CA' FOSCARI UNIVERSITY OF VENICE

European Master's Programme in Human Rights and Democratisation
A.Y. 2025/2026

Workplace Democracy

Theory, Practice, and the Cooperatives of Veneto

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Word Count Declaration: 28369

Abstract

The present work seeks to critically evaluate Workplace Democracy, that is, the submission of managerial authority within a workplace to electoral scrutiny by its workers. It establishes a negative-positive freedoms framework to structure the theoretical benefits of Workplace Democracy, suggesting, based on current literature, that Workplace Democracy may help prevent domination of management by workers (negative argument) and that it may help workers self-develop into active participants in their workplace and wider society (positive argument). It further establishes that Workplace Democracy is mainly practiced in the real world through cooperatives, co-determination, and, residually, employee-ownership schemes, and that the theoretical benefits suggested are not herein consistent, being circumstance-dependant.

This study further conducts two interviews and a survey, both with cooperatives' members, to determine if the negative and positive arguments apply to cooperatives in Veneto. The interviews suggest that the negative argument may more easily apply than the positive argument, with participation requiring active promotion and education within the cooperative. The survey failed to achieve statistical significance, but, for the participants, both negative and positive arguments apply. The study suggests at last that the creation of a Workplace Democracy Index, with participation as a pillar, can further the field's understanding of Workplace Democracy, by seeking to actively measure participation within democratic workplaces, instead of assuming it as a default.

Acknowledgments

First, I would like to thank my friends and family, with whom I had conversations regarding this thesis every week, perhaps to the point of their exhaustion. I would like thus to thank you for your patience, support, and inspiration.

Second, I would like to thank Professor Adalberto Perulli, my supervisor, whose guidance and presence was indispensable for this thesis. It was Professor Perulli that guided my initial research, introducing me to Republican philosophy, and it was him who introduced me, vitally, to Legacoop Veneto. I would also like to thank Professor Chiara Garbuio, EMA National Director, for the full support given throughout the semester, which allowed me to balance my studies with the prosecution of the thesis.

Finally, I am deeply thankful to Legacoop Veneto, and particularly, to Denis Cagnin and Michele Pellegrini, which made the creation of the case-study possible. I would like to thank them for their openness to my questions, candidness in their answers, and all the time and attention provided to my project. Without their support, this thesis would have been confined to the, valuable but insufficient, world of theory.

Global Campus Europe

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1. Introduction

There is something rotten in the state of Democracy. According to the V-Dem Institute and its 2026 Democracy Report, various countries across the world, namely, the United States and European Union member-states, are experiencing democratic backsliding, leading to a scenario where ‘the level of democracy for the average citizen in Western Europe and North America is at its lowest level in over 50 years.’[1] This backsliding is mirrored by an apparent apathy by electorates towards democracy, as voter electoral participation has seen a consistent decline in Western countries.[2]

Accordingly, it is the renewal of democratic participation that motivates our research. We seek to investigate if alternative democratic configurations to the predominant liberal democratic conception of democracy can be a solution to autocracy and apathy. Inspired by the field of Participatory Democracy, which seeks to build active democratic participation by people in the many fields of their lives,[3] we hold that democracy may not limit itself only to the relationship between citizens and government, and that a healthier democracy may be found in the application of its principles to other areas where authority is also exercised over people. As such, our research focuses on the democratization of the area where people may spend most of their lives, that of work. In other words, our research concerns itself with Workplace Democracy.

We therefore are guided by the following questions: first, what is Workplace Democracy?; second, what does the current literature posit as its benefits, in theory?; third, how does the current practice of Workplace Democracy operate in the real world, and do such theoretical benefits materialize?

To answer these questions, the following structure follows: Chapter 2 establishes a theoretical framework of Workplace Democracy, defining it, and establishing its potential benefits on moral and consequentialist grounds; Chapter 3, in turn, illustrates the practical ways in which the principles of Workplace Democracy have typically been applied in the real world, establishing its organisational typology; Chapter 4 contributes with a case-study, seeking to understand if the theoretical benefits of Workplace Democracy do apply to the selected sample of organisations; at last, Chapter 5 proposes a research tool to further our understanding of Workplace Democracy, through the creation of a Workplace Democracy Index.

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[1] Marina Nord and others, ‘Democracy Report 2026: Unravelling The Democratic Era’ (University of Gothenburg: V-Dem Institute, March 2026) 4

[2] Luciano M. Fasano and Paolo Natale ‘Blank voting: the rising tide of abstention’ (2025) 17(3) Contemporary Italian Politics 394

[3] For example, see Carole Pateman, *Participation and Democratic Theory* (Cambridge University Press 1970)

All chapters were produced through interdisciplinary desk research, encompassing literature from political science, sociology, law, economics, and history. Additionally, Chapter 4 features mixed-method data collection, including 2 qualitative interviews and a survey.

We hold that our work is important insofar as it draws the attention of the field of democratization to the workplace, holding that it too must be regarded as an authoritarian structure to be democratized. Furthermore, we provide frameworks and tools to analyse the level of democracy of a workplace, as well as the level to which the theoretical benefits suggested by the literature apply to a certain workplace. Finally, through our case-study, we further our field's understanding of Italian cooperatives' democratic functioning.

2. Workplace Democracy – A Theoretical Framework

2.1. Introduction

The present chapter serves, to establish a working definition of Workplace Democracy (henceforth, WD), as well as the benefits it provides for a polity and its citizens as a whole, through a review of the current literature.

First, we define what Workplace Democracy is through an historical approach. Gathering the conceptions of alternative organisations practiced and defended, from the 19th to the 21st centuries, by the Cooperative Movement, Pierre-Joseph Proudhon, John Stuart Mills, G.D.H. Cole, Carole Pateman, and Isabelle Ferreras, we define WD as the ability for employees to exercise power over management, either through direct say over management decisions, and/or being able to elect, be elected to, and remove management.

Second, we propose a core moral argument for the implementation of WD, that of the Firm-State Analogy, which posits that, if we hold democracy to be a pilar of state government, then it must be so for the firm as well. We argue *a contrario*, discussing three common objections to the Analogy, an 'Objection from Efficiency', one from 'Property Rights', and one from 'Consent', and find all arguments insufficient to justify the authoritarian governance of the firm.

We then propose two consequentialist arguments, based on Isaiah Berlin's conceptions of negative and positive freedom. On one hand, we propose a negative argument for WD, that is, that WD is the best mechanism to prevent abuse of workers within the workplace, and sustain this argument through Republicanism, the contemporary philosophical school that defines freedom as non-domination. On the other hand, we propose a positive argument for WD, that is, that WD increases workers' ability to have command over their own life, inside, and outside, the workplace, which we denominate, respectively, following Nancy Bermeo's terminology, the 'participatory management' hypothesis, and the 'participatory society' hypothesis. Finally, we discuss the current empirical support that the literature offers to both arguments, concluding that the negative argument may be empirically sustained, but research lacks a framework of non-domination in its analysis, and that the positive argument has failed to manifest consistently in case-studies.

2.2. A Definition of Workplace democracy

The concept of Workplace Democracy is varied in its outlines, as well as in its denominations. As a basis, it proposes the management of enterprise in a democratic fashion, much like a polity ought to be.

To understand what such a management means in practice, and arrive at a concrete definition, we present a history of its intellectual development, from the Industrial Revolution to the present day.

The birth of WD is intimately related with the Industrial Revolution, and the disruptions it brough to the working class. Low wages, dangerous working conditions, an unhealthy environment, and abuses perpetuated by managers, in an age prior to the Welfare State, had to be addressed by autonomous movements, namely, the Co-operative Movement. This movement was based on the ideas of the philosopher Robert Owen, who believed that workers should, rather than work for the profit of others, organize amongst themselves in associations of mutual aid. In 1844, inspired by this idea, a group of poor artisans, in Rochdale, England, founded the Rochdale Pioneers, an association meant to improve the social conditions of its members, through the creation and acquisition of businesses to be managed by and in benefit of all the members.[4] Importantly, the association functioned democratically. Its officers (i.e. its managers), were elected by the members of the association, through a principle enshrined in its statutes in 1845 – ‘each, one vote, and no more’.[5]

Experiments such as Rochdale, called ‘co-operatives’, were increasingly successful, growing to over a thousand in the United Kingdom in the late 1870’s.[6] In an age where universal suffrage was not an established right, projects such as Rochdale had a profound influence on 19th century thinkers, which extended their democratic considerations to the workplace.

Pierre-Joseph Proudhon, for example, defended a system often denominated industrial democracy’[7], in *The General Idea of the Revolution in the Nineteenth Century*. Here, he outlined a system of rules that all companies would be required to abide by, chiefly: the attribution of an unalienable share in the property of the company to every worker; the right of the worker to fill any position in the company; that all these positions are elective; that the organisation of the company is defined by its workers; and that the workers participate in the profits and losses of the company.[8]

John Stuart Mill echoed such ideas, defending industrial democracy as an evolution of capitalist forms of production. In fact, for him, it was a natural consequence of human progress, having written so in his *Principles of Political Economy*:

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[4] Brett Fairbairn, *The Meaning of Rochdale: The Rochdale Pioneers and the Co-operative Principles* (University of Saskatchewan, Centre for the Study of Co-operatives 1994) 3-6

[5] ibid 9

[6] ibid 12

[7] Georges Gurvitch, *Proudhonian Synthesis* (Anarchist Library 1966) 5

[8] Pierre-Joseph Proudhon, *General Idea Of The Revolution In The Nineteenth Century* (Corvus Editions 2010) 136-137

> The form of association, however, which, if mankind continue to improve, must be expected in the end to predominate, is not that which can exist between a capitalist as chief, and workpeople without a voice in the management, but the association of the labourers themselves on terms of equality, collectively owning the capital with which they carry on their operations, and working under managers elected and removable by themselves.[9]

In the early 20th century, G. D. H. Cole was one of the leading advocates for the democratization of work. He distinguished WD from both state-managed enterprises and trade unions, arguing that the state is an inherently 'coercive power', and that, while it might guarantee better wages for the workers it manages, that does not constitute, by itself, 'industrial freedom'. Trade unions, on the other hand, serve as associations of workers that fought merely 'to make conditions of their servitude less burdensome', instead of a true emancipation.[10] True emancipation, he defended, comes in the form of what he called 'guild socialism', where production as a whole would be controlled by 'National Guilds', democratic associations of all workers, divided by industry, which would then link up in a single organisation, representing all workers. Within the associations, workers would be able to choose and check their leaders, taking an active role in the workplace.[11]

In 1970, Carole Pateman wrote *Participation and democratic theory*, which became a cornerstone of contemporary research on WD. In it, she criticized 'contemporary' conceptions of democracy, such as Joseph Schumpter's, which, she argued, give primacy to democracy as the set of mechanisms for a populace to elect its leaders, where 'participation' of the people is mostly reserved for the electoral moment, and 'political equality' means merely the equality of opportunity to elect rulers.[12] As an alternative, borrowing Mill and Cole, she proposed a theory of 'participatory democracy'. It posits that, for a polity to be considered democratic, it requires a participatory society, 'i.e. a society where all political systems have been democratised and socialisation through participation can take place in all areas.' As such, this theory expands the definitions of both 'democracy' and 'the political', beyond national and local government, encompassing, in particular, industry, which is considered the most important area to be democratized, as people spend a great, if not the greatest, portion of their lives working.[13] The firm, then, as a political entity characterized by a submission of the worker to

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[9] John Stuart Mill, *Principles of Political Economy with some of their Applications to Social Philosophy* (Boston, C.C. Little & J. Brown 1848) 357-359

[10] G. D. H. Cole, *Self-Government in Industry* (London, G. Bell and Sons 1920) 28

[11] ibid 33 and 206

[12] Pateman 14

[13] ibid 42-43

management, would require it to either be an indirect democracy, where management is elected directly by all its employees, or a direct democracy, where managerial decisions are made by all workers as a whole.[14]

In the 21st century, inspired by the 2008 Financial Crisis, academic interest in WD has resurfaced. Isabel Ferreras and her work merit particular emphasis, having recently headed a 2026 report, commissioned by the Vice-Presidency and the Ministry of Labor and Social Economy of Spain, 'Two Promises to Those Who Work: Voice and Ownership', which constitutes one of the most comprehensive policy proposals with the express intent of creating a 'Democracy at Work', which will be discussed further in Chapter 5.[15] To democratize the workplace, she advocates for a system of 'economic bicameralism'. Paralleling bicameral parliaments, she proposes a restructuring of the firm, where capital investors would elect a 'Chamber of Representatives of Capital Owners', through a standard '1 share, 1 vote' method, while workers, which Ferreras considers to also be investors, but of labour, would elect a 'Chamber of Representatives of Labour Investors', through the democratic principle of 'one person, one vote'. These two chambers would, together, exercise a form of legislative power, and elect the executive body (i.e. the top-management) of the firm.[16]

From these different conceptions of alternative workplace organisations, a pattern emerges, and from that pattern, we can produce an adequate definition of Workplace Democracy, starting by clarifying its terminology. As we have seen, both Proudhon and Mill employ the term *industrial* democracy, symptomatic of the rising industrialization of the time, where the factory became the predominant model of the workplace. Cole, with his Guild Socialism, opts for a historical-ideological definition, evoking the medieval Guild system, in the context of a socialisation of the economy. Pateman, who also employs industry as a synonym for the workplace, advocates for a participatory democracy, requiring a wide reform of all systems of a public life, of which work is but the most important. Moreover, some adherents of the Co-operative Movement have proposed a democratic system with cooperatives as its base unit, denominating it 'cooperative democracy'.[17] While there may be different political beliefs and objectives that separate such terminology, Ferrera's approach succinctly encapsules the basic premise which they

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[14] ibid 72

[15] Isabelle Ferreras and others, 'Two Promises to Those Who Work: Voice and Ownership. Final Report of the International High-Level Expert Committee on Democracy at Work' (Vice-Presidency and the Ministry of Labor and Social Economy of Spain, 2026)

[16] Isabelle Ferreras, *Democratizar la empresa capitalista: Piedra angular de una prosperidad compartida y sostenible* (Ariadna Ediciones, 2024) 52

[17] For example, Susan Orr and James Johnson, 'Cooperative Democracy and Political-Economic Development: The Civic Potential of Worker Coops' (2017) 26 The Good Society 234

all share: that the place one works should be democratically managed. As such, and reflecting an increasing body of recent literature,[18] we opt for the term *Workplace Democracy*.

Having clarified terms, we now turn to what WD is. We suggest that, at its core, WD is the proposition that, within an enterprise, employees have a right to exercise power over management, either through direct say over management decisions, and/or being able to elect, be elected to, and remove management. As we will discuss in the remainder of our work, this principle can be implemented in a variety of ways, and, importantly, with different levels of success.

With a descriptive definition of Working Democracy, we now propose a series of arguments to justify it.

2.3. Workplace Autocracy – A moral argument for WD on the basis of the Firm-State Analogy

Cole proclaimed, provocatively, that, those who would wish to abolish poverty, ought to wish to abolish 'slavery' instead. 'Slavery' is, of course, the relationship between a submissive worker and a dominant management.[19] This dominance reflects itself in the power of management to, within the limits of the law, freely determine, on the one hand, strategic business decisions, such as investments and profit distribution, including the compensation of shareholders, and, on the other hand, the wages, hiring, firing, working hours and safety conditions of employees.[20]

Pateman argues, as we have established, that the project of participatory democracy requires a politization of governance structures that generally are not analysed in such a lens, and, if democratic theory were to be applied to the firm, it would find it to be an autocratic one. Citing Ostergaard, she describes management as a government that 'is permanently in office, is self-recruiting, and is not accountable to anyone, except formally to the shareholders (or the state).'[21] At best, if the shareholders hold *de facto* power, by being the only members of the enterprise with voting rights, then we would be confronted with what could be described as an oligarchy, or a partial democracy, similar to the old democracies that excluded voting rights based on wealth or propriety. This rule of the few constitutes a system sometimes called a 'corporate democracy' or 'shareholder democracy'.[22] The term 'capitalism' has also been used to describe this organisational framework. Ferreras describes it as an antidemocratic

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[18] For example, Robert Mayer, 'Robert Dahl and the Right to Workplace Democracy' (2001) 63 The Review of Politics 221; and Hélène Landemore and Isabelle Ferreras, 'In Defense of Workplace Democracy: Towards a Justification of the Firm–State Analogy' (2016) 44 Political Theory 53

[19] Cole 34

[20] Landemore and Ferreras 54

[21] Pateman 72 citing Geoffrey Ostergraad, *Approaches to Industrial Democracy* (Anarchy 1961) 44

[22] Landemore and Ferreras 56

regime of government, where ‘political rights are based on, and tied to capital ownership’. As such, within an association, only capital investors participate in government, governing the lives of other people (i.e. workers), in the association. This governing structure is often legitimized by the association of risk with capital investments, but Ferreras posits that workers also put themselves at risk through their participation in the firm. Thus, she defines workers as ‘labour investors’, people who invest their labour into the firm, and may, in fact be at greater risk, namely, of financial ruin, in case of the firm’s failure, as it may often be easier for a capital investor to invest their capital in new ventures than for a labour investor to find a new job. Thus, ‘capitalism’ is also constituted by a devaluing of a specific type of investment, labour, and a disenfranchisement of a specific type of investors, labour investors.[23]

This politization of the firm brings forth a core moral argument for the democratization of the workplace – that of the Firm-State Analogy. It follows that, if the firm operates as a political entity, similar to the state, and if we expect states to be democratic, then we also should expect the firm to operate democratically. Otherwise, we could not justify a democratic state either. The analogy does not suggest that the Firm and the State are identical in every conceivable way is, but merely that they are similar enough, specifically in the way they exert power, to the point that a theory of democratization of the State cannot exclude the democratization of the Firm without becoming contradictory.

One could object to the analogy on multiple grounds, pointing to substantive differences between firms and states. We posit, however, that doing so almost inevitably defangs arguments for the democratic state as well.

A common objection to the analogy would be one of efficiency. Even if we accept that a firm operates in an autocratic fashion, it is a benign one, compared to real state-level dictatorships. The firm should be autocratic because collective, democratic, decision-making is too costly, or too slow, to effectively compete in modern markets. Furthermore, the average worker does not have the necessary knowledge to do management decisions, compared to managers appointed from the top-down. There are many ways to counter this ‘Objection from Efficiency’. We can argue that efficiency is also used as a criticism of political democracy. From Plato’s philosopher kings to 18th century Enlightened Despots, to modern day technocrats, the rule of the people has been mistrusted, because, according to critics, the people are not wise enough, or the process is too bureaucratic, for national democracy to work. Yet, with all its faults, nowadays, democratic countries endure, and often thrive, when compared to despotic polities. If such an argument were untrue, however, then democracy outside of the firm can hardly be

[23] Ferreras 2026 28 and 40-42

justifiable either – the analogy holds.[24] Moreover, it is important to point out that current economic research about democratic firms suggests that they are often just as efficient, if not more, than normal firms.[25] If efficiency were the only factor to be considered, then the autocratic firm would be less justifiable than a democratic one.

Another possible objection would be one of propriety rights. The state cannot be owned by anyone, while the firm falls within the legitimate ownership of its shareholders, and they are thus legitimate to do govern it as they see fit. We can, once again, point to history as a way of supporting the analogy. Prior to the French Revolution, the state was often thought to be the private propriety of its King or Prince, paralleling modern firms – an owner that rules over people who also have a stake in the well-being of the association, rule justified because he owns the association.[26] In fact, in some historical cases, the government was a corporation – such was the case of the first joint-stock company (i.e. a company whose stock is owned jointly by the shareholders) in the world, the East India Company, which ruled, ergo, owned and managed, India, as an autonomous association of the British Empire, from the 17th to the 19th centuries.[27] Little distinguishes such a polity from other oligarchies, and, as such, the analogy holds. It is also important to note that propriety rights are not absolute – on the contrary, they are extensively regulated. From child labour to environmental regulations, it is uncontroversial to state that a propriety right does not imply an absolute and exclusive say about what such a propriety does and how it operates. Furthermore, Workplace Democracy concerns itself primarily with control over management, not necessarily ownership of the firm. In most modern firms, ownership and management are already separated. Shareholders may profit from their ownership, but most of day-to-day decisions are done by managers.[28] As such, one can argue that the attribution of the right of workers to manage themselves democratically does not violate propriety rights, as shareholders can still profit from the workplace, just not exercise autocratic control over it.[29]

[24] Landemore and Ferreras 69-70

[25] While, of course, not all democratic firms are more efficient than all non-democratic firms, they often display a pattern of higher productivity. See, for example, Craig and Pencavel, 'Participation and Productivity: A Comparison of Worker Cooperatives and Conventional Firms in the Plywood Industry' (1995) Brooking Papers: Microeconomics 121 for a case-study of the US plywood industry; Marco Lomuscio, Ermanno Celeste Tortia and Andrea Cori, 'Worker cooperatives in Italy: legislation, prevalence and recent trends' (2021) Journal of Participation and Employee Ownership 128 for a general overview of democratic firms in Italy.

[26] Landemore and Ferreras 60

[27] Vijay K. Seth, 'The East India Company—A Case Study in Corporate Governance' (2012) Global Business Review 221

[28] Landemore and Ferreras 63

[29] Robert Mayer, 'Is there a Moral Right to Workplace Democracy?' (2000) Social Theory and Practice 301, 305

Finally, one could also argue that the domination of management is different from state domination because it is consensual. An employment contract is the expression of explicit and free consent of the worker, a consent that is reinforced every day by continuing to come to work. Otherwise, the worker can simply leave the workplace, which surely is not a straightforward right for citizens under autocratic state governments. To counter this argument, historical parallels, once again, exist – this was a central tenant of the original Social Contract Theory. Social Contract, in its Hobbesian variant, provided for the justification of autocracy through the tacit consent of its subjects, which is provided by the simple fact that they do not walk away from the polity, nor do they rebel against it. This is, of course, an outdated view of Social Contract Theory, which focuses nowadays on providing a legitimization of a polity through consensus – namely, through democracy.[30] Moreover, it is accepted in the realm of law that some things cannot be consented, even with a contract – slavery for example, but one need not go that far. Many facets of work have been regulated, for a recognition that they go contrary to human dignity. Against excessive work hours, lax safety standards and poverty wages, many legal regimes care not for the consent of the worker. Furthermore, we cannot ignore the ever-present power-dynamics at play with employment. It is recognized that the employee does not have an equal say to the employer and may only consent to the conditions of employment for a lack of real choice, especially if faced with the threat of poverty.[31] An employee could prefer to work in a democratic workplace, much like they could prefer to work 8 hours a day instead of 12, but, without a strong enough bargaining position, and faced with a labour market that operates, across the board, in similar fashion, what can they do but consent? Even if true consent could be achieved, this would not put the analogy into question. If the most totalitarian regimes of our history granted its citizens an easy way to emigrate, all other things equal, would they stop being considered dictatorships, and would we not advocate for its democratization? It is our position that no.

As such, we must conclude that Workplace Authoritarianism cannot be justified, neither on the basis of efficiency, nor propriety, nor consent, and, if we hold democracy to be a core value of governance, we should extend it to the workplace. Notwithstanding the aforementioned, one need not justify the democratization of work on mere principle, but consequentially.[32] Democracy in government is as important a principle as it is, partly, because of the desirable consequences it brings to the citizens

[30] Landemore and Ferreras 65-66

[31] ibid 67

[32] A position shared by some advocates of WD, see Mayer, *Robert Dahl and the Right to Workplace Democracy* 246

under its rule. Accordingly, we intend to demonstrate, in Chapters 2.4 and 2.5, the desirable consequences democracy may bring to workplaces.

2.4 The Negative Argument for Workplace Democracy

A primary danger of authoritarianism is its capacity towards the abuse of those against whom authority is imposed. This is a chief concern of advocates of liberal democracy, for example, when advocating for the separation of powers and the rule of law. John Locke, for example, proclaims that 'absolute arbitrary power, or governing without settled standing laws, can neither of them consist with the ends of society and government'.[33] However, Mill, concerned too with dominative power, describes the subjection of working people by as a 'brutality and tyranny', and, welcomed their increased emancipation, through education, political mobilization, and, as we have established, WD.[34]

An outlook of freedom that is primarily characterized by a lack of tyranny, a lack of arbitrary interference in one's life is, in political science, traditionally denominated 'negative freedom'. In his famous lecture, Isaiah Berlin defined this kind of freedom as 'the degree to which no man or body of men interferes with [one's] activity', or, succinctly a 'freedom from' interference.[35] While Berlin's definition can be useful to argue in favour of WD, insofar as we can constitute it as a 'freedom from' arbitrary interference in the workplace, his definition is insufficient as an argument for any specific governance structure. That is because, by his own description, negative freedom is not incompatible with autocracy – after all, a democracy that, through a tyranny of the majority, restricts one's ability to, for example, operate property as one sees fit, can be less free in its negative conception, when compared to a despot that grants wide autonomy for his subjects.[36] As such, negative freedom is not, by itself, an argument for any particular political arrangement.

Partly because of this, an increasingly influential philosophical current, Republicanism, has proposed a definition of freedom beyond the traditional positive-negative freedom distinction. For republicans, rather than freedom as a lack of interference, freedom is primarily constituted by a lack of domination. Domination, then, occurs when, between two parties, one has the capacity to interfere, on an arbitrary basis, in some choices that the other is in a position to make.[37] Non-domination, on the other hand, constitutes a form of *status*, where, when one lives amongst other people, no one can fulfil the

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[33] John Locke, *Second Treatise of Civil Government* (The Liberal Arts Press, Inc. 1952) 78
[34] Mill 345
[35] Isaiah Berlin, 'Two Concepts of Liberty' in *Four Essays On Liberty* (Oxford University Press, 1969) 3
[36] Ibid 7
[37] Philip Pettit, *Republicanism: A Theory of Freedom and Government* (Oxford University Press, 1997) 52

conditions listed above – no one can dominate another.[38] Republicanism, therefore, concerns itself with designing the institutional arrangement necessary to achieve such a scenario. Philip Pettit, who coined this definition, uses it to defend a contestatory democracy at the state level, where political power is checked by the capacity of popular will to contest it, but he does point to the relationship between an employer and an employee as a potential site of domination.[39] As such, other theorists have expanded his theory to the workplace. While some republicans have used the ideal of non-domination in the economy as a justification for basic income policies and widespread property rights, others have used it to justify WD.[40]

Nien-hê Hsieh suggests a regime of 'workplace republicanism' to prevent workplace authoritarianism.[41] Within the workplace, he identifies a variety of ways in which employees are vulnerable to managerial domination. Managers have discretion to dictate to workers what tasks they should do, how they should perform them, the conditions of their work, including working environment, remuneration, training opportunities, promotion criteria, and, finally, the enterprise's strategy, ranging from the choice of good or service that it provides to cessation of activities entirely. All of these decisions can have profoundly negative consequences on the worker, but, even if no harmful decisions are taken, the mere potential is problematic to republicans.[42] The problem is not interference itself, but the ability to, and, as such, managerial decisions must be able to be contested, much like state power is.

Republicanism concerns itself with designing an optimal institutional arrangement, and, as such, WD is not necessarily the only structure to prevent abuses. Two common alternatives are brought forward. The first one poses that the ability for the worker to freely quit their jobs suffices to prevent abuse.[43] In a hard version of the argument, the mere threat of quitting is enough, but, in its soft variant, which recognizes the inherent asymmetries between employee and employer, measures such as unemployment benefits, or even an universal basic income, could erase the threat of unemployment, and thus prevent managerial abuse of power. Of course, this proposal ignores that, since authoritarianism is the almost universal norm of the workplace, the threat to exit a job can only serve the worker insofar as he has the right to choose which authority he can submit himself to – it cannot, thus, prevent system-

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[38] ibid 66

[39] ibid 58

[40] Keith 'Breen Freedom, republicanism, and workplace democracy' (2015) Critical Review of International Social and Political Philosophy 470, 1-2

[41] Nien-hê Hsieh, 'Workplace democracy, workplace republicanism, and economic democracy' (2008) Revue de Philosophie Économique 57

[42] Hsieh, 'Survey Article: Justice in Production' (2008*)* Journal of Political Philosophy 72, 122, and 'Rawlsian Justice and Workplace Republicanism' (2005) Social Theory and Practice 115

[43] This argument is similar to the notion that workplace authoritarianism is consensual, discussed in Chapter 2.

wide practices. Furthermore, even if exit costs are economically mitigated, exiting a job still harms the worker. Besides the inherent costs that looking for a new job and transitioning entail, there are also psychological costs, as work is usually a source of self-respect, and the worker may lose a social network of coworkers and customers that could be important for them.[44] The second alternative, sometimes called 'workplace constitutionalism', argues that a sufficiently robust workplace regulation provides enough of a check on managerial authority. If regulations are extensive enough, covering all the facets of work life, from safety to antidiscrimination protections, then managerial discretion is limited to a series of non-abusive decisions, and as such, radical proposals, such as WD, become unnecessary.[45][46] This, however, is an inefficient proposal. While, of course, extensive labour rights must be enshrined, a regulatory framework that is strong enough to eliminate managerial abuse would be, if not impossible, highly restricting to firms, especially in the complex economies of modernity. As we have seen with the rise of Artificial Intelligence and its impacts on the workplace, the world of work is simply too complex and everchanging for the necessarily slow rhythm of regulation to catch up. Rather than regulating all facets of work, WD allows for the possibility of specific managerial decisions, in specific contexts, to be contested by the specific workers of that specific workplace.[47]

As such, Hsieh opts for the contestability of decisions, ergo, WD, as the best option to prevent domination. He proposes, not necessarily worker control over enterprise policy, but a participatory role in its shaping, through a variety of internal mechanisms that are able to resolve disputes between worker and management.

We thus conclude the analysis of the relationship between Republicanism and its ideal of freedom as non-domination, and WD. We propose, as such a 'negative' argument for WD - following the ideal of non-domination, the only form of adequately preventing managerial domination within the workplace is through WD.[48]

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[44] Iñigo González-Ricoy, 'The Republican Case for Workplace Democracy' (2014) Social Theory and Practice 239-241

[45] Within the Firm-State Analogy, González-Ricoy compares this regime to a 'nonparliamentary constitutional monarchy à la Bismarck', where workers are disenfranchised, but have extensive civil and social rights, under the authority of a king constrained by a constitutional text, see ibid 243

[46] ibid 242

[47] ibid 247

[48] Even though the Republican definition of freedom seeks to contrast itself with the classical negative definition, its primary concern is, ultimately, a lack of interference in one's life. Any increase of positive freedom that might occur from a Republican institutional design is ultimately, instrumental, to the ultimate goal of erasing arbitrary intervention from public life. This contrast becomes clear when analysing 'positive' arguments for WD, as we will see in the next chapter. For a discussion on the emphasis of Republicans on non-domination, to the detriment of participation, see Breen 14 and González-Ricoy 244.

2.5 The Positive Argument for Workplace Democracy

Positive freedom, per Berlin's conception, is defined as self-mastery, the ability to take control of one's life, a 'freedom to', not merely a 'freedom from'.[49] This self-mastery has been interpreted in a number of ways, and it does echo the Republican ideal of no one being able to be the 'master' of another person, but it also entails one's active participation in delineating their one life.[50] That, then, is the 'positive' argument for WD – that the democratization of work increases one's ability to have command over their own life, inside, and outside, of the workplace itself.

An important caveat, before focusing on participation, is the positive economic role of WD. Positive freedom is usually associated with economic, social and cultural rights,[51] and WD can play a part in guaranteeing them. The field of economics has had an increasing interest in the economic performance of democratic firms, especially in contrast with non-democratic firms, and the trends it identifies are generally encouraging – democratic firms have been found to, on average, have a more egalitarian wage structure,[52] be more resilient in the face of economic shocks,[53] and give a higher priority to employment[54] than non-democratic firms. They may, then, be a potential tool for the development of a wealthier, less unequal society, and thus, a freer one, in a positive sense.

The participation of workers in the management of the workplace has been posited to grant, not just to the workers themselves, but to wider society, a number of benefits. Mill saw active participation in political institutions, from the national to the local, as having a valuable educational effect on individuals, teaching them about important daily issues and how to try to solve them, through collective action, thus making fellow humans care more about one another. These educational effects, in turn, would increase feelings of political efficacy (i.e. the feeling that one has the capacity to influence politics), which would further increase participation. Otherwise, a democratic system would suffer from passivity and abstention.[55] These considerations also applied to the workplace, whose democratization, in his view,

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[49] Berlin 8

[50] ibid 15

[51] Karel Vasak, 'A 30-year struggle; the sustained efforts to give force of law to the Universal Declaration of Human Rights' *The UNESCO Corrier: a window open on the world* (Paris, November 1977) 28-29

[52] Gabriel Burdín and Andrés Dean, 'New evidence on wages and employment in worker cooperatives compared with capitalist firms' (2009) Journal of Comparative Economics 517

[53] Guido Caselli and Michele Costa and Flavio Delbono, 'What do cooperative firms maximize, if at all? Evidence from Emilia-Romagna in the pre-Covid decade' (2021) Annals of Public and Cooperative Economics 821

[54] ibid 821

[55] John Stuart Mill, *Considerations on Representative Government* (Savill and Edwards, 1861) 57

would constitute a 'moral revolution', transforming 'each human being's daily occupation into a school of the social sympathies and the practical intelligence.'[56]

Cole echoes this sentiment, writing that his proposed system is the 'quickening spirit of the century', constituting a 'philosophy of active citizenship for every man and woman in the community'. This active citizenship is stifled by the autocratic workplace, and can only be fostered by democratizing it, allowing workers to develop democratic attitudes, skills and knowledge, inside, and outside, of work.[57]

These theorists, as we can see, do not merely advocate for WD on the basis that it will increase self-mastery within the workplace, although that is certainly a major consideration. Rather, this self-mastery will 'spill-over' – the effects of political efficacy generated within the workplace will translate to broader political participation. Pateman succinctly links these steps:

> Participation in non-governmental authority structures is necessary to foster and develop the psychological qualities (the sense of political efficacy) required for participation at the national level.[58]

Although closely linked, these can be considered two different sub-arguments of the positive argument for WD: on a first level, there is the argument that WD will increase worker participation in the management of the firm, and hence, their self-mastery and development– borrowing Nancy Bermeo's terminology, we can call this 'the participatory management hypothesis'[59]; on a second level, it is argued, by promoting a more active citizenship at the local level, workers will subsequently have a stronger sense of democratic efficacy, WD will contribute to the overall well-being of the national democracy – this can be called 'the participatory society hypothesis',[60] or 'the spillover effect'.[61]

The potential positive effects of WD, as presented, can make it a powerful tool in democracy-building. Besides the potential for diminishing poverty and inequality, which have long been associated with poor civic engagement,[62] WD could be seen as a way to combat democratic apathy and abstention. In Italy, for example, in line with a general pattern in Western countries, non-voters have reached 50%, due, in part, to the perception amongst non-voters of the increasing irrelevance of national politics.[63]

[56] Steven L. Schweizer, 'Participation, Workplace Democracy, and the Problem of Representative Government' (1995) Polity 363 citing Mill (1848)

[57] Cole 255

[58] Pateman 50

[59] Nancy Bermeo, *A Revolução Dentro da Revolução* (Tinta da China, 2024) 129

[60] ibid 154

[61] Marcelo Vieta and others, 'Revisiting the 'Spillover Thesis' in Participatory Workplaces and Worker Cooperatives' in Jerome Nikolai Warren and others (eds), *The Routledge Handbook of Cooperative Economics and Management* (1st edn, Routledege 2024)

[62] Susan Orr and James Johnson 235

[63] Luciano M. Fasano and Paolo Natale 394

Advocates of WD would not be surprised by such a development. Pateman expressly points to participatory democracy as a solution to political apathy: by allowing individuals to participate in the workplace, 'one piece of reality would have changed', showing that one's private life and the public sphere are deeply intertwined, and creating an 'educated, public citizen'.[64] In times of increasing antidemocratic sentiments, WD could help construct a truly democratic society, replacing the growing mass of apathic electorates.

2.6. An Empirical Note on the Negative and Positive Arguments

As a last note, before concluding Chapter 2, it is important to discuss the empirical backing, or lack thereof, for the negative and positive cases for WD.

The field of WD has, historically, been disproportionally predominated by proposals and theories about how WD could be implemented and what it could achieve, in relation to its actual study in practice. This is understandable, in part, because of the historical and current rarity of democratic management globally, leading to case-studies with a dubious potential for generalization. Before the end of the Cold War, WD was primarily focused on the study of the market-socialist economy of Yugoslavia,[65] which had purportedly as a goal the democratization of the workplace – Pateman dedicates an entire chapter in her seminal book on it as a case-study.[66] The fact that researchers found modestly low participation rates, for example, should not be surprising, as Yugoslavia could not be considered a democratic polity outside of its WD efforts. Other than that, WD was generally studied in small, unstable, scenarios, such as the Land Reform attempts by the Chilean and Portuguese regimes in the 1970's, where democratic farms often failed due to political circumstances.[67] Since the 90's, the quantity of empirical studies in stable market economies have increased,[68] but the research population remains small. As we will explore in Chapter 4, Italy has the highest quantity of democratic firms in Europe, numbering, as of the of 2020, 23 989, employing 505 917 workers, which constitutes 2.3% of the overall Italian workforce.[69] In Europe, this figure increases to around 31 thousand, as of 2023, employing around a million workers,[70] or around

[64] Pateman 110
[65] Gregory K. Dow, 'The Theory Of The Labor-Managed Firm: Past, Present, And Future' (2018) Annals of Public and Cooperative Economics 65, 67
[66] Pateman 85-102
[67] Bermeo 130-132
[68] Dow 70
[69] Lomuscio, Tortia and Cori 129
[70] Francesca Zaganelli, 'CECOP Snapshot 2022 - 2023 An Overview Of Industrial And Service Cooperatives' (CECOP CICOPA Europe June 2024) 5

0.5% of the EU workforce.[71] As an absolute exception to the rule, the existing democratic firms are, necessarily, exceptional, and any conclusion derived from their study is difficult to generalize. For example, it has been suggested that the current democratic firms that exist are concentrated in specific industries where they may be more likely to succeed,[72] or are run by highly motivated people,[73] who do so out of some belief in WD, creating an inherent selection bias in the current makeup of this sector. In truth, while we can say what the democratization of the workplace did for some workplaces, we cannot currently say what consequences the democratization of all workplaces will have, only hypothesise them. As such, the arguments presented in Chapters 2.4 and 2.5 should be regarded, not as definite truths, but as questions that may guide our research.

Having clarified that, what, then, does the current empirical literature say about the negative and positive arguments? In sum, the negative argument has been insufficiently researched, and research into the positive argument has produced mixed results.

The Republican approach to WD is relatively recent, and as such, within our knowledge, there exists no current research that seeks to empirically prove Republican claims in regard to the non-dominant nature of WD. Outside of that specific framework, it is difficult to prove a negative, and, as such, it is difficult to study an absence of abuse by management in democratic firms, especially when compared with non-democratic ones, who have little incentive to be open to such inquiry. As of today, we also have no, within our knowledge, comparative analysis of workers' rights violations between democratic and non-democratic firms. We can infer an absence of abuse, however, through general job satisfaction. In this area, some research has been done. For example, in a study of the Plywood industry in the United States, conducted by Edward S. Greenberg, workers that worked in democratic firms had significantly higher work satisfaction, compared to normal workers, a phenomenon attributed to 'sense of collective responsibility for the success of the production process, and a relatively egalitarian relationship between supervisors and workers'.[74] Naomi's study of the Portuguese democratic firms produced similar results – workers that worked under WD were significantly more satisfied with their job in comparison to other workers, even though the former earned, on average, less than the latter, which

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[71] 'EU labour market - quarterly statistics', (European Commission, Eurostat, Publication Office of the European Union 2025) <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU_labour_market_-_quarterly_statistics#Highlights> accessed 07/05/2026

[72] Hilary Abell, 'Worker Cooperatives: Pathways to Scale' (2014) Democracy Collaborative 29

[73] ibid 9

[74] Edward S. Greenberg, 'Participation In Industrial Decision Making And Work Satisfaction: The Caseof Producer Cooperatives' (1980) Social Science Quarterly 551, 563 and 566

was also attributed to a sense of shared ownership of the firm.[75] Findings such as these, although not generalizable, are at least consistent with the negative argument for WD – Naomi expressly points to the possibility of backlash by the workers as a disincentive for managers to manipulate or abuse the workers,[76] and Greenberg described a work environment where 'communication is two-way, open and relatively freewheeling, characteristic of communications between equals.'[77] As proposed, in this case, democracy in the workplace ensured non-domination.

The positive argument, by contrast, has been extensively studied. The general conclusion is that the sub-hypothesises presented may or may not occur, being context-dependant. A variety of factors have been proposed to predict the participatory effects of WD. Education, both civic and academic, has been pointed as a major factor. Rather than the inherent educational effects suggested by theorists, it has been suggested that WD must be continuously and consciously taught to workers or, otherwise, they may still feel excluded from the firm's management.[78] Naomi's study has pointed to illiteracy as a major factor that impeded an egalitarian management of the workplace, as the rather large amount of illiterate workers elected and left management to those few that could read. This lack of literacy was compounded by a lack of organisational education: most workers had never operated under a democratic management, and as such, those who were most likely to be elected to management were those with previous organizing experience, such as those involved in trade unions.[79] These challenges were also identified as a barrier by Hilary Abel in her analysis of US democratic firms, suggesting that, to create a participatory workplace, the 'dominant culture must be consciously counteracted through training and education'.[80] The context behind the firm's creation is also important. Neil Carter, in his analysis of the spillover effect, has suggested three ways in which a democratic firm may be born, with a variety of implications for worker participation: first, they may be 'endowed', that is, a viable conventional firm is converted by management to a democratic one; second, they may be born as a 'defensive' mechanism, where workers take over a business that would close down otherwise; third, they may be an 'alternative' institution, that was created by a committed group of ideological democrats. Endowed firms may not exhibit a significant difference of participation from conventional firms, if its democratization came from above, as workers may not feel interested without active educational efforts. Defensive firms, on the other, may have

[75] Naomi 145-146
[76] ibid 142-143
[77] Greenberg 559
[78] Susan Orr and James Johnson 246-247
[79] Naomi 136-138
[80] Abel 22

initially been born out of desperation, and not a democratic ethos, but the collective necessity to save the firm may impel workers to develop an interest in participation, as theorized. Alternative firms, on the other hand, as explicit ideological projects for WD, will, of course, have an inherent higher participation rate.[81] Size has also been considered a factor. While participation may be high in small firms, mirroring the direct democracies of old, as the firm grows in size, management may be seen as more distant, and workers may tend to abstain, much like electors in representative democracies.[82] Finally, external economic factors have a role. If the firm struggles to survive, participation might hardly be appetising, as workers engage in what Carter refers to as 'self-exploitation' – in addition to the long hours and low pay, they have to, on top of that, worry about managing a failing firm.[83] If the firm does indeed fails, which was the case for the Portuguese firms under study, participation in and belief in democracy altogether may even decrease.[84] We can assume, then, that the opposite is also true – that if participation in the workplace bears fruit, in the form of success in the firm, workers will be more encouraged to participate.

The list of factors provided is not an exhaustive one and serves to illustrate the complexity inherent in participatory theory and democracy in practice. It also clarifies the current empirical findings on the link between WD and participation, which varies from positive, to mixed. Sometimes, a link exists, especially in alternative firms or those otherwise concerned with social causes.[85] For example, in regard to the participatory management hypothesis, in Mondragon, one of the biggest democratic firms in the world, one third of the members of the firm felt that they participated in big management decisions, a vastly superior number to the 7% reported in non-democratic firms;[86] regarding the participatory society hypothesis, Naomi's workers were at the time more likely to engage in national politics,[87] and a study of Venezuela's democratic firms did establish a link between participation in democratic firms and the development of civic values and participation outside the workplace.[88] Other times, on both a management and society level, results have been mixed, as was the case of a study of workers across Europe, which has suggested that employees prefer to take a passive approach to participation, preferring

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[81] Neil Carter, 'Political Participation and the Workplace: The Spillover Thesis Revisited' (2006) Political Studies Association 410, 416-417

[82] ibid 417 and Schweizer 373

[83] Carter 419

[84] Michael Baum, 'Autogestão e cultura política: o impacto da reforma agrária no Alentejo vinte anos depois' (1998) Análise Social 709

[85] Marcelo Vieta and others 276

[86] Carter 417

[87] Naomi 158

[88] Sangdong Tak, 'Cooperative Membership and Community Engagement: Findings From a Latin American Survey' (2017) Sociological Forum 566

to have the mechanisms for democracy at the workplace and the national level as a way to check on organisational power, but without actively participating in management or politics.[89]

Closing this chapter, we are faced with two different problems when seeking to empirically support the arguments for WD. On the negative side, the literature is characterized by its absence. While work satisfaction seems to be correlated with WD, there does not seem to exist as of yet extensive literature on the lack thereof of abuse in the workplace in democratic firms, when compared to non-democratic ones. On the positive side, the current literature is defined by its mixed conclusions, ranging from a definitely positive effect on participation, mirroring Mill's hopes of a 'moral revolution', while on other cases, WD merely represents on a continuation of abstention at a local level. The positive effects of WD seem to be dependent on the firm's context, from the outside forces at play in the creation and well-being of the firm, to, importantly, its internal organisational design. These different internal designs and their implications for the strength of democracy within the workplace will be discussed in the next chapter.

2.7. Conclusion

Chapter 2 has sought to establish a theoretical framework for what Workplace Democracy is, why it is justified, and what are its benefits.

Through an historical-political approach, we have defined a consistent trend at the margins of organizational practices, that of the use of democratic mechanisms, chiefly, elections, to nominate and control the management of a firm. It is that which we denominate and define as Workplace Democracy and will be vital towards the remainder of our analysis. Although the specific broader configurations of the workplace, which range from Proudhon's anarchist industrial democracy to Ferrera's bicameral system, are relevant and their differences may have as a consequence varied levels of democratic function and disfunction, we restrain ourselves for a defence of one specific system. We consider it beyond our current research and have instead sought to identify a minimum requirement, and that, we argue, is that of the submission of managerial power to electoral scrutiny by the firm's employees.

In the realm of arguments, we made three, one moral, and two consequential. Morally, having taken democracy in the state as a given positive, we argued, through the Firm-State Analogy, that the firm is an autocracy that we similarly must wish to democratize, invalidating political democracy as a consistent position otherwise. We prove this position *a contrario*, by invalidating the argument that the autocratic firm is more efficient, as we have found it to be not, the argument that the autocratic firm is justifiable

[89] Bilal Hassan, 'Workplace democracy and democratic legitimacy in Europe' (2024) Economic and Industrial Democracy 389, 407

by property rights, as property rights are not absolute, and do not stand in the face of, for example, worker abuse, and, finally, the argument that the autocratic firm is justifiable by the consent of the governed workers, as we note that there is no meaningful consent under the current business ecosystem. We also note that all these arguments have historically been made to justify political autocracy, and if they did not adequately stand for that, then they cannot stand for workplace autocracy.

We then divided the remaining consequences of WD into a 'negative argument' and a 'positive argument'. The negative argument poses that WD will help ensure workers' 'freedom from' abuse by managerial authority. Using Republicanism as a basis, and their central belief that freedom is non-domination, we discussed the alternative possibilities posed to ensure non-domination in the workplace – the worker's possibility of exit the firm, and workplace constitutionalism, that is, a strong set of workers' rights regulations that do not, however, grant them democratic power. We found both alternatives lacking, on the basis that, respectively, exit rights do not meaningfully challenge problematic practices within firm if they are the industry standard, and that regulation is too inflexible and slow of a tool to meaningfully address all possibilities for worker abuse. The positive argument, on the other hand, encapsulates the various ways in which WD can give workers 'freedom to' self-actualize. Besides poverty alleviation, our primary focus was on the twin-hypotheses the literature poses in regard to the relationship between WD and participation: on the level of the workplace, WD can enable workers to actively participate and engage in the management of their workplace (the 'participatory management hypothesis'), while, at the same time, the enablement of participation in the realm of the workplace can incentivise and educate workers to further participate in other structures of power, chiefly, national democracy (the 'participatory society hypothesis' or the 'spillover effect'). In regard to the empirical backing of both arguments, we noted that WD as a field suffers from a lack of practical research, as the quantity of democratic firms is overwhelmingly rare in comparison to non-democratic firms, thus making practical conclusions difficult to, not only produce at all, but generalize, as the existing firms may suffer from selection bias. As it stands, we observed that the current literature does not research WD insofar as it helps prevent domination, but, by extrapolating an absence of domination from job satisfaction, we did observe an empirical basis to suggest that WD helps build healthier, happier and less abusive workplaces. The positive argument, on the other hand, has attracted relatively extensive attention, but the current literature does not suggest a clear relationship between WD and a more participated management nor society. Factors such as the way the democratic firm came to be, size, and the economic success of the firm seem to determine the degree to which WD produces participatory effects, one not being, then, the automatic consequence of the other.

This chapter has hopefully produced a theoretical framework through which one may understand the rest of our work. This framework poses that workplace democratic is an organisational practice through managerial authority is submitted to the electoral scrutiny of the workers, a practice considered desirable by the observation that, as it stands, a firm's management operates in an undesirable fashion, that of autocracy. More, WD can be beneficial for its negative consequences (i.e. protecting workers from managerial abuse), and for its positive consequences (i.e. promoting workers' participation in the workplace and in society). This framework, based on Berlin's negative and positive freedoms, is useful to structure the current literature. However, it also has practical implications: as we will discuss in the remainder of our work, WD can be implemented in forms that might only produce negative effects, but not positive ones, if designed in specific ways. Furthermore, the present literature has an overall focus on the positive dimension of WD, where a balanced approach can further our understanding of its benefits.

3. The Typology of Workplace Democracy

3.1. Introduction

The previous chapter has sought to establish a theoretical framework of Workplace Democracy and has referred to firms that operate under such an inspiration as 'democratic firms.' The present chapter seeks to clarify how this principle has been applied so far, in the real world, and what to which specific structures do we refer to when discussing democratic firms.

First, we discuss cooperatives and their vital role in the promotion of WD, due to Principle 2 of the movement, that of democratic decision-making amongst members. We highlight worker cooperatives, cooperatives owned and managed by its workers, as the highest form of WD. We distinguish between worker cooperatives and other types of cooperatives, to clarify the insufficiency of the latter in the promotion of WD. We further point out a series of challenges on-the-ground which impede full democratic functioning within worker cooperatives.

Then, we analyse the German system of WD, Co-determination. We divide this system in two main components, worker representation in the Supervisory Board of the company, which can be further divided in three different systems, the *Montan* System, the 1976 System, and the One-Third System, and, at an operational level, Works Councils. We analyse the strengths and weaknesses of these systems.

The final model under study, employee ownership schemes, is also divided into its American and British counterparts, those being ESOPs and EOTs, respectively. We note their governance structures as potential avenue for the democratization of work, but ultimately consider it a residual form of WD.

Finally, we note a consistent pattern within all models discussed, that of its rarity. As such, we propose fours causes that may explain the rarity of WD: economics, education, an aversion to it by the state, and capitalist-managerial hostility.

3.2. Cooperatives and Worker Cooperatives

The Cooperative Movement, as mentioned in Chapter 2, was born in the 19th century, out of the Rochdale Pioneers. In 1860, they codified their organisational practices into what became known as the 'Rochdale Principles', which gained global force in 1895, when English representatives of the Cooperative Movement, along with representatives of a dozen other countries, met in London, founding the International Cooperative Alliance (ICA). In this first congress, the Rochdale Principles were adopted as guiding principles for all cooperatives.[90] They are ordered as such: the first principle is that of

[90] Gillian Lonergan, 'What the Cooperative Movement was Like in 1895' in *ICA: 125 Years, 4 Voices* (ICA, 2020) 3-4

'Voluntary and Open Membership', which establishes that all persons willing to participate in a cooperative are welcome; the second, 'Democratic Member Control', establishes cooperatives as democratic organisations, controlled by their members, who vote on a one member, one vote basis, and actively participate in policy and decision-making, directly or indirectly; the third principle, 'Member Economic Participation', gives all members an equitable and democratic control of the cooperative's capital; the forth one, 'Autonomy and Independence', gives cooperatives an autonomous character, meaning that they if they are to enter agreements with governments or other external sources of capital, they must do so in a way that doesn't compromise the members' democratic control; the fifth, 'Education, Training and Information', compels cooperatives to provide education and training to the people inside the organisation, so that they can better contribute to its development, and to the outside world, to spread awareness about cooperativism; the sixth principle, 'Co-operation among Co-operatives', establishes that cooperatives should work together through local, national, regional, and international structures, to develop a stronger movement and better prop individual cooperatives; and, finally, the seventh principle, 'Concern for Community', gives the organisations a mandate to develop their local communities in a sustainable fashion.[91]

From these principles, a definition emerges, which was delineated by the ICA – to this day, the global face of the Cooperative Movement. It defines a cooperative (also known as a co-operative, or a coop) as 'an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.'[92]

Our study of cooperatives is primarily interested in, of course, Principle 2, which the ICA considers the 'heart and soul' of cooperative governance. Cooperatives, much like polities, can and have adopted a variety of democratic systems, from representative and indirect democratic systems, where representatives are elected every few years, and they are the ones responsible for management; to semi-representative systems where major decisions have to be managed in a deliberative manner alongside the members; to participatory and direct systems, where members actively make day-to-day decisions about the functioning of the cooperative. Usually, deliberative and participatory mechanisms are prioritized.[93]

Additionally, the ICA, in its *Guidance Notes* on its Principles, does not limit its concern to the formal structures of power, but also advocates for an effective democratic culture and institutional

[91] Jean-Louis Bancel and others, 'Guidance Notes to the Co-operative Principles' (ICA 2015) ii

[92] ibid ii

[93] ibid 15

functioning. To that end, it emphasises Principle 5, advocating for the continuous education of members, old and new, on the Cooperative Principles, and proposes the establishment of transparency and accountability mechanisms, internal and external audits on democratic conduct, the possibility of recall and dismissal of elected representatives, the establishment of term limits for managers, Good Governance codes, and independent ombudsmen in larger coops to address members' concerns.[94]

This concern for democracy and other broad ethical principles makes them a valuable tool in the democratization of the workplace, specifically, through one type of cooperative, the Worker Cooperative. As the name suggests, a worker cooperative, also known as a labour-managed firm or a worker-owned enterprise, is a cooperative where the members that constitute it are its employees. Contrasting with mere participation in management, this means that the cooperative is the collective property of its employees, who have an equal share to one another, independently of how much one invests into the cooperative.[95] It is sometimes considered the maximum form of WD, vesting complete power to the workers, giving them the freedom to design their governance structure, their participatory and/or representative mechanisms of the coop, as well as the degree to which they exert ownership over the firm itself.[96] The design of these structures can vary, from more direct forms of democracy, where the workers form a collective that makes decisions together, to more indirect forms, where workers gather in a general assembly that votes on important issues, such as the statutes of the cooperative, or the election of a managing board of directors, which acts as the executive body of the cooperative.[97]

Worker cooperatives are not, however, the only type, nor even necessarily the primary type of cooperatives, as the term can refer to a vast amalgam of different organisations, differentiated by who and what their members and objectives are. Producer cooperatives are one of the most common types of cooperatives. Its members are, of course, producers, which can be individuals and/or legal entities, who poll together resources, materials, and space, to reduce their common business expenses. As such, this shared structure is mostly created to acquire equipment and to process, distribute or sell products. For example, agricultural cooperatives, a very common type of producer cooperatives, are constituted by farmers who may not stay afloat otherwise. They may use the cooperative, for example, to pool money

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[94] ibid 17-26

[95] Marcelo Vieta and others, 'Participation in Worker Cooperatives' in David Horton Smith and Robert A. Stebbins and Jurgen Grotz (eds), *The Palgrave Handbook of Volunteering, Civic Participation, and Nonprofit Associations* (Palgrave Handbooks 2016)

[96] Ferreras 2026 292-293

[97] Mark J. Kaswan, 'Developing democracy: cooperatives and democratic theory' (2014) 6 International Journal of Urban Sustainable Development 190, 195

to buy equipment and fertilizer, as well as give their produce to the cooperative to sell it in their name.[98] Consumer cooperatives, another very common type of cooperative, is constituted by the consumers of the cooperative, and their main objective is to provide goods and services to its members for personal use. Retail is the most common form these cooperatives take, where customers of the shop may choose to become its members, contributing with a fee, and in return, getting a vote in how the shop is run.[99] They may also operate as housing cooperatives, where residents of a residential complex operate and run it collectively.[100] These are broad categories, but different countries may establish in their legislation other types of cooperatives. For example, as we will discuss in Chapter 4, the Italian 'social cooperatives' are entities that, either through the services that they provide, or the type of people they employ, seek to explicitly, through their activity, pursue goals of social harmony and integration.

The types described are but a brief list of associations which, as long as they nominally abide by the ICA Principles, may be denominated a 'cooperative'. This delineation is vital for our study, as cooperativism does not by itself constitute WD, but instead an alternative, broader, business structure. If the members of the cooperative are its workers, then, of course, it can constitute WD, but this need not apply to other types of cooperatives. Producer and consumer cooperatives, for example, if they employ non-members, do not produce meaningfully distinctive workplace environments from traditional businesses. Outside of WD itself, they also tend to have weak democratic cultures, as members often use them merely for commercial gains, without necessarily interacting with other members, or actively participating in the structures of democratic control that do exist.[101] This tension is explicitly recognized by the ICA, who advocate for cooperative businesses to give a voice to employees in their governance, for example, through the election of employee representatives, 'but critically without that voice being able to dominate the democratic rights of other members and stakeholders.'[102]

Furthermore, when studying worker cooperatives, absolute numbers regarding cooperatives may obscure the degree to which worker cooperatives are common in the overall movement, and how many employees are effectively members. According to the 2025 World Cooperative Monitor, which monitors the activity of the global top 300 cooperative enterprises, only 4% of these companies in 2023 were

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[98] 'Producers Cooperative: Definition, Operation and Advantages' (Coopérative de développement régional du Québec 2024) <https://cdrq.coop/en/producers-cooperative-definition-operation-and-advantages/> accessed 12 May 2026

[99] 'Consumer Cooperatives: Definition, Operation and Advantages' (Coopérative de développement régional du Québec 2024) <https://cdrq.coop/en/consumer-cooperatives-definition-operation-and-advantages/> accessed 12 May 2026

[100] Lacol and La Ciutat Invisible, *Habita rem Comunidade : Cooperativas em de Habitação em Cedência de Direito de Uso* (Catarina Machado, Filipe Olival and Inês Passos trs, 1st edn, Bambual 2025) 26-27

[101] Kaswan 2014 195

[102] Bancel 23

worker coops.[103] In terms of cooperative employment, as of a 2017 report, the vast majority comes from self-employed producer-members, mainly Asian agricultural workers, numbering more than 250 million people, or over 90% of total cooperative employment. However, in regard to traditional employment, the report accounts for around 16 million normal employees, and 11 million worker members. In other words, autocratic workplace dynamics are the norm for around 60% of the workers employed in the cooperative sector.[104] The exact number of worker cooperatives operating worldwide is difficult to assess, due to different categorization practices across the world, but in countries where it is clearly categorized, however, worker cooperatives number modest amounts. Italy, the country in Europe with the highest quantity of worker cooperatives, numbers only 23,989, as of 2020, employing 505,917 workers (2.3% of total employment).[105] It is numerically followed by Spain and France, who register, respectively, 17,603 worker cooperatives, employing 305,291 people (1.54% of the overall employed population), as of 2021,[106] and 2,606, employing 58,140 people (an infinitesimally small percentage of the overall workforce), as of 2022.[107] As such, the cooperative movement, marginal as it already is, harbours another margin, that of worker cooperatives, and it within this margin of a margin that true, substantial WD can be achieved.

However, we must also consider practical problems which, while not inherent in the model, may affect the democratic functioning of these cooperatives, one of which is fraud. The International Labour Organisation (ILO) which, has promoted the creation of cooperatives to improve labour conditions through Recommendation No. 193, has argued that there must be a strong promotion of workers' rights within the cooperative itself, not just through its creation in it of itself.[108] In particular, they point to the possibility that, if supervisory and enforcement mechanisms are absent or neglected within national cooperative frameworks, 'pseudo cooperatives', that is, coops that are set up only to 'gain access to the benefits related to the status of cooperatives, such as tax advantages or social security benefits, while avoiding the application of labour legislation', may emerge.[109] This phenomenon has happened, for

[103] Emiliano Campisi and others, 'Exploring the cooperative economy, Special International Year Of Cooperatives, 2025 Report' (World Cooperative Monitor, November 2025) 15

[104] Hyung-sik Eum, 'Cooperatives And Employment, Second Global Report' (CICOPA 2017) 24-25

[105] Lomuscio, Toria and Cori 129

[106] Carmen Marcuello, 'Employee ownership in Spain: worker cooperatives and sociedades laborales' (2023) 6(2) Journal of Participation and Employee Ownership 149

[107] Fathi Fakhfakh and others, 'Employee-owned firms in France' (2023) 6(2) Journal of Participation and Employee Ownership 101

[108] Stirling Smith, 'Promoting cooperatives: an information guide to ILO Recommendation No. 193' (International Labour Office – Geneva: ILO 2014) 15

[109] 'General survey concerning employment instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization' (International Labour Conference 99th Session 2010) 112-113

example, in Italy, where pseudo cooperatives have been established to enable worker exploitation. In sectors such as cleaning or the food industry, cooperatives have been established on behalf of companies who operate under seasonal models, to enable them to underpay its workers, who, as members, can legally vote to be paid exceptionally low wages. There is not, however, a cooperative or democratic culture in these cooperatives, as they employ mainly immigrants with little knowledge of the Italian language and the rights its law affords them.[110] In the same vein, the 2015 *Mafia Capitale* Scandal uncovered a criminal use of social cooperatives, which were used as a cover to obtain public funds, but ended up only providing 10% of such funds towards low-quality social services, diverting the rest towards the Italian Mafia itself.[111]

Non-fraudulent *bona fide* worker cooperatives may also only implement WD partially, if the cooperative employs a significant number of non-members. The Mondragon Cooperative Corporation, based in Spain, is the biggest corporation in the world that holds WD as one of its base principles, employing, as of 2024, around 70.000 people, and generating €11.213 million in sales.[112] Every year, worker-members gather in the General Assembly, being able to vote collectively on important issues, and electing a Governing Council.[113] These democratic provisions, however, are not enjoyed by all workers, a problem that is sharply illustrated by the diverse nature of the Mondragon Cooperative Cooperation, which encompasses both worker cooperatives and normal business structures. The worker cooperatives of the Corporation, its domestic industrial core, are generally inclusive, having as an explicit goal a 90% worker-membership rate – as such, as of 2014, 84.1% of its workers were members. No such objective applies in the normal business structures of the Corporation, which have been estimated to employ 60% of its total workforce. The majority of workers, then, is excluded from democratic power, which makes them uniquely vulnerable to domination by the cooperative, as the 2008 Financial Crisis demonstrated – most layoffs hit non-members, which, in 2007, constituted 70% of the workforce.[114]

Mondragon, in its relations to worker-members, also provides a good example for what one might call a 'democratic corporate deficit', instead of outright capitalist autocracy. While formal structures of democracy may exist, they are often lacking in practice. The General Assembly has been described as

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[110] Michele Bianchi, 'A Critical Analysis of Italian Community Co-operatives: a Qualitative Research through Social Capital Theories for Investigating Territorial Connections and Community Development Processes' (DPhil thesis, Università degli Studi di Urbino Carlo Bo 2020) 29

[111] ibid 28

[112] 'Annual Report 2024' (Mondragon 2024)

[113] Anders Christiansen, 'Evaluating Workplace Democracy in Mondragon' (DPhil thesis, University of Vermont 2014) 33

[114] ibid 38-39

‘almost always [rubber-stamping]’ the proposals made by the Governing Council, which has virtual control over the Assembly’s agenda, in detriment of workers, who cannot propose amendments, or even statements of opposition, organically throughout the course of the Assembly, having to submit them beforehand. This, alongside a complete lack of competitive elections for the governing bodies themselves, makes Mondragon a democracy without an opposition, which can hollow the emancipatory effects that WD has.[115] Namely, it threatens the positive argument for WD, as workers do ‘not normally participate actively in decision-making’.[116]

To conclude, Worker Cooperatives can be nominally considered the highest form of expression for WD, but conditions may limit its *de facto* democratic functioning. As discussed in Chapter 2, factors such as the education of members, origins of the firm, and its size and economic performance may affect the degree of participation necessary for a healthy democratic environment.[117]

3.3. WD and Co-determination

Cooperative firms are not the only possible form of WD. The most famous non-cooperative model is called Co-determination, also known in German as ‘Mitbestimmung’, and refers to a series of laws and policies that give workers a right to determine, alongside shareholders, not only working conditions, but also long-term economic planning and decision-making.[118] In contrast with worker cooperatives, co-determination is defined by the attribution of, at most, an equivalent level of power to employees, instead of abolishing the distinction altogether. Different permutations of Co-Determination exist in the majority of EU countries, but our study will only discuss the German Model, which is considered the gold-standard for worker participation in Europe.[119] it is mainly established through two ways, one mandatory, through worker representation in the Supervisory Board of the company, and one optional, dependant on the workforce’s initiative, through the establishment of Works Councils.

Worker representation, in turn, is established through three different manners, depending on sector and size, but is primarily focused on the participation of workers in the Supervisory Board of the company, which does not directly manage nor coordinate the company - that responsibility belongs to the Management Board.[120] Instead, the Supervisory Board, as the name implies, appoints and removes

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[115] Ibid 33-35
[116] Ibid 39
[117] See n PAGE NUMBER
[118] ‘Co-determination 2018’ (Federal Ministry of Labour and Social Affairs March 2018) 4
[119] ‘Board-level Employee Representation Across the EU’ (Worker-Participation.eu 2026) <https://worker-participation.eu/board-level-employee-representation-across-eu> accessed 25 June 2026
[120] 1965 Stock Corporation Act (*Aktiengesetz*) (FRG) 76

the Management Board, through majority decision, and subsequently supervises its operations,[121] while also having the power to co-decide with the Management Board certain business decisions, and to perform company audits.[122] In the iron, coal and steel sectors, the *Montan-Mitbestimmungsgesetz* system, established by the Co-determination Act in the Coal, Iron & Steel Industry of 1951, any firm with more than a 1,000 employees must have a Supervisory Board composed of an equal numbers of members representing shareholders and employees, in addition to a 'neutral' member, selected by employees and shareholders together. The Management Board, in turn, must include a labour relations director, responsible for human resources policy, collective bargaining, and wages in a company, who must be elected, and can only be removed, with the approval of the majority of the workers' representatives in the Supervisory Board.[123] Within the German system of Co-determination, this model can be considered the one that gives the most power to employees, as it this configuration of the Supervisory Board is the only one that is fully equal, and provides workers full veto rights over who represents them in management in relation to labour issues.[124] In the remaining sectors, the Co-determination Act of 1976 establishes mandatory worker representation for companies employing more than 2,000 people,[125] but this system has been described as one of 'quasi-parity', in contrast with the *Montan* system.[126] This is because, even if half of the board is elected by employees, directly, or indirectly (through delegates, in companies with more than 8,000 employees,)[127] the chairperson, who holds the deciding vote, is invariably elected by its shareholders,[128] and furthermore, the employees lack the veto power regarding the appointment of the labour relations director, as they do in the *Montan* system. In firms who employ between 501 and 2,000 people, the One-Third Participation Act of 2004, as the name suggests, establishes that one third of the Supervisory Board must be composed by employees.[129] Since it doesn't establish parity, it cannot be considered a form of co-determination, but rather simple participation.[130]

The other element of the German system of workplace democracy, the Works Councils, rather than a mere representative power, gives employees a much more direct access to management in their

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[121] ibid 84
[122] Ibid 111
[123] 1951 *Montan-Mitbestimmungsgesetz* (FRG)
[124] Ferreras 89
[125] 1976 Act on the Co-determination of Employees (*Mitbestimmungsgesetz*) (FRG) 1
[126] Ferreras 89
[127] Co-determination Act 1976 (FRG) 9
[128] ibid 27
[129] 2004 Act on One-Third Participation of Employees in the Supervisory Board (*Drittelbeteiligungsgesetz*) (FRG)
[130] Ferreras 90

workplaces. As defined by the Works Constitution Act of 2001, a Works Council has a right to co-determine, alongside the employer, the rules of operation of the workplace, including, for example, workhours, health and safety procedures, and how employees' behaviour or performance may be monitored.[131] Critically, it must be consulted before every dismissal of an employee, it being null and void otherwise.[132] It can also create a finance committee that keep workers informed of the financial affairs of the company, and a conciliation committee, responsible for settling disputes between the council and employers.[133] These councils can operate in individual departments of a company, which in turn constitute a central Works Council, allowing for departmental autonomy and flexibility, depending on each department's needs.[134] Finally, and crucially, they can be constituted in any company with at least five employees, by their own initiative, without requiring the consent of the employer, and are thus directly elected by all employees.[135] As such, Works Council are highly developed tools of workplace democracy.

The negative and positive effects of WD do broadly apply to German Co-determination, but mostly due to Works Councils. The current literature suggests that Work Councils help enforce compliance with minimum wage laws,[136] and their presence in the workplace is correlated with an increased interest from workers in politics, inside and outside the workplace.[137] Broader Co-determination, however, has been suggested to have a limited impact on the harmony between management and labour, as well as in worker participation.[138] This should not be completely surprising, as the Co-determination model under analysis, outside of the *Montan* system, at the Board level, does not provide for effective worker power, but merely representation, as the dominant final power is concentrated in the shareholders. If we were to apply the Firm-State analogy, it is reminiscent of a bicameral parliamentary system, such as the British Parliament, prior to the 20th century, where a democratic lower house must submit its power to a higher house, appointed by an autocratic bloc. On the other hand, works Councils, powerful as they might be, are legally bound in the areas where they may operate. The fundamental pillar of Co-determination, therefore, is that of half-democracy, a compromise between workplace democracy and capitalist

[131] 2001 Works Constitution Act (*Betriebsverfassungsgeset*) (FRG) 87

[132] Ibid 102 and 76

[133] Ibid 106

[134] Ibid 47

[135] Ibid 1, 17 and 7

[136] Laszlo Goerke and Markus Pannenberg, 'Minimum Wage Non-compliance: The Role of Co-determination' [2023] IZA - Institute of Labor Economics

[137] Uwe Jirjahn and Thi Xuan Thu Le, 'Political Spillovers of Workplace Democracy in Germany' [2022] IZA - Institute of Labor Economics

[138] Simon Jäger, Shakked Noy and Benjamin Schoefer, 'What Does Codetermination Do?' [2021] IZA - Institute of Labor Economics 33-36

autocracy, further limited by the size restrictions it imposes for worker participation in the Supervisory Board. Furthermore, much like cooperatives, *de facto* democratic structures may be weakened in practice, especially by employers hostile towards Co-determination, who have employed various tactics to obstruct it, such as laying-off works councils' members, creating non-statutory representational bodies as an alternative to a works council, or systematic employee intimidation.[139] This, however, does not stop the German model from being notable, in part, because of the enshrinement of WD as a right and legal requirement. In contrast to ownership schemes, Co-determination is mandatory in companies who employ enough people, and the establishment of Works Councils, rather than a legal model, to be fulfilled by employers if they so choose, is recognized as a right of employees to invoke when they so desire. The democratization of work in Germany is, therefore, an engrained and historied component of labour law in the country, making it a valuable case-study.

Nevertheless, a limited case-study it remains. It has been estimated that around 30 companies are covered by the *Montan* system, 700 by the 1976 Act, 1,500 by the One-Third Act,[140] and, as of 2023, Works Councils in decline, being present in only 7% of German companies.[141]

3.4. Residual WD and Employment Ownership Schemes

We would be amiss to not also mention an emerging development within corporate governance, which opens the door for an alternative path towards WD. An increasing number of traditional firms, having recognized the potential benefits participation has on productivity, have adopted partial elements of WD, through share ownership. These programmes are called 'employment ownership schemes', which as the name suggests, aim to give a portion of a company's stock to its employees. Within this aim, we will focus on two main types, ESOPs (Employment Stock Ownership Plans), popular in the United States, and EOTs (Employment Ownership Trusts), more common in the United Kingdom.

ESOPs and EOTs are employment benefit plans that invest in the stock of the employer company. Through the set-up of a trust, employees can become, through this trust, indirect owners of the company, with the potential rights such ownership implies.[142] This opens the possibility for a democratic governance of the firm, much like worker cooperatives, but this is dependent on the precise relationship

[139] Markus Hertwig and Oliver Thünken 'Struggles for co-determination: Anti-unionism, obstruction of works councils and employees' counterstrategies in Germany' (2026) 47(1) Economic and Industrial Democracy 30, 40

[140] Ferreras 89-90

[141] Oliver Stettes, 'Verbreitung von Betriebsräten und der Wunsch nach Interessenvertretung: Eine Analyse auf Basis der IW-Beschäftigtenbefragung 2024' (Institut der deutschen Wirtschaft 19 January 2025)

[142] Adriano Adrianto and others, 'Sharing Is Caring: Employee Stock Ownership Plans and Employee Well-Being in U.S. Manufacturing' [2024] IZA - Institute of Labor Economics 6-7

between the workers and the trustees, who administer effective ownership rights, defined by the trust deed. If the trustees are democratically elected by, and even possibly amongst, the workers, then these schemes can be seen as a form of WD, but the law is open to the possibility of trustees to be self-appointed by the trust's board, thus limiting employee influence. For our analysis, ESOPs and EOTs differ in the question of WD in two different ways: the degree of voting rights that workers possess, and the share of employee ownership necessary for the company to be eligible for tax benefits. In regard to voting rights, ESOPs are more demanding: employees have the mandatory right to vote in regard to strategic decisions, such as the sale or merger of the company, and may directly instruct the voting of the shares belonging to the ESOP; EOTs are open to this type of right, but they are not mandatory. In regard to tax benefits, on the other hand, EOTs set a higher standard: the must own more than 50% of the company to be eligible, a policy clearly meant to inspire employee ownership; ESOPs only require 30%, which may constitute a controlling stake, but not necessarily, further depriving workers of control.[143] As these schemes often adhere to the minimal legal requirements, they often fall short of the ideal standard of WD, especially when compared to worker cooperatives.[144] ESOPs and ETOPs thus can be seen as a residual form of WD, where worker-participation may not meaningfully occur, as it is not a legally recognized right and power, as is the case for worker cooperatives and co-determination.

Nevertheless, these schemes are valuable, producing both negative and positive effects of WD, if they do some adhere to it on some level. The current literature suggests that integrating employees in ownership schemes increases firm productivity,[145] job satisfaction,[146] and sense of identification with the company, but these effects are positively correlated with the existence of actual worker participation and involvement with the firm's governance and dampened by its absence. Ownership schemes are more common than co-determined enterprises, but are overall, relatively rare as well: in the USA, there are

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[143] Niels Mygind, 'Three models of employee ownership: worker cooperative, EOT and ESOP – overcoming barriers – important choices – pros and cons' (2023) 6 Journal of Participation and Employee Ownership 264, 272

[144] Tej Gonza, David Ellerman and Kosta Marco Juri, 'Democratic Ownership: Scale Through Leveraged Conversions' in Jerome Nikolai Warren and others (eds), *The Routledge Handbook of Cooperative Economics and Management* (1st edn, Routledege 2024) 255

[145] Derek C. Jones and Takao Kato, 'The Productivity Effects of Employee Stock-Ownership Plans and Bonuses: Evidence from Japanese Panel Data' (1995) 85(3) The American Economic Review 391

[146] Adriano Adrianto and others 34

6,700 ESOPs, covering 14 million participants[147] - less than a tenth of the current American labour force[148] – and EOTs, in the UK, number over 2,000, as of 2025, a rising number over the past decade.[149][150]

3.5. The Rarity of WD

When discussing WD, in all its forms, a pattern emerges – that of its rarity. The forms of WD discussed in this chapter, from worker cooperatives in European countries, to ownership schemes in the US and the UK, to Co-determination in Germany, all constitute a small proportion of the overall economic governance of these countries. Democracy, a core value of all the countries mentioned, does not seem to extent itself to economic governance, which is, in its vast majority, authoritarian. This begs the questions – why is WD so rare?

The field of economics has tried to answer such a question. One common answer provided by 20th century economists was that democratic firms, known in the field as Labour Managed Firms (LMF) were less efficient than autocratic firms, Capital-Managed Firms (KMF),[151] and thus, had a difficult time competing with them in a market economy. The 'Ward–Domar–Vanek (WDV) hypothesis' posited that LMFs would maximize net income per worker, in contrast with KMFs, who maximize firm profits. This would lead to, for example, a disincentive for LMFs to, when faced with profit, hire additional labour, and expand production, preferring instead to distribute it amongst the existing workers. Other economists proposed that LMFs would suffer from a 'horizon problem', where worker-owners would not be incentivised to give up on their wages to invest in the company, thus reducing its efficiency. Thus, LMFs would be structurally inefficient when compared to KMFs, explaining their reduced present in the economy.[152] The hypothesis posited by these economists did not, however, and does not still, survive contact with empirical evidence. LMFs have been shown to be, on average, more productive than KMFs – such is the case, for example, for the current cooperatives present in Italy,[153] and France.[154] In Italy,

[147] Corey Rosen, 'Employee ownership in the USA: lessons to consider in creating more inclusive capitalism' (2023) 6 (3) Journal of Participation and Employee Ownership 215

[148] 'Employment status of the civilian population by sex and age' ((United States Department of Labor, 2026)

[149] Andrew Pendleton and Andrew Robinson, 'Employee ownership trusts: an employee ownership success story?' (2025) 39(2–3) International Review of Applied Economics 241

[150] There are currently no public records of how many people are included in EOTs in the UK. However, the Employee Ownership Association claims that, as of March 2026, there are around 550,00 employee owners in the UK, a figure which includes other forms of ownership, such as worker cooperatives. See 'EO Research & Insights' (Employee Ownership Association) <https://employeeownership.co.uk/Site/Site/content/News-and-Insights/Research/Research.aspx?hkey=1c415376-cfbd-46a6-89c6-6e5904622c7c> accessed 23 May 2026

[151] Dow 65

[152] ibid 67-68

[153] Lomuscio, Tortia and Cori 128, 134-135

[154] Fakhfakh and others 108

LMFs have also been found to be more resilient to economic shocks, having higher survival rates than KMFs.[155] As such, it has been suggested that, more than hardships faced by LMFs during their lifetime, the rarity of WD is explained *a priori*: LMFs have a very low 'birth rare', often explained by the difficulty of workers, those often the most interested in creating democratic workplaces, in obtaining capital to finance such endeavours, due to low-incomes or an aversion towards risk. [156] This problem is compounded by an unwillingness by entrepreneurs and banks to finance such endeavours, as these models either are not understood, or are seen as less profitable ventures for investment returns.[157] As such, to remedy this difficulty, advocates propose the allocation of public funding for WD start-ups,[158] as well as the creation of social or cooperative lending institutions, such as Italy's cooperative banks.[159]

Economic factors, however, are not the only explanation for the rarity of WD, as economics cannot explain why wealthy entrepreneurs, or even workers with enough means, do not establish democratic firms, even there being a clear productivity increase. We propose that a lack of democratic education, which seeks to expand democratic consciousness and culture to the workplace, is a major explanatory factor as well. The role of education has been long considered fundamental for the well-being of liberal democracy, as political equality can only be guaranteed through the creation of a rational citizenry, which possesses enough knowledge and critical thinking to participate in the democratic polity. The focus on the polity, however, is precisely the limitation found in most education systems in liberal democracies, as they tend to emphasize students' knowledge of the current political systems of the state.[160] As such, while democratic values are instilled, the scope of democracy is, simultaneously, diminished. Critics of both liberal democracy and its educational practices, namely, those belonging to the 'critical pedagogy school', inspired by the Frankfurt School and Antonio Gramsci, identify the current democratic framework as too 'thin' to constitute a real, comprehensive democracy, echoing participatory theorists. Therefore, they advocate for a critical education that discusses the insufficiencies of the current democratic framework, thus challenging the political status-quo, instead of reinforcing it.[161] There is not, presently, an education system that actively includes WD as part of its democratizing missions, so we can only speculate on its possible effects, but WD proponents have long recognized a lack of education

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[155] Caselli, Costa and Flavio Delbono 823
[156] Dow 78
[157] Abel 24
[158] Ibid 39
[159] Lomuscio, Tortia and Cori 144
[160] Edda Sant, 'Democratic Education: A Theoretical Review (2006–2017)' (2019) 89(5) Review of Educational Research 655, 664
[161] Ibid 674-677

as a barrier for its promotion, advocating for its promotion in schools and universities, amongst communities and in the media, as part of a conscious effort to counteract a dominant conception of democracy in government as the default, and autocracy in the workplace as the norm.[162] It is thus reasonable to assume that a society where workplace democracy is an enshrined cultural value would practice it as well, and the absence of one in current democratic societies may well explain the absence of the other.

We can also offer a possible historicopolitical explanation, that of political hostility towards the project of workplace democracy. This is a consistent phenomenon in multiple countries, across the political spectrum. For example, in the aftermath of the Portuguese 1974 Revolution, commonly referred to as the Carnation Revolution, which overthrew the conservative *Estado Novo* dictatorship, a number of worker cooperatives were established by agricultural workers, through the occupation and expropriation of lands, mainly in the south of Portugal, previously in possession of landowners favourable to the fallen regime. Overall, in the course of a year, 23% of Portugal's farmable land – over a million hectares – was occupied and managed by such collectives.[163] Land reform was broadly supported by the new political climate, especially amongst the center-left Socialist Party (PS) and the left-wing Communist Party (PCP)[164] – historically, the south of Portugal was divided by a poor and underemployed class of agricultural workers, and a wealthy landowner class, which possessed the vast majority of agricultural land.[165] The cooperatives were a genuine expression of WD, as Bermeo puts it: 'Management was, neither egalitarian nor manipulative, but it was, broadly democratic.'[166] However, they were seen with hostility by the governments in the years after the revolution, a hostility which had its main origin in a false association between the cooperatives and the PCP, accused of having created the cooperatives, with the purpose of using them to prepare the ground for a communist revolution in Portugal. Both national political elites, and the broader international community, including the US, were convinced that the cooperatives constituted an 'occupied territory', a communist 'state within a state' that was armed and ready to fight against the fragile Portuguese liberal democracy in the making.[167] In reality, the cooperatives were created and managed, for the most part, organically, by workers, without partisan interference, and communist support, initially tepid, limited itself to technical, legal and financial

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[162] Abel 22
[163] Bermeo 27
[164] Ibid 192 and 196
[165] Ibid 121-122
[166] Ibid 133
[167] Ibid 205 and 215

support.[168] Nevertheless, this false perception compelled the regime to gradually dismantle the cooperatives, reverting the land back to its original owners.[169] Similarly, in Chile, the land reform initiated by Salvador Allende's government, which led the country from 1970 to 1973, was also characterized by the creation of worker-controlled agricultural collectives, and was similarly opposed by landowners and the right-wing, being one of the reasons behind Pinochet's *coup d'état* in 1973.[170] In more stable democracies, however, anti-leftist sentiments have also motivated hostility to cooperatives. In Italy, Silvio Berlusconi, which governed Italy intermittently for 20 years, throughout the 90's to the 2010's, was also hostile to cooperatives, which led to his governments to, namely, in 2001, abolish the cooperatives' tax exemption on income, and in 2011, to increase cooperatives' taxes on loans, from 12.5% to 20%.[171] This hostility was politically motivated, as Berlusconi consistently criticized the cooperative movement, and explicitly stated, in 2006, that cooperatives 'did not pay taxes', and used their profits to fund left-wing parties.[172] A pattern therefore emerges, that of the association of WD with communism or the broader left, which motivates opposition by the political center and the right.

This association, however, would make one expect that WD would be a common pillar of socialist regimes – Marx himself saw cooperative management as an important, albeit it not the only, tool towards the achievement of communism.[173] This, however, is not the case. Cuba, for example, has only consciously promoted worker cooperatives, through new legislation and state policy, since 2012.[174] As of 2024, the vast majority of the 5,107 cooperatives were agricultural (producer) cooperatives, numbering 4,626, and non-agricultural cooperatives, which are generally worker cooperatives, numbered 481.[175] China's relation with WD is also one of ambivalence. While Mao Zedong saw cooperatives as a valuable tool for the socialisation of the economy, the Great Leap Forward transformed the organisation of the then existing cooperatives into 'People's Communes', collectives managed by the state-bureaucracy, thus hollowing the cooperative principles of autonomy and member-democracy, a system that prevailed until

[168] Ibid 119 and 194
[169] ibid 218
[170] Ibid 232-234
[171] Bianchi 26
[172] Rinaldo Vignati and Duncan McDonnell, 'Chronology of Italian Political Events, 2006' (2006) 22 Italian Politics 2
[173] Bruno Jossa, 'Marx, Marxism and the cooperative movement' (2005) 29(1) Cambridge Journal of Economics 3
[174] Steve Ludlam, 'Cooperativas No Agropecuarias: The Emergence of a New Form of Social Property in Cuba' (2014) 6(2) International Journal of Cuban Studies 137
[175] Camila Piñeiro Harnecker, 'What happened to cooperatives in Cuba? A review after more than a decade of 'updating'' *OnCubaNews* (Havana, 27 August 2025) <https://oncubanews.com/en/opinion/what-happened-to-cooperatives-in-cuba-a-review-after-more-than-a-decade-of-updating/> accessed 30 May 2026

Deng Xiaoping's market reforms in the 1980's.[176] In the 21st century, China has legally formalized producer-agricultural cooperatives in 2007, and only, in 2024, with the introduction of the Revised Chinese Company Law, has the state started to enhance employee participation in the workplace, through employee representation on company boards, and co-determination rights in areas such as remuneration and working hours.[177] What explains this seeming disinterest by so-called 'workers' states' to give control of the workplace to workers? We posit that the explanation may be due to Marxism's position on cooperatives in conjunction with the specific historical circumstances under which the global communist movement was built on. Some readings of Marx, which Bruno Jossa describes as 'nihilistic', emphasized the swift centralization of all production in the state, in the name of the immediate abolition of capitalism after the revolution. This view is in contrast with a 'dialectical' interpretation, that is, that capitalism must be gradually negated, after the revolution is successful, through the temporary retention of some of its elements, such as market competition, but between cooperatives.[178] These conflicting interpretations were, broadly, settled by the 1917 Russian Revolution. While Lenin and the Bolsheviks were broadly supportive of cooperatives and worker control enterprises, they were only so insofar as they operated as an extension of the state's planned economy, and not as autonomous entities from it.[179] As such, the autonomous 'industrial committees', constituted by workers, which had, before and throughout the Revolution, occupied and managed an increasing number of factories across Russia, were increasingly subjugated by the central state and its bureaucracy, and the crisis of the Russian Civil War, which called for urgent war-time coordination, aggravated the prospects of workplace democracy in the USSR, as it became increasingly sidelined in favour of state control.[180] We posit that, as the Soviet Union and Marxism-Leninism became the dominant model and current within the global communist movement, authoritarian state-ownership and management also became the norm for communist parties worldwide. Recalling the Portuguese Revolution, for example, the PCP, in line with the Marxist-Leninist position initially opposed the newly formed cooperatives, as they preferred an orderly Land Reform led by the state, which the party hoped to lead. Only when its influence within the Government and revolutionary forces diminished significantly, and it thus abandoned the hope of controlling the state, more than a year

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[176] Ali Al-Assam and Choo-Chen Sim, 'The cooperative sector in the People's Republic of China: Development, characteristics, and growth' in Jerome Nikolai Warren and others (eds), *Global Cooperative Economics and Movements, A Research Companion* (1st edition, Routledge London 2026) 223-224

[177] Ibid 225-226

[178] Jossa 9-10

[179] Evgeny Preobrazhensky, *The New Economics* (Brian Pearce tr, 2nd edn, Oxford University Press 1965) 223

[180] David Mandel, 'The Factory Committee Movement in the Russian Revolution' in Immanuel Ness and Dario Azzellini (eds) *Ours to Master and to Own: Workers' Councils from the Commune to the Present* (Haymarket Books 2011) 120 and 125

after the Revolution, in 1975, did it give support to the cooperatives.[181] It is also therefore no coincidence that Yugoslavia, the only socialist country which established Workers' Self-Management in the context of a Market Socialist economy as the pilar of its economy, did so in the context of an ideological and political break from Stalin and the Soviet Union.[182]

This governmental disregard, in turn, was compounded by hostility within the firm, that is to say, at the managerial-capitalist level. In Portugal, one of the most influential organisations in the opposition to the local cooperatives was the *Confederação dos Agricultores de Portugal* (Confederation of the Farmer of Portugal), an organisation that represented both landowners who lost land during the occupations, and those who did not. The organisation went as far as directly threatening the government with violence if it did not dismantle the cooperatives.[183] In Italy, one of Berlusconi's most prominent supporters, Bernanrdo Caprotti, billionaire and owner of *Esselunga*, a supermarket company, famously battled against Italian cooperatives in 2007, accusing them of collusion with the left and unfair competition practices.[184] For a systematic example, in Germany, as mentioned, there exists growing evidence that employees have consistently obstructed co-determination within their workplaces.[185] The cultural hostility that governments have displayed has thus often been accompanied by, if not mirrored, by an equivalent distaste within business-owners. A potential explanation has been offered by Stephen A. Marglin, who famously argued that, rather than efficiency, capitalist hierarchy was born out of a desire to make entrepreneurs' role within production 'essential', to facilitate their access to capital accumulation, and to enable control over workers.[186] Forms of WD which imply worker self-ownership of businesses, such as worker cooperatives, or otherwise give them a power equivalent to owners to determine the governance of the firm, such as in co-determination, may thus threaten this status. While the historical basis on which Marglin sustains such arguments has been criticized,[187] the emergence of employee-ownership schemes, as well as the existing evidence, which suggests neutral-to-positive efficiency gains from the implementation of WD within firms suggest that, indeed, efficiency cannot be a logical explanation for its rarity, giving strength to the idea that a desire for power and wealth within a hierarchical system is a contributing factor.

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[181] Bermeo 99
[182] Goran Musić, 'Yugoslavia: Workers' Self-Management as State Paradigm' in Ness and Azzelini (eds) 173
[183] Bermeo 207
[184] Bianchi 26
[185] Markus Hertwig and Oliver Thünken
[186] Stephen A. Marglin, 'What Do Bosses Do?: The Origins and Functions of Hierarchy in Capitalist Production' (1974) 6 Review of Radical Political Economics 60, 62
[187] David S. Landes , 'What Do Bosses Really Do?' (1986) 46(3) The Journal of Economic History 585

Concluding, the rarity of WD can be explained by multiple factors. Economics may explain the difficulties in starting a worker-managed enterprise, due to a lack of initial capital. A lack of education and culture may also be responsible, as most liberal education excludes WD from its conceptions of democratic education. WD has also been opposed by most political currents, either due through an association with communism, in the case of the center and the right, or a preference for state-led control, from socialist regimes. Finally, those at the top of capitalist governance structures may oppose WD out of the belief that it threatens their statute. This combination of factor left WD an orphaned idea.

3.6. Conclusion

The present chapter has hopefully provided an overview of the main ways through which WD is practiced worldwide nowadays. It does not cover every possible permutation WD can exists as, especially those who have not yet been put in practice, such as Ferrera's bicameral model.

First, we have discussed cooperatives, particularly worker cooperatives. The ICA principles, particularly Principle 2, establish a strong framework for the construction of democratic governance structures, which, when applied to enterprises and their workers, can create the ideal form of Workplace Democracy, that of worker cooperative, a structure owned and managed, directly or indirectly, by its workers, who participate in and run for elections for management. We have dedicated considerable attention to distinguish worker cooperatives from other types of cooperatives, as the latter do not constitute in-of-itself, WD, and such a conflation can be damaging to the study of WD. Furthermore, we have identified problems which, while not inherent to worker cooperatives, dampen their functioning in-practice, chiefly, fraud, low worker-membership rates and other institutional and cultural issues, such as uncompetitive elections, diminishing the *de facto* democratic quality of cooperatives.

We have then approached another common form of WD, that of Co-Determination, of which the German Model is the flag-bearer. We have divided our analysis, tackling first employee representation in the Supervisory Board: the *Montan* system, the rarest of the systems, gives employees genuine parity within employers in the Supervisory Board, as well as a veto-power over the responsible for labour relations' appointment within the company; the 1976 system, on the other hand, is one of quasi-parity, as, while the Board is split in an egalitarian way, the appointment of the president is not, thus giving final power over to employers; finally, the One-Third system consists of simple employee participation in a third of the Board. On the other hand, Works Councils, due to their ease of creation on employee demand, as well as the extensive powers they have over, namely, working conditions, employee dismissals, and financial inspections, constitute a powerful tool for workers to shape the workplace in the way they so desire. While we considered all these systems preferable to the common autocratic model of management, we do note that, besides the *Montan* system, it cannot be considered a fully democratic system, to the same extent we can do so for worker cooperatives. This is not only because of *de facto* obstruction by employers, which does harm WD within these firms. Rather, we argue that, as Co-determination is designed in Germany, semi-autocracy is inherent, as ultimate power does not rest within employees, but with employers. Even Works Councils, powerful as they are, have legally defined areas of operation, mostly the rights of workers in the face of management, instead of actual co-management of the enterprise. As such, while Co-determination provides in many ways a viable pathway for the democratization of work, without real parity between employers and employees, it may risk hollowing the negative and positive effects of WD.

Briefly, we discussed employee-ownership schemes as well, particularly, the American ESOP model and the British EOT model, both models where a trust administers a portion of a company's stock on behalf of its workers. This is an emerging phenomenon within corporate governance, and being a corporate initiative as it is, shows, currently, limited potential for the democratization of work. However, one may infer that an employee trust that is democratically controlled by its workers and holds a controlling share of the company can constitute a democratic firm, and policies which incentivize such an arrangement are thus positively seen. As it stands, though, these schemes may simply give workers some stake in the company, without true democratic power over it, in cases where the trust is self-appointed and does not have a controlling share over the company.

To conclude, we noted that every model described is relatively rare and thus try to point towards some possible explanations for the rarity of the application of democracy within the workplace. First, in the realm of economics, we dismissed supposed inefficiencies within LMFs, instead proposing as an inhibitor a lack of start-up capital to create democratic firms in the first place. Second, we posed that liberal education systems have instilled a certain framework of democracy as limited towards relationships between the state and its citizens, thus limiting a workplace-democratic culture within citizens; thus, an alternative critical education system could produce such a consciousness. Third, basing ourselves in a historical analysis of multiple countries, such as Portugal, Italy, and the USSR, we noted a pattern of political hostility from state-government towards WD, either due to an association of WD with communism, in the case of Portugal and Italy, and a preference for centralized state-control of the economy, in the case of the USSR. We also pointed towards a pattern of hostility from capitalist-management towards WD, and suggested that Marglin's argument, that capitalist hierarchic did not form out of a desire for efficiency, but instead importance, wealth, and control, could be another explanatory factor.

We thus conclude that WD is, in the realm of practice, a highly fragmented practice. The ideal posed by past theorists of a democratic business environment has not come to pass, being confined to marginal case-studies and legal rarities. Furthermore, when WD is indeed present in some capacity, it is often limited in design and scope, with more of a participatory role given to employees, rather than true democratic power over management – the case for Co-determination and ownership-schemes. However, when this power does indeed exist in the design of the structure, such as in worker cooperatives, a true democratic environment may not actually materialize – on the ground practice, be it fraudulent or otherwise anti-participatory mechanisms and practices may hinder what should be on paper a democratic workplace. All these considerations must be taken into account when studying theoretically democratic workplaces, as well as in the design of public policy, if our objective it to promote the true enfranchisement of workers within their workplaces.

4. The Cooperatives of Veneto – an Italian case-study

4.1. Introduction

This chapter seeks to contribute to the study of WD through the production of a case-study. The theoretical framework and practical overview previously established have served to provide context for the current chapter. We thus seek to understand if, within existing democratic firms, the positive and negative arguments do apply.

In this case, our study concerns itself with the cooperatives of the Italian region of Veneto. To provide additional context, this time for our specific case-study, we discuss the history of the Cooperative movement in Italy, from the 19th century, to the present. Additionally, we describe the current cooperative ecosystem present in the country, through both a numerical analysis, as well as through the legal framework within which they operate.

The case-study itself is divided between two components: interviews and a survey. On one hand, we interviewed two members of Legacoop Veneto, the local section of one of the most important national organisations of cooperatives in Italy. The interviews focus on their experiences with the cooperative movement, the positives thus derived, as well as the challenges faced by cooperatives in the search for democratic functioning. Finally, in collaboration with Legacoop Veneto, we have performed a 9-person survey of cooperative workers across the region, seeking to test at a higher scale the negative and positive arguments for WD.

4.2. The History of Cooperatives in Italy

Italy makes for a good case-study of WD because of its large and intricate Cooperative sector, one of the largest in Europe. Before discussing the current state of cooperatives in Italy, we will begin with a brief historical account of the birth and development of its cooperative movement.

Much like the Rochdale Movement in England, the Cooperative movement in Italy was born out of the social problems of the Industrial Revolution, and, as such, the first Italian cooperatives were born in its northwest, the first industrial area of the peninsula. The first cooperative in Italian history, thus, was created in 1854 by the *Società degli Operai di Torino,* a worker's society, in Turin, and operated under the Rochdale Principles, as a retail coop. In 1856, the first workers' cooperative was created in the village of Altare, a glass blowers association meant to preserve the local knowledge of glassmaking and provide social benefits to the village. At the same time, in the northeast, catholic cooperative banks were formed during the 1860's and 70's. The 1880's, cooperatives grew in size and quantity all across the country, employing an increasing number of workers, acquiring land, and building infrastructure, particularly in the region of Emilia-Romagna.[188]

The growth of the movement was accompanied by an increase in its politization, from many different influences: conservatives saw cooperatives as a tool for deradicalization of the working class; liberals considered it an important way to unite the country, promoting class-collaboration; socialists saw it, inversely, as a tool for the empowerment of the working class against the bourgeoisie; finally, the Catholic Church supported the movement for a concern for the conditions of the poor, and to combat the influence the socialists increasingly had over the movement. This politization is crucial to understand the organisational development of the movement, as the two major Italian cooperative organisations, the *Centrali Co-operative*, were for most of its history divided based on political allegiance. On the one hand, the *Lega Nazionale delle Cooperative e Mutue* (National League of Cooperatives and Mutuals), commonly known as *Lega Nazionale*, or *Legacoop*, founded in 1886 in Milan, became closely associated with socialist reformists, officially declaring their support for the Socialist Party in 1920. On the other hand, *Confederazione Nazionale delle Co-operative* (National Confederation of Cooperaties), or *Confcooperative*, founded in 1919, was founded and supported by anti-Marxist Catholics.[189]

While the movement grew gradually in importance and political support throughout the Long Nineteenth Century, which culminated in playing a crucial role in mitigating the grave crisis Italy found itself in at the end of the First World War, through employment, price-controls, and infrastructure reconstruction, Mussolini's fascist takeover in 1922 caused a reversal in the fortunes of cooperativism in the country for the following 20 years. While never outright banning cooperatives, the state dissolved the existing *Centrali*, replacing them in 1927 with the *Ente Nazionale per la Cooperazione* (Italian National Institution for the Co-operation), destroying the cooperative principles of democratic management, free membership, and autonomy, as the cooperatives were obligated to follow national directives, thus completely hollowing their social purpose.[190]

The fall of the fascist regime in 1945 saw a veritable Renaissance for cooperatives, as the new political consensus elevated cooperatives to a privileged position in society, enshrining in article 45 of

[188] Bianche 16-17
[189] Ibid 17-18
[190] Ibid 19-20

the Constitution as one of the pillars of the new Italian Republic. The *Centrali* were recreated, and further politized, to the point that the president of *Legacoop* was indicated by the Italian Communist Party, and the vice-president by the Socialist Party, while the same happened with the president of *Confcoop* and the Christian Democracy Party. The increasing association between the communists and *Lega* lead more moderate members to found the third *Centrale*, the AGCI, *Associazione Generale delle Cooperative Italiane* (Italian General Association of Co-operatives). All these bodies would be vital for the revival of the cooperative movement, as they offered, and still offer nowadays, local cooperatives technical, legal and financial support. The number of cooperatives, thus, grew rapidly in the aftermath of the war, reaching over 13,000 in 1951. The following decades saw a gradual decrease in this number, due in part to an increasing political disinterest in the movement, accompanied with the rise of capital-intense hard industry, a sector rarely managed in a cooperative fashion. As such, in 1971, the number of cooperatives had decreased to around 10,000.[191] A period of cooperation between political parties and the *Centrali*, starting in the mid 1970's, saw a period of legislative reform and regrowth, further intensified by the Italian fiscal crisis of the 1980's, which saw the state cut direct welfare, promoting instead cooperatives as self-sufficient social solutions.[192]

The 1990's, characterized by a new party-system, favourable to the neoliberal consensus, along with the rise of Berlusconi, saw a period of political hostility towards cooperatives,[193] but this did not stop its growth across the country, in part, due to a number of important legal reforms, alongside a decoupling of the cooperative movement from specific political parties.[194]

The cooperative movement in the 21st century was damaged by a number of scandals. In addition to the 2015 *Mafia Capitale* Scandal,[195] in 2005, it was uncovered that Unipol, an insurance company founded by *Legacoop* in the 1960's, attempted to illegally purchase the Banca Nazionale del Lavoro (National Bank of Work), in a conspiracy, promoted by left-wing politicians, to create a powerful consortium, controlling cooperatives, the insurance agency, the Left Democrats party, and the aforementioned bank. Combined with Berlusconi's attacks, the image of cooperatives as ethical businesses was tarnished, implanting in the popular consciousness an idea of cooperatives as sources of corruption and politicking.[196] Despite these setbacks, the number of cooperatives has not decreased. The

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[191] Ibid 21-23
[192] Ibid 24-25
[193] See page 42
[194] Bianchi 26-27
[195] See page 33
[196] Bianchi 27-29

2008 Financial Crisis provided another opportunity for cooperatives to show their worth as socio-economic tools – from 2008 to 2013, cooperatives not only saw a 14% productivity, a countertrend to the general Italian economic, they also increased employment by 10%, in comparison with a 5% decrease for traditional firms, as they prioritized keeping workers employed and increasing wages, but reducing general activity. Finally, the movement was strengthened in 2011, when the three *Centrali* founded the *Alleanza della Co-operative Italiane* (Alliance of Italian Co-operative), an organisation meant to bridge the old ideological divides and create a powerful body for their common interests.[197]

4.3. The Current Italian Cooperative Framework

Nowadays, Italy boasts one of the strongest cooperative ecosystems in the world, with an estimated 61,274 active cooperatives, as of 2020, distributed evenly across the different sectors, if with a higher representation in company support services, construction, real estate, healthcare, social assistance, logistics and agriculture. Of these, 42% are classified as 'Production and Worker Cooperatives',[198] and 26.6% are Social Cooperatives. As of 2017, the sector has generated a total turnover of more than 122 billion €, or 4% of the total private Italian turnover, and employed 1.18 million people, or 7% of total private employment. Size-wise, there are only 116 large companies, meaning the sector is overwhelmingly constituted by Small and Mediums Enterprises. Nevertheless, large cooperatives constitute a large percentage of the total sector's turnover (39%), and employment (29%). In regard to age, most cooperatives had life spans of between 5 and 25 years, but, out of the 568 firms that were more than 100 years old, 448 registered a turnover of more than 7 billion €. Finally, the geographic distribution of the sector is strongly influenced by its historical inception: number, employment, turnover, size and age all tend to congregate in the north of the country, especially in the Emilia-Romagna, Lombardy, and Veneto regions.[199]

As we have seen from its history, the size of the sector is explained in no small way by the robust legislation that supports it. Article 45 of the Constitution, the basis for all subsequent legislation, proclaims:

[197] Ibid 30

[198] Not to be confused with producer cooperatives. 'Production and Worker Cooperatives' is the name given by Italian law to cooperatives composed by member-workers, see Decreto del 23/06/2004 - Min. Attività Produttive for the Italian cooperative typology

[199] Andrea Cori and others, 'Mapping Cooperatives in Italy' (2021) 8(3) Entrepreneurship And Sustainability Issues 136

The Republic recognises the social function of co-operation of a mutually supportive, non-speculative nature. The law promotes and encourages cooperation through appropriate means and ensures its character and purposes through appropriate checks.[200]

Articles 2511-2548 of the Civil Code define core rules for cooperatives. Art. 2511 defines them as enterprises 'with variable capital and mutual purpose',[201] and mutuality (i.e. the members being the main focus of the cooperative, through, for example, the selling of goods in the case of consumer cooperatives, or the distribution of wages, in the case of workers' cooperatives) being the defining principle of the cooperative.[202] It is estimated that, as of 2020, 93% of cooperatives are legally classified as 'prevalent mutuality cooperatives', in contrast with 'non-prevalent mutuality cooperatives'.[203] This legal status carries with it a series of legal obligations, in exchange for a privileged tax position. Namely, the Legislative Decree 1577/1947, known as the Basevi Law, later reformed by Law 59/1992 and Legislative Decree 6/2003, established a collective indivisible reserve, towards which mutual coops must contribute to with at least 30% of their revenues, which are partly tax-exempt[204] – an invaluable fallback to guarantee the solvency of the firm.[205] In addition, Law 59/1992 also introduced a number of financial tools that greatly increased cooperatives' access to capital, namely: the creation of 'financing members', who could invest and gain shares and profit from the cooperative, even without being members in the traditional cooperative sense, as long as these profits do not exceed 2% of what a normal member can profit, and as long as they do not constitute more than a third of the total quantity of members; the constitution of mutualistic funds, managed by the *Centrali* and funded with 3% of the annual incomes of the associated cooperatives and the total assets of dissolved cooperative; and 'participative stocks', allowing shareholders to invest in the cooperative without having democratic rights in it, as long as these stocks do not surpass the total value of the cooperative's assets.[206] All these provisions have created a self-funded ecosystem of cooperatives that support each other and, individually, possess strong mechanisms to sustain themselves during crises.

In terms of governance, the members are represented in the Assembly, which has the power to appoint and dismiss Directors and Auditors, to approve the annual budget, to manage profits and loses and to approve the statutes and rules of the cooperative. Members vote on the 'one person, one vote'

[200] Constitution of the Italian Republic 45
[201] Codice Civile 2511
[202] Codice Civile 2511, 2512, 2513
[203] Cori and others 151
[204] Legge 904/1977 12
[205] Codice Civile 2545, 2454 ter
[206] Legge 59/1992 4,5,11

principle, except in cases where the cooperative decides otherwise, giving up to 5 votes to important legal members (ex: another cooperative). The Board of Administration, in turn, is responsible for managing the firm, and must be majority-constituted by members. Also vital, the 'Control Organ', composed by the Auditors, is mandatory for all but small cooperatives, and is responsible for supervising the Board of Administration and the finances of the cooperative.[207]

A famous pillar of the Italian cooperative legal framework is Law 49/1985, commonly known as the Marcora Law, which established a legal framework for worker takeovers of firms that are suffering financial, managerial, or succession crises. It gives workers a right to first refusal (i.e. a priority to acquire the assets of the company) if the company is insolvent, and also grants them special access to legal, financial and administrative support, provided by public institutional investors, helping workers save the firm and turning it into a workers' cooperative.[208] From 1979 to 2014, it has been estimated that this law has helped salvage 257 firms, corresponding to 9,500 jobs.[209]

Finally, it is important, for the purposes of our study, to discuss social cooperatives, born as third sector alternative and the increasingly lacking welfare of the Italian state, aggravated by the 1980's Fiscal Crisis.[210] These cooperatives, according to Law 381/1991, are businesses that 'pursue the general interest of the community for human promotion and social integration'. This type can be further divided into three: type A, cooperatives that manage social, sanitary, and educational services, type B, which aim specifically at employing 'disadvantaged groups' – a legal category which includes people who suffer from physical invalidity, mental or sensorial illnesses, drug or alcohol addictions, 16-18 years old minors, and inmates [211] – and type A and B, if they do both. Membership is in turn divided into four categories: besides the already discussed worker and financing-members, there are also beneficiary-members, people from the disadvantaged groups who benefit from the coop's services, and must represent, at least, 30% of total membership, volunteer-members, who are, as the name suggests, volunteers who support the cooperative for free, and whose membership cannot constitute more than 50%.[212] According to the Italian Register of Cooperative Societies, ran by the Ministry for Business and Made in Italy, there are, as of 2026, 19,831 registered social cooperatives, making them a significative part of the cooperative sector.[213]

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[207] Codice Civile 2538-2544

[208] Legge 49/1985

[209] Marcelo Vieta, Sara Depedri and Antonella Carrano, 'The Italian road to recuperating enterprises and the legge Marcora framework' (Euricse Research Report 2017) 4

[210] Bianchi 32

[211] Decreto Legislativo 276/2003 2

[212] Legge 381/1991 1, 2, 4

[213] 'Albo cooperative' (Ministero delle Imprese e del Made in Italy 2026) <https://portaledati.mimit.gov.it/banca-dati/albo_coop> accessed 12 June 2026

As such, we can conclude by observing that Italy, with its, albeit small, significant quantity of cooperatives that are, at least formally, composed membership-wise by workers - the case, both for Producer and Worker, and for Social Cooperatives – makes the country invaluable for the study of workplace democracy.

4.4. Interviews

In the course of our research, we have contacted Legacoop Veneto, Legacoop's regional section in the Veneto region. According to the section, there are 335 cooperatives associated with Legacoop in the region, of which 25% are Social Cooperatives, and 17% are Producer and Worker Cooperatives. Combined, these 335 coops represent 2,3 million euros, represent 429.000 members, and employ 26.000 people.[214]

This chapter discusses the interviews conducted with Michele Pellegrini and Denis Cagnin, who, respectively, work at and head the Production and Services Sector of Legacoop Veneto. The interviews cover their personal experiences, perspectives on the cooperative movement, and challenges it faces. The interviews can be found, translated from Italian, in Appendices 1 and 2.

Pellegrini's involvement with the cooperative movement started in 2015, when he joined Cadore Cooperative Sociale delle Dolomiti, a social cooperative. It was founded in 2008, with the advent of the Financial Crisis, in his home region, Cadore, in the north of Veneto, which was severely affected by the crisis. The eyewear sector, vital for the region, collapsed, as companies closed or moved to Eastern Europe in search of cheaper costs, leaving behind an aged and hyperspecialized workforce that had difficulties reallocating to other companies. As such the cooperative was created to give employment opportunities to those left behind by the crisis. It was founded in collaboration with 10 municipalities of Cadore, who became members in their capacity as legal people, and provided the first revenues of the enterprise, not in the form of subsidies per se, but by acquiring its services.[215] Nowadays, it has become a sizeable enterprise, having generated, according to its 2024 *Bilancio Sociale* (Social Balance, i.e. its annual report), more than 3€ million in revenue, and operating in a diverse set of areas which seek to serve the local communities of Cadore, including forest management, cleaning and catering. It employs 206 people, whose salaries are the majority of the coops' expenses – 72,78%. It has 92 members, 4 of

[214] 'Chi siamo: Storia e Mission' (Legacoop Veneto 2026) <https://legacoop.veneto.it/storia-e-mission/> accessed 14 June 2026

[215] Interview with Michele Pellegrini, Funzionario Settore Produzione e Servizi, Legacoop Veneto (Venice, Italy, 22 April 2026)

which are volunteers, and 82 workers.[216] This low membership-to-employment ratio, less than 50%, Pellegrini explains, is partly explained by the seasonal nature of the cooperative – forestry is usually done in the summer, and as such, the company employs temporary workers who express low interest in joining the cooperative as members in the long-term.

Nevertheless, Pellegrini explicitly identifies cooperatives as a form of democracy, but one that is faced with the challenge of building a democratic culture from the ground-up. He identifies the business sector as one hostile towards democratic management: 'In Veneto, it's quite difficult to try and convince people to do a cooperative, because a lot of economic assets are controlled by very small, family businesses. So, you can see that, in those businesses, democracy is not exactly an important value.' It was only the 2008 crisis, he posits, and the failure of typical business conventions, that compelled the people of Cadore to try alternative solutions, that of collective cooperative business that focused specifically on fixing the social problems of the region. Hence, he argues that economic necessity, rather than ideological commitment, is the main drive behind the formation and adherence to cooperatives. This sense of economic necessity did not, then, translate to a unified front – Pellegrini reported conflicts in regard to management of the cooperative, primarily stemming from the sectorial divisions within it. However, as he puts it, 'there is no good rate of democracy if there is no fight.' In fact, it is the presence of democratic mechanisms – the General Assembly, the allowance of discussion, the possibility to remove the Board of Administration through elections – that gives Cadore's workers the power to prevent abuse by management and overall foster a healthier working environment. This is cemented by a high rate of participation of members in the affairs of the cooperative, which Pellegrini describes being the case in his experience at Cadore, but recognizes as a broad challenge in the cooperative movement. Finally, Pellegrini describes cooperatives as special opportunity for younger people precisely because of its commitment to democracy, which fosters a more meritocratic culture than traditional businesses. In only 7 years working at Cadore, he was elected Vice-President of the Board of Administration, a 'very short period' in his opinion, after which he joined Legacoop's governance. Furthermore, Legacoop paid for his and many others' studies in the University of Bologna in the *Master Universitario in Economia della Cooperazione*, a Master's Programme specifically dedicated to the study of cooperatives, from an economics, legal, and historical perspective. This is one of the initiatives through which Legacoop and its fund, financed with 3% of every cooperative's revenue, supports the overall movement – that of the education of its members.[217]

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[216] 'Bilancio Sociale' (Cadore Cooperativa Sociale Delle Dolomiti, 2024) 11-12, 15, 22-35
[217] Interview with Michele Pellegrini

Denis Cagnin, on the other hand, began as a volunteer for a social cooperative, which led him to found his own in 2008, Te.So.Ri, focused on job placement for disadvantaged groups. It operates vending machines, an assembly workshop, and two laundromats. According to the cooperative's 2023 *Bilancio Sociale*, it has generated over 1 € million in revenue. Within its infrastructure, it has employed 47 people with various types of certified vulnerabilities and disabilities, as part of its social role. As this employment is meant to develop skills for the broader labour market, most of these people do not become permanent members of the cooperative. As such, membership and employment numbers are reduced in comparison: it has 17 members, 5 of which are workers, 5 are volunteers, and 7 are beneficiaries; overall, it employs 11 people full-time, 6 of which are, therefore, non-members. It is important to note Te.So.Ri's *Bilancio* tracks participation as well. In its General Assembly, dated 28th April 2023, out of the 17 members, only 7 were present, thus producing a participation rate of 41.18%.[218] This low rate, Cagnin proposes, is explained by two factors: first, volunteer-members display a generally low interest in the managing of the cooperative, due to the inherently lower commitment volunteering implies, in comparison with employment or benefitting from the cooperative; second, the General Assembly is regarded by members as having limited importance, since, as a small group of people, discussion of the coop's affairs is a weekly, if not daily occurrence – in other words, formal, measurable, participation is substituted by informal, less tangible, participation. Despite this, Cagnin, in his capacity within the governance of Legacoop, points to the construction of a participatory, democratic, culture within cooperatives as a major challenge for the movement. Education, he posits, is a major factor: social cooperatives, whose members are often more educated, display higher levels of participation within the cooperative, while cleaning cooperatives (i.e. cooperatives whose members perform cleaning services) composed on average by less educated members, participate less in their workplaces. Ultimately, Cagnin describes the cooperative's work environment as 'positive', guided by principles of equality, solidarity, and collective action, and thus organizes weekly meetings with employees and partners to ensure inclusion.[219]

Both interviews corroborate, in part, and further elucidate our prior research, subjective as they may be. Recalling Chapter 2, Pellegrini identifies the democratic mechanisms within Cadore as a healthy form to contest and challenge management decisions, thus corroborating the negative argument for WD, but Cagnin identifies a lack of active participation as a constant challenge for cooperatives, contradicting

[218] 'Bilancio Sociale TE.SO.RI. Società Cooperativa Sociale ONLUS 2023' (TE.SO.RI. Società Cooperativa Sociale ONLUS, 2023) 8, 11, 14, 20, 23
[219] Interview with Denis Cagnin, Responsabile Settore Produzione e Servizi, Legacoop Veneto (Venice, Italy, 27 April 2026)

the positive argument for WD, in line with the inconsistent results prior research has produced.[220] Both highlight the importance of education, from different angles: Pellegrini identifies the important role that Legacoop, in accordance with the movement's commitment to education, discussed in Chapter 3, has given to the education of its members, therefore lifting young people and promoting better managing practices within cooperatives;[221] Cagnin, on the other hand, proposes that a lack of education is detrimental towards participation in democratic workplaces, as discussed in Chapter 2.[222] Finally, the relationship between the nature of the cooperative, its membership rate, and the scale of its democratic nature, discussed in Chapter 3, is apparent here. The social cooperatives under study both had ratios of membership-to-employment bellow 50%, in great part due to the social role of their operations: Cadore has significant seasonal labour that is not interested in long-term membership, and Te.So.Ri focuses on short-term employment placement, although it does bear note that, even within permanent employment, only 5 out 11 employees are members. This is not surprising, as employment-membership is not the main focus of social cooperatives, and this is, in part, parsed from their *Bilancios*, that do no track membership ratios. Te.So.Ri's *Bilancio*, however, is notable for including participation as a metric. We can nevertheless conclude that, while social cooperatives display a clear important role for the betterment of disadvantaged groups, they can be classified, within the framework of WD, as partially democratic.

4.5. Survey

In addition to the interviews conducted, we conducted a survey of workers in Italian Cooperatives. It sought to test the negative and the positive arguments for WD, that is, if, on the one hand, workers within cooperatives could identify a positive work environment, or an otherwise absence of management abuse, and, on the other hand, if their participation within the workplace was correlated with a broader level of belief and participation in national democracy.

First, the survey tracked general data: the participants' age, gender, education level, if they were an Italian citizen, their job within the cooperative, and lastly, the name of the cooperative, which helps us identify its type. Then, it tracked the position of the workers within the cooperative, that is, if they were members of the cooperative, and if they were part of Board of Administration. To test our hypothesises, it asked, on a scale from 1 to 5, one being very low, and 5 being very high, how satisfied the participants were with their work, how actively did they participate in the cooperative's life (e.g. in the General

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[220] See page 23
[221] See page 30
[222] See page 23

Assembly), how peacefully did they characterize the relationship between management and employees, and how much openness was there for management to receive both positive suggestions and negative feedback. To assess ideological and democratic sentiments, we further asked if they joined the cooperative for the job opportunity by itself, or for an interest in specifically belonging to a cooperative, if they believed WD worked in practice, if democracy worked, at both a workplace and national level, at neither, or only at one level, and, finally, if they had voted in the 2026 Italian Constitutional Referendum of 2026, and the 2022 Italian Legislative Elections. By assessing the general work environment, and the relation between management and workers, we hoped to assess the validity of the negative argument for WD, and, by assessing participation within the cooperative, democratic sentiments, and their participation in Italian electoral moments, the validity of the positive argument.

The survey was designed with the advice of and in collaboration with Legacoop Veneto, who distributed it across its regional network of local cooperatives and its workers. Both questions and answers can be found in Appendixes 3 and 4.

The survey gathered a total of 9 answers. The demographic under study tended to be: middle-aged, as, of the inquired, 1 (11.1%) was aged 35 to 44, 5 (55.6%) were aged 45 to 54, and 3 (33.3%) were aged between 55 and 64; gender-balanced, as 5 (55.6%) of the respondents were women, and 4 (44.4%) were men; highly-educated, with 3 (33.3%) having completed secondary education, 5 (55.6%) having completed a Master's Degree or equivalent, and 1 (11.1%) having completed a PhD; and possessing, in their entirety, Italian citizenship.

In regard to their role within the cooperatives themselves, the respondents occupied invariably administrative and management positions, including, for example, 2 legal representatives, 1 project manager, and 1 HR responsible, and 1 administrative employee. Regarding the cooperatives themselves, 4 (44.4%) cooperatives were identified as Production and Worker Cooperatives, 3 (33.3%) as social cooperatives, and the remaining 2 (22.2%) as other types. All 9 respondents were members of the cooperatives in question, and 6 (66.7%) were members of the Board of Administration. When asked about the reason for joining the cooperative, 7 (77.8%) answered that they joined for the job opportunity itself, while only 2 (22.2%) did so out of an interest in cooperativism itself.

Onto the negative hypothesis. When ranking job satisfaction, 6 (66.7%) of respondents answered 4, and 3 (33.3%) answered 5, for a high average job satisfaction of 4.3. Regarding the relationship between management and workers, 2 (22.2%) ranked it 3, tranquillity-wise, 6 (66.7%) ranked it 4, and 1 (11.1%) ranked it 5, for a 3.9 average. When asked about the willingness for management to receive new proposals, 2 (22.2%) people gave it a 1, 1 (11.1%) gave a 3, 4 (44.4%) and 2 (22.2%) a 5, for a 3.4

average. For management's openness to criticisms, 2 (22.2%) said 1, 1 (11.1%) said 2, 1 (11.1%) said 3, 2 (22.2%) said 4, and 3 (33.3%) said 5, for an average of 3.3.

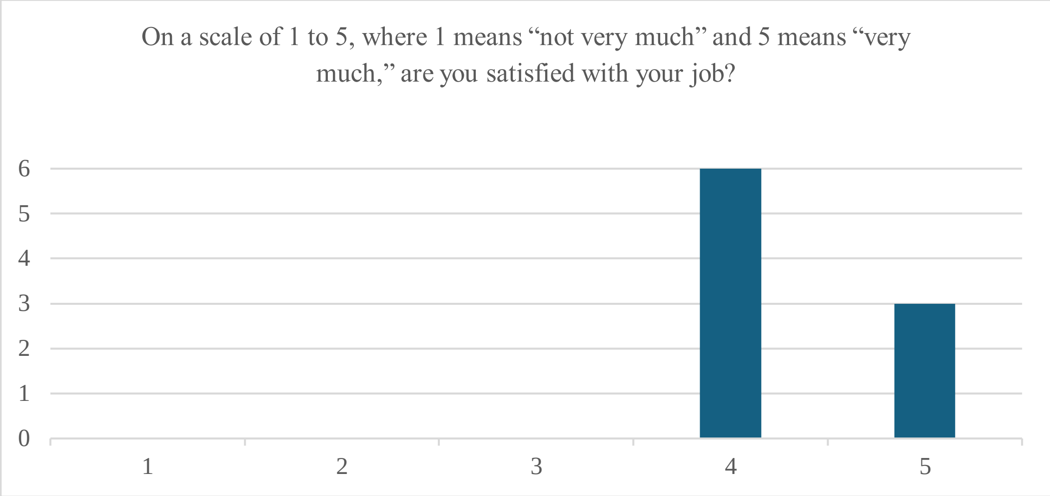

Figure 1 – Respondents' Job Satisfaction

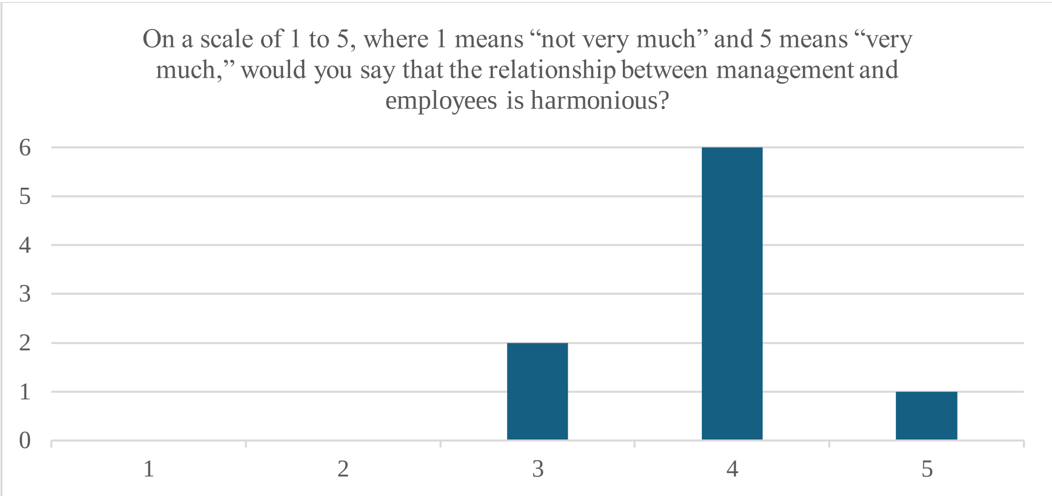

Figure 3 – Respondents' opinion on the harmony between management and employees

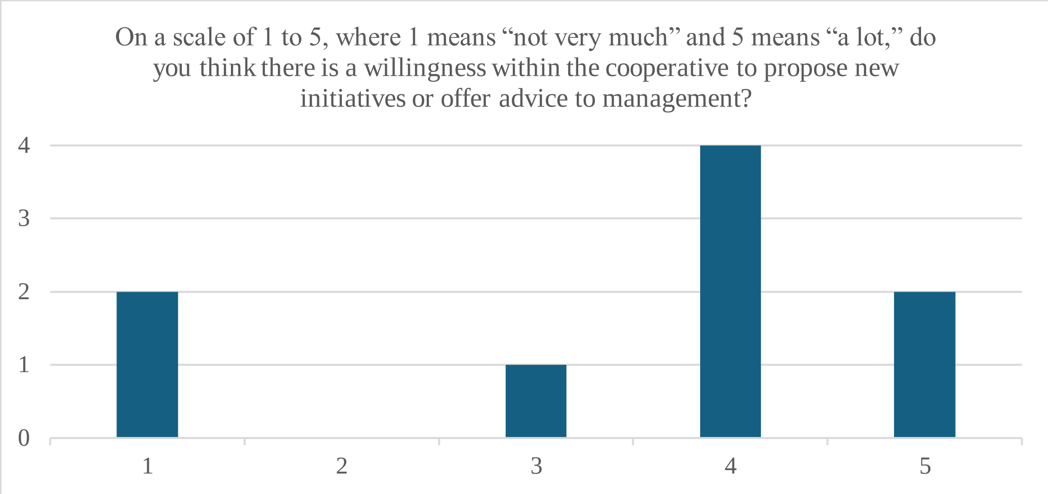

Figure 4 – Respondents’ opinion on management’s openness to new proposals

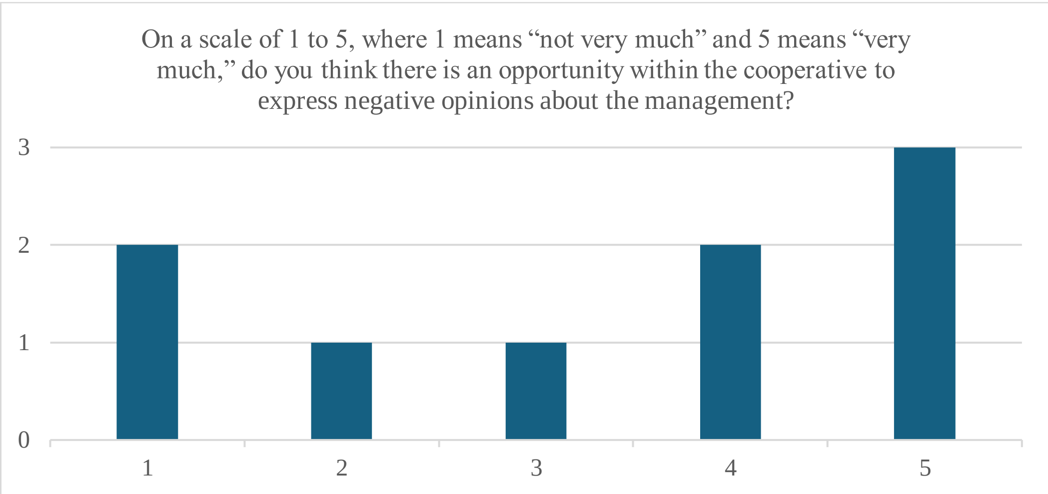

Figure 5 – Respondents’ opinion on management’s openness to criticism

On the positive hypothesis: in terms of participation in the cooperative, 2 (2 of the respondents ranked themselves as a 4 (22.2%), while the remaining 7 (77.8%) ranked as a 5, for a high average of 4.8. Measuring democratic beliefs, 6 (66.7%) of the respondents claimed that the democratic nature of the cooperative was beneficial for its development, 1 (11.1%) claimed that it did not, while 2 (22.2%) believed it made no difference. Regarding belief in democracy altogether, 5 (55.6%) participants claimed that democracy ‘works’, 2 (22.2%) believed that democracy only works at the national level, and the remaining 2 (22.2%) claimed that it only functions within the workplace, but not for the country, while no participant believed that it does not work at any level. When asked for democratic action at the national level, all respondents claimed to have voted in the 2026 constitutional referendum, while, when asked about the 2022 legislative elections, 8 (88.9%) claimed having voted, there being thus only 1(11.1%) abstention.

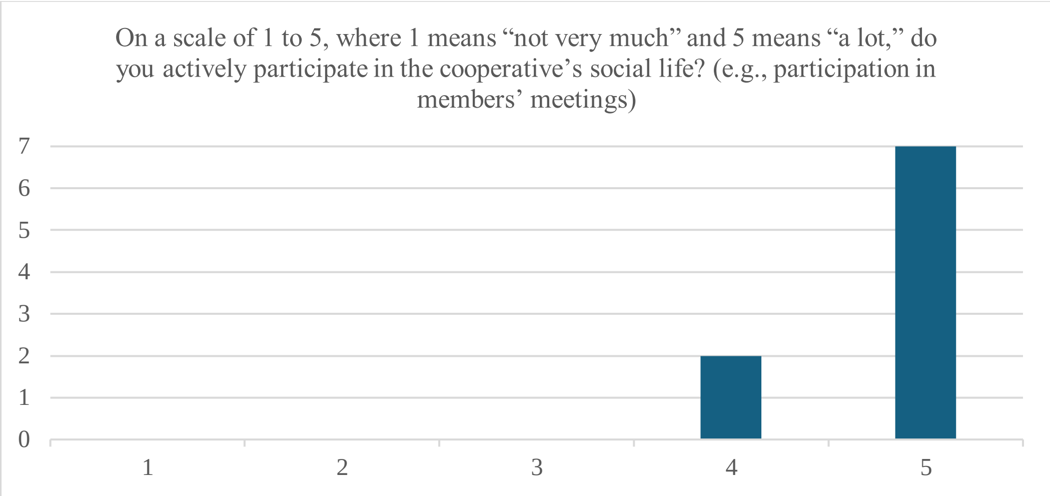

Figure 6 – Respondents' participation within the cooperative

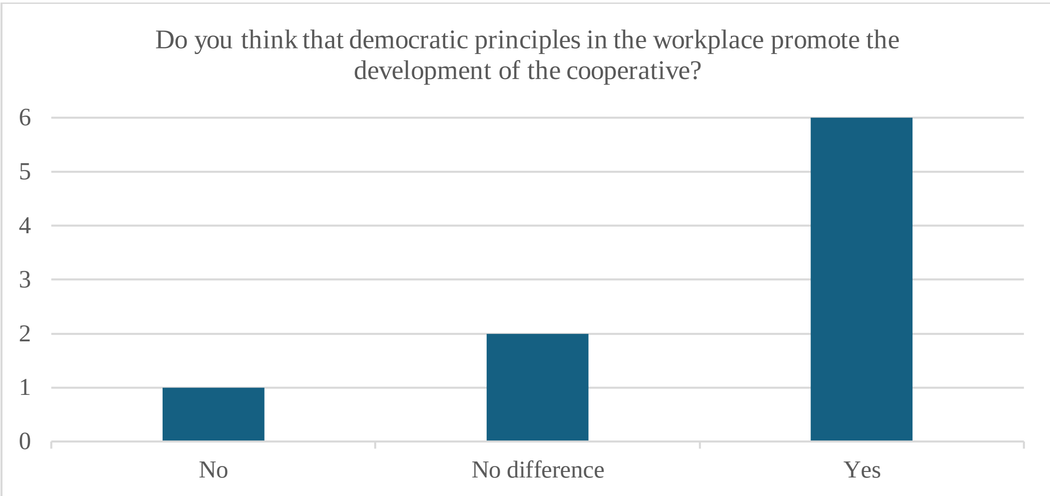

Figure 7 – Respondents' belief in the extent to which democracy benefits their cooperative

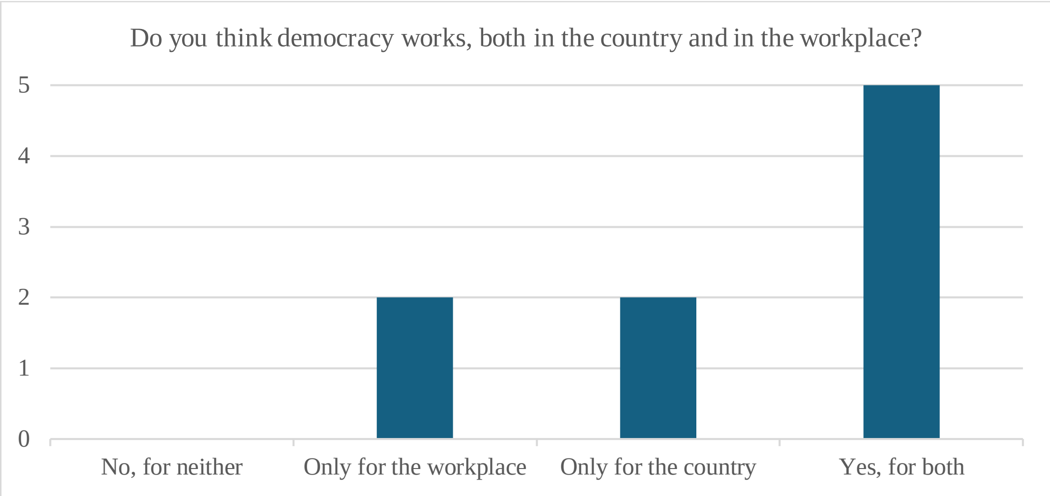

Figure 8 – Respondents' belief in democracy at the workplace and national levels

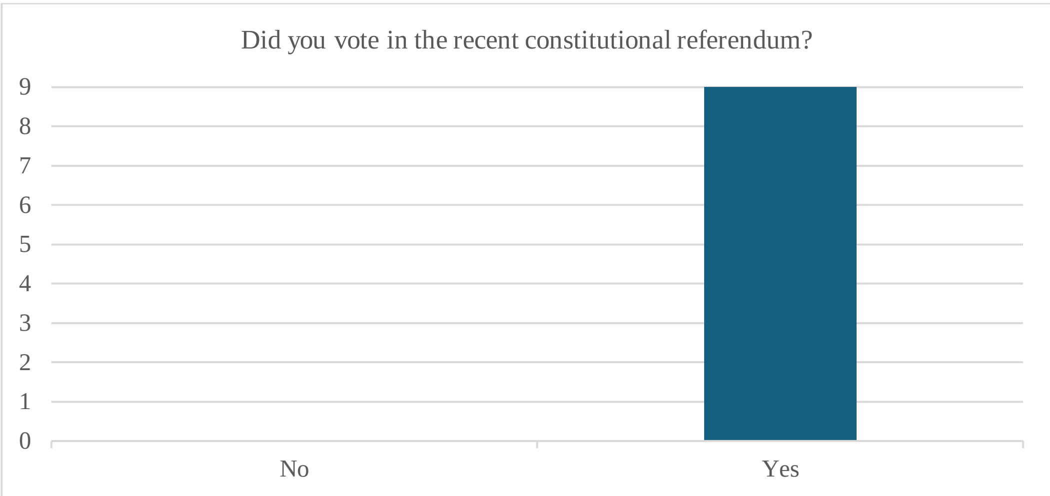

Figure 9 – Respondents' electoral participation in the 2026 constitutional referendum

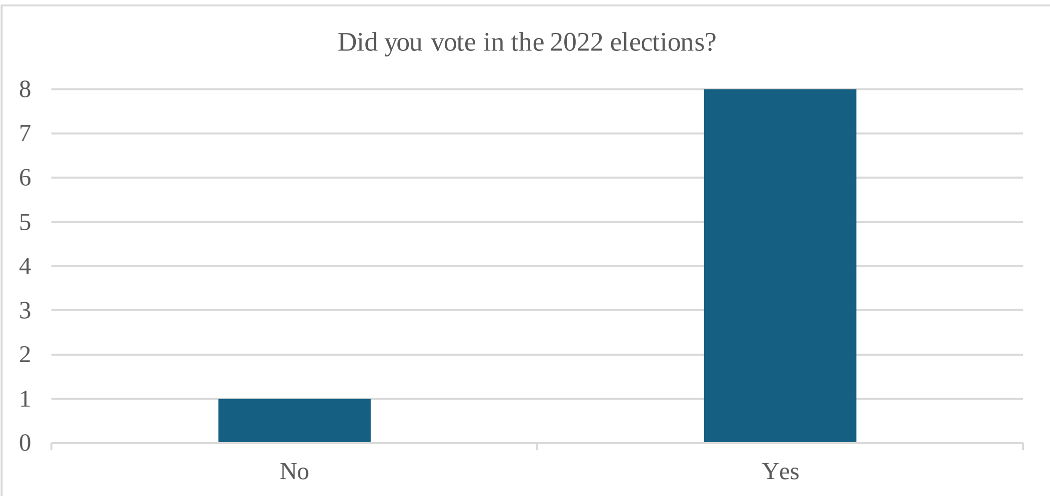

Figure 10 – Respondents' electoral participation in the 2022 legislative elections

Before taking any conclusion, we must acknowledge the blatant limitations of our study. First and most important, the sample size of 9 is insufficient, and does not permit generalizations about the 26.000 people who work in the Legacoop Veneto's network.[223] Second, a significant sampling bias is at play, due to self-selection – those more likely to volunteer to complete a survey about cooperatives and democracy are also those who are more likely to be, as we have seen, members of the cooperative, part of its management, or otherwise display higher rates of interest and participation. This is especially problematic for the evaluating the quality of management within the cooperative, as most respondents were, in essence, self-evaluating. Third, a 1 to 5 scale, while we believe it here useful, has inherent difficulties in measuring abstract concepts, such as 'participation' and 'harmony', and can only thus capture the abstract subjective feelings of the participants. Fourth, we did not perform a comparative analysis with non-cooperative firms and thus are unable to ascertain if the qualities of the workplaces under study are not mirrored in normal non-democratic firms. Thus, a bigger, more diverse sample, including more worker-members, as well as workers who are not members, and comparing such results with non-democratic firms, could make such a study a valuable contribution to WD research. As it stands, the present surveys' conclusions apply only to the participants themselves.

Nevertheless, if we were to take conclusions, the results would indicate that both the negative and positive hypotheses have merit. For the negative participants, the participants indicated high job satisfaction, and a generally harmonious work environment, with at least some willingness for management to listen to both positive and negative feedback from workers. While the predominance of managerial participants puts into question how accurate this description could be, the 3 participants who were not part of the Board all reported a 4 for both job satisfaction and tranquillity between management and workers. Thus, in line with the negative argument for WD, the workplaces in question could be characterized by a general absence of domination. The positive argument is easier to sustain for these participants: a very high rate of participation within the workplace is mirrored by a very high rate of participation in national elections, accompanied by a high level of belief in democracy at any level. For comparison, the 100% and 88.9% electoral turnouts for, respectively, the referendum and the election,

[223] Although unfortunate, this is not a surprising number. Anecdotally, in conversation with the previous chapter's interviewees, they acknowledged that Legacoop Veneto faces difficulties in obtaining answers for their own official surveys.

thus reported by the participants, is vastly superior to the national averages of 58.9%,[224] and 63.9%.[225] The question of causality, however, prevents full vindication of the positive argument. It could very well be that, in the best scenario, the involvement of the respondents within cooperative democracy made them more interested in participating, both in its management, and in national elections as well. Alternatively, the respondents could have already been highly participatory in nature, and it was instead this character that attracted them towards cooperatives. The latter hypothesis is somewhat weakened when considering that the majority of participants answered that they joined the cooperative for the job opportunity, and not an ideological commitment.

As such, we conclude that the survey's results are statistically insufficient for broad conclusions, but, if were to focus solely on the participants, both the negative and positive consequences of WD can tentatively be seen within their attitudes, thus strengthening the arguments for WD.

4.7. Conclusion

The present chapter has further illuminated the practice of WD in practice, in this country, within the Italian cooperative context.

First, we have described the Cooperative movement's history within the country, a history deeply intertwined and dependent on the political circumstances of the time. From their birth as a social solution promoted by various ideologies, to their repression by Mussolini, their enshrinement in the constitution, intense politization by Catholics and Communists, and finally, a decoupling from political parties intensified by Berlusconi's aversion, we must conclude that the Italian Cooperative ecosystem is as robust as it is because of its long history, their strong, if impermanent, support by political parties and organized federations, and their successful interventions in economic crises.

This ecosystem then, is one of the strongest in the world in the field of cooperativism, as discussed in turn. Although relatively small, it is not insignificant, constituting 7% of Italian private turnover and 4% of its employment. This sector is supported by a variety of legal tools, based on its Constitution, including indivisible reserves, financing members, mutualistic funds and participative stocks, which we argue has done a great deal in alleviating one of the causes of WD rarity, that of lack of capital. Furthermore, we have also brought attention to two important idiosyncrasies of Italian cooperativism:

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[224] 'Referendum costituzionale e Suppletive Camera 22-23 marzo 2026' (Eligendo 2026) <https://elezioni.interno.gov.it/risultati/20260322/referendum/scrutini/italia/01> accessed 27 June 2026

[225] 'Camera 25/09/2022 - Area ITALIA (escl. Valle d'Aosta)' (Eligendo 2026) <https://elezionistorico.interno.gov.it/index.php?tpel=C&dtel=25/09/2022&tpa=I&tpe=A&lev0=0&levsut0=0&es0=S&ms=S> accessed 27 June 2026

first, the Marcora Law, which has been an important tool to support the creation of hundreds of worker cooperatives in the context of firm crises; second, social cooperatives, which, albeit not having a specific focus on WD, play an important role in the social sector, and are also partially composed by worker-members.

Onto our case-study production, we interviewed Michele Pellegrini and Denis Cagnin, who work for Legacoop Veneto, whose views on cooperativism are broadly in line with our research. Pellegrini identified seasonal work as a barrier towards permanent membership in the *Cadore* cooperative but, nevertheless, claimed it to be a highly participated one. He also identified the democratic mechanisms of the cooperative as a healthy mechanism to channel internal conflicts, such as disagreements between sectors. He further emphasized the positive role of cooperativism due to its commitment to members' education and higher meritocratic standards when compared to traditional firms. Cagnin, on the other hand, identified low participation as a constant challenge for cooperativism, which he argues is closely correlated with education level. The cooperative discussed, *Te.So.Ri*, is notable for tracking participation rates, although the number provided was low, being below 50%. This value was explained by volunteer-members' lack of interest, and by untrackable informal participation. Both of the cooperatives discussed were social cooperatives and did not have employee-membership as one of its explicit goals, with more than half of its employees not being members. As such, as our previous research indicated, partial employee-membership has produced partially democratic workplaces, which seem to help prevent domination, but do not, by themselves, seem to promote participation, thus corroborating the negative argument to a higher degree than the positive argument, as previous research indicated.

Finally, we conducted and analysed a survey of workers across Legacoop Veneto's network. The sample size of 9, all respondents being employees, and the majority being part of management weakens severely the worth of our research, preventing generalizations. Nevertheless, within the participants themselves, it would seem that both negative and positive arguments apply: participants have a high job satisfaction and reported a generally harmonious and receptive relationship between workers and management; on the other hand, the participants were highly participative, both within their own workplaces, as well as for national elections. For the populace under study then, WD has fulfilled its role – it has produced, or at least sustained, satisfied workers, who can freely interact with management, and this freedom has enabled them to further control their lives, both as employees in the workplace, and as citizens of a polity.

5. Measuring Workplace Democracy – Research Recommendation

5.1. Introduction

Across our study, we have come across a large heterogeneity within WD. As seen in Chapter 3, WD can take many organisational shapes, from minority representation in boards to full worker cooperatives. In addition, as seen in that Chapter and in Chapter 4, the actual democratic functioning of these structures goes beyond their legal form, and depends on a *de facto* democratic practice, which is influenced by a variety of factors, such as education. It would appear, then, that WD is not a binary matter, but one of degree. This is a consideration made for political democracy, and we consider it necessary, for rigorous research to take place, to apply it to WD as well.

The current chapter, then, proposes the structuring of different degrees of WD into a coherent framework, that of a Workplace Democracy Index. This chapter discusses the Economist Democracy Index as a chief example of political democracy indexes, in part due to its preoccupation with substantial democracy. Then it analyses the recently proposed Corporate Democratic Development Index, which seeks to rank all firms within a dual scale of Voice and Ownership. Finally, we present and discuss the strengths and weaknesses of our own Workplace Democracy Index, a tripartite scale, divided between Voice, Ownership and Participation.

5.2. Two Democracy Indexes – The Economist Democracy Index and the Corporate Democratic Development Index

The measurement of political democracy and its categorization into gradient categories, from autocracy to democracy, may be one of the most visible fields of political science, with the upgrade or downgrade, within certain indexes, of countries such as the United States generating headlines in mainstream news.[226] One such prominent index is the Economist Democracy Index (EDI), published on an yearly basis by the Economist Intelligence Unit, and seeks to evaluate the democratic quality of national polities at a global level. It does so by grading polities on a 0 to 10 scale, and distributing them accordingly across 5 categories: full democracies, for countries scoring higher than 8, are categorized by their respect for political and civil liberties, a flourishing democratic culture, a functioning government, an effective system of checks and balances, and an independent media and judiciary; flawed democracies, for scores between 6 and 8, while having free elections and a respect for civil liberties, may suffer from problems such as media freedom infringements, an underdeveloped political culture, or low political participation; hybrid regimes, from 4 to 6, have elections, albethey unfair, opposition and media may be harassed, the judiciary may not independent, corruption may be widespread, and civil society weak; finally, countries who score bellow 4 are considered authoritarian regimes, states with no political pluralism, nor fair elections, and civil liberties are severely restricted. To calculate scores, the index uses 60 indicators, grouped into 5 categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture. Each category has its own 0-10 rating, and the simple average of all categories produces the final index. The indicators are a combination of dichotomous (i.e. yes or no), and three-point questions (i.e. questions which provide a half-term 0.5 score to avoid black-and-white categorization).[227]

One may note that the EDI includes in its measurement, not only formal structures of governance, but political participation and culture. This is a product, in part, of the challenges faced by the field of democratic measurement, chiefly, the neglect of participatory conceptions of democracy, in the name of promoting a nominally liberal version of democracy.[228] The EDI is, then, notable for its preoccupation with the health of civil society and political participation, but nothing indicates that it takes into account the degree of WD as a factor in its measurement.

[226] Brian Stelter, ‘US downgraded in democracy index as press freedom concerns grow’ *CNN* (Atlanta, 18 March 2026) <https://edition.cnn.com/2026/03/18/media/trump-vdem-democracy-media-report> accessed 16 June 2026

[227] Joan Hoey, ‘Democracy Index 2024: What’s wrong with representative democracy?’ (The Economist Intelligence Unit Limited, 2025) 86-88

[228] Brigitte Geissel, Marianne Kneuer and Hans-Joachim Lauth, ‘Measuring the quality of democracy: Introduction’ (2016) 37(5) International Political Science Review 571, 573

An evaluation of the degree of WD in a country is, albeit not as visible, not unprecedented. 'Two Promises to Those Who Work: Voice and Ownership', the 2026 report, produced by the High-Level Expert Committee on Democracy at Work, commissioned by the Vice-Presidency and the Ministry of Labor and Social Economy of Spain, as previously mentioned, proposes the implementation of WD in Spain. To achieve this, the report argues for the use of legal and fiscal reforms, such as the introduction of minimum legal thresholds for worker share-ownership and representation on boards,[229] as well tax incentives to go beyond such minimums. WD, it suggests, can be a solution for a series of problems facing Spanish politics, such as disillusionment with democratic institutions, as well its economy, ranging from a competitiveness lag, AI abuse, and poverty.[230] The report basis its mandate on the Spanish Constitution, which also informs its approach to WD. Section 129.2 of the Constitution states: 'The public authorities shall efficiently promote the various forms of participation in the enterprise and shall encourage cooperative societies by means of appropriate legislation. They shall also establish means to facilitate access by workers to ownership of the means of production.'[231] The Committee thus identifies two separate dimensions through which Spanish WD ought to be constituted: on one hand, through workers' *voice* in the workplace, that is, worker participation in operational decisions through Works Councils and their inclusion in Boards, much like German Co-determination; on the other hand, workers' *ownership* of the workplace, through ESOP-type mechanisms to give workers shares in the companies they work at.[232]

This approach informs the report's most relevant element for our research. It proposes a new reporting tool, the Corporate Democratic Development Index (CDDI), which seeks to monitor companies' progress in the democratization of work. This instrument would seek to cover all Spanish companies, with only SMEs possibly excluded, and the company's placement within this index would be linked to all incentives and support provided by public authorities to said companies, such as public procurement. The CDDI is based on the twin-scales of voice (V), on a 0-5 scale, and ownership (O), on a C-Aaa scale. A representative table, sourced from the report, is thus provided:

Rating (V)	Categories (V)	Rating (O)	Categories (O)
0	A company in which those who work hold 0 of the voting rights to	C	0% of shares held by the workers of the firm

[229] Ferreras and others 31-35
[230] ibid 12
[231] Spanish Constitution 1978, 129.2
[232] Ferreras and others 13

	1 seat on the company board (by which we mean the committee in charge of the strategic decisions or legislative branch)		
1	A company in which workers hold from 2 seats to less than 1/3 of the voting rights on the company board	B	More than 0 to less than 2% of shares held by the workers
2	A company in which workers hold from 1/3 of the voting rights to less than 1/2 on the board (or the works council is equivalent to a college weighing at least 30% of the votes of the company board to less than 1/2) (Codetermination)	Ba	Between 2% and less than 25% of shares are owned and/or administered by the workers
3	A company in which workers hold 1/2 of the voting rights on the company board (or the works council is equivalent to a college holding 50% of the votes on the company board (aka German Montan Codetermination)	A	Between 25% and less than 50% of the shares are owned and/or administered by the workers
4	A company in which the company board operates under a dual majority rule (codecision), where at least one of the majorities is exercised by worker representatives organized as a college of voters or by the works council (aka Ferrante's Economic bicameralism).	Aa	50% of the shares are owned and/or administered by the workers
5	A company in which workers hold all the voting rights on the company board (aka workers' cooperative or a *laborist company/sociedad laboral*)	Aaa	More than 50% of the shares are owned and/or administered by workers, and all the rest is owned and/or administered by other workers or 'steward owners'

Figure 11 - Corporate Democratic Development Index based on the Two Participation Scoring Scales[233]

This system is relatively simple, consisting of the mere combination of the two scores, avoiding calculations. For example, if a company operates under the German Montan Codetermination system, with workers holding ½ of the voting rights, but the company does not grant workers any shares, it would classify as 3C, and rewarded accordingly. This simplicity is reinforced by its reporting mechanism: firm's works councils or unions representatives would annually report each firm's rating to the government.[234]

5.3. A Proposal for a Workplace Democracy Index

We propose the creation of a Workplace Democracy Index (WDI, henceforth) as a tool to standardize research of WD for quantitative and comparative purposes, across different enterprises and different forms of enterprise, as well as, at a macro level, across regions and nations.

The Spanish CDDI offers a valuable and feasible realization for national-level measurements of WD, and, as such, its dual scale serves as an inspiration for our own. However, it suffers greatly from an omission, a component, on the other hand, baked into the design of the EDI, and discussed multiple times across our research – by measuring the different legal categories within which a firm may lie in the realm of participation, as well as its level of worker-ownership, it prioritizes formal WD, while neglecting substantive WD. A worker cooperative that registers low levels of membership and a lack of participation in its democratic mechanisms, for example, in the General Assembly, could be given the highest rate of democracy, and rewarded as such. Any sense of 'political culture' or 'participation', as the EDI puts it, is completely absent from this Index, which may encourage the formation of 'false cooperatives.' This absence may stem precisely from the nation-state level at which this instrument is meant to be used. The presence or absence of a 'democratic culture' cannot be easily measured from a top-down legalistic approach, requiring a case-by-case in-depth analysis. Paradoxically, this may be easier for the global scope of EDI, as it only evaluates 167 countries and territories.[235] To perform an analysis with similar minutia, the Spanish government would need to assess the substantial democratic functioning of the, as of 2023, 3.503.285 companies operating in its territory, which, needs not be said, is not feasible.[236]

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[233] Ibid 316
[234] Ibid 318
[235] Hoey, 17-21
[236] 'Demografía Armonizada de Empresas, Año 2023.' (Instituto Nacional de Estadística, 2025) <https://www.ine.es/dyngs/Prensa/DAE2023.htm> accessed 18 June 2026

There is no perfect index, simultaneously applicable at mass scale and nuanced enough so as to accurately capture the *de facto* democratic functionings of each individual firm. That, however, does mean that we must abstain from measuring effective participation at all, and some of our previous research indicates a way in which we can, by approximation, intuit participation. Denis Cagnin and Cooperativa Te.So.Ri points us towards one solution, that of the measurement of participation in General Assemblies. In addition, an active tracking of membership ratios also helps us understand the internal dynamics of a cooperative. Outside cooperatives, the EDI provides another possible solution by including political participation – which includes, necessarily, abstention or lack thereof – in its ranking. These are all relatively easy to track metrics, which, while not offering explanations by themselves, can indicate that an organisation or polity is suffering from a weak democratic culture, or otherwise a democratic deficit.

As such, the Workplace Democratic Index seeks to supplement the CPPI. Alongside the previously showcased scales of Voice (V), which, for ease of readability can be evaluated in a 0V-5V scale, and Ownership (O), in a 0O-5O one, we include an additional scale, that of Participation (P). This scale would be organized thus:

Rating (P)	Categories (P)
0P	No worker-participation in management
1P	Between 0% and 20% worker-participation in the firm’s existing channels for participation
2P	Between 20% and 40% worker-participation in the firm’s existing channels for participation
3P	Between 40% and 60% worker-participation in the firm’s existing channels for participation
4P	Between 60% and 80% worker-participation in the firm’s existing channels for participation
5P	Over 80% worker-participation in the firm’s existing channels for participation

Figure 12 – Workplace Democracy Index’s Participation Scale

We now must define each element which constitutes our scale. First, a ‘worker’, for the purposes of our scale, is any person, by Ferrante’s conception, that invests ‘labour’ into the firm, independent of formal status. This definition includes workers and volunteers, be they members or non-members of a cooperative, be they permanent or seasonal. ‘Worker-participation’, then, is the metric that measures what percentage of the totality of workers’ of a firm engage in the ‘channels’ of WD that the firm in question possesses. These ‘channels’ can thus vary greatly, encompassing, across any type of firm, the direct election of management, of worker representatives in Boards, Works Councils and ESOP-trusts, presence in General Assemblies, etc. If there are multiple channels of participation (e.g. the election of management and presence in General Assemblies), then a simple mean can be calculated to obtain the average participation in a given period. The categories, divided in 20% blocs, reflect voter turnout worldwide, which, according to the data provided by the International Institute for Democracy and Electoral Assistance (IDEA), has ranged from as low as 11%, to as high as almost 100%.[237]

We identify three major benefits for the study of WD provided by this formulation of a WDI and the inclusion of the Participation scale. First, it allows for the measurement of how well-participated a firm is, regardless of its form. For example, we can ascertain that a worker cooperative, which would score 5V, may have a worse democratic functioning than even a normal Codetermination system, which would only score a 2V, if the cooperative's management is elected by only, for example, 10% of workers, while the worker representatives in the latter are elected with 90%, thus scoring, respectively, 1P and 5P. Second, the scale can serve as an indicator for a variety of participatory challenges, by abstracting them all into simple worker-turnout. A 1V may indicate mere abstention, but it might also be the consequence of a low level of membership in a cooperative, a lack of competitive elections, a fraudulent system, or an otherwise apathetic work environment. Third, a tripartite numerical scale allows for a simultaneously general evaluation of WD in a given territory, but also for the rating of each specific constituent component. If future research would wish to evaluate the democratic functioning of a given country's business sectors, all one would have to do is, having gathered all data and calculated the mean V, O, and P values of all firms, further calculate the simple mean of those three values, thus achieving an overall WDI rate, from 0 to 5. If the scope of the research is solely, for example, participation, then it may gather data on that aspect alone, and rate firms in the 0P-5P scale.

There are, of course, limitations to this approach. The measurement of participation in a percentual generalized manner chooses to ignore the substantial and individual characteristics of each firm under study, trying to homogenise what is an incredibly vast range of behaviours, that of participation, into a single variable, turnout. A percentage cannot tell the full story: a low rate may be a sign of a satisfied workplace that doesn't feel the need to change leadership, or a sign of a high level of informal participation, while a high rate may not necessarily translate into a participatory environment, if management, for example, coerces workers into voting for them. Our research, however, has not produced a more reliable measure that is simultaneously applicable at large-scale and indicative of the presence of a democratic culture within the firm. Furthermore, to not track, and adopt the CPPI model,

[237] 'Voter Turnout Database' (International IDEA 2026) <https://www.idea.int/data-tools/data/question-region?question_id=9188&countries=all&database_theme=293> accessed 19 June 2026

could lead to a hollowing of WD's origins, that of participatory democracy, in the name of mere formal modes of WD. Second, for WDI to be a workable measure, firms must be required to keep track of relevant metrics. We see, for example, in Te.So.Ri's case that this is not impossible, but it is not a widespread measure within even the cooperative sector. While not the current state of affairs, if the Spanish Committee's proposal is implemented, then a future where firms track their levels of V, O, and P may be nearer than one might assume.

5.4. Conclusion

The present chapter has sought to offer a potential tool in the study of WD. Inspired by the EDI's focus on political participation and culture in its assessment of democratic level, and using as a basis the CDDI's dual scale of Voice, which measures formal worker representation, and Ownership, the percentage of shares owned by workers, we proposed a Workplace Democracy Index that also includes the measurement of Participation, through the percentual assessment of worker participation in the various democratic mechanisms that a firm could have. This tool offers the possibility to assess both *de jure* and *de facto* WD, across all models previously studied and beyond, and is able to encompass a large number of democratic deficits a firm may suffer from, while also allowing for general and segmented study. However, it is a homogenizing tool, abstracting the many faces of participation into one, and requires reliable book-keeping by firms to be usable.

6. Conclusion

6.1. Review

To review, our present work was guided by the desire to extend democratic considerations into the workplace, anchored both in theory and practice.

Chapter 2 established a theoretical framework, anchored in past literature. We defined Workplace Democracy as the submission of managerial power to electoral scrutiny by the those who work under its authority. We formulated the moral argument for the implementation of WD through the Firm-State Analogy, arguing that the common workplace operates in an autocratic fashion that cannot, in good consciousness, be supported, lest we abandon the desire for democratization itself. Of greater importance, however, was the consequentialist arguments formulated, based on the negative-positive freedoms binary. We posited that, with the support of, respectively, Republican and Participatory literature, WD can enable freedom of workers from domination by management, and freedom to self-develop as active participants in their workplaces and in democracy in general. We noted, however, that empirical support for the consequentialist arguments is elusive: the negative argument has not been sufficiently researched, but we can infer it to be broadly true based on job satisfaction, while the positive argument, while research, has been inconsistently demonstrated. This dual framework guided the rest of our research, as we considered these consequences too independent from each other to be studied without distinction.

Chapter 3 established the typology of Workplace Democracy, that is, the common existing organisational forms it has taken in the real world. We highlighted Worker Cooperatives, organisations owned by and democratically controlled by workers, as the ideal form of WD. We also paid attention to the German Co-determination system, a system in which a parity or quasi-parity between employers and employees is achieved, through equal or semi-equal representation in Supervisory Boards and through Works Councils, powerful vehicles for worker control of workplace practices. While more democratic than traditional firms, we argued that, without controlling power over the company, Co-determined workplaces cannot be considered a complete democracy. Finally, we discussed employee-ownership schemes, that is, programs that give employees stocks in the companies they work for, which can constitute a form of WD if employees hold collective democratic control over the scheme's trust, and if they hold a controlling share of the company. As this is rarely the case, we denominated it a 'residual' form of WD. We surmised that all of these forms can be limited in its democratic nature by *de facto* operating conditions, such as fraudulent practices, obstruction by employers, and cultural and institutional arrangements that somehow estrange workers from participation in the democratic processes of the workplace. As all of the forms described are relatively rare, we offered four possibilities to explain such rarity: that economic factors, namely, a lack of start-up capital, limit the birth of democratic firms; that education produces a democratic culture solely focused on the relationship between citizens and a polity; that governments across the political spectrum have been consistently hostile towards WD; that employers also display this hostility. As such, this chapter established a different framework from the one in Chapter 2, recognizing the heterogeneity of WD, both in organisational form, and in *de facto* democratic functioning.

Chapter 4, equipped with both frameworks, sough to build a case-study, guided by the desire to know if the negative and positive arguments for WD applied to the Italian Cooperatives of Veneto. First, we provided background to our case-study, establishing the long history of cooperatives in Italy, especially their relationship with political actors, as well as the significant ecosystem that currently exists within the country, supported and strengthened by a legislative array. The case-study itself, divided into interviews with 2 members of Legacoop, and a survey of 9 workers of cooperatives in Veneto, can more accurately be described as a collection of perspectives, rather than a generalizable study. Nevertheless, the conclusions thus derived did not contradict the previous chapters. The interviewees experienced within cooperatives corroborated our research, insofar as the presence of democratic mechanisms did seem to create healthy avenues for employee-management communication, supporting the negative argument, but participation was identified as a challenge to overcome, even within democratic firms, thus supporting previous research about the positive argument. The survey, flawed as it is, on the other hand, did point towards the value of WD for the participants: the subjects were found to be participatory subjects, within and outside the workplace, and were very satisfied with their workplace conditions. For the 9 respondents, the negative and positive arguments did apply.

Finally, Chapter 5, in the face of the previous chapters' findings of high variety of organisational forms, and participatory heterogeneity within such forms, sought to propose a tool to alleviate this problem, ameliorating the research of WD. Inspired by the Economist Democracy Index and, especially, the Corporate Democratic Development Index, we proposed a Workplace Democracy Index, a tripartite 0-5 scale, divided betwen a Voice scale, measuring the nominal form of the workplace, an Ownership scale, measuring the percentage of the workplace owned by workers, and, this being our innovation to the CDDI, a Participation scale, which measures the percentage of worker participation in the exiting democratic channels of a workplace. This last scale, we posited, could enable a measurement of *de facto* presence of democratic institutions and culture within a workplace at a systematic level. For this to happen, however, firms would be required to provide such data.

The conclusions of our research, then, if they were to be further summarised, suggest that the presence of Workplace Democracy, and the benefits it may provide, are not a binary affair. Nominally democratic workplaces may hide democratic deficits, and the field must contend with the conscious promotion of participation, even within structures inspired by Participatory Democracy, for the creation of a truly democratic workplace, and further, a truly participatory democracy. Nevertheless, if such participation is indeed achieved within the workplace, the 'moral revolution' posited by Mills may, indeed, become a reality.

6.2. Limitations and Further Research

There are significant limitations in our work, to be complimented by future additional research.

First, the survey, not being flawed by itself, ought to be expanded, encompassing a bigger, more diverse sample, including more worker-members, as well as workers who are not members of the cooperatives under study. It would also increase in value if further contrasted with a control population of workers in non-democratic firms.

Second, the WDI remains, as of the present moment, untested. We recognize that its value is thus unproved and admit that its application could have been the case-study itself. Unfortunately, it was inspired by and created during the elaboration of Chapter 4's case-study. Future research could demonstrate the value of such a tool, especially in countries with a large number of nominally democratic firms, such as Italy or Spain, evaluating, not only the form that such firms assume, but also the actual level of democratic participation within such enterprises. Nevertheless, we felt it necessary to include it in our work, due to the leading drive of our work, that of structuring the study of Workplace Democracy. In the same way we have sought to establish a framework for what Workplace Democracy is, why it should be, and what its benefits are, and in the same way we have sought to establish a framework to understand in what shapes this ideal has taken in practice, and what the democratic deficits of such shapes are, so too do we feel necessary to provide a structure that can better serve this field of study. Any systematic study, structure, or index of WD, we posit, must consider and value participation within the workplace, and not merely if the workplace claims to be democratic. Otherwise, the project of Workplace Democracy may one day ring hollow, and rather than a pillar of a stronger democracy, become a continuation of abstention by another name.

Legislation

1951 Montan-Mitbestimmungsgesetz (FRG)

1965 Stock Corporation Act (Aktiengesetz) (FRG)

1976 Act on the Co-determination of Employees (Mitbestimmungsgesetz) (FRG)

2001 Works Constitution Act (Betriebsverfassungsgeset) (FRG)

2004 Act on One-Third Participation of Employees in the Supervisory Board (Drittelbeteiligungsgesetz) (FRG)

Codice Civile (ITA)

Constitution of the Italian Republic (ITA)

Decreto Legislativo 276/2003 (ITA)

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Appendixes

Appendix 1 – Interview - Michele Pellegrini and Denis Cagnin

Interviewer (I) – If you could, please tell me how your cooperative started.

Michele Pellegrini (M) – I actually come from a social cooperative that is based in Cadore, the most northern part of Italy, of the Veneto Region. The story of the cooperative is quite recent. The cooperative was born in 2008, after a very strong crisis on the eyewear sector. In fact, in the Cadore area, all the companies were working on the eyewear sector, so creating glasses and sunglasses. All the economy was based on that. After the crisis of 2007, many, many companies closed or went abroad, where the costs of the employees were less than Italy, so, in Eastern Europe. And the social problem was that, in Cadore, there were plenty of people hyperspecialized in that specific work, and with quite an old age, so a category of people that were very difficult to reallocate in new companies. So, the idea of the cooperative was to board on sectors that could give work to this specific category but also sectors that could maintain the territory. It's a mountain area, so with quite a few geographical problems, such as forest management. So, the first sector of the cooperative was this. It started with a collaboration with many municipalities of Cadore – in Cadore there are, I think, 32 municipalities, and 10 of them became members of the cooperatives, together with the workers. So, really, it was a community project. The first revenues came from public funds, but not contributions. The public municipalities bought services from the cooperative, such as cutting the grass, or wood, very simple things.

I – So it wasn't a subsidy?

M – No, it wasn't a subsidy. This is important, because in Italy it's quite normal that cooperatives are companies, so they live thanks to the revenue they get from what they sell; but in other parts of Europe, it's not so clear, because many social experiences are based on contributions, not on buying specific things. Cooperative Cadore is a social cooperative, that means, for the Italian law, that 30% of the employees are disadvantaged categories – disabled people, alcoholics, drug addicts… – because the idea is to also include in the labour market these categories. This is why this experience is not solely a workers' cooperative, but a social-work cooperatives. In later years, it has developed into other sectors. Now it's quite a big company in the area, more or less 250 people work for the cooperative, and they have a revenue of around 3.5-4 million euros per year. So, it's quite an important competitive cooperative in the area. I specifically work in the cooperative to develop European projects.

I – Like, transnational projects?

M – Yes, transnational projects with partnerships abroad, specifically in Austria because they are very near. One of the things that make this a social cooperative is that it has a case manager. He's a professional figure that is in the organization that helps that 30% of disadvantaged people to enter in the cooperative and to work so that the project of inclusion goes along well in the medium-long term. Quite clear?

I – Yes, thank you. You said it's a social cooperative, so it includes workers that have some special needs of some kind. I was curious about how participation works in this case. Are they part of the actual development of the cooperative, or are they merely workers as in a normal enterprise?

M – It depends. I call them disadvantaged because the Italian law calls this specific category "disadvantaged". They're treated the same way as a normal worker. So there also workers that are not members of the cooperative, because it's a voluntary decision – who works for a cooperative can decide if they become a member, that means that you are an owner of the company for your specific quota.

I – Do you have a percentage of how many workers are members of the cooperative?

M – I would say around 50%, but this number is quite low, because working on the environmental area in this mountain area means you have a lot of workers during the summer period, because you cannot work in the woods during the winter, because it's cold. So, usually, these workers usually don't become a member, because they become workers for only a short period of time.

I – So, seasonal workers?

M – Yes.

I – So, they work for mostly three months?

M – Yes, part of them work in other companies during the winter. Anyway, the disadvantaged category is treated the same way as any other worker, they can become a member, which means that, in the General Assembly, he can vote. Every worker can have only one vote, even if they invested more in the company. One head, one vote – "una testa, un voto", is how we say it in Italy.

I – I'm curious, how participated would you say are the General Assemblies?

M – You want to know how many workers go to the Assembly?

I – Yes, do most people participate, or do they just say "ehhh".

M – I would have to check that, but all social cooperatives in Italy, every year, have to produce a document that's called "Bilancio sociale", that you can find on the website of all the social cooperatives. In that document, you can see all those statistics.

I – It tells you how many people participate?

M – Yeah, yeah, how many people participate, how many members, etc.

[Michele shows Cadore's Bilancio]

M – You can see here where Cadore is, the very northern part of Italy. Ah, it's actually 31 municipalities.

I – I'll correct it.

M – You can see here quite an interesting information, because you can see here, 78% of the costs are salaries, because that is the aim of the cooperative. Then, there is the Assembly, but there's also a Board – "Consiglio di Amministrazione" – composed by 5 components.

I – Are they elected at the Assembly?

M – Yes, every few years. The Board has a President.

I – Is the President elected within the Board?

M – Yes, usually yes. It depends on the rules of the statutes, that define all the rules of the cooperatives. So there are some cooperatives where the President is elected by the Board, and there are some where the Assembly directly elects the President.

I – Interesting.

M – Sometimes, the Board is elected within all members of the Assembly – anybody can vote for anybody – and sometimes there are lists. So, a list is presented with 5 components, another with other 5 components.

I – And the first component would be the President of the Board?

Denis Cagnin (D) – [It depends; it varies a lot. Also, lists are more common in big firms.]

I – Do we have numbers in relation to the different modalities that cooperatives choose to adopt?

D – [No, not really. We have the statutes of all cooperatives, but we haven't transformed all of that information into data.]

I – That would have been an interesting study to do as well.

D – [That would be too big a study.]

I – Even if only in the Veneto region?

D – [Veneto is still too big. There are 150 cooperative companies in Veneto, worker cooperatives are just a part.]

M – Yes, there's around 20 that are worker cooperatives, there are a lot of types of cooperatives.

I – Of course, thank you. Was there ever a sense, during the construction of the cooperative – because you said [before the interview] that you had to build a cooperative culture – that the cooperative was a form of democracy. Was it framed in those terms, or mostly in economic terms?

M – No, there was also a democratic idea. In Veneto, it's quite difficult to try and convince people to do a cooperative, because a lot of economic assets are controlled by very small, family businesses. So, you can see that, in those businesses, democracy is not exactly an important value.

I – It's also one of the most conservative regions, right?

M – Yeah, but in the Cadore case it worked, because it was a very difficult context, and people realized that the only way to overcome it was to stand together. Because it was impossible to created a company that could give us some answers to those social problems on our own, so we see that cooperatives work quite well when we have very complex problems. So, we have a very high conviction that democracy and cooperation were the only way to build something important.

I – So, you would say it's easier to create a cooperative when there's an economic crisis going on?

M – Yes, I would say it's easier. You realize that if you stand together, you can achieve something you could never achieve individually. We have some cooperatives, not worker cooperatives, but consumer cooperatives, like social markets, where the members are not who works in the supermarket, but who buys there, that are born now in the mountain villages, where there are no services left; there's a very high rate of the population there.

I – Most of the village is a member?

M – Yes.

I – Do you have an example?

M – Yes, we have one that's called Cooperativa De Zopè, that operates in the second smallest municipality of the Veneto region, that's made of 170 people, so really, really small. They have the problem where all the commercial activity was closed – they didn't have a bar, a shop. And the nearest shop was quite far away. So they stood together and created a cooperative in 2022, and they have a small shop now, but it works. Also, in the mountain area, there's a problem of mobility, so you don't have good public transport, so it's important to keep services in this type of contexts.

I – It makes sense. I'm interested in the psychological effects of cooperatives. Being in a normal business environment can be quite depressing, because of that lack of control of the workplace. Would you say that people in the cooperative developed some sense of optimism? In political science, we would call it political effectiveness, the idea that we can influence our community.

M – Yes, it depends from cooperative to cooperative, and person to person.

I – But in your, subjective, experience?

M – Yes. I think the cooperative model is also very interesting for young people, because it's a quick way to get a good job, because of meritocracy. My personal example is that I entered in Cooperativa Cadore in 2015, I worked for a period as a normal worker, I liked the model, I ran for the Board, I became a member of the Board, and then Vice-President, in a very short period. In a normal company, it's very hard to get to the top, or if you do, you do in 20-30 years, and probably not because you are a good worker. So, I really appreciate this model, it was for me a way to develop my professional life.

I – Did your experience as Vice-President to come here [at Legacoop] later?

M – It didn't inspire me; it inspired the Director of Legacoop. I started to collaborate with Legacoop when I was at the cooperative. I was part of the governance of Legacoop, because it's made up of cooperators. We work here now, and there's also a General Assembly, a Board and a President, that's composed by the cooperatives of Veneto. The owners of Legacoop are the cooperatives, they decide how we should act strategically. So yes, in a way the association with cooperative inspired my association with Legacoop. Also, every year we have some funds to make cooperators participate in a Masters in Bologna, the MUEC Economia della cooperazione, so, specifically focused on the cooperative model. You study history, the law part, the economical part. I did that Masters, Denis as well, when we were in the cooperative.

I – So Legacoop funded your studies?

M – Yes, so that the cooperator can participate in this experience. The idea is to elevate the level of management of worker cooperatives, which is sometimes quite low. It's done with the fund of Legacoop, Coopfund, that's financed with the 3% of the revenue of all cooperatives.

I – So, it's focused on the members of the Boards of cooperatives?

M – Yes, or upcoming ones, it happened with me.

I – Would you say the culture of your workplace was – well, cooperative? Did people fight a lot?

M – I would say that there is no good rate of democracy if there is no fight. Because, obviously, it's part of it. In my case, it was quite a complex contest, because we had different sectors, with different workers from those sectors. So, most of the fighting happened because there the worker had a different perspective on the cooperative – someone from the tourism sector, someone from the environmental sector, cleaning… - so, everyone tried to impose their own perspective. But, if the discussion, if well-managed, is part of the democratic process.

I – Did the relationship with the administration also have conflicts? Did people contest the administration's decisions openly?

M – Yes, sometimes, it happened, it's happening, and it happen, because it's part of the game? But one thing that the Board can say is "I'm here because you elected me, and if you want, in 3 years, or next time, you're free to candidate yourself, and be part of the Board." So, there are obviously some things that don't work, but everybody knows the rules of the game.

I – Of course.

M – Another problem, another subtype, is that the members are quite passive. They're not interested in being part of the discussion, being part of the cooperative, and they feel only as workers, and not as members of the cooperative.

D – [This problem depends a lot on the time of cooperative and its members. It's rarer in social cooperatives where the worker-members are very educated, that have a more structured and appropriate culture. But for example, in cleaning cooperatives, the workers are, on average, less educated and have a lower cultural level, so the participatory dynamics are a lot more different, the democracy is not that high – but there's also less conflicts.]

I – Very interesting. In the cooperatives you have worked in, was participation also a problem?

M – No, in mine it was quite high.

I – In yours, was there ever a sense of exclusion from the seasonal workers? Or were they not interested in the democratic process?

M – In this business model, this is quite difficult, because of the seasonal basis. The idea is to try to give work to those who don't have job opportunities, even during the winter period, we try to reallocate them into other jobs in other sectors. So, since they only worked with us for 3 months, and they had other projects going on, they didn't care that much. Also, this is why the model is based on many sectors. Before, Cadore depended only on one sector, so the risk was really high. Our model is to have a lot of sectors, so if one isn't going well, the others can make up for it. For example, during COVID, all tourism was closed, but the cleaning and sanitizing sector went really well.

I – That's good. Speaking of political efficacy, would you say that there are particular political beliefs within the cooperative? I know Legacoop was historically socialist, Confcoop was historically

Christian, Berlusconi was historically not a fan, so I was curious if, in your experience, the cooperative had a political tendency?

M – This is a personal answer. The ideological association for me now is really low, in fact, the aim of the association is to give support to the cooperative enterprise. We give them technical support now. Once, it was very different, and cooperatives decided to be associated for ideological reasons. Now, they decide to go to the association that gives them better support. That is why we work here. The idea of the Director is to have people who work in the association that comes with cooperative experience, because they know how to work in a cooperative. That's the skill now that is required. Because, now, cooperatives look more for technical support, nor ideological.

D – [When a cooperative, they're born almost by causality.]

I – [By necessity?]

D – [Yes, necessity. You find a group of friends and do it.]

I – Thank you, this was very valuable. As a last question, do you think these cooperatives sustain democratic beliefs? Nowadays, there's a lot of antisystem beliefs and antidemocratic sentiments. Sometimes theorists talk about the idea that small associations like these enhance peoples' beliefs in democracy. Would you say this is your experience, or it's more of a practical thing?

M – Ok, this is not an easy question.

D – [The second.]

M – I agree with Denis. You don't get together because you love democracy and have an entrepreneurial project with democracy. The first thing while you decide when creating a cooperative is addressing a specific need, like the case of Cadore or Zopè. The group didn't think about the cooperative first, they had a need, and then they found out after that the cooperative could be the right model to realize their objective. But they don't say "I want to create a cooperative, let's see what we can do." The cooperative is a good instrument.

I – Part of the question is, if after the creation, people believe more in the idea of democracy.

M – More or less. It's very different from experience from experience. We have cooperatives that were born and then closed after a few years, and if you talk to them about democratic values in economics, they'll probably say "never again". But we also have people that would probably have never believed in these values that are now really big fans of cooperatives and the democratic process.

Appendix 2 – Interview Denis Cagnin

Interviewer (I) - How did your involvement in the cooperative movement begin? How was the cooperative you joined established?

Denis Cagnin (D) - My involvement in the cooperative movement began in 1998 as a volunteer for a social cooperative. Later, in 2008, that experience led me to found a Type “B” social cooperative (focused on job placement) called Te.So.Ri.

I - What kind of cooperative is it, what are its activities, and how many people (members and non-members) are part of it?

D - It is a Type “B” social cooperative that operates vending machines, an assembly workshop, and two laundromats. It employs approximately 50 young people with various types of certified vulnerabilities and disabilities. There are 17 members, and the total number of employees is 11.

I - Is there significant participation in the management of the cooperative?

D - Participation is measured and reported in the social report, but the percentage is relatively low due to two factors: low attendance by volunteer members at the official general meeting, and the perception among ordinary members that the official general meeting is of limited importance, since opportunities for sharing and discussion within a very small membership base occur practically every week, if not daily at certain times.

I - Was democracy a key consideration in its founding? And does the cooperative now instil confidence in democracy among its members?

D - The cooperative model was chosen when the cooperative was founded because it specifically called for shared participation and collective action. It was therefore carefully planned and considered over the course of more than a year.

I - What is the work environment like? Are there any conflicts? Is there freedom to criticize management?

D - The work environment is positive, and we hold weekly meetings to address criticisms, involving both partners and employees to gain the broadest possible perspective.

I - Is the cooperative politically biased?

D - The cooperative is not politically biased but is guided by shared principles of equality and solidarity.

Appendix 3 - Survey questions and answers

Acconsente al trattamento dei dati personali a fini di ricerca?	Età	Genere	Livello di istruzione	È cittadino italiano?	Ruolo lavorativo
Sì	45 al 54	Femminile	Istruzione superiore (Laurea magistrale o a ciclo unico)	Sì	RESPONSABILE HR
Sì	55 al 64	Femminile	Istruzione secondaria	Sì	Resp. Tecnico commerciale
Sì	55 al 64	Maschile	Istruzione superiore (Laurea magistrale o a ciclo unico)	Sì	dirigente
Sì	45 al 54	Maschile	Istruzione secondaria	Sì	responsabile finanziario
Sì	45 al 54	Femminile	Istruzione superiore (Laurea magistrale o a ciclo unico)	Sì	Legale rappresentante
Sì	45 al 54	Femminile	Istruzione superiore (Laurea magistrale o a ciclo unico)	Sì	Legale rappresentante
Sì	55 al 64	Femminile	Istruzione secondaria	Sì	impiegata amministrativa
Sì	45 al 54	Maschile	Istruzione superiore (Dottorato)	Sì	Direttore
Sì	35 al 44	Maschile	Istruzione superiore (Laurea magistrale o a ciclo unico)	Sì	Project manager

Nome della cooperativa presso cui lavora	È socio/membro della cooperativa?	È membro del Consiglio di Amministrazione?	Su una scala da 1 a 5, dove 1 significa «poco» e 5 «molto», è soddisfatto del suo lavoro?	Su una scala da 1 a 5, dove 1 significa «poco» e 5 «molto», partecipa attivamente alla vita sociale della cooperativa? (es. partecipazione Assemblee sociali)	Perché hai deciso di entrare a far parte della cooperativa?
IDEALSERVICE SOC.COOP.	Sì	Sì	5	5	Opportunità lavorativa
COSEMA	Sì	No	4	5	Opportunità lavorativa
agriteco	Sì	Sì	5	5	Interesse a fare parte di un contesto cooperativo
Cooperativa Lavoratori Metalmeccanici a r.l.	Sì	Sì	5	5	Opportunità lavorativa
Fonte coop	Sì	Sì	4	5	Opportunità lavorativa
Alucoop	Sì	Sì	4	5	Opportunità lavorativa
CITTA' INVISIBILE SOC COOP	Sì	No	4	4	Interesse a fare parte di un contesto cooperativo
Cierre edizioni	Sì	Sì	4	5	Altro
Cadore	Sì	No	4	4	Opportunità lavorativa

Su una scala da 1 a 5, dove 1 significa «poco» e 5 «molto», direbbe che il rapporto tra la direzione e i lavoratori è sereno?	Su una scala da 1 a 5, dove 1 significa «poco» e 5 «molto», ritiene che all'interno della cooperativa vi è disponibilità di proporre nuove iniziative o dare consigli nella gestione?	Su una scala da 1 a 5, dove 1 significa «poco» e 5 «molto», ritiene che all'interno della cooperativa vi è disponibilità di esprimere opinioni negativi alla o sulla gestione?	Credi che le logiche democratiche sul luogo di lavoro favoriscano lo sviluppo della cooperativa?
5	5	5	Sì
4	4	5	Sì
4	4	4	Non fa differenza
4	4	5	Sì
3	1	1	Non fa differenza
3	1	1	No
4	3	2	Sì
4	4	3	Sì
4	5	4	Sì

Credi che la democrazia, sia nel Paese che sul luogo di lavoro, funzioni?	Se desidererebbe approfondire, può spiegare la sua opinione su cosa significhi avere la democrazia lavoro.	Hai votato al recente referendum costituzionale?	Hai votato alle elezione del 2022?
SÌ, a entrambi		Sì	Sì
SÌ, a entrambi		Sì	Sì
SÌ, a entrambi		Sì	Sì
Solo sul luogo di lavoro	la possibilità di partecipare attivamente alla vita della azienda	Sì	Sì
Solo nel Paese	Rispetto	Sì	Sì
Solo nel Paese	Rispetto	Sì	Sì
Solo sul luogo di lavoro	condivisione delle scelte, decisioni per votazioni a maggioranza, pari valenza per i soci.	Sì	Sì
SÌ, a entrambi	Poter dare il proprio contributo alle decisioni sull'indirizzo e la gestione della cooperativa	Sì	No, non ho voluto
SÌ, a entrambi		Sì	Sì