

Democratic Capitalism and Respect for the Value of Freedom

Most theorists believe that when it comes to freedom, no economic system does better than *laissez-faire* capitalism—the system may have other problems, but as far as freedom is concerned, *laissez-faire* is as good as it gets. The goal of this paper is to show that this view is mistaken. I begin by criticizing two important contemporary conceptions of freedom, the libertarian and the liberal egalitarian conceptions, both of which support the dominant view. I then develop a better alternative, one that I call the *social democratic conception* of freedom. Using this conception, I go on to show that an economic system that requires firms to have an internal structure that makes decision-making more transparent and responsive to the concerns of workers actually shows greater respect for freedom than *laissez-faire* capitalism does.