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## Economic Democracy

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**Abstract:** *Democracy consists of rule of people on people. The route of democracy in the past led to creation of its modern legal new principles. Political democracy has a direct connection with economic democracy. the most important principles of economic democracy is public participation ,right to vote in selecting organizational management, equality ,good rule and releasing economy. Development is the result of economic democracy and democratic society steps toward democracy with the grant of economic freedom. While nondemocratic systems don't have any development in the field of economy, but they involved in multiple economic and financial crimes.in this article within explanation about the concept of economic democracy and it's legal principles, economic development is introduced as agoal for the modern societies that can be achieved as a result of democracy.*

**Keywords:** *Democracy, Political Democracy, Economic Democracy, Development.*

### INTRODUCTION

Democracy provides possibility of establishment of people's rule on their political, economic and social and cultural fate. one of objective appearances of democracy is freedom in the field of economy. it must be understood that individual freedoms are in connection with economic freedoms. But the experiences has shown that the complete economic freedoms and not inhibition causes the appearance of classes in society and eclipses the equality of individuals and provides condition to class domination that is one of the bases of elimination of freedoms. For this reason, a new orientation has appeared for the economic foundation in freedoms collection. Based on this orientation, economic activities places under legal terms, in order that is prevented from appearance of economic inequality and hereby people's freedom don't affected with the crisis. Public participation entitled the right of people's rule in determination of their fate, (Marcel, 1999) is one of the basic bases of nationality principle along with democracy thought in international law. democracies have many proven advantages that it supports economic development. in democracy, avoidance of violence, for the resolution of economic and political tension, is the base of people's value system that is institutionalized in social, economic and political structure of society.

Public participation of people entitled the right of people to self-determination is one of the Fundamental principle of nationality, with the idea of democracy in inter Democracies are many proven benefits of economic development support national law. Democracies have many proven benefits that support economic development.

In democracy the avoidance of violence to resolve economic and political conflicts, is the basis of the people's value system that becomes institutionalized in social, economic and political structure of society. This will reduce the costs of monitoring and enforcing social convention, will stimulate investment and economic growth.

In such a society, not only the political system is inherently stable, but can correct and optimize economic policies in a favorable way in order to provide the fast but stable economic Development. (Yorofsky, 2005)

In this paper we attempt to explain the concept of economic democracy to review its legal principles and to measure and compare it with Political democracy

### **The concept of economic democracy**

Democracy or the rule of the people is a Greek word which has the following composition: the people and the government and monarchy.

In ancient Greece, demos was a local concept that identified male or free population of a country or the cities government. This population consisted of nobility and aristocracy and the common people that the core of that were urban and rural farmers who were called dummies. Greeks believed to achieve the democracy three principles of freedom, equality and decision making based on will of majority must be observed. (Judge ShariatPanahi, 2005) In that democracy, that time freedom was not used in today's meaning and has not been considered in the context of participation in public affairs. (MotameniTabatabai, 1991)

Today, the distance between the democracy of new era and democracy in ancient Greece is about twenty centuries.

In medieval Europe, Greek thought was forgotten and domination of Authoritarianism tyranny of nation had broken Greek civilization from its historical roots. For a democracy like other forms of governance and corruption have not and under the appearances of democracy doesn't impose the despotism of some persons on people and groups of people are not actually under the domination of the ruling class the following conditions must be present:

The right to public participation

Existence of freedoms

Tolerance of political multiplicity

Rule of majority and respect for minority

The principle of equality of all human beings

Wise distribution of power (Judge ShariatPanahi, 2005)

Democracy is normative that based on the fundamental principles mentioned earlier has practical aspects. But by accepting the fact that people by direct or indirect selection of governors give political power to them, potential struggle of integrity of power in the hands of political governors with freedom of people cannot be ignored.

Vulnerability of democracy is something that cannot be indifferent to it so there should be guarantees for democracy:

Frequency of power

The balance of power and the separation of powers

Rule of Law

Responsibility of authorities (Hashemi, 2011)

### **The concept of economy**

Economics is younger than any other sciences. However, its roots can be found throughout human history. Until the thirteenth century AD in imitation of the ancient Greeks all social issues, including the economy, were reviewed from the perspective of ethic. But later thinking was created that caused the economy to be viewed differently. There have been various definitions of economics which a few notable examples include:

1. Adam Smith said economics is research to increase the wealth of the society

2. Laynl Robbins believed economics is allocation of resource and scarce factors of production to produce goods and services that satisfied the most important physical demands of human.
3. Ludwig von Mises presented economics as logic to make reasonable decision by considering the various constraints

Evolution of economic school of phenomena and economic realities affect the human mind and raises his thinking to explain and solving a problem. Human intellectual effort to express the certain and absolute relationship between economic phenomena forms various economic theories that has an assessment method and is in the same circuit of principle and creates a school of economics. Schools such as classical Physiocrat and mercantilism, socialism, Keynes and historicism have come into existence at each point in the economic history of the last century. (Badamchy and Ranjbari, 2006)

### **Economic Development**

In literature of today's economic rights the term of economic development is used. Development is a key concept in the social sciences that is extracted from the natural sciences and societies has been used about the process of change in human society. It is obvious that the development does not happen by itself but it is a previously thought and conscious change. It starts from one point, traverses a path and perhaps terminates in other point. In between one of the topics that are discussed so much is the relation of democracy and economic development. Some scholars would know every manifestation of political development, the outcome of economic development. Some people believe that economic development and democracy are two interconnected issues that without one, the other could not appear. The third group evaluates that the impact of democracy on economy is positive and basically, considers it a prerequisite for economic development so that they believes sustainable economic development without democracy is meaningless. (Williamson, 2002)

Democracy as a superior method for the management of society and not as an aspiration is the achievement of human civilization that should be considered in the development and economic development in particular. Democracy is the main prerequisite for sustainable economic development, this means that improving the quality of governance and political freedom is essential to economic development; sustainable economic development is not possible without democracy. Development is a concept a rather than a reality hence it didn't have any agreed meaning and during different historical it was used with different meanings and today, in the context of various social and economic system, is understood differently. (Williamson, 2002)

Definition of develop includes three fundamental values: Subsistence (ability to access basic needs), self-esteem (having personality) and freedom from slavery (being able to choose). By focusing on these three fundamental values, the definition of development involves a good set of conditions and a final status for persons in each national context. Since the establishment the Bretton Woods institutions in 1947, the dominant way of thinking about development was purely economic terms. (North, 1998)

Economic development also at the beginning was involved in the questions about economic development or change of the annual rate of GDP to show the average income per person in each country and in particular year with the calculation of population growth that typically reflected. So, in economic terms, the most important expected result of development is increasing the quality of human life. In other words, attention to economic growth with the aim of increasing prosperity is among the prerequisites of development. (North, 1998)

### **The impact of democracy on economic development**

From the last two decades of the twentieth century we saw an increase in discussion about the components of development. In the meantime, the scientific research conducted, have shown the sustainable correlation between democracy and development and economic efficiency. Democracy is a prerequisite for sustainable economic development; it means democracy is the fundamental concept at new insight into the development. It should be noted that, in our opinion democracy is, but it is a tool and a necessity for development.

Without political freedom, economic development interests come to the monopoly of ruling group. This often leads to the emergence of monopolies, poor allocation of resources, abnormal development, and the emergence of the economic crisis, social unrest, political instability and ultimately system collapse. Exclusive relationships, bribery and corruption is one of the main causes of waste and inappropriate allocation of economic resources that causes the Reduction of investment and thus reduction of the economic development and democracy is a way to escape from the constraints and corruptions.

Democracies have many proven benefits which support the economic development. Democracies enrich people's lives through the granting of political and civil rights and do better works to improve the welfare of the poor compared with their opposition. They also provide incentives for governments to respond positively to the needs and demands of the people. Because ruling right is obtained from public support which has appeared in election competitions or, as Robert Dahl noted: Mutual governmental sensitivity to the demands of citizens that is indicated in holding campaign periodically which is guaranteed by law that protects the legal rights of individuals. Some researchers found that democracy is heavily connected with investing in health, education and social services. (Williamson, 2002)

In fact the positive impact of democracy on economic growth is largely done through improvement of education and workforce skills development. Human development is a combination of income, literacy and life expectancy that it is almost proved everywhere that Democracies are better at maintaining a high level of human development than non-democratic countries. (Williamson, 2002)

Historical experience of developed countries shows that product development is a kind of productive interaction between humans that in different dimensions by exchanging of opinions, ideas, products and services meet the needs and desires of each other and fulfil the capacities and their potential talents. People and Communities in a peaceful atmosphere and by acceptance and tolerance of each other, as they are and spontaneously and freely exchange of their resources, facilities and capital, may underlie the development and progress and evolution of each other. Thus, the culture of dialogue and exchange in an intellectual, scientific, critical, innovative and free process has a direct impact on development. (North, 1998)

Cultural and political development in democracy, in which reason and science flourishes and order and stability, and the rule of law and freedom of expression and criticism and innovation, tolerance and open debate and the free flow of accurate information and messages and reconciliation and dialogue and consensus and peace and quietness dominate in the society, it The underlies economic development and is a key part of the development project in each country. Basically, the role of politics and government in a modern society is facilitating social interaction and organizing community in such a way that resources and facilities allocate optimally and an impartial dispute resolution mechanisms establishes and would make peace and reconciliation and, health and dialogue and exchange in a productive and constructive way between individuals and various classes of society and preserve and protect it. (Hadavan, 2006)

In liberal economic literature and in development studies such a state is referred to as a "night guard" that gives the affair to people and by reinforcing civil society and general will, government is in service of society and is selected and responder to it and does not intervene in the privacy of individuals and does not act arbitrarily in public areas. Therefore democracy justifies differences and by providing the best conditions for development through a social choice without violence, removes the problems of society or allows them to create changes. The nature of debates and open dialogues helps to advance the values and priorities and the "utility function" of democracy could be very substantial for equality and justice. (Shrivastava, 1998)

Should not neglect the fact that political decisions in each plural system is the result of bargaining, criticism and review and ultimately the result of evaluation of the various intellectual communities and ultimately the result of consensus of different intellectual groups. Authoritarian regimes restrict the diversity of political information and block its feedback path thus, observing the complex issues can be difficult for those in power. In such systems, error detection and error correction are done slowly. "Atmosphere of peace, understanding

and dialogue and reconciliation, lead to the development of civilization, but the violence and tensions and conflicts underlie retardation". (North, 1998)

Democracy is the only long term tool that can arbitrate and adjust the f the enormous political, social, economic and ethnic tension that that continually threatens the existence and cohesion of society and government. Accordingly "sen" refers to development as the process of expanding the real freedoms of people. Practically popular movements play an important role in challenging established power structures in democratic societies. People faced with the growing phenomenon of globalization and with the erosion of community control over everyday life and with the increasing market power of transnational corporations have stand up for their rights (as they define it). They consider the controlling of affairs by the local authorities the heart of development and are protective of what they consider as their main source of survival that is water, forests and soil. They opposed the policies of the ruling in the private and public area (government-controlled) and are involved in the regulation of alternative policies. (MarkazMalmiri, 2006)

Obviously, in democracy the avoidance of violence to resolve economic and political conflicts is the basis of the people's value system that is institutionalized in the social, economic and political structure of society.

In such a system the credit of obligations is greater because democratic governments are inherently more respect for the rule of law. In democracies providing private property rights motivates people to produce and institutionalization of the rule of law gives citizens the ability to resolve unworthiness and this is essential for growth progress. Hence, democratic system by making political stability and providing private property rights, including property rights of inventions, strengthen the institutional links between political and investment institutions.

Stability and political freedom often facilitate the participation in the global marketplace and attraction of investment and international trade and will lead to economic prosperity. The establishment of democratic values emphasizes on respect for human dignity, Human Rights and Citizenship, Respect for private property rights, Independent judiciary, Freedom of the press and mass media, existence of political pluralism, Regular and fair elections and generally acceptance of democratic politics in the Department of Political System and it not only facilitate and accelerate the development process, but it also ensures continuity and stability. (Meydary and Kheykhahan, 2004)

Democracy resulted in the transfer of political power from the rich to the middle class and labor, thus can improving income distribution. Democracy in the short term may lead to increase consumption, reduce investment and economic growth. But in the long term, sustainable economic development requires fair income distribution. Democracy doesn't accept extreme jobbery laziness and irresponsibility. Also, by improving income distribution more suitable environment for sustainable economic development is created. Fair distribution useful production, necessary research and investment are more possible in democracy than any other regimes. (Meydary and Kheykhahan, 2004)

### **Legal Foundations of Economic Democracy**

Majority participation is the first meaning of democracy that comes to the mind. But in fact democracy especially in economic field is not limited to these principles. These important principles in the economic sphere are:

#### **The principle of public participation**

The terms of participatory democracy is often used for many models of classical Athenian democracy to some portions of the Marxist model<sup>1</sup>. But in the narrower sense, there is a certain model of democracy that followed the theoretical framework and institutional arrangements for the active participation of citizens in collective decisions.

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<sup>1</sup>In democracy Encyclopedia collected by Seymour Martin Lipset, participatory democracy is considered the same as Athenian direct democracy.

The theory that formed in this way, is inspired by the theories of John Stuart Mill about self-education, theory of direct democracy of Rousseau and Marx's views on social and economic equality. This theory is presented by some contemporary Marxists like Pittman, Polentas and especially C.B McFerson.

Alain Benoit in the book "Reflections on the principles of democracy" noted Decathlon principles as outlined principles of participatory democracy that was proposed as slogan of student new left movement in 1960 and opened in the 60s and 70s in the lives of the working class. In that decades the idea that citizens must have an active real participation in government decision-making spread. (De Benoit, 1999)

### **Voting rights in the management of the economy**

On the one hand, economic democracy is complementary of political democracy and on the other hand it's a kind of economic regulations or rules of democracy related to the economy.

Political democracy alone cannot be a full democracy and will not be able to fully release workers and members of the economic association from the yoke of variety of exploitation. Economic democracy means the extension of political democracy by Democratization of economic relations. The translation of the word of democracy means rule by the people or of people to people. In deep sense economic democracy has the characteristics of response to individual economic decisions respond to the employer and its representatives applying power confronting with dominance on work market and sale market by public system of funds feeder. (Karnik, 2003)

If in economic democracy, economy means removing individual strengths and transforming mechanism of capitalism with individual motivation to a responsible structure to the public aspirations so the structure of economic democracy will form when access to production inputs is not in monopoly of private ownership and also rent for private exploitation.

This lack of monopoly should be under the mechanisms and procedures in order to serve the public desire. In this context, the formation of economic democracy will be completed by granting the right to vote to choose economic managements. (Khadem Adam, 1991)

### **Principles of good governance**

Governance is not a new concept. Bu is as old as the history of human civilization. The simple meaning of governance is decision making or process by which decisions are implemented (or not). Governance can be used in several areas: Corporate governance, international governance, national governance and local governance. Since governance is the process of decision making and process of implementing decisions, governance analysis is focused on formal and informal actors in decision-making and implementing decisions and the formal and informal structures that is generated in one place to achieve the objectives and implement the decisions. (Sameti, Ranjbar and Mohseni, 2011)

The state is one of the actors in governance. Other actors in governance due to its dependence on various levels of government are different. For example, in rural areas, other actors may include influential landlords, unions, peasant farmers, cooperatives, NGOs, research institutions, religious leaders, financial institutions, and political parties, military and ... The situation is more complex in urban areas. At the national level, in addition to the above actors, media, lobbying, international lenders, multinational corporations may contribute in decision making or influence on the decision-making process. All actors other than government and the military are a part of civil society. In some countries, in addition to civil society, organized crime Syndicate influences on decision making, particularly in urban areas and at the national level.

The formal structure of government is one of the tools by which decisions are implemented. At the national level, informal decision-making structures, such as parallel cabinet (informal advisors that act parallel to the official government) may be present.

Good governance has eight major characteristics: a participatory, community-oriented, responsible, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. This form of governance causes corruption to be minimized, the views of minorities to be taken into account, noise of

vulnerable to be heard in decision making and future needs of the community to be answered. (Sameti, Ranjbar and Mohseni, 2011)

In a good reign, the legitimacy of the reign is very important. In a good reign, the people are the main owners of power, and the way of relationship between people and government be noticed instead of engaging to the efficiency and capability by the size and volume, they know improper relationship owner between citizens and rulers is one of the reasons of economic underdevelopment. . The features of a good reign are accountability of the government to cavils, Absence of corruption, applying the principles of democracy, public trust, and the right of election and maximizing public welfare. (Komejani and Salatin 2008)

It can't be introduced a single pattern for a good reign; but four pillars of a good reign are:

- Public sector and government that have the duty of guiding and leading and establishing the rule of law.
- Private sector that has the duty of creating employment, income, production, trade and business.
- Civil society that provides the opportunity of asserting people and citizens.
- local organizations have the duty of mobilizing (preparation), organizing and applying indigenous cultures (Komejani and Salatin 2008)

### **The principle of sovereignty and will freedom in contracts**

One of the principles and legal bases of economic democracy is the principle of sovereignty and will freedom in contracts. In law science, will freedom means that any requirement of legal requirements isn't inhibitor for human will. His will influences on doing or not doing an action and it can be influenced legally. Economic competition freedom is a type of individual freedoms that whereby; the people are free in transactions and they can compete with each other. The freedom of contracts is a kind of individual freedoms whereby; the individuals can conclude a contract.

The principle of will freedom or the principle of will had been the influence of two kind of limitation in humanity civilization history:

- A. Limitation resulting of the formalities of contracts.
- B. Limitations resulting of ruler's oppression. (Katouzian, 2008)

The basic principle of independence of the will is respecting human personality.

This means that the rise of the perfection of the human personality is subject to his will freedom and the law only shall prevent the collision of free wills until it doesn't result corruption and individual will freedom doesn't sacrifice collective interests. Maintaining the balance between collective interests and individual freedom is duty of law and maintaining these balances practically possible.

It should be noted that the purpose of the will that its sovereignty is evaluated as a principle is an optional will (creative will). When the parties are at the same level, In other words, when the pan of the scales is aligned, the principles of conventional freedom and the rule of the will are really practical. Then each can begin interaction and run this principle really.

The results of this principle are as follows:

- 1) Individuals can conclude the contract whatever they want and they can determine its results and No one can be forced to the conclusion or refraining of a contract.
- 2) The contract can be concluded only with the consent of parties and it doesn't have any particular formalities.
- 3) After conclusion of contract, parties are required to follow it.
- 4) Transactions and contracts are effective only between the parties to the transaction and their legal surrogate. (North Douglas, 1995)

So today, most countries, despite widespread economic crisis, have been forced to interfere in matters related to international exchanges lest the freedom of exchanges causes severe imbalance of foreign payments or; in

most countries More or less severe control on exchanges limits the exchange of goods and transferring capital. Since this control system has a public order aspect, it can be constant threat to the existence of private agreements and even prevent their implementation. Government intervention is more pronounced in the affairs of private transactions and relationships in supporting large segments of the population the interference that was not pronounced in the past century. (North Douglas, 1995)

From the beginning of twentieth century, some of contracts like insurance ,rent, transportation and work,... has taken full control of the community and lets itself to force parties conclude a contract or authorities the results of contracts with the order legislations in order to maintain public interests

The principle of complete contractual freedom of individuals in current society is meaningless and the government as a powerful institution that has authority on all of relationships even on private relationships and legislate in set of economic relations especially the vital actions that is an aspect of public order. In fact, while not interfering government in individual wills, it has monitoring and leverage to interfere that this interferes may increase or decrease in different times like in war and peace.also,the situation of the contractual freedom principle is different in public transactions. Unlike Sovereignty contracts, tenure Contracts are equal in freedom and the agreement of parties and from this point, no one doesn't have any preference and distinction. (Williamson, 2002)

### **The principle of economy privatization**

Economics theorists believe that free market and competition mechanisms operate efficiently in production, distribution, the compound of consumption and production. The theoretical arguments raised along with the results of government intervention in economic affairs with the problems such as decreasing economic growth, rising unemployment, rising budget deficits, increasing the deficit in the external balance of payments, increasing inflation and the rise of stagflation emerge, raised the discussion of release and privation in national and international decision making circles since the early decade of1970. (Soheyli, 2006) The industries of the countries became national With occurring the first and second wars and the governments became great. This topic brought out the argument of inefficiency of the government and the waste of national capitals that egressing of this problem formed withgovernment's approach to liberalization of economy and assignment of state-owned enterprises to the private sector.

The privation has several concepts.one is narrow and the other is broad: In the narrow sense, the privation has a meaning much less than the transfer of ownership from the state to the private sector. But in the broad sense, the privation refers to the domain of policies that authorities Capital of the private sector in the development of an industry. This can range from full liberalization of the market to out sourcing. (Beesley and Littlechild, 1994)

The first time, the term privation defined in Webster\* as to change of control or; commercial or industrial property from state to private sector. In Persian literature, the term has coped and the literal meaning is not certain.

The privation is for decreasing the focus of government,intervention and absorbing participation for increasing national wealth. These are the motivations of privation: the introduction of competition in order to improve the efficiency and improve the management and organizational structure, participation of the private sector to finance investment spending, stimulate other sectors of the economy, increasing competition between dysfunctional and expensive systems. (Soheyli, 2006)

Liberalization policies and privation have been made in order to reduce costs and increase revenue of government budget and adjustments in deficit and balance of payments. However, the policies in developing countries implemented to improve efficiency and reduce losses of economic resources and balances subside and prices.

The goals of privation in different countries depending on the country, is various. But what is common to all countries is to increase efficiency and the quality of economic units. The common goals of the countries in privation can be expressed as follows:



- Reduction of public sector activity
- Transfer of ownership and economic control
- Increased efficiency of economic units
- Reduce the budget deficit and national debt
- balancing subsidies and reforming prices
- Balancing regulations with the aim of creating a competitive environment
- Create and strengthen the motivation in economic units' staff
- The use the word subsidies<sup>2</sup> as deputy for the foreign word the subsidy isn't available. (Badamchy and Ranjbari, 2006)
- Development of capital markets
- To supply consumers resources and proper distribution
- access to new technologies and expanding attract of external resources

The ways of privation is different in countries depending on local circumstances. But what is proposed as a conventional method is two sets: privation with the transfer of ownership, privation without transfer of ownership.

It could be stated that after 1990 the rise of privation in the world has been as a main policy in the most-developed countries such as France, Germany and the UK and has been broadly in America. Countries such as Bangladesh, Chile, Turkey and South Korea, each of them begin the privation based on their local circumstances. (North Douglas, 1995)

The government is a symbol of authority and sovereignty of each country. But the privation requirements and development of economy on the base of invest market convinces the governments to assign them to privation sector with fundamental changes in the legal structures of state enterprises. The purpose of assigning a part of the state services that it is the responsibility of the state and not sovereignty is improving quality, and increasing employee participation as well as the people in private sector.

It's Years that the public law researchers discuss in the field of privation. Critics warned that if the privation even reduces financial costs, can be considered a threat to public law values. In this field, the courts prefer not to engage to the norms of the privation contracts of parties. Strategies can be represented to promote the values of public law are as follows:

- Integrating public rights standards in conventional conditions
- Commitment to education of private contraction parties
- Increasing government monitoring on contracts by local state activists and third persons such as independent NGOs.
- The comparative presentation of proper functioning.
- Receiving credential of contractors from independent organizations.
- The command of giving authority to the contractors for self-assessment and individual assessment.
- The condition of the contraction termination for the government in the case of noncompliance by the private sector.
- Allowing to the public sector for more influence on the design of the contract.(Dickinson, 2006)

## Conclusion

Democracy literally means rule of the people on the people. In other words, means applying power by the society and the nation. Democracy moved in the route in the old legal literature and reflected in thoughts of elites like Aristotle. In the current era it has fundamental principles that include the participation of public,

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<sup>2</sup>Applying the word "yarane" as a replacement for Subside can't be correct in all cases. This is because, subsidy is not required everywhere for helping the poor. For further information, refer to Badanchi and Ranjbari et al, *ibid*, p.46

private and social freedoms, equality, pluralism and diversity of thoughts: Decision making of majorities, the rights of religious minorities, in group and thought frequency of power, balance of power, and the rule of law. Political democracy and economic democracy have the same principles and both are interdependent. So that if political democracy doesn't happen, economic democracy isn't well established, and economic democracy is a dynamic and stable condition for the continuation of political democracy.

The important legal principles of Economic democracy are: the principle of public participation and non-discrimination between citizens, the principle of voting in selecting organizational management in the field of economy, rule of free will in the contract, the liberalization and privatization of the economy.

The fundamentals of individual freedoms are associated with economic freedoms. But human experiences has shown that complete economic freedoms and no inhibition causes the classes in society and effects on the principle of individual equalities and provides the situation for class domination that is one of the bases of elimination of freedoms. This is why that new trends and perspectives have emerged for the foundation of economy in freedoms complex. Economic development is the product of economic democracy that comes from combination of political and economic democracy.

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