Can the Internet democratise capitalism?

Technological fixes to time-honoured problems are all the rage these days. Bitcoin is meant to fix money, social media are seen as an antidote to Rupert Murdoch and assorted tyrants, networked robots are to help countries like Japan deal with demographic declines etc. Perhaps the largest claim is that the Internet has helped (or is about to help) democratise capitalism. Ten years ago that claim struck me as both fascinating and dubious. So, I sat down and wrote an article about it (circa 2004). Its gist: The Internet is a wonderful leveller. But democracy requires a great deal more than mere 'levelling'. Primarily, it requires political institutions that enable the economically weak to have a decisive say on policy *against* the interests of the rich and powerful. Ten years later, I am re-visiting this question, under the shadow of a global crisis that made it even harder to convert an e'Demos into genuine e'Democracy. What follows is an updated version of the original paper.[1] (Click here for a pdf version or just read on.)

1. The Internet's toughest assignment: To put *Demos* back into *Democracy*

As soon as computers were linked to form a mass communication medium, the notion of *e'democracy* was bound to surface. Hobbling at least a decade behind *e'mail*, *e'porn and e'trade*,[2] the idea of putting Internet-based technologies in the service of democratic institutions finally emerged. "And not one moment too soon," add those who see it as one of democracy's last lines of defence.

We live in an era of heightened fears that democracy is an empty shell. The young feel the democratic game is not worth the candle. Older generations despair, rightly, that the 0.1% have cornered the 'democracy market' while the banksters' bailouts have all but destroyed the legitimacy of our democracy's institutions. More generally, we live in a world where consumer sovereignty trumps democratic ideals and where the fear of the 'other' overrules the pleasures of tolerance. It would not be far fetched to claim that too large a segment of the population would happily sell their right ever to vote again (or to stand in an election) for a depressingly small sum. Is it any wonder that voter participation is in free fall across all ages and social classes everywhere?

Younger people, reliant as they are on the Internet and in a permanent state of optimism regarding the possibilities offered by technology, tend to think that the solution lies in finding suitable… apps. They harbour the hope that the

failures of our representative democracies can be compensated for by new participatory decision making processes that we can refer to, generally, as *E'democracy.*

What can *E'democracy* do to help empower a networked Demos (nb. Demos is the Greek word for 'the people')? One (widespread) answer is: Present people with the opportunity to be part of a deliberative process which will turn them into active participants in the debates unfolding within the existing chambers of power. Once there (even virtually), they will (hopefully) become 'hooked' on democracy, realising what they have been missing, and, through their presence, reinvigorate our stale

E'democracy's indisputable appeal is not in the least dented by the realisation that no one seems to know quite what *e'democracy* entails. In fact its indeterminate meaning gives novices the opportunity to participate in defining it. In so doing it might give them cause to re-think democracy, and thus reinvigorate it.

Judging by the large retinue of definitions in the emergent literature on *E'democracy*, the safest route to defining it is through the successive elimination of that which we do not want it to be: According to Coleman and Gotze (2003), it ought to be irreducible to *e'government* (as it is possible to imagine a dictatorship deploying highly efficient *e'government* systems); to pose no threat to representative democracy (i.e. it need not be a Trojan Horse for direct or plebiscitary democratic alternatives); to have little to do with technology as such and a great deal to do with re-conceptualising the 'space' between the 'people' and their 'political rulers'… Though this elimination does not home in on a definition of Aristotelian precision, it does give us enough to go by and inspire the thought that *e'democracy* has significant potential for reversing democracy's decline.

Optimism is a fine and useful sentiment as long as it is built on a solid analysis of the problem at hand. The ambition described in the previous paragraphs implies that democracy's current troubles, although systemic, are the result of a steady degeneration which can be reversed through greater engagement and participation (facilitated by the Internet and related ICTs[3]). I hope this turns out to be so. But I fear that, as things stand, *E'democracy* is unprepared for the larger than life enemy at which it is asked to tilt.

If we look closely at the world around us, we shall note disturbing evidence that democracy's predicament gets worse in countries *where it has already succeeded* in establishing mechanisms for effective citizenship participation and fostering affluence (see *The Norwegian Study of Power and Democracy*,

discussed in Ringen, 2004). If this is right, and liberal democracies somehow fall prey to their own 'success', how can their degeneration be checked?

The hunch underpinning this paper is that, behind voter apathy and the low participation in politics, lays a powerful social force, buried deeply in the institutions of our liberal democracies and working inexorably toward undermining democratic politics. If this hunch is right, it will take a great deal more to re-vitalise democracy than a brilliant Internet-based network linking legislators, executive and voters.

Of course this is not an argument against Internet applications for the purposes of deliberation or promoting citizen participation. It is, rather, an argument for examining carefully the history and present state of our democratic life *before* designing technology's contribution to it or, crucially, before developing too many hopes that will then be crushed by a merciless reality.

2. An empowered Demos: The Athenians' audacious experiment[4]

Democracy, as we all know, was born in Athens.[5] Are there lessons for *e'democrats* to be learnt from that relatively short-lived experiment? The most profound one is that an empowered *Demos* does not get easily bored with politics. Through good times and ill, Athenians never missed a chance to partake of assemblies; to argue away briskly, disagree furiously, reluctantly (and, on the odd occasion, enthusiastically) converge on commonly agreed courses of action. Those who stayed at home or concentrated on making money were famously labelled… 'idiots'.[6]

It is, however, easy to dismiss Athenian democracy on two grounds: Its hypocrisy and its irrelevance for the modern world. Regarding the former, one might argue plausibly that, since the Athenian economy (public, private and domestic) engaged slave labour, and women along with resident aliens (the *metics*) enjoyed no citizenship, their democracy was a sham. And as for the charge of irrelevance, there is the obvious fact that modern industrial societies are too large and complex to be run by means of direct democracy.

Be that as it may, classical Athens must be the first port of call for aspiring *e'democrats*. The reason is that Athens allows us an intriguing glimpse of democracy's major inter-temporal contradiction; the same contradiction which *e'democracy* is being called upon to deal with today. The best place to start looking for that glimpse is the charge of hypocrisy.

The Athenians invented neither slavery nor sexism. What they *did* invent, however, was the notion of a citizen who enjoys not only free speech but also *isigoria* (equal say in the final formulation of policy) *independently of whether he was rich, comfortably off, or indeed a pauper eking a modest existence out of manual labour*.[7] In this reading, the key figure was not Pericles, or orators of stunning talent like Demosthenes, but, rather, the anonymous landless peasant who, despite his propertylessness, had a voice in the Assembly of equal weight to that of the great and the good. This was the remarkable novelty of Athenian society which has probably never been replicated since.

If *e'democracy* is to give voice to the voiceless, it is interesting to ask: What was it that endowed the labouring Athenian citizen with *isigoria*? Is there room for re-introducing whatever that was into contemporary democracies? Can *e'democracy* bring it about?

Today we tend erroneously to think that Athenian citizens lazed about in the *Agora* while the slaves did all the work. Though true for some Athenians (rich kids and their philosophising teachers), the *labouring citizen* was present in all realms of production (peasants, artisans, manual labourers) – see Finley (1980) and de Ste Croix (1981). Free men worked side by side with slaves[8] and sometimes it was the slaves that enjoyed higher status in their 'profession'.[9] In this context, Athenian citizenship was inextricably intertwined with the unfreedom of slaves (as well as of women and the *metics*). More concisely, *freedom and unfreedom fed of each other* in ancient Athens; they were, in a sense, each other's accomplices.

Aristotle's definition of democracy (see *Politics* 1290b) is telling in this regard: A constitution in which "the free-born *and the poor* control the government; being at the same time a majority" (emphasis added).[10] Meanwhile, in his *Rhetoric* (1367a) he defines a free man (eleutheros) as a masterless person who needs obey no one *because he does not depend on having to produce or sell anything*. Plato takes things further in the *Statesman* (289c ff.) saying that one is fit for public office to the extent that he is *not* supplying indispensable goods or services.

Of course, neither of these great philosophers were known for their democratic credentials. In fact, especially for Plato, quite the opposite is true. Nonetheless, what is of interest to us thousands of years later is that both Aristotle and Plato should see *freedom* not as the opposite of slavery but as *the antithesis of dependent labour*! In a sense, one's genuine freedom depended on the extent to which one was free from both physical masters but, interestingly, *free from the market* as well.

As anti-democrats, Plato and his followers argued that political reasoning could not be entrusted to those who had to work for others – irrespectively of whether they were free labourers or slaves. In this sense, the Great Debate in ancient Athens (between democrats and their critics) had a clear frontline: Democrats invoked the *Demos* in a bid to assert the rights of the poor to *isigoria*. Not merely to have a voice but, more importantly, to have a voice of equal weight.

That democracy survived for so long in classical Athens is an historical miracle. Never before (and possibly never since) had so large a percentage of poor labourers enjoyed such unprecedented direct decision making powers in matters of State. This influence kept Athenian democracy vibrant till the end. On the one hand the poor citizens, and their gentile supporters (such as Protagoras and Pericles), fought for its preservation. On the other, Aristocrats, who never accepted that their voice should have no more gravitas than that of a cobbler, fought for its diminution.[11] It all made for animated Assembly meetings and fascinating debates in the *Agora*.

The question is: How did it come about? The brief answer is: Cleisthenis' reforms[12] extended citizenship to the Attica countryside, breached the State-community and fashioned a civic identity which was made quite independent from 'birth rights' (social class, that is). In short, the *Demos* was born.[13] How did it differ from that which angloceltic liberals refer to as *The People*? In contemporary liberal circles *The People* are imagined as an abstract, *disaggregated collection of private individuals*; individuals defined by: (A) preferences, passions, instrumental rationality,[14] and (B) *rights designed to protect them from the arbitrary rule of the State*.

In sharp contrast, Cleisthenis' *Demos* was imagined as the State itself; as an *active community of citizens* in which the political sphere, the economy, the State *and* civil society all co-existed within the Assembly: Democracy was about the *Demos* getting (physically) together and engaging in a contest of opinions about what ought to be done. The point of the exercise was not to stage a process whereby the rulers consult the people *but one in which the people rule*.[15]

We often forget that Athenian democrats saw no reason for constitutional rights whose purpose would be to shield civil society from State interference. In their eyes, the two were indistinguishable.[16] It is this coincidence of the political sphere with economic life, but also culture, military affairs etc. that made it possible for the *Demos* to exercise real power in shaping everyday life.

Candour demands that even the most enthusiastic apologists of contemporary Western democracies admit that the latter come much closer to Aristotle's definition of oligarchy than to his depiction of democracy. There simply is not, at least according to Aristotle, enough *Demos* in our Democracy today. Put differently, even though Socrates would not have been poisoned by the British or French Parliaments for smuggling subversive ideas into the mind of the young (protected, thankfully, by an impressive panoply of juridical authority), our electorates ('We, the People' in the language of the American Constitution) exercise no power over daily life which might be comparable to that of Athenian citizens. Moreover, there is a deep sense in which the power actually exercised (by both citizens and their elected representatives) has been declining steadily with every twist and turn of our recent political history.[17]

Is it any great wonder that we are increasingly unwilling to put our energies into the political process? Is it surprising that a democratic process less redolent of a ruling *Demos* than of unaccountable oligarchy is ripe for neglect in the icy hands of apathy?

3. Do we *want* the Demos to rule?

Even if the reader agrees that Athenian democracy is not to be scoffed at (as an historical juncture of momentous political importance), the natural rejoinder is: *So what?* Surely, industrial societies are too complex to be run by an Assembly of all citizens. Additionally it is perhaps a good thing that it is so, as Socrates' fate testifies. Should *e'democracy* advocates take the direct democracy route, suggesting that ICTs are used to supplant representative government with an *e'Assembly* that will perform in cyberspace the functions of ancient *Pnyka,* they shall be laughed out of court.[18]

Although the legitimacy of *e'democracy* would undoubtedly suffer if it were co-opted by supporters of direct democracy, it is useful to establish the precise reasons for this. *Why is direct democracy feared?* Most people would agree (as noted in the previous paragraph) that there is nothing wrong with it in principle; that, ideally, it would be best; but that in large and complex societies, it is simply unworkable. I think this is quite right. But it is not the whole story as to why direct democracy is dismissed so readily.
Put bluntly, many qualms about direct people-rule are due to a deep-seeded mistrust of 'common folk'. The 'democratic elites' are not keen to see the *Demos* rule the land. At best, their reluctance takes the form of concern for the minorities' protection from the tyranny of the majority. At worst, it extends to pure scorn for the capacity of the multitude to know what is good and proper for them. In effect, some of the ancient arguments in favour of oligarchy (e.g.

those of Plato) are embedded in the defence of today's representative democracies. If this is right, the 'distance' between decision makers and the people is not an undesirable feature that *crept up on our societies imperceptibly* but, rather, a feature *designed into* our system of government in order to keep the plebs in their place. But is this right?

I believe that a fair reading of liberal democracy's history confirms that this is so: *That the devaluation of citizenship is an integral component of a 'successful' modern democracy; not a failure to be corrected by technical means* (including the best ICT has to offer). If I am right, *e'democracy* has its work cut out for it! Effectively, *e'democrats* will be facing the task not simply of involving more people in deliberations regarding policy making but, more ambitiously, of deploying new technology as a part of a broader political intervention whose purpose is to re-invent the political sphere.

The previous paragraph contains a large claim (in italics), without which the verdict concerning *e'democracy*'s ambitious task is ill-supported. What is its basis in fact? The next section shall attempt to argue that liberal democracy has its roots, not in ancient Athens, but in feudal Europe, the Protestant/Puritan ethic, and the tumultuous rise of the merchant as the pivotal figure around whom the economic sphere gained autonomy and dominance over political society. The culmination of this 'story' is that the *Demos*' low participation in the democratic process was an inevitable end-state of this particular historical trajectory. None of this is particularly novel. However, *e'democrats* must be kept in touch with these historical facts because they speak directly to some potential features of the apathy causing the crisis of contemporary liberal democracy.

4. Apathy as a design feature of Liberal democracy

Students of political science are taught that modern democratic constitutions aim at correcting the arithmetical simplicities of an undifferentiated popular will; that the constitution of a genuinely liberal democracy ought *to require virtue in neither the ruled nor the rulers*.

Notice how 'un-Athenian' this line of thought is. Athenians thought that virtue is indispensable. Whether of an oligarchic political persuasion, or fanatical democrats, they agreed that *no system of government could flourish without virtuous decision makers*. Their differences simply centred on whether it is reasonable to expect the labouring multitude, the *banausoi* (as Aristotle called them), to be capable of the virtues needed by those who rule; whether

political virtues can be learnt or not (recall the debate between Socrates and Protagoras in Plato's *Protagoras*).

In our day and age, we tend to think of good laws (and constitutions) as the ones designed for wicked people (and unscrupulous politicians). Prudence is high on the agenda (for good reason, no doubt). However, there is more to our current stance than a prudential philosophical pessimism: Contemporary liberal democracies rely on a *particular kind of pessimism* regarding human nature; the kind that harks back to the Protestant Reformation.

The liberal democracies that *e'democracy* is meant to rescue from apathy have their roots not in ancient Athens but in constitutions of a Protestant (and, in the case of the USA, Puritan[19]) pedigree. A constitution is good, in this vein, if it exploits efficiently the 'fallen nature of man' (his selfishness and his propensity to put self-interest before the Common Will) in order to promote the broader social objectives of liberty, stability and prosperity. You can almost smell the polished pews, hear the thundering voice of the Protestant preacher. And if you are a student of political economy, the image will come to you of Adam Smith's *invisible hand*, working supra-intentionally behind the self-interested merchants' backs, pushing prices down, quantities through the roof, and thus procuring the Common Good against the mean merchants' private Will.

This is of more than just philosophical interest. For here is an important lesson for those who fret over the decline of participation in political processes: For if the good constitution is the one meant to run *as if* on automatic pilot, just like a market is meant to organise economic decisions spontaneously, there is clearly *no* reason why *The People* should be *involved* in politics. And, therefore, there is *no* reason why we should worry about apathy and falling voter turnout. In fact, it might be better if none of us got involved in politics lest we mess up the well-crafted workings of an automated system of government! Borrowing a line from Adam Smith, the Common Good stands a much better chance of being served if no one is actively trying to serve it![20]

The above, some might argue, is of no more than academic interest. Perhaps. But it is still interesting to note that the political philosophy preceding the establishment of democratic constitutions not only had few qualms with a politically passive multitude but, in fact, positively favoured passivity, even apathy. Did things change as liberalism began to embrace the notion of representative democracy? Did the new spirit of accountability to the citizen infuse a great urgency for active citizenship? Not really.

Americans are right in thinking that representative democracy is an American invention. English protests (to the effect that the House of Commons is the mother of all modern parliaments) are thwarted by the fact that the victory of Parliament, though important for many other reasons, was not a victory for representative democracy. Even the English Whigs saw Parliament's victory as a welcome defeat of democracy.[21] The American Revolution had stirred up too great a popular demand for universal franchise (at least for white men!) to be ignored by the new constitution. The latter signified a profound break with what had gone on before it and its opening line *We, the People…*" captured the radical idea that legitimacy comes from a single source: free citizens (as opposed to loyal subjects).

Nonetheless, it is not at all clear that the invocation of the *People* was intended to empower them. Morgan (1988), for instance, argues that the Founding Fathers invented the *idea* of the American People, and of their 'sovereignty', as a means of imposing upon them a stable government over which the People would have no direct control. Though representatives were to be elected, the Federalists were particularly wary of a ruling *Demos*. Indeed some of their texts could have been written by Plato (or some of his anti-democratic disciples). The multitude was to stay out of political deliberation and be contented that they are represented in Congress by their social superiors. Who were these to be? Unlike Plato who thought that the ideal *Republic* ought to be run by the philosophers, the Federalists had another category in mind: *The merchants*.[22]

Meanwhile, on the other side of the Atlantic even the most progressive Whigs, including those who were profoundly influenced by the democratic gains in America, were sceptical about democracy. J.S. Mill, for instance, thought that the gentiles should have more votes than the cobblers and the masons, and that they should run the state on the latter's behalf. The liberal spirit was therefore constitutionally at odds with the dangerous idea of *Demos*-rule.[23] Apathy was fine, as long as the authority of socially superior representatives was consented to by their 'inferiors'. Impressed by a Newtonian view of the social universe, as one guided through the providential hand of market forces and Common Law, 18th and 19th century liberals celebrated the creation of a social order in which a passive people enjoy citizenship rights (and protections) and legitimised, through their consent, a form of enlightened oligarchy.
Seen from this perspective, is it not the case that voter-apathy was *designed into* our liberal democracies at their inception?

5. Freedom from what?

When designing policies (including *e'democracy* projects) to combat apathy, it may help to know what we are up against. For if democracy's woes are repercussions of systemic features, the remedies will be effective only to the extent that they reach deeply into the roots of the systemic problem. So, what is *the* problem? It is, I wish to claim here, that *our system of government is fundamentally oligarchic in nature*, with add-on provisions for legitimising the oligarch's authority through periodic endorsements by a passive electorate. Against this background, *e'democracy* is now being called upon to turn the latter into an active *Demos*. Can it do this without changing quite radically the character of liberal democracy in the process? Without clashing with well-entrenched vested interests?[24]

Magna Carta, the defining document to which the West turns when in search of its political and legislative ancestry, was not about fashioning an Athenian-style masterless *Demos*: It was about entrenching the rights of masters *vis-à-vis* the Monarch. Its purpose was to give them, the lords and masters, the *freedom to do as they pleased with their property, their servants and their slaves*. Echoes of *Magna Carta* could be heard even in post-revolutionary America and they may resolve the puzzle of how, in the US, the loudest voices for liberty came from slave-owners.[25]

The divide between lords and their subjects was essential in defining the lords' freedom from the Crown. Note the difference and the similarity with ancient Athens: Just as the Athenian labourer's citizenship (a great source of empowerment for him) was *defined* in juxtaposition to the slaves' (and the women's) unfreedom, similarly the medieval lords' freedom was defined in terms of their 'ownership' of their servants (and their servants' output). This is the similarity. The difference was that, whereas in Athens genuine freedom was extended (to Plato's consternation) to a large class of poor, propertyless labourers, the freedom procured by the Ma*gna Carta*, and later (1688) by the *Glorious Revolution*, was reserved for the masters exclusively.

Later on, and as the dawn of the Enlightenment was approaching, republicanism beefed up demands for a more widespread form of freedom. Classical republicanism (e.g. Algemon Sidney, Henry Neville, James Harrington) imagined a new society in which active citizens would work toward the Common Good (see Skinner, 1997). But even these radical visionaries had no plans for *Demo*-cracy; for they made it abundantly clear that their active citizen would be no labourer. Indeed that he would be *a man who does not have to work for others*.

By the time the American Colonies rebelled against the English Crown, and the notion of a sovereign American People became the touchstone of the Republic, commercial society had already won many victories against the idle aristocracy. The protestant ethic had entrenched the glorification of work in general and of *trading* for the common good in particular. The *man who does not have to work for others* (see previous paragraph) gave his place on the Republican Pantheon to the *merchant*. In this light, the fledgling republic was to be built up through the hard work of the multitude,[26] legitimised by their consent, and ruled by the merchants (that is, by those whose social location allowed them *to sell _more_ than just their own labour*).

In ancient Athens, many working citizens (e.g. free peasants) were free not only in the sense that they were not slaves but also in that they were not obliged to enter specific labour markets (i.e. free from having to work for someone else, courtesy of their small plots of land which provided them with the basics of life).[27] Even those who *did* work for others had an equal say in matters of State in the Assembly. This 'say' (their citizenship) equipped them with a powerful shield with which they could protect themselves from the rich and powerful (and which was the object of much aristocratic consternation).

In contrast, in the loci of early liberal societies (e.g. the US and Britain) the working multitude had no alternative but to work for others unprotected by direct access to decision-making. The *Enclosures* denied British peasants access to any means of reproducing their lives *unless they went through some merchant* (who also enjoyed privileged access to Parliament). In the US, the labouring classes found themselves attached to a rapidly shifting set of property rules which led to increasing concentration of land and capital in the hands of a specific social class comprising inspired merchants and, famously, the so-called Robber Barons.

The modern era was arguably marked by this great transformation: Labourers became formally free to choose whom they worked for, free from all access to arable land, but unfree not to work for someone. Simultaneously merchants became free from labourers (e.g. they did not have to house them, as feudal lords had to do in the past) and could simply rent out their labour.

In this new context, it became suddenly possible to extend citizenship rights (including the franchise) to the many without changing anything.[28] The fact that the peasants no longer had conventional rights to land-access meant that there was no longer a socio-economic need to maintain a sharp juridical and political division between rulers and peasants. It became possible (and therefore inevitable, in view of the great legitimising effect of such a change)

to extend citizenship rights to them all (at least to all white men). Had such an extension to juridical rights occurred under feudalism, the feudal lords would lose all their power over the peasantry.[29] The key to understanding how liberal democracies surfaced is to see that, while citizenship was no longer restricted (to the few), the *scope* of citizenship rights (and democratic power) was severely circumscribed. On the one hand, the economic sphere steadily gained effective independence from political power. And on the other hand, whatever political power was left over economic life, it was practised by office holders who rose through the merchant and professional classes.

The historical tone of the above may strike the modern reader as an irrelevance regarding the problems facing representative democracy (and *e'democrats*) today. This would be, I submit, a mistake. Take for instance modern South Africa. After the glorious defeat of Apartheid, the hopes that the black majority had invested in the democratic process (for greater prosperity for the vast majority who were, courtesy of Apartheid, caught in the clutches of poverty and disease) began to fizzle out. Blacks fought tooth and nail against Apartheid, hoping that full citizenship would empower them not only politically but also economically. They are currently finding out (in a cruel manner) that citizenship, for all its undeniable moral and psychological worth, means little in a socio-economic system where asymmetrical economic power has replaced political and juridical privileges.

The South African experience is quite vivid because the extension of citizenship rights to all is so recent. However the underlying argument is pertinent all over the globe. Singaporean workers have no real political freedoms (e.g. no free press). Their citizenship is curtailed by an oppressive regime which promotes energetically a buzzing commercial society, while at the same time denying its citizens political rights. Compared to India, where liberal democratic rights abound, it is unclear whether the average Singaporean has less control over matters of State (affecting daily life) than the average Indian.

In conclusion, the 'free world', a term we often use interchangeably with 'Western Liberal Democracies', is free only in a limited sense: Citizenship (including formal liberties) is distributed liberally to all citizens but its reach is confined to a small political sphere; a sphere which is increasingly losing out to a separate economic sphere where all the capacities to change people's lives (for better or for worse) congregate but where citizenship is irrelevant.[30]
If the above is not wrong, the reason for growing apathy has been rationalised: Labouring citizens are coming to the conclusion, in ever greater numbers, that

a) political institutions were designed for and by employers (i.e. merchants who did not have to labour for someone else), and

b) wrestling political institutions from employers' hands is a Pyrhic victory, and thus not worth the trouble, since power has shifted elsewhere.

The repercussion for *e'democracy* is clear: So far the debate is focussing on (A); that is, on how political institutions can be opened up to the multitude. This is, naturally, a legitimate objective for *e'democrats* which can be met fairly easily through the deployment of appropriate technologies. The preceding analysis adds two wrinkles to received wisdom:

First, (the point made earlier in Section 4 above) the exclusion of the multitude from political debates and institutions may be more than a failure; it may well be a design feature of our system of government (in which case resistance to *e'democracy*'s attempts to bring the masses into these debates and institutions will be much fiercer than expected).

Secondly, *e'democracy* ought to aim at much more than simply to enable citizens to enter the political sphere: It should aim at helping the political sphere to wrestle importance and power *away from the economic sphere*. And this is the rub. For what I am suggesting here is that *e'democracy*'s work will have been done only if (and when) it succeeds at elevating the status of the labouring citizen for the first time to a level comparable with the free-labourers of ancient Athens.[31] In short, *e'democracy* **cannot do without a framework for producing goods and services along the lines of participatory, self-managed enterprises**.

6. Conclusion: The prospects of *Demos*-rule in our post-2008 world

David Hume was intrigued by the ease with which a small minority manage to control the majority. He attributed that feat to 'opinion'.[32] Extensive citizenship and the notion of popular sovereignty was the 'opinion' which legitimised liberal democracies and sustained the right of elites to monopolise decision making in the context of a parliamentary oligarchy. However, as the economic sphere (the social relations of production of goods and services) became increasingly autonomous from politics (and the latter exercised decreasing power over the former), political goods (including the worth of the right to vote) were devalued. A crisis of legitimacy ensued of which low voter turnouts are mere symptoms.

In large, complex societies where citizenship rights are widespread, representative democracy (inter-mediated by Internet-based means) is inevitable. But for people-rule to make a comeback, we need to subvert 'opinions' which maintain the rule of the few and cultivate, instead, opinion-forming systems which permit the rule-of-the-many. With economic power largely residing outside the sphere of politics, and immune to the democratic process, this was always a tall order for liberal democracies. Since 2008, when the financial collapse triggered a sequence of political interventions in the name of *The People* but for the benefit of the financiers whose behaviour had triggered the collapse, economic power shifted further away from the realm of political decision-making. In this sense, our post-2008 world is typified by a stark contradiction: *Never before has democracy been needed more to stabilise financialised capitalism while, simultaneouly, being less possible given the success of the masters' of the economic sphere to keep it outside the realm of political control.*

In this context, the notion that the democratic deficit can be dealt with by some technological fix (i.e. some variant of *e'democracy*) is absurd. The Internet has granted the weaker and poorer their personal Speaker's Corner within cyberspace but has not created an *e'Assembly* in which they can over-rule the powerful minority who control the economic sphere. An *e'Mob* has been created, even an *e'Demos*. But it has not been admitted into anything resembling a genuine *e'Democracy*.

Granted that *e'Democracy* is impossible now, could it become possible in the future? And if so, under what conditions? To materialise, *e'democracy* must help breach the two-century old divide between political and economic power by introducing direct political control of the production and distribution processes at the micro level; at the level of the enterprise. Is something like this possible? No and yes.

- No, because it is hard to imagine that the Internet can break down the monopoly of capital's power over labour in societies where labour is chronically under-employed due to the structural failures of *existing ologopolistic capitalism*.
- Yes, because the Internet (and related technologies) can, potentially, break down the foundation of *existing oligopolistic capitalism*, precisely as the steam-engine spelled the end of feudal production and distribution processes.

In conclusion, this paper argued that the Internet's democratising potential is understood best through an historical re-evaluation of democracy's inner contradictions. Ancient Athens was characterised by such a delicious contradiction: the slaves' unfreedom was pivotal in making citizenship particularly valuable for the free labourers.[33] Their actual freedom depended on other people's slavery. In modern times, citizenship and formal freedom are widespread but highly devalued. This devaluation partly explains why citizenship was spread so liberally around and, at once, foreshadowed voter apathy and the diminution of the political sphere. The burning question is: *Can citizenship be simultaneously widespread and valuable*?

The good news is that it can. The bad news is that for citizenship to be simultaneouly widespread and valuable, the political sphere must claw back much of the authority that it has lost to the economic sphere; first at the time of the Enclosures and, more recently, after the 2008 debacle. None of that 'clawing back' will result automatically from our splendid connectivity through Twitter, Facebook and various other Apps and Internet resources. They may give us voice but they will not grant us isegoria. To create isegoria, and thus to empower citizens broadly, our 'connected' social economy must not only allow rulers and citizens to communicate but should also feature multiple networks enabling consumers, labourers and innovators to form units of production which create and distribute value in a participatory manner; in a manner such that no one employs anyone and everyone contributes labour and ideas while being rewarded according to contribution but also need.

Of course this requires nothing short of a revolution in the foundations of capitalist production. It will not happen through idle chatter in the social media. If it happens, it will occur as the Internet undermines the currently dominant corporate model which relies on the segregation between non-labouring shareholders and labouring non-owners. Only when the capitalist type of firm loses its 'evolutionary fitness', due to technological Internet-based innovations, and gives its place to a new type of participatory production model, will the political and the economic sphere become integrated again in a manner consistent with democratic principles. Then *e'democracy* may be born as our *e'Demos* reclaims control of the economic sphere.

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[1] The original paper was authored on behalf of *access2democracy*, an organisation in which I participated that championed 'e'democracy solutions' in Europe and

[2] War and commerce were always better than emancipatory political projects at tapping into technological innovation.

[3] Information and Computer Technologies.

[4] As a Greek I am loath to delve into ancient Greek history, in the context of a modern debate, lest I am seen to indulge ancestral worshipping in a bid to embellish my views with unearned authority. However, it is imperative to position the present debate in a broader historical context (which begins with

Cleisthenis' reforms and then moves to the roots of liberal democracies in feudal conflicts.)

[5] Less well known is the fact that, initially, it was a term of abuse invented by Athenian anti-democrats; a term which today would come closer in meaning to 'mob-rule'. Later on, democrats (e.g. Pericles) adopted the term thus emptying it of its negative connotation and bathing it in adulatory light (especially in his famous *Epitaph* speech in which Pericles invokes the principles of Athenian democracy in order to praise Athenians who fell in the Peloponnesian War).

[6] The ideology of participation extended to their view of poetry and the arts: Εν μέτρω ως ποιητής, άνευ μέτρου ως ιδιώτης. (In rhyme/good-measure as a poet. Without it as a privateer/idiot.)

[7] Notice that *isigoria* is in a sense the very opposite of consultation.

[8] Slave labour was exclusively used in only two areas of economic activity: The silver mines of Lavreion and domestic labour. See Osborne (1985)

[9] Some of the most important functions of the State were performed by slaves whose position was the closest Athens had to senior civil servants. E.g. they acted as bankers, tested foreign and domestic currency for their metal content, acted as quality controllers for imported merchandise. See Varoufakis (1996).

[10] In contrast, Aristotle defines oligarchy as a constitution in which "the rich and better born control the government; being at the same time a minority".

[11] Often crossing into treachery, as they sided with enemies of Athens (e.g. the oligarchic Spartans) to rid themselves of the scourge of mob-rule (democracy).

[12] The main motivation behind such reforms was, arguably, the need to bring about an alliance of the different social classes in the face of serious external threats – e.g. the impending Persian onslaught.

[13] A nice symbolism of the major change brought about by the Cleisthenis and Solon reforms was the change in the conventions of second names. Citizens acquired a *Demotikon*; that a surname reflecting their local *Deme* (municipality), rather than the paternal name. They escaped the vagaries of patriarchy and inheritance and *belonged* to the local *Deme/Demos*.

[14] As I have expanded on this elsewhere (see Varoufakis, 1998, Chapters 3&4), I shall refrain from saying more on the liberal notion of the individual.

[15] Thus the *Demos* are not merely *The People*. The are *The Ruling People*. To make this point more sharply, it is useful to recall that Athenians avoided elections. Indeed elections were thought of as oligarchic in the sense that they favoured the *gnorimoi* (the well known) thus giving inordinate power not to solid arguments but to social status. Only positions in which technical expertise was necessary (e.g. Chief Architect or *Stratigos*, commander of the armed forces) were distributed by elections. The rest were decided by lotteries, leaving matters to the goddess *Tyche* (meaning *Luck*, an illegitimate daughter of Zeus)

[16] Hegel's Gemeinschaft and Gesellschaft were one and the same and 'lived' in the Assembly.

[17] The recent creed that monetary policy cannot be entrusted to elected representatives (let alone the *Demos*) is but the tip of a gargantuan iceberg. The real depreciation of political goods has to do with the steady loss of authority on the part of nation states, with no parallel empowerment of democratic institutions at a supra-national level (e.g. the EU).

[18] S. Coleman makes this point forcefully (see Coleman and Gotze, 2003): "Indeed, one of the reasons for promoting e-democracy is to strengthen representative structures so that the allure of 'technopopulism' remains resistible."

[19] See Morone (2003).

[20] Referring to the merchant, Adam Smith wrote (in his *Wealth of Nations*, 1776): "By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. *I have never known much good done by those who affected to trade for the public good.*" (Emphasis added.)

[21] When Cromwell's comrades in arms demanded, following the elimination of the monarchy during the English Civil War, that they should be given the vote, Cromwell turned them down angrily. He thought they had won enough: The right to be ruled by constitutional government and a Parliament of their superiors, rather than be subject to the arbitrary rule of one man.

[22] The plebs (e.g. workers, mechanics; i.e. Aristotle's *banausoi*) "…are sensible that their habits in life have not been such as to give them those acquired endowments without which, in a deliberative assembly, the greatest natural abilities are for the most part useless… *We must therefore consider merchants as the natural representatives of all these classes in the community.*" Alexander Hamilton, *Federalist*, No.35 (emphasis added).

[23] As the following extract from a speech in Parliament reveals, Mill thought of representative democracy as an efficient means of appeasing and pacifying the multitude. This is quite different from putting the many in the driving seat (which is, arguably, the point of democracy): "It has often been noticed how readily in a free country people resign themselves even to the refusal of what they ask, when everything which they would have said for themselves has been said by someone in the course of a discussion. The working classes have never had this tranquillising assurance." J.S. Mill, Speech in the House of Commons, April 1866 (J.S. Mill and H. Taylor Archive, LSE Library, Vol. XLV). In another speech he outlined the representatives' qualities: "I demand that all those who exercise power should have the burden laid on them of knowing something of the things which they have power over." J.S. Mill, Speech in the House of Commons, 20 May 1867 (J.S. Mill and H. Taylor Archive, LSE Library, Vol. XLV) Notice that this is utterly consistent with a

passive multitude and an ruling aristocracy whose qualification for running the state is that they are knowledgeable over the things they have power over.

[24] I ask this because, while reading some of the *e'democracy* literature, I got the disconcerting impression that a substantial proportion of *e'democrats* write as if the rest of the world is eager and ready to applaud the handing over of more power to more people, through new technologies, if that is what it takes to dust of the cobwebs of apathy from our foundering democracies. Such delusion will not get us far.

[25] The man who wrote that "commerce between master and slave is despotism", Thomas Jefferson, did not even free his slaves in his will. Oscar Wilde, upon visiting the US, wrote back with his usual ironical turn of phrase: "In a free country no one can live without a slave." (1881)

[26] It might help to note that, with the coming of industrial society, the status of manual labour was diminished by the transition from artisan work to production lines.

[27] Additionally, they voted in legislation for the provision of free theatre tickets for citizens who could not attend the competition amongst the great dramaturges.

[28] It was indeed an early 20th century British suffragette who coined the phrase: If democracy could change anything it would have been banned.

[29] The reason being that peasants already had access to land and other productive means. If they also acquired rights and political autonomy, the Lords would forfeit their capacity to extract part of the surplus from them

[30] This is not dissimilar, at some level, to the observation that as women move into certain professions, after decades of struggle, these professions lose their social status (e.g. teaching).

[31] This is not a call for returning to ancient Athens. In ancient Athens the privileges of citizenship enjoyed by the free labourer could not have been spread to women, *metics* and slaves without the collapse of the ruling order. It is the task of modern democracies to combine a form of citizenship which is wide in its distribution (as we experience currently in liberal democracies) and great in its scope (as it was in ancient Athens).

[32] In 1795 Cordocet wrote that "force cannot, like opinion, endure for long unless the tyrant extends his empire far enough afield to hide from the people, whom he divides and rules, the secret being that real power lies not with the oppressors but with the oppressed."

[33] Valuable in the sense that it gave them protection from those who wanted to make them do things they would rather not do.