territory was the site of private initiatives and public actions, as well as the arena on which private interests and public issues met, clashed and sought reconciliation. In all those respects, the realm of state sovereignty was presumed to be self-contained, self-assertive and self-sufficient.¹⁵

Within this model, the capitalist state and the corporation are controllable entities, that is, although the state is ultimately a vehicle for making private profit it can be tied down to a regard for the needs of the community. The citizen and civil society can control corporate capital and the state; all can be finely counterpoised to balance each other’s strengths and weaknesses (see Figure 2).

But I would now like to make the case (see also Peetz and Murray)¹⁶ that this fundamentally liberal citizenship model does not cope with the encroaching power of the corporation¹⁷ in ways that democratically enable a 21st century citizen.

Do Liberal Theories of Citizenship Contribute to Labor?

Critics of the Marshall-liberal framework of citizenship argue it sets up a passive top-down set of relations wherein governments give rights to

¹³ Marshall 1950.

¹⁴ Rex 2004, p. 163.

¹⁵ Bauman 2005, p. 13.

¹⁶ Peetz and Murray 2006.

¹⁷ See Bakan 2004.

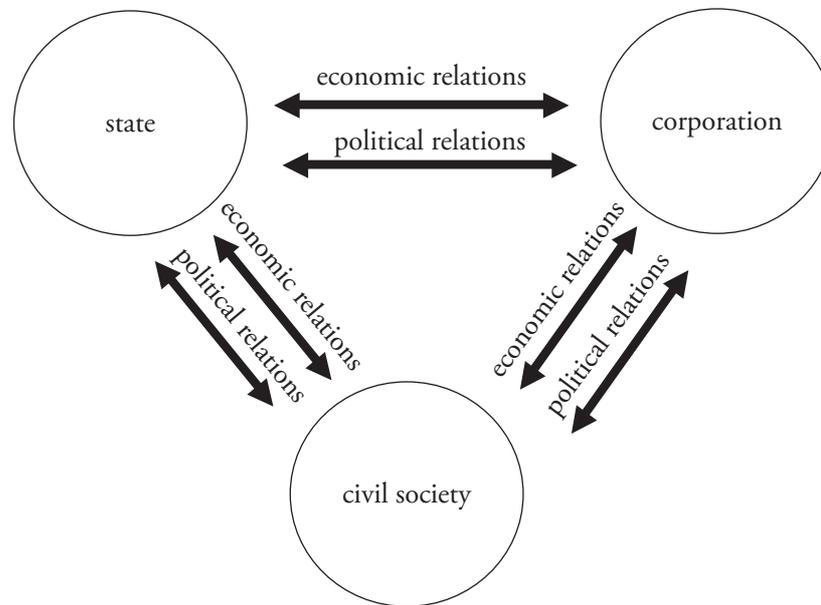


Figure 2. Capitalist relations defining citizenship in the Marshall (LSE) model. Source: Peetz and Murray 2006.

citizens who only have minimal expectations that these rights mean active civic and political involvement.¹⁸ Cox suggests that this model “regardless of its virtues, is rightly criticised for its paternalism, its evolutionary assumptions and ethnocentrism.”¹⁹ Crutthers and Ariovich further suggest²⁰ Marshall’s construction of:

Civil rights give property a ubiquity whilst failing to see its basis in social relations of exploitation. Verity Bergmann argues this liberal construction of civil rights is based on the idea of the market defining workers as commodities and is “fundamentally anti-democratic, conferring votes on dollars rather than people.”²¹ And William Tabb suggests that economic liberal rhetoric is part of an “Accumulate! Accumulate! Accumulate!” strategy that specifies a growth model complete with its own extra-economic preconditions for workers.²² These preconditions take wealth out of the

¹⁸) Chia and Patmore 2004.

¹⁹) Cox 2005, p. 25.

²⁰) Crutthers and Ariovich 2004, pp. 23–47.

²¹) Bergmann 2004, pp. 116–131.

²²) Tabb 2003, p. 21.

hands of workers and concentrate it into the hands of the few that include the Forbes 400 richest Americans.²³ These men (sic) average daily \$1,920,000 or \$240,000 per hour or 46,602 times the US minimum wage.²⁴ In 1960 the income gap between the fifth of the world's people living in the richest countries and the fifth in the poorest countries was 30 to 1. This increased in 1990, to 60 to 1 and increased again in 1998 to 74 to 1.²⁵ The United Nations human development index (the HDI) shows the scale of human development on a scale between rich and poor nations. At the global top is Norway – first with 78.9 years life expectancy, 100 per cent adult literacy, GDP per capita \$(US)36,600 – and at the bottom is Sierra Leone – 177th with 34.3 years life expectancy, 36 per cent adult literacy and \$(US)520 per capita GDP. In sum, existing civil rights do little to challenge rising and polarising rates of poverty and exploitation.²⁶

Political rights, that is, the right to vote in fair and free elections do not do away with sexist or racist attitudes that prevent women, racial minorities or religious groups receiving political power, according to Margaret Gardner.²⁷ Indeed, 'women find it difficult to access political power at the end of the twentieth century'²⁸ And Gardner argues that male-dominated structures of power and privilege actively subvert citizenship for women. Like Pateman²⁹ before her, Gardner also points out that these abstract political rights of citizens count for little if the capacity to exercise them is absent or significantly constrained by the persistence of sexist attitudes and structural barriers to shared political power. In contrast, Ruth and Simon Henig show that when positive discrimination takes place, as in the female political party quota system in Norway, low female participation numbers can be turned around.³⁰

Social rights, that is, free collective bargaining over wages and working conditions, insurance against unemployment and in health, and the guarantee of minimum standards of housing, education, employment, and

²³ Wolff 2001a; Gates 2002, pp. 30–33.

²⁴ See www.forbes.com.

²⁵ Gates 2002, pp. 30–33.

²⁶ Wright 1997.

²⁷ Gardner 2004.

²⁸ Henig and Henig 2001, p. 4.

²⁹ Pateman 1988.

³⁰ Henig and Henig 2001, p. 52, Show, for example, that the per cent of women in parliament in Norway before quotas was 9% (in 1969) and after quotas 39% (in 1993).

health care are under sustained attack from economic liberal governments.³¹ Economic Liberals argue that interventionist government makes citizens “selfish”³² and “lazy”.³³ But there is no evidence that correlate laziness with welfare³⁴ or poor national economic performance with welfare expenditure in developed countries.³⁵ Second, Friedman argues that the interventionist welfare state prevents positive (i.e. charitable) social development.³⁶ Goodin et al.³⁷ argue that this is wrong; as on all major indicators the USA (a low interventionist welfare state) performs worse than the Netherlands (high interventionist welfare state).³⁸ A third criticism of the welfare state is that it necessitates high taxes that inhibit investment, which in turn impedes economic growth.³⁹ However, from UN data it can be shown that a high tax paying economy like Norway (Norwegians top income tax rate is 47.5 per cent in 2006⁴⁰) has a human development index (HDI) of 1 (the best) compared to the HDI rank of the US 8, that is, a comparatively low tax paying economy.⁴¹

The last common criticism is that welfare state services are expensive, antiquated and inefficient.⁴² This thinking validates privatisation; an important part of economic liberal practice. “[D]ramatic changes like mass privatization... were clearly intended to alter the social distribution of wealth.”⁴³ Bauman (2005) suggests that this is the decisive factor responsible for the gradual dismantling of “Marshall’s trinity of rights; the consistent weakening of human bonds resulting from the interrelated processes of deregulation, privatization and individualization”.

³¹) Tabb 2003, p. 21.

³²) Ridley 1997, p. 262.

³³) Tocqueville 1835, pp. 58–59.

³⁴) Davidson 1995, p. 14.

³⁵) Atkinson 1995.

³⁶) Freidman and Freidman 1980, p. 124.

³⁷) Goodin et al. 2000.

³⁸) United Nations Report 2005.

³⁹) Ridley 1997, p. 262.

⁴⁰) Heritage Foundation 2006.

⁴¹) United Nations Report 2005.

⁴²) Freidman and Freidman 1980, pp. 131, 138.

⁴³) Crutthers and Lariovich, 2004, p. 29.

What Can Be Done?

The first thing to be done is to acknowledge the fine base that the theories and practice of T. H. Marshall and his colleagues at LSE School created. But it was never enough and it was flawed.⁴⁴ We have to begin by suggesting a cyclical weakness of the state, and signalling a movement of the corporation into the receding state vacuum in times of recession or depression. Why does this happen? Nation states are capitalist states and are therefore reliant on corporate growth and worker exploitation (see Figure 3).

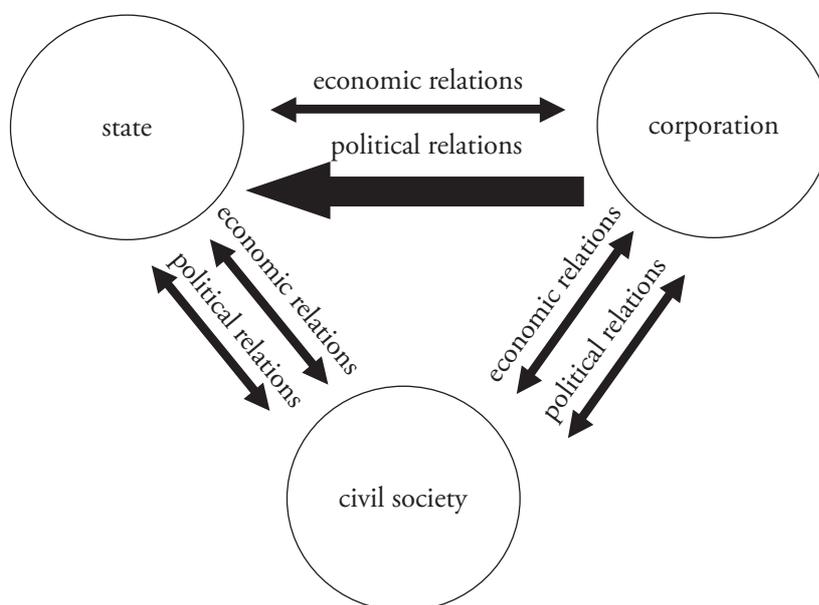


Figure 3. Capitalist relations defining citizenship in a corporate dominated world. *Source:* Peetz and Murray 2006.

From this point we can then move on to an understanding of the weighted power relations we operate within and that these need to be reversed to expand the democratic role of the citizen. Kessler-Harris⁴⁵ suggests that for Marshall's typology of citizenship to really work it must include

⁴⁴) Marshall 1950.

⁴⁵) Kessler-Harris 2001.

waged⁴⁶ work, rather than membership in the society, as the basis for social citizenship.

Economic rights, asserts Kessler-Harris⁴⁷ are “the independent status that provide the possibility of full participation in the polity.”⁴⁸ Rights for waged workers cannot stop with male interests but must also answer the interests of women and children. Kessler-Harris’s work shows that legislators, policy-makers and justices were consciously or unconsciously limited by a “gendered imagination” or a deeply embedded sense of what is normal and natural that perpetuates a gendered fantasy of an equitable social order. To safe guard domestic economic rights economic restraints should be applied to legally enforced methods used to control outflows of money from the state; Van Fossen argues that if tax haven loopholes were adequately policed then MNC revenue could be paid into nation state coffers to properly pay welfare state expenses.⁴⁹

Worker’s rights, defined as a fair and equitable distribution of the state’s resources through a wage tied to the CPI, good health and safety on the job and access to a social wage, must be regained in the following ways:

I. **Pressure the state.**⁵⁰ Start from the premise that the capitalist state will not act in the interests of workers and the community ahead of the interests of capital but will respond to pressure through electoral and interest group politics, to make it institute critical reforms, most of which can only happen through the state.

II. **Internationally recognize core worker rights.** A starting point is legislation that recognises workers’ core rights. The International Declaration on Human Rights was proclaimed in 1948 by the General Assembly of the United Nations. The United Nation’s International Labor Organisation or ILO stated prerequisites for work such as “the freedom of association and the right to collective bargaining; the elimination of forced and compulsory labor; the abolition of child labor, and; the elimination of discrimination in the workplace”⁵¹ with enforceable conventions drawn on

⁴⁶ I would also include unpaid domestic work see Marilyn Waring 1989, *Counting for Nothing*.

⁴⁷ Kessler-Harris 2001.

⁴⁸ Kessler-Harris 2001.

⁴⁹ Van Fossen 2002.

⁵⁰ The following comes from original work in Murray 2006 and Peetz 2006.

⁵¹ ILO website.

“as standards in negotiations involving governments, employees, unions and workers.”⁵² The ILO, established in 1919, has a governing body that comprises representatives of governments, employer organisations and unions. Their Declaration on the Fundamental Principles and Rights at Work arose from the 1995 World Summit for Social Development in Copenhagen, and it articulated basic workers’ rights as: (1). freedom of association and the effective recognition of the right to collective bargaining; (2). the elimination of all forms of forced or compulsory labor; (3). the effective abolition of child labor; and (4). The elimination of discrimination in respect of employment and occupation.⁵³

III. *Worker rights beyond collective bargaining.* Part of ensuring that corporations behave ethically would involve workers having a greater say in corporate decision-making either by acting on the board or through large stake-holdings or superannuation schemes.⁵⁴ Direct democratic facilitation in the work place can come from the instigation of works councils and jointly run workplace decision-making bodies with representation from management as mandated in many European countries.⁵⁵

Havard Lismoen⁵⁶ writes that in Norway a company’s employee representative has a vote on such issues as investment decisions and restructuring through representation on supervisory boards.

The Act relating to limited liability companies (Aksjeloven) and [the] Act relating to public limited liability companies (Allmennaksjeloven) provide employees with the right to elect representatives on company boards in companies over a certain size (20 employees). 1/3 of board members are to be elected among the employees concerned, and all representatives have voting rights. However, although company boards have substantial powers vis-à-vis the day to day running of a company they are nevertheless subordinate to the Corporate Assembly (assembly of owners). Employees are also entitled to representation in so-called Company Assemblies, which all companies with more than 200 employees are obliged to establish according to the Acts. 1/3 of all members in this assembly are to be elected among employees.⁵⁷

⁵² Blau and Moncado 2005, p. 53.

⁵³ International Labour Organisation, June 1998.

⁵⁴ For example, Ben-Ner and Estrin 1986; Jones and Svejnar 1982; Markey 2004, pp. 332–341.

⁵⁵ Markey 2004, p. 335.

⁵⁶ Lismoen 2006, pp. 6–7.

⁵⁷ Lismoen 2006, pp. 6–7.

Given legislation such as this would allow employee participation in decision making while also constraining the worst tendencies of corporate behaviour.

IV. ***Improving the regulatory environment.*** In the existing capitalist environment, the state must take more responsibility for the behaviour of the corporation. Joel Bakan⁵⁸ argues that “government regulation should be reconceived and re-legitimated as the principal means for bringing corporations under democratic control and ensuring that they respect the interests of citizens, communities and environments.”⁵⁹

V. ***Recreating a healthy public sphere.*** Privatisation has been used to increase the wealth of corporations and major corporate shareholders. We need to reclaim public spaces and utilities now in the hands of private business. The logic of economic liberals and public choice theorists that only business can organise public utilities is wrong – not only wrong, but dangerous. The privatisation of essential services has led to outcomes on a scale spanning from increased inconvenience to endangering human life. There is the example of the Australian, Victorian Ambulance Service.⁶⁰ Premier Jeff Kennett’s economic liberal government outsourced the essential ambulance service “to generate cost savings in response to concerns of the Government over the level of government contributions to the Service and its ongoing financial viability.”⁶¹ The privately controlled service that the Victorians received featured: increased length of response times (threatening human life), the introduction of inadequate technologies (computers that broke down and gave inaccurate information), corruption and debt . . . “In effect, management created an environment that enabled the consultancy firms to reap significant financial benefits . . . eventually amounted to over \$1.5 million.”⁶²

Privatisation daily compounds the burdens of workers, particularly the low paid and /or women workers. We should reconsider positive initiatives such as the now defunct Swedish wage earner funds. Swedish firms were obliged to put part of their profits back into the community in the form of capital for labor-managed investment funds. According to Phillip

⁵⁸) Bakan 2004, p. 161.

⁵⁹) Bakan 2004, p. 161.

⁶⁰) Pha 2001.

⁶¹) Victorian Government, accessed 25 July 2006.

⁶²) Victorian Government, accessed 3 January 2006.

Whyman,⁶³ these “legitimised collective investment funds as a potential instrument of economic democratisation, while demonstrating that pursuit of social goals need not undermine a locative efficiency.”⁶⁴

VI. **Corporate social responsibility and obligations on directors and executives.** While worker representatives can keep an eye on corporate boards, the way in which boards think about their responsibilities should also be reconsidered. There has been a lot of recent talk of ‘corporate social responsibility’ (CSR), but as it remains only voluntary then corporations will take account of it when to do so leads to immediate profit. For in the end, the bottom line on CSR remains Milton Friedman’s when he said “the social responsibility of business is to increase its profits.”⁶⁵ Requiring corporations to take account of these concerns is a pre-requisite for changing corporate behaviour, but it is not sufficient. Their single-minded pursuit of one objective – profitability – is socially dysfunctional. The responsibilities of directors should be broadened, so that they not only have to take account of the ‘bottom line’ of profit, but they also have to take account of the interests of all ‘stakeholders’ including workers, customers and the environment. Similarly, executives in key decision-making roles – principally CEOs – should be held accountable to the community. Legislation proposed in an Australian state for ‘industrial manslaughter’ laws, whereby decision makers in a company whose gross negligence led to worker deaths, is an example of such an approach.

VII. **Licenses of access.** One of the problems that is identified by Joel Bakan⁶⁶ is that much corporate behaviour is psychopathic behaviour. Corporations may repeatedly engage in anti-social behaviour, even repeatedly breaking the law, and not suffer the consequences experienced by people who do this – even though corporations are treated as artificial people. Bakan⁶⁷ lists the large number of instances where one corporation was found to have broken the law and been penalised repeatedly. Conviction did not stop, or even appear to increase the likelihood that it would stop, the corporation from offending again. The corporation is the ultimate recidivist. It cannot be jailed, and fines (to large corporations at least) rarely mean a great deal, so the main incentives on it to obey the law seem to be

⁶³ Whyman 2004, pp. 411–445.

⁶⁴ Whyman 2004, pp. 411–445.

⁶⁵ Friedman 1970.

⁶⁶ Bakan 2004.

⁶⁷ Bakan 2004, p. 161.

reputational. Clearly for many corporations, these incentives have little effect. What can be done about that?

As Bakan⁶⁸ points out, the origins of the corporate form lie in the issuing of licenses to corporations to operate. These days, the license to operate is taken as if it were an inherent right, subject to meeting certain procedural requirements such as having legally valid articles of association. Yet there is no reason why this should be so. A public tender process, in which potential licensees could be tested according to their ability to better meet social objectives, as well as the price they were willing to pay the community for the privilege of taking over this corporate license, could take place. Shareholders in the original corporation may be compensated for the current (not future) value of their loss, after taking account of whatever compensation needed to be made to the community to offset the misbehaviour that led to the corporation's license being withdrawn in the first place. Rigorous procedures and community oversight mechanisms would need to be put in place to ensure that licensing did not become a form of state cronyism, but instead represented genuine regulation in the interests of the community. We need to make corporations accountable.

VIII. *Trans-national regulation.* It makes no difference whether or not a corporation proclaims that its internal regulation systems 'recognise everyone's right to choose whether or not they wish to be represented collectively'. What matters is whether external regulation force it to do so. Ultimately, national and international law must recognise, give precedence to and actively defend the human rights of workers. At the moment, international trade law creates privileges and entitlements for corporations that are enforceable in international courts with severe penalties able to be levied against nation-states who fail to comply. No such remedies are available for the enforcement of fundamental human rights of workers. That imbalance must be redressed.

As Kimberley Elliott and Richard Freeman⁶⁹ argue, World Trade Organisation rules should be varied to enable bans to be placed on imports of products linked to "egregious violations of the core labor standards when they are intended to increase exports or inward foreign investment", and the ILO should play a central policing role in identifying such violations.⁷⁰

⁶⁸) Bakan 2004, p. 161.

⁶⁹) Elliott and Freeman 2003.

⁷⁰) Elliott and Freeman 2003.

IX. **Vitalising democracy.** We need to enshrine direct forms of democracy⁷¹ as well as the representative democracies we currently exist within.⁷² In particular experimenting with alternative forms of decision-making such as those used in classical democracy, such as the use of selecting government leaders by lot or sortition,⁷³ and/or the formation of Citizen Assemblies for collective decision making, as they now have in British Columbia in Canada.

At the broadest level, people need to have the tools and resources to effect change and attain their goals, rather than being powerless in the face of overwhelming institutional and economic forces. Reform of the regulation of the employment relationship can contribute to helping people to access resources that will greatly enhance their rights and reach as citizens. But it is only part of a broader project of democratisation of the state that is needed. Reform of the corporation is part of that broader project. So too, is the vitalisation of our democracy, which has become increasingly alienated from the broader community. As collective power, closes as an option open to individuals, then communities become less able to respond to threats to them. Voters become disengaged from the political process and Governments become less responsive to the will of ‘the people’ and more responsive to the needs of the corporation. Subsequently society becomes less able to deal with the challenges of global sustainability.⁷⁴ A more participatory form of democracy is needed.

Unions need to be further empowered and encouraged in their new bottom-up organising model that is gradually replacing the old top-down servicing model that they used.⁷⁵ Like unionists we need to think laterally about direct democracy initiatives, universally educating the population into knowledge of their rights and social justice and then applying citizens’ referenda that are binding in legislation to enforce them, as used in Switzerland.

⁷¹) Direct (classical) democracy derives from that practiced in Athens (590–322BC). It is a form of sovereignty lodged in the assembly of all citizens (even though in Athens this meant all male free citizens). This assembly may make laws, elect and dismiss officials, pass executive motions (decrees) and conduct trials. A rapid turn around of elected assembly officials meant that these executive agents or direct representatives were bound to the will of the people, Manville and Ober 2003.

⁷²) Held 1996.

⁷³) As in jury service leadership awarded those able and competent enough to be selected randomly and routinely, see GPUSA 2006; Hanson 2005.

⁷⁴) Bandura 1995, pp. 1–45.

⁷⁵) See Alinsky 1971.

X. *Beyond the workplace to the community.* Just as the corporation extends into all spheres of life,⁷⁶ the task of increasing the power of workers in relation to the corporation goes beyond the boundaries of the workplace. Trans-global organisations, like the ILO, should be used to help structure workers rights. The new mobile workers, who are often escaping want, or wars or appalling labor conditions, are a new transnational movement with new citizenship needs.⁷⁷ According to Carens citizenship in western liberal democracies is “the modern equivalent of feudal privilege... an inherited status that greatly enhances one’s life chances” in the first world’.⁷⁸ The globalization of work and necessary migration has new consequences of trans-nationalism⁷⁹ and post-national membership of a global citizenry⁸⁰ with new needs and requirements. Global citizenry could also make workers movements more aware of exploitation outside their own nation state and sensitive to campaigns that down grade other countries workers wages and conditions, for example, buy US, buy Canadian or buy Australian campaigns. Davidson⁸¹ suggests the new concept of citizenship should empower individuals under the changing financial conditions of global flows of capital and information where old rules of national citizenship are incapable of answering the needs of those who are necessary migrants or refugees from wars. Where the acquisition of such rights through *naturalization* are too slow in a context of rapidly shifting migration to protect citizens working beyond their own country and where national citizenship now fails to address the needs of the millions in transit between countries. So Davidson advocates a ‘global citizenship’ but leaves the job of articulating its new political form, or how it will be realized, to us.⁸²

But where do we go now? Li argues⁸³ that new social reforms to counter the social damage of economic liberal practice⁸⁴ needs to be financed by additional taxes on capitalist profits and that these profit cuts will create a backlash from capital and even greater demands on labor to finance it.

⁷⁶ Bakan 2004.

⁷⁷ Carens 1987, pp. 251–273; Baubock 1994; Stasiulis 1997, pp. 197–214.

⁷⁸ Carens 1987, p. 252.

⁷⁹ See Batch, Glick Schiller, Blanc-Szanton 1994.

⁸⁰ See Soysal 1994; Jacobson 1996.

⁸¹ Davidson 2004, pp. 180–194.

⁸² Cox 2004.

⁸³ Li 2004, p. 22

⁸⁴ See Alinsky 1971.

Therefore social liberalism can only work if global economic growth continues⁸⁵ we need to work with it but be prepared to move beyond it.

Conclusion

The brand of social liberalism that came out of the London School of Economics and Political Science (or the LSE) was rightly the focus of fear and disdain for Economic Liberals. Why? In many ways the LSE's more humane approach was the reverse of their market driven individualistic but state sanctioned greed. The LSE scholars, including T. H. Marshall, draw a picture of collective citizenship within a basic premise of the universality of rights; this included social, political and civil rights.

However, this article suggests that these social liberal rights have to be expanded to include human rights based upon the protection of the public sphere (sanctifying our right to clean air and water) and building on forms of direct rather than representative democracy. The human rights that are referred to are those that go beyond the liberal tradition and encompass the international standards and norms for socioeconomic rights, rights to culture, labor rights, and migrant rights, protections for minorities, indigenous and vulnerable populations, and gender equality.⁸⁶ The individualistic economic rights enshrined in the market place and the supporting ideology of Economic Liberalism perennially challenges rights of citizenship within a capitalist system.

Workers must expand the demands of citizenship to include greater economic rights (a bigger slice of the pie but also) a recognition of global citizenship created by factors such as necessary migration for work. The demand for global citizenship will only be recognized by collectively organized worker movements forcing employers and nation states to see this as a necessity and this will only come from organised pressure on the state. Nothing will be given freely. In the absence of an alternative system we should take every opportunity to push ideas about the desirability of a democratic notion of citizenship, as a guiding principle for public policy or private action, so that it increasingly gains legitimacy in public discourse and amongst policy makers.

⁸⁵) Li 2004, p. 22.

⁸⁶) Based on Blau et al. 2006, p. 1.

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