Chapter Eleven

Questions of Structure

What are the primary institutions and processes that structure life in political communities, giving meaning and purpose to citizens, organizing and controlling them for social, economic, and political purposes, and producing and distributing many important resources and social goods? Contemporary examples of such institutions include governments (or various sorts), corporations and other business organizations, labor unions and other associations of workers, churches, schools, voluntary and charitable organizations, and families. Examples of such processes include market transactions, cultural norms, and governmental regulations. Which of these institutions and processes are most important? What is the existing balance of power among these institutions? Should this balance of power among institutions be modified?

Historism, the claim that history is made up of major historical stages and that these various stages have a directionality that is leading toward an ideal condition "at the end of history," has often defined these stages in terms of their major structures. At the beginning of civilized history,[i] the basic social structure was slavery. In the ancient world, the dominance of masters over slaves ensured that the economic needs of free men (citizens) were satisfied, and the welfare of slaves was an afterthought in conceptions about the proper structuring of society. The next major stage of history witnessed the emergence of feudal society. During the middle ages, the dominance of nobles (landed aristocrats) over serfs (peasants who worked the land) was somewhat more limited than in slave society, because nobles were expected to assume greater responsibility for the welfare of the serfs who toiled on their estates. The next major stage of history resulted in the emergence of capitalist society. During the modern era, the owners of capital (or the means of production) could hire workers to use their capital to produce goods and services that the capitalist could sell in the marketplace; capitalist society was more voluntary than slave-owning and feudal societies, as workers now had the freedom to sell their labor to the highest bidder and could, at least in principle, stop working for those capitalists who were abusive. But the continued exploitation of most workers at the hands of capitalist masters led historicists like Karl Marx to project two subsequent stages of history. The stage following capitalism was state-dominated communism. Here an extraordinarily strong state, a totalitarian state, arose to wipe away the vestiges of capitalist (and slave-holding and feudal societies), assume control over the economy, and restructure human relations so as to reduce human conflict and alienation and enhance human cooperation. (Fascists and Nazis proposed an alternative fourth stage of history, a more conservative strong-state, in which totalitarian power was used to restructure political communities so that the subordinate masses had their material and emotional needs satisfied by becoming dutiful citizens who served the purposes of state as specified by their new masters – the dictators at the apex of the state). Beyond these totalitarian stages of history, Marxists projected an end-of-history, where structures would no longer be necessary to provide meaning for humans, where collective needs would be met by voluntary actions of citizens, and where a combination of economic affluence and a revaluation of values from the material to the post-material would enable the disappearance of those social structures that had earlier characterized human history.

Many social theorists believe that there is a germ of truth in such a broad historicist rendering of how political communities have been structured. Slave-holding and feudal structures certainly existed, and they have been swept into the dustbins of history. The post-capitalist stage characterized by state-dominated communist (and fascist) societies was experienced in Russia and other communist countries during the cold-war era (and in fascist Italy and Nazi German), but these have come to be regarded

as failed experiments. Francis Fukuyama is clearly the most influential of those theorists today who claim that the modern stage of history, structured by capitalism, is the end-of-history, an era that will not again be followed by others because it contains those social structures that cannot be improved. The failure of alternatives to capitalist society and the increasing global embrace of capitalism suggests that there is at least some truth in projecting capitalist society as such an end of history. But such a story is severely limited. Even in the capitalist phase of history, other institutions and processes than capitalism have and continue to structure society. And different ideologies provide alternative principles for how political communities should be structured. Not all ideologies agree that capitalism is indeed an ideal way of structuring society; and even those ideologies that accept the importance of capitalism in structuring modern (and contemporary and postmodern) societies believe it is important to provide a more detailed account of the various institutions and processes that play a role in organizing society. Once these details are presented, consensus about the best structures for political communities quickly evaporates.

Classical liberals: the first fans of democratic capitalism

Classical liberals were the first to proclaim the importance of capitalism to structuring political communities. Capitalism enables people to structure their economic activity in a voluntary and mutually beneficial manner. While slave-holding, feudal, and state-dominated economies employed coercion to get people to perform various economic tasks, capitalism proclaims that people can work, invest, trade, and consume according to their own desires. People are free to do or not do any economic activity, and their motivation for engaging in economic activity that is beneficial to others in a political community is that they too will benefit.

John Locke (1632-1704) laid the foundation for liberal endorsement of capitalism by proclaiming that people had property rights. Because individuals are the rightful owners of their own labor and because the value of goods is due to the labor that has been invested in their production, people have property rights to those goods in which they have invested their labor.[ii] Of course, people could exchange their labor for a wage, and in so doing forfeit their property right to the wage-paying capitalist, but such exchanges were voluntary and mutually beneficial, or else they would not be undertaken.

Adam Smith (1723-1790) further described and analyzed the basic structures of a capitalist society – such as the role of private property, collective processes of manufacturing with a specialized division of labor, free trade among peoples across national borders, and a civil government that protected property, enforced contracts, and provided for other essential needs of society.[iii] Smith argued that such a system would generate much greater wealth for a political community and its citizens than generated by previous economic systems, because it would direct economic activity toward the production of those material goods that people wanted, it would encourage investments in those areas that were most profitable, and it would give people incentives to innovate and be productive in order to reap personal rewards. Subsequent liberal economic philosophers elaborated these structures and justifications, but all celebrated the rationality and efficiency of a free market system.[iv]

For classical liberals, free markets need to be complemented by governments that are strong enough to perform functions necessary for a capitalist economy, as well as provide basic security for citizens, but their power should be limited to avoid unjustified infringements on lives, liberties, and property. Classical liberals want governments that can adjudicate economic disputes and provide the basic infrastructure (such as roads and harbors) for an industrial society, but they do not want governments that overly-regulate

the economy or redistribute wealth. Liberals thus had to address the problem of how to structure governments so that they perform their necessary functions without abusing their powers. Their solution to the problem involves establishing constitutional restraints on government, dividing and balancing governmental power, and providing political accountability.

According to classical liberals, governments are formed by social contracts between the government and its citizens. A central part of such contracts is a **constitution** containing specific, written rules regarding the operations of government. Just as bylaws organize and regulate the activities of many organizations like businesses, churches, and academic departments, constitutions organize and restrain the activities of governments. They do so in four ways. First, constitutions specify in general terms what governments can and cannot do. The American Constitution, for example, specifies that the national government can collect taxes, coin money, and declare war, but that it cannot establish a state religion, infringe on the right of people to keep and bear arms, or infringe on other liberties as specified in the Bill of Rights. Second, constitutions establish governmental institutions (such as the American Presidency, Congress, and the Federal Judiciary) for enacting and implementing the policies. Third, constitutions specify how such positions in these institutions are to be filled and how occupants can be removed from these offices. Fourth, constitutions specify extraordinary procedures for amending the constitution, such as Article V of the American Constitution requiring that three-fourths of the states ratify each amendment.

While classical liberals view these constitutional provisions as important devices for blocking certain governmental abuses of powers, they face the problem of ensuring that governments adhere to constitutional limitations. In America, the practice of judicial review - which enables the courts to declare legislative and administrative acts unconstitutional - may strengthen constitutional restraints, but, in general, governments are prompted to abide by constitutional limitations out of fear of loss of legitimacy. If a government ignores constitutional constraints, liberals argue, its citizens may believe that the social contract has been violated and withdraw their consent to be governed by it.

Many liberal constitutions specify a specific organizational arrangement - **the separation of powers** - for constraining governmental power. Although the idea of dividing governmental power among various institutions is ancient ("mixed regimes" were defended in Plato's *Laws* and Aristotle's *Politics*), the French political philosopher Baron de Montesquieu (1689-1755) is credited with transforming this doctrine into a device for limiting government and preserving individual liberty. By insisting that legislative, executive, and judicial powers be distinguished and relegated to different institutions, by providing that positions within these different institutions be held by different people who may represent different interests, and by giving each institution devices for resisting encroachments and usurpations of powers by officials in other institutions, the power of all governmental officials is limited and checked. An **independent judiciary** is strongly endorsed to ensure that legislators and executives cannot suppress their political opponents through political trials. **Bicameral legislatures** - requiring that laws be passed by two legislative bodies representing different interests - are recommended for limiting the capacity of popularly-elected legislatures to enact laws that infringe of personal liberties, regulate the economy, or redistribute wealth. And **federalism** - which distributes power among national, provincial, and local governments - is encouraged as another structuring arrangement for limiting the power of any one government.

Providing procedures of **accountability** is another liberal means of preventing abuses of governmental power. A prominent example of such accountability is the

liberal practice of civilian control of the military. By having the President serve as Commander-in-Chief of the armed forces and by requiring that Congress declare war, the liberal founders of America hoped to establish the capacity to remove those military officers who might use their control of coercive power to further their own political interests.

A more general method of providing accountability is having governmental officials stand for re-election. According to James Madison (1751-1836), a chief architect of the American Constitution "a dependence on the people" is "the primary control on government, more important than even the separation of powers." Classical liberals do not envision elections as a means of discovering "the will of the people," dictating what governments should do in a positive sense. Liberals do not intend elections as a means for forcing government to be responsive to the views of most citizens, who might have "a rage for paper money, for the abolition of debts, for an equal division of property, or for any other improper and or wicked project."[v] Instead, elections are intended to give citizens an opportunity to petition officials about their grievances and "cashier officials for misconduct."[vi] The founders of liberalism thus created a variety of institutional arrangements for allowing citizens to replace officials who abuse their power while preventing citizens from using elections to install representatives who simply transform public sentiment into public policy. Indirect methods of election (such as the American electoral college) and staggered terms of office (such as for U.S. Senators) are typical methods for reducing the likelihood that elections will result in policies responsive to majority sentiment.

Classical liberals thus stressed a capitalist economic system and limited and representative democratic governments as providing the most important processes and institutions for structuring liberal political communities. By recognizing the need for such governments, it is possible to argue that liberals sought a countervailing balance of power between capitalist and democratic institutions, but it may be more accurate to claim that liberals saw capitalism and representative democracy as complementing each other. Classical liberals saw representative democracies as providing for the essential needs of capitalism: upholding property rights, enforcing contracts, providing the infrastructure for commercial activity, and securing the community from those threats to the peace and stability that people need in order to focus on economic activity. Classical liberals tried to structure democratic government so that it would not make policies hostile to the needs of capitalism. Classical liberals did understand the importance of countervailing power, that is part of the underlying consensus of pluralist ideas about how political communities should be structured, but they applied this concept to the internal structure of democratic government, not to the relationships between government, economic structures, and other modes of structuring communities.

Classical liberals did appreciate the role of other structures beyond capitalism and government. They recognized the importance of voluntary associations within civil society. While classical liberals are known for their stress on the separation of church and state, they understood this doctrine to mean that governments would not incorporate a particular church within the realm of the state, and that, instead, a variety of churches should thrive within civil society. While classical liberals rejected the welfare state where government provides for those who cannot cope within capitalist society, they affirmed the importance of charitable organizations in civil society. Most generally while classical liberals are known for their emphasis on individualism, they did not deny that individuals would want and need to associate with other citizens, forming many voluntary groups within civil society for these purposes.

Classical liberals also understood the cultural norms could play a useful role in structuring society. Adam Smith and other liberal economic theorists understood that cultural norms emphasizing the importance of hard work, thrift, investment, and other economic virtues were necessary lubricants to an effective free market economy.[vii] John Stuart Mill (1806-1873) and other liberal social theorists understood that cultural norms emphasizing respect for the rights of others, tolerance, and vigilance over public officials were essential for effective politics. But classical liberals rejected that political communities should be structured by many of the cultural norms that had traditionally been stressed. Sheer deference to the customs and traditions that prevail in the cultures of communities can undermine the capacity of individuals to think for themselves and make choices that can lead to personal growth and social progress.

Traditional conservatives: Accommodating but limiting democratic capitalism by stressing civil society and cultural norms

There is no one preferred way of structuring political communities for traditional conservatives. Each political community has its own history and its own traditional understandings of how society should be structured. Moreover, these histories and understandings evolve over time, in ways that prompt traditional conservatives to emphasize certain structures in one context and other structures in other contexts.

At its inception, traditional conservatism viewed the capitalist structuring of the economy with considerable apprehension. Appreciating the continuing roles played by remnants of slavery (where black slaves provided the labor necessary to maintain Southern plantations in America), feudalism (where peasants and commoners provided similar labor for European aristocrats), the guilds (that organized many village craftsmen), and mercantilism (where the royal treasuries organized national industries in such areas as shipping and arsenals), conservatives were reluctant to abandon these economic institutions that had long served important purposes. While economic markets had, of course, long existed and played a role in structuring economic activities, conservatives feared that unleashing capitalism could have many deleterious effects on society, such as encouraging commoners to abandon their traditional roles in order to become part of an urban working class that lacked substantial roots in traditional society. They also feared that capitalism would engender excessive competition that would be destabilizing to society, and that capitalism would pander to the basest material preferences of people, unleashing moral and spiritual restraints.

However, as capitalism became part of society, many of these fears abated and conservatives increasingly embraced capitalism. Today, of course, contemporary conservatives are among capitalism strongest supporters. They wish to conserve the free enterprise system from what they regard as misguided efforts to regulate the economy and redistribute the wealth and income that is distributed according to market forces.

This same flexibility is evident in traditional conservative views about government. When classical liberals called for limited democratic governments to replace monarchies and aristocracies, conservatives feared that the purposes and principles of effective government would be forgotten. Many traditional conservatives appreciated the preeminence of government in political communities. If society was an orchestra in which everyone had to play their various roles in order to achieve social harmony, government was the conductor. And royal families and aristocrats had special skills and virtues that made them the most effective maestros, the natural leaders who understood the importance of every role in the orchestra and who could get optimal performances out of those who occupied various roles. They feared that democratic

structures would pander to the whims and passions of people, undermining social harmony, stability, and an overall social performance that produced the public good.

But most traditional conservatives came to understand the need for some democratic elements in government. To achieve stability when liberal and democratic forces sought fundamental changes in governmental structures, traditional conservatives came to embrace the republican idea that royalists, aristocrats, and democrats should each have a role in government. **Republican structural principles** call for "mixed" governmental institutions where the interests of the various elements of a society are balanced and blended so that no faction within society can corruptly pursue its own interest, generating disharmony and conflict in the body politic. In such a mixed system, some persons and classes may lead, but all elements within society have a sufficient role to insist that policies produced are for the good of society as a whole. Additionally, traditional conservatives embraced "aristocratic" republican principles limiting the role of the public in government - principally to holding leaders accountable through elections. The limits sought by conservatives exceed those that liberals envisioned in their representative democracies.[viii] For traditional conservatives, the public should not be too powerful, because authority must rest with leaders who are competent to govern. Governmental structures should protect such leaders from the passions of the electorate.

The limits on the democratic element sought by traditional conservatives, can be seen clearly in their efforts to curb democracy in America during the 20th century. While often hostile to the decisions of the Supreme Court, they are the greatest advocates of continuing the practice of having such judges appointed rather than elected and having these be lifelong appointments that will insulate them from democratic pressures. Such conservatives were also critical of the Seventeenth Amendment to the U.S. Constitution, which changed the method for selecting Senators. They preferred the older method of state legislatures' selecting Senators, rather than the new method of relying on popular vote. They still deem perfectly appropriate such devices as the Electoral College in Presidential elections.[ix] Indirect elections, appointed positions, and long terms of office are all seen as desirable, because they help remove officials from the passions of the governed.

Given these views on the structures of government, it might seem as if traditional conservatives would be very comfortable with the views and ideas of the Founders of the U.S. constitution. However, traditional conservatives view the Founders as setting up a system that excessively limited government power, especially the government's power to enforce morality and conventional norms. Traditional conservatives accept higher levels of government activity than envisioned by the "liberal" Founders. Burke also viewed written constitutions as unnecessary and even repugnant, because they furthered the idea that society was a mere contract. A state is not created by a contract, but is a living and inherited tradition. When Burke spoke of the British Constitution, he included all acts of parliament, the common law, and the traditions and informal norms that define political power and its limits. A constitution in this perspective is not a document that limits power, but a living and evolving set of conventions that specify what governments do and ought to do.

Compared to classical liberals, traditional conservatives want to ensure that political communities are tightly organized. The individualism that liberalism celebrates is regarded as undermining the harmony, effective functioning, and future stability of communities. Thus, traditional conservatives are less confident than liberals that the individual freedoms allowed in capitalist markets will redound to the good of the community or that limited and democratic government can be effective in holding the community together. Traditional conservatives are probably more appreciative than

liberals of the roles of voluntary associations in civic society. Edmund Burke regarded these "little platoons" as essential to people's feeling a sense of belonging to society, and he thought that the more people belonged to such associations the more they felt integrated into larger political communities.[x] Alexis de Tocqueville greatly admired the smaller "nonpolitical" associations and the role they played in early America; for this French conservative, such associations enabled Americans to simultaneously retain and enhance their liberties (given their voluntary character) *and* pursue collective objectives.[xi]

Finally, traditional conservatives believe that cultural norms are much more important in structuring society than do classical liberals. Cultural traditions, customs, and habits provide the essential guidance that all people need. While liberals celebrate individual choice to pursue their own good as they perceive it, traditional conservatives understand that social needs must have priority over individual, and that individuals need the guidance of norms to keep them from mistaking temporary passions from their real needs. Among the cultural norms that traditional conservatives admire are those dealing with sexuality and family life. Liberals might regard questions of sexual relations and whether to marry as matter of personal choice among consenting adults, but for conservatives, these matters have important implications for society. Couples must abide by cultural prohibitions on such things as premarital sex, so that young people develop the self-discipline required of mature adults. Couples must receive the blessings of their parents before deciding to marry, to ensure that an inappropriate crossing of class boundaries does not compromise the status of the family. Women must stay within the home and assume as their primary role the up-bringing of children, to ensure that future generations learn their proper roles in society and the cultural norms of society. Ignoring such cultural norms can lead to the decay of political communities.

Anarchists: Rejecting all conventional structures

Anarchists believe that conventional social structures must be abolished so that natural structures can emerge in their place. Anarchists have been unwilling to provide precise designs of these natural structures, because they understand that people envision different utopian structures or are unsure what utopia should be like. Only by creating a set of structures and seeing how they work in practice is it possible to know how well various structures provide liberty, order, mutual respect and other values that are part of people's various conceptions of the good life.[xii] Nevertheless, the social structures that are acceptable to anarchists will clearly contrast with conventional structures in the following ways.

Decentralized structures must replace centralized ones. Centralized states and other institutions have been organized from above, and they contain vertical relationships of authority in which those at the top issue commands that those below must obey. In contrast, decentralized institutions are organized from below, and they contain horizontal relationships in which all members of the organization have equal power. Although different people may have different roles and responsibilities, they are not in permanent positions of authority and subordination.

Small structures must replace large ones. The nation-state should be abolished, and primary social units should be local**.** Insofar as possible, people should know other members of the social units to which they belong, and they should be in continuous face-to-face interaction with them. People should understand the particular needs of their associates.

Voluntary organizations must replace coercive ones. No one should be a member of a state or any other organization against his will. Perhaps the voluntary

associations within civil society that are supported by both liberals and conservatives would provide some analogues to the structures that anarchist support, but anarchists regard most existing voluntary associations as more coercive than what they have in mind. Most churches, schools, and other "voluntary organizations" – as well as families - have authority structures that enable some people to dominate others and they have practices that make it difficult for subordinate members to rebel against authorities by leaving. The voluntary organizations preferred by anarchists would be less hierarchical and coercive than existing institutions in civil society. Anarchists want people who voluntarily associate with others because they share their principles and benefit from their association. At the same time, the members of any existing association should be able to choose those individuals whom they wish to admit into their association, enabling each association to maintain its solidarity by denying membership to those who disagree with its principles and who fail to contribute to it.

Rather than emphasizing territorial associations, anarchists emphasize **non-territorial** associations. States, of course, are organized on the basis of people living in the same area, and states have coercive police powers over everyone living in that area. However, residents within the same area may have little basis for associating with each other. Only some people within a territory may wish to associate with each other because of some collaborative economic, educational, social, or religious interests. And those who wish to associate because of such collaborative interests may come from many different geographic locations.

Anarchists wish to destroy centralized, national, coercive, and territorial social structures, and replace them immediately with decentralized, local, voluntary, and non-territorial ones. But they understand that there will be some evolution in the precise character of such institutions. Immediately after the destruction of conventional institutions, some "statist" organizations may be necessary. Proudhon, for example, called for the creation of a People's Bank. This bank would enable workers and peasants to become economically independent from centralized industry by facilitating free exchanges between independent workers and by providing credit (at low or nominal interest rates) for those seeking to establish their own small enterprises. Godwin thought that there would also be a temporary need for local democratic assemblies to write laws protecting people from each other and for juries to adjudicate conflicts because, initially, humans who have been living under repressive institutions would act prejudicially, putting their interests ahead of those of others.

Over time, such statist arrangements could be abandoned, and social life could be structured on the basis of **mutualism**. In economic life, mutualism provides for on-going associations for the production and distribution of goods and services based on voluntary contractual arrangements between economically independent persons. In principle capitalism also provides for associations based on voluntary contracts, but anarchists insist that in practice capitalist agreements are coercive because the parties to them are not genuinely independent. If one party owns the land or the equipment used to produce goods, the party that owns only his labor is in a poor bargaining position and is therefore exploited. But if each party owns his own land or tools or if such means of production are owned in common, no one is dependent on the owners of private property. In this context of independence, parties can acknowledge that their cooperation can be mutually beneficial and they can become associates in workplaces or syndicates to produce goods more efficiently. Education could also be provided on the basis of mutualism. Rather than being organized by centralized and hierarchical public and private institutions, anarchists seek voluntary, mutually agreeable and mutually beneficial, arrangements among parents, teachers, and students. In general, a vast proliferation of mutual-interest associations could be organized in which people having

common intellectual, artistic, spiritual, and recreational interests could agree to provide certain benefits to one another according to whatever regulations they adopted for their association.

Because mutual-interest associations would be composed of individuals having similar interests and ideals and because individuals would only join those groups having regulations that they regarded as just and necessary, there would be little conflict within such associations. But anarchists are not so unrealistic as to think that no conflict would ensue. Associations could form internal "police" units to detect violations of just conduct, and they could resolve disputes among members by employing mediation and arbitration.

Anarchists also recognize that **social pressure** would be an important natural instrument that associations would use to ensure that individuals do not harm each other. For example, members of a workplace who fail to act responsibly toward others could be subject to criticism, chastisement, and even ostracism. Such social pressure certainly resembles the cultural norms that conservatives see as important in structuring society, but anarchists would be leery of cultural norms that are highly moralistic. Anarchists reject that people should comply with traditional beliefs about moral goodness, as anarchists insist on their right to reach their own judgments about moral goodness. The social pressures of an anarchistic community would impose a very "thin" layer of constraints on people. Anarchists want natural communities where people have minimal structures governing their lives, so social pressures would apply to obviously disruptive activities, not to compel adherence to traditional values and practices that proscribe activities causing no clear harm to others.

Anarchists also recognize the need for different associations to work out agreements regarding their mutual and conflicting interests. Although Proudhon often referred to a "federal principle" as a means of structuring such inter-associational relations, the term "**confederation**" seems to capture more accurately anarchist ideals in this regard. Anarchists did envision different local associations forming larger umbrella organizations by mutual agreement. According to Bakunin, "there may arise free unions organized from below by the free federations of communes into provinces, or provinces into nations, and of nations into the United States of Europe."[xiii] Nevertheless, anarchists insisted that sovereignty would be largely retained at the local level, and that the higher-level organizations would largely coordinate cooperative activity among the local associations.[xiv]

Marxists: Stressing the oppression of capitalist structures

Marx and Marxists are radicals in their political principles, which means that they find the root causes of human problems (such as oppression, exploitation, and alienation) in the structure of society itself. The key to achieving Marxist goals is, therefore, to transform the structure of society. Marx provided a penetrating and critical analysis of the structure of capitalist society, and he hinted at how socialist and communist societies should be structured.

Marxists believe that the central structural element of modern bourgeois society is **capitalism**, whose central features include features beyond the system of free market exchange emphasized by liberals. Capitalism also includes *private* ownership and control of the means of production, increasing monopolization (or concentration of ownership and control of property), and bourgeois domination over all other aspects of society,

including family life, culture, and government. Because private industries dominates government, Marxists view governmental structures in capitalist societies as being relatively unimportant and thus give little attention to reforming them. Liberal democratic institutions are of little value, because they simply provide a false facade that enables capitalist business organizations to dominate government and the bourgeoisie to deceive the proletariat with talk of rights, freedom, and equality.

The relative impotence of the state, namely its inability to exercise political authority on behalf of the common good, means that essential decisions about society, including what goods to produce and how to distribute them, are left to those who have the most power within the "free" market. The most powerful actors and institutions within capitalist society are organized to serve their own immediate and private interests. According to Marx, such structural arrangements served positive social functions during the early industrial stage of modern era for several reasons. First, through them the bourgeoisie "pitilessly [tore] asunder the motley feudal ties that bound man to his 'natural' superiors . . .. In a word, for exploitation, veiled by religious and political illusions, it has substituted naked, shameless, direct, brutal exploitation."[xv] Second, by creating "more massive and more colossal productive forces than have all preceding generations together," it enabled human beings to master nature.[xvi] These productive forces include material technologies (chemical applications, steam navigation, electricity, etc.) as well as the technologies of organization (bureaucracies, bookkeeping, communication, and industrial management). After capitalism has been destroyed, these productive will provide the wealth needed to attain the ideal communist society. Third, capitalism has created a perpetual need for innovation and change. The competition of the marketplace drives industry to become ever more efficient. This imperative leads to innovations in the material forces of production and in the organization of production, which in turn lead to larger changes in society. According to Marx,

> The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty, and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned . . .[xvii]

For this reason, Marx claimed that the bourgeoisie have historically "played a most revolutionary part."[xviii]

Finally, the bourgeoisie, in playing its "most revolutionary part," has "simplified class antagonisms: Society as a whole is more and more splitting up into two great

hostile camps, into two great classes directly facing each other: Bourgeoisie and Proletariat."[xix]

All of these developments are positive for Marx, not because of any intrinsic moral worth, but because they hasten the coming of communism. But this also means that they have been overtaken, and that capitalism and its illusory democratic institutions have outlived their usefulness. Its modes of production can produce more goods than can be consumed, given its mode of distribution, and it has exacerbated human alienation. Moreover, capitalism has contradictory tendencies. On the one hand, capitalists seek profits, but on the other hand, competition makes this goal increasingly difficult. The pressure of competition and profit seeking will lead to general misery at the same time the capitalist means and modes of production seem to promise abundance. Capitalism's waning usefulness will prompt an inevitable revolt against it that will sweep away its institutions.

After the revolution, the political economy will be structured by a **centralized proletarian state**. Contrary to the assertions of subsequent communists, Marx thought that the state, and not the party, would be the dominant institution in the transitory socialist society. He made this clear in *The Communist Manifesto*, asserting that the party would "centralize all instruments of production in the hands of the State, *i.e.*, of the proletariat organized as the ruling class," which would end the rule of the bourgeois capitalists. As socialism matures, however, the centralized state will also become outmoded. Having implemented a series of measures to gain control over the means of production, including the expropriation of several forms of private property, the quashing of counter-revolutionary forces and tendencies, and the centralization of various industries, the state will have overseen the transition from capitalism to communism. It will no longer be needed, and can therefore "wither away." Society will then be organized on the basis of decentralized, voluntary organizations. Class antagonisms will no longer exist, so that the political power and institutions that are "merely the organized power of one class for oppressing another" will no longer be needed.[xx] In short, Marxists endorsed the structural ideals of anarchists "at the end of history."

Communists: Social transformation led through party organization

Like Marxists, communists believe that the root of human ills can be traced to the structure of society itself and that the central oppressive structure of modern political communities had been capitalism. To eradicate these ills, capitalism had to be abandoned. Communists have had more to say than Marxists about the characteristics of these transformed structures both at domestic and international levels.

On the domestic side, the structural components of liberalism – capitalism and its weak democratic governments – must be replaced by an integrated political economy under the control of the Communist Party. At least during a transformation from capitalist society to a fully realized communist society, the Communist Party must control all governmental and economic institutions and processes. Under a program of nationalization after the revolution, the state would assume ownership of all industrial

and agricultural property. The state would then engage in economic planning, determining where investments were to be made, which consumer goods were to be produced, what prices were to be charged, what wages were to be paid and other such matters that are determined instead by market forces in a capitalist economy.

While the economy is structured by the state, the Communist Party structures the state, so the Party in effect structures the entire political economy. According to Lenin, the Communist Party (the "vanguard of the proletariat") should be organized according to the principles of **democratic centralism**. First, all decisions should be made in free and open debates of the party congress. Second, all decisions of the party congress are binding on all lower agencies and officials of the Party and of the government. Third, no factions will be allowed within the party, and no minority parties will be permitted to secede from the party or to air their grievances in public. Fourth, all officers of the party will be elected indirectly from the lowest membership upwards. Fifth, all decisions and instructions of the party executive officials are binding upon all subordinated party and state organs and officers. Sixth, executive officials of the party are authorized to purge members who do not toe the official line of the party hierarchy. In principle, this structure is democratic because it allows for open debate and because leadership is formally accountable to the rank-and-file. But this structure is also centralized because decisions are made and enforced for the good of all.

Flowing from this Leninist doctrine, the central issue among communists concerning government structure has been centralization versus decentralization. Most communists interpreted Marx as claiming that the political economy of post-revolutionary societies would be dominated by a centralized state that would bring about the conditions of its own demise and give rise to decentralized structures in the future. But others supported decentralized means - giving significant roles to labor associations that were not controlled by the central Party organs and to democratic decision-making at the local level. In communist experience, centralization was most often practiced and this produced large, inefficient bureaucracies, government waste, and poor economies. For this reason, communists debated some restructuring of the highly centralized state structures that dominated Russia during the era of Stalin and his immediate successors.

The most famous of the efforts to decentralize a communist regime was **perestroika**, introduced in 1987 by Soviet leader Mikhail Gorbachev. The original aim of perestroika was to reduce the power of the huge centralized Soviet bureaucracy. Rather than have the bureaucracy plan and direct all economic activity, the managers of local plants would be free to plan production, obtain raw materials, hire workers, and establish prices. While these reforms brought some decentralization to the Soviet political economy, they did not seek initially to privatize it. Only when Gorbachev introduced "revolutionary perestroika" in November, 1989, and professed his intentions to privatize ownership of the means of production and pursue a liberalized free market system did the Soviets move decisively away from the principle that communism required centralized state control of the political economy.

Communists depreciated the role of civil society and cultural norms in structuring society. They generally regarded the Orthodox Christian church that had been a traditional part of Russian society as playing a reactionary role, inhibiting the transformation of citizens into good communists. Many other voluntary associations were also regarded with suspicion and hostility. Communists depreciated the role of cultural values, because the traditional culture was also reactionary. Communists sought to replace cultural traditions with Marxist and communist ideology. Communist Parties engaged in "unceasing campaigns of persuasion and indoctrination." They "used the press, radio, television, schools, and all the arts to mold the thoughts of their citizens" so that they conformed to the ideological doctrine established by Party Leaders.[xxi]

Another structural issue confronting communists concerned international organization. Communism, like Marxism, was intended to be a class movement that transcended ethnic and national boundaries. Indeed, Marx had considered ethnic and national boundaries to be yet another form of bourgeois organization that would disappear with the coming of communism. Accordingly, communists had formed an international organization, the Communist International or Comintern, which debated and set policies for revolutionary and governing activities. Karl Marx helped to organized the first International (The International Workingmen's Association) in 1864. It was internally beset by factions and externally oppressed and persecuted by hostile governments. It convened for six Congresses over nine years before it disbanded in 1873.[xxii] Engels helped to establish the Second International in 1889, six years after Marx's death. It had a strong internationalist and pacific policy. In 1912, two years before the outbreak of World War I, the Second International drafted a resolution opposing working class participation in any war. In the words of the resolution, war meant that workers were "shooting one another for the sake of the capitalists' profits, for the sake of the ambitions of dynasties, for the accomplishment of the aims of secret diplomatic treaties." War, the resolution declared, would give communists an opportunity to rouse the people against the capitalists.[xxiii] At the outbreak of World War I, most of the communist rank and file gave up its pacifism and supported the military endeavors of the countries in which its members found themselves. The Second International dissolved amidst its members' nationalist loyalties. The Third International began with an anti-war conference of communists in 1915, and was formally organized at its First Congress in 1919, though not officially begun until its Second Congress in 1920. Even though thirty-five parties joined in its founding, it was heavily dominated by the Russian communists, who were soon to emerge victorious from the Russian civil war and complete the first successful communist revolution. As Lenin feared, this third Comintern became a tool of Russian foreign policy. This development eventually discredited it among some non-Soviet Marxists, which also dissipated the cohesion of the international communist movement. Nevertheless, in 1939 there were nearly sixty communist parties in the Comintern. Their common membership helped to centralize various communist movements, and it provided the Communist Parties of various nations with important ideological, financial, and organizational ties to other Communist Parties in their efforts to create a worldwide revolution. In 1943, however, the Soviets were more interested in national survival and defeating the Nazis, so in order to placate their Western Allies, they temporarily abandoned the doctrine of worldwide revolution, and

dissolved the Third International to indicate their good will. After the war, the Soviets continued to try to dominate Communist movements worldwide, but differences between them and Mao, Tito, and other Communists undermined these efforts. In short, creating and maintaining a unified international communist movement was a major challenge for communists. International communist organizations had only limited success in overcoming national differences and national self-interests among communist societies.

Fascists: Social unity through totalitarian states

In order to gain total control over their political communities and create strong and unified states, fascists and Nazis sought to eliminate competing centers of power. The pluralist model of having countervailing structural powers within society and the republican model of have competing centers of power within government were both anathema to them.

In fascist Italy, Mussolini structured the political economy by implementing a kind of **corporatism**. This was an economic system that permitted private ownership of the means of production but called for the owners of industry to cooperate with labor and the fascist party in structuring economic activity. The fascists formed twenty-two corporations that represented broad areas of economic activity. Sectors of the economy - such as transportation, steel, textiles, and grains - were each represented by their own corporation. Workers, unions, managers, and executives each had their own corporation corresponding to their particular industry. Finally, members of the fascist party were included in the governing structure of each corporation so that the corporation would be directly tied to the state. The fascists thereby had a mechanism for controlling workers and managers alike, and for maintaining a unity of purpose and activity in the economy in order to maximize productivity toward the national goals of the state. By pursuing this kind of close, institutionalized cooperation, fascists sought to attain the collective strength and focused initiative needed to succeed in the international struggle for supremacy and glory.[xxiv]

In Germany, Hitler and the Nazis emphasized National Socialism. Like fascism and unlike communism, **National Socialism** did not involve the state confiscating and nationalizing the means of production. Instead, it involved close collaboration between industrialists and Nazi officials who headed the German state. Big business and such industrialists as Ferdinand Porsche (1875-1951), "placed themselves at the service of the Nazi war machine, benefiting directly from the regime's generosity and its inhuman labor legislation."[xxv] Workers (including many detainees captured abroad) became forced labors who were required to work long hours at an accelerated pace for minimal compensation. German capitalists were offered huge profits in return for their generating the arsenal that Hitler required for his expansionist military objectives.

Fascists and Nazis rejected both the separation of powers and the idea of checks and balances within governmental institutions. The Nazis employed the **Fuehrerprinzip,** which created multiple and overlapping spheres of activity and competence (rather than vertically distinct functional and organizational structures). While the presence of multiple and overlapping institutions suggests a dispersed structure of power and control,

all institutions remained under the control of central authority. This structure enabled the Fuehrer to delegate tasks to those institutions that were most effective and responsive to his will. Overlapping spheres of activity and competence, coupled with the direct and personal delegation of authority from the Fuehrer, tended to undermine bureaucratic rigidity and produce a highly mobilized set of subordinates, all eager to respond to the will of those higher up in the centralized hierarchy, including the Fuehrer himself. Such centralization permitted government to focus on national goals established by the Fuehrer, rather than on accommodating factional and bureaucratic interests. This structure enabled Nazis to transform the German polity into a highly mobilized mass movement intent on purifying the Aryan race and eradicating all dissent.[xxvi]

Secondary associations within civil society and traditional cultural norms were other structural forces that fascists and Nazis sought to eliminate as factors that might undermine the unity of purpose provided by the governing party and the state. Emphasis was given to a single unifying political party, rather than to the diversity of directions provided by many groups in civil society. Emphasis was also given to a single unifying ideology inculcated into all citizens through a strong propaganda machine, rather than to cultural norms that might undercut support for the revolutionary changes proposed by these ideologies. Destruction of all competing structural forces was a defining element of fascism and Nazism, making them **totalitarian** perspectives.

Contemporary liberals: Building stronger governments to both regulate and assist corporate capitalism

Contemporary liberals continue to appreciate the positive role of capitalism in structuring the economy, but they emphasize a reformed rather than pure form of capitalism. They recognize that capitalism is no longer well characterized as small entrepreneurs hiring workers to produce goods for sale in competitive markets; instead, the corporate capitalism of the 20th century features much larger economic entities having many stockholders, large managerial organizations, and vast workforces selling many products and service in global markets. They recognize the need for some governmental oversight and control over such capitalism. When large corporations seem to undermine the competition that the free market requires to work effectively, governments should enact and enforce anti-trust legislation and break up oligopolies and monopolies that gain market advantages due to their economic power. When corporate actors externalize costs – imposing burdens such as health and environmental hazards on others – governments should regulate the economic activities that gives rise to these costs and burdens. When market forces lead to inflation, unemployment, poverty or other social problems, governments should come up with public policy antidotes. In such ways, contemporary liberals call on democratic governments to be a countervailing structure that control the problems that a capitalist economy produces for a political community. But reform capitalism can also mean government being a cooperative partner with corporations. Contemporary liberals often support public-private partnerships when an economic activity produces public goods as well as private goods. Governments should subsidize downtown redevelopment, because downtowns provide broad economic, social, and cultural benefits to citizens of the entire community, in addition to being places of private enterprise. Governments should share in the building of public facilities as sports stadiums and airports, because these bring "major league" opportunities to the community as a whole, and not just those purchase tickets at these facilities.

Governments should bailout or provide bankruptcy protections to airlines, because of the essential public services they provide to citizens in areas where market demand is low or when market demand has been eroded by such events as 9/11. Governments should provide tax incentives for new capital improvements or establish import tariffs on foreign competitors in such industries as steel and automotive because of their centrality to the larger domestic economy. Because such examples could be extended endlessly, contemporary liberals support a mixed political economy that is structured in part by the actions of free market forces, in part by the policies of governments, and in part by cooperative arrangements and contracts between private and public forces.

Such an economy requires a much larger and stronger governmental presence than the more limited governments sought by classical liberals. And these strong governments must be appropriately structured so that they can deal with the myriad of economic and social problems that arise in a contemporary political economy. One such problem is that the market justice delivered by capitalism is regarded as only one component of a just society – as will be discussed in more detail in Chapter 10 – and must be complemented by various governmental initiatives to generate social justice. But the stronger government required for such tasks must be structured so that this increased power is not abused. Contemporary liberals recognize the need for constitutional restraints on government. They understand that governmental power needs to be divided. And they hope to check abuses of governmental power through various procedures of accountability.

While recognizing the importance of constitutions, contemporary liberals do not regard them as providing static bylaws and rules for governance. Societies progress, new problems emerge, and moral understandings mature. Constitutions that are centuries old need not be abandoned because of these changes, but they can be amended and reinterpreted. For example, constitutional amendments (such as the Sixteenth Amendment to the U.S. Constitution establishing the income tax) can give governments new powers to collect revenues to finance the strong state. While liberals have occasionally supported such constitutional amendments, they have more frequently sought new interpretations of existing constitutional provisions. During the New Deal, liberals urged and endorsed several Supreme Court rulings permitting an expanded role of the federal government in the areas of economic regulation and redistribution. During the 1950's and 60's, liberals supported judicial reinterpretations of the Fourteenth (equal rights) Amendment in order to desegregate schools. And in 1973, liberals applauded when the Court ruled in *Roe v. Wade* that constitutional privacy rights implied that women have the right to abortions. In general, liberals have endorsed **judicial activism** -- the practice whereby judges interpret vague and abstract wordings in the Constitution to expand the powers of government in economic matters and the political, social, and legal rights of minorities, women, and persons accused of crimes. For liberals, the practice of actively reinterpreting the Constitution is justified because the abstract vagueness of constitutional provisions requires that constitutional language be fused with contemporary moral, social, political, and economic understandings to resolve the new problems that emerge as societies evolve.[xxvii]

One of the major areas where American liberals have reinterpreted the constitution concerns the powers of the national government relative to state governments. Classical liberals in America assumed that the states should do most of the governing. Indeed, the Tenth Amendment of the U.S. Constitution provides that those powers not given to the national government by the Constitution "are reserved to the states respectively or to the people." During the nineteenth century, the national government exercised few powers as the states made and enforced most of the laws regarding business and finance, property, labor, welfare, and crime.[xxviii] However,

contemporary liberals (citing "the elastic clause" in the Constitution giving Congress the power "to make all laws which shall be necessary and proper...") have endorsed enhancing the authority of the national government for several reasons. First, modernization has made many economic problems difficult to solve at the state level. For example, states are often reluctant to impose strict environmental regulations on their industries for fear that such regulations prompt businesses to relocate in states with more lax regulations. Only national governments (and international and other inter-governmental agreements) can impose strict regulations that leave businesses with few choices but compliance. Second, states have often been controlled by local special interests that are unresponsive to broader public concerns or minority rights. Thus some Western states were long controlled by mining and/or agricultural interests that resisted reforms. And Southern states, of course, were controlled by conservative whites who resisted minority rights. In the liberal view, only by expanding the power of the national government could such injustices as state-supported racial discrimination be curbed. Third, national governments are much more able than state governments to expand welfare rights in a mobile, modern society.[xxix] The problem is that there are strong economic disincentives for states and localities to produce redistributive policies. States that create more generous welfare programs than other states can expect to attract "the wondering poor" from other states while encouraging businesses and wealthy citizens to leave the state to avoid the high taxes needed to cover increasing welfare costs. In short, states face especially severe tradeoffs between equality and efficiency, and their concern to enhance aggregate economic well-being makes them unreceptive to redistribution. Because national governments can restrict entry of the poor of other countries through restrictive immigration laws and because the wealthy are less inclined to give up their citizenship than move to low-tax states, they have fewer disincentives than the states to have generous welfare-rights policies.

Despite the willingness of contemporary liberals to expand national government, it is probably a mistake to regard national supremacy - the view that the powers of state governments should be limited and made accountable to the sovereignty of national governments - as a liberal doctrine. As budget deficits have curtailed the capacity of the federal government to enhance welfare rights and provide public services, and as the executive branch has fallen into the hands of conservative administrations, liberals have increasingly turned back to the states, seeking innovative solutions to social and economic problems at that level. In short, liberal beliefs about the proper powers of national, state, and local governments are derivative rather than fundamental. Contemporary liberals are more basically concerned with using governmental power to resolve social and economic problems and to enhance social justice, and they will use the power of any government - national, state, or local - that is readily available for such purposes.

Another area where American liberals have reinterpreted the constitution concerns the distribution of powers between the executive and the legislature. While classical liberals generally supported legislative-centered government, contemporary liberals have generally supported **executive-centered and bureaucratic government.**[xxx] At least until conservative Republicans began to dominate the executive during the Reagan and Bush Administrations, liberals generally sought to strengthen the executive for several reasons. First, legislatures represent diverse and parochial interests and contain many veto points making it difficult for them to pass progressive legislation solving social problems and furthering social justice. It has often been observed that liberal legislation in the areas of civil rights and welfare policies could only pass Congress during periods when liberal democrats had supra-majorities in each house and were influenced by the prodding of liberal presidents.[xxxi] Secondly, the Chief Executive - the President in the U.S. - has developed significant political powers to define the

agenda of social problems and to convey his concerns to the public. Beyond the formal powers that the Constitution provides presidents, they have acquired informal powers that, if fully employed, can facilitate the building of coalitions supporting policy initiatives on behalf of liberal goals. Thirdly, as society has become more modern, problems have become more complex, and the expertise to address these problems appears to reside in a professional bureaucracy rather than among legislative generalists. While legislators might be able to agree that certain problems - such as environmental pollution or AIDS -- require public attention and the investment of governmental resources, they seldom have the expertise to define specific policy solutions. As a result, legislative lawmaking amounts to little more than "expressing broad and noble sentiments, giving almost no direction at all but imploring executive power, administrative expertise, and interest-group wisdom to set the world to rights."[xxxii] In short, liberals have come to depend on bureaucratic expertise to define the social and economic problems that confront society and to develop and implement specific programs addressing these policies. They recognize that presidents can use their popularity and prestige to develop coalitions supporting governmental initiatives. And they hope that legislatures will respond to these initiatives by passing broad enabling laws and by appropriating funds for such programs. By supporting such executive-centered government, liberals have come to endorse the bureaucratic state.

Despite supporting strong executive-centered national governments, contemporary liberals are well aware that such governments can abuse their powers, and so they endorse structures and practices of accountability. In general, they believe that executive agencies should be accountable to the legislature and the legislature should be accountable to citizens. Bureaucratic programs should be subjected to **legislative oversight**. Legislative staffs should evaluate the legality, effectiveness, and fairness of bureaucratic actions, and legislative hearings can permit testimony from outside experts, interest groups, and citizens. Executive abuses of power can be investigated by the legislature, which should apply appropriate sanctions ranging from impeachment to cutting off program appropriations.

Understanding that legislators should, in turn, be accountable to citizens, contemporary liberals have endorsed a variety of reforms to enhance such accountability. For example, American liberals have sometimes criticized indirect selection methods, endorsing the popular election of Senators (rather than selection by state legislatures) and the President (rather than selection by the Electoral College). Liberals have sought legislative districts that are apportioned equally based on population, to ensure that legislators are as accountable to urban voters as rural ones. More recently, liberals have called for public financing of elections, believing that such reforms would make representatives more accountable to the general public rather than to "fat cat" contributors. But liberals have not supported all electoral reform proposals. There is no evidence, for example, that liberals are more supportive than conservatives of term limitations on representatives. Indeed, there are good reasons for liberals to reject such proposals. Term limitations curtail the rights of both representatives (who can be prohibited from seeking reelection to office) and voters (who can be denied the right to vote for representatives who have served them effectively). And liberals have argued that term limitations would curtail the effective leadership needed by a strong state.

Compared to other friends of pluralism, contemporary liberals have focused on the roles of a reformed capitalist system and strong and effective democratic governments to structure political communities. Unlike communists and fascists, they have not been hostile to the role of secondary associations in structuring society, but they regard the voluntary nature of such organizations as limiting their capacity to deal adequately with the problems of modern communities. Only the coercive powers of the state can compel

compliance with those regulations that serve broad public interests and extract tax resources to pay for programs that deliver essential public goods and provide social justice. Pinkerton Security Forces and the Red Cross do not have the capacities to address large-scale catastrophes inflicted by a community's enemies (as on 9/11) or mother nature (as by hurricane Katrina). Only the massive powers of national governments can do that.

Contemporary liberals also understand that many cultural norms are important in structuring political communities. They understanding that public schools, secondary associations, and families are important in transmitting to the young such values as a work ethic, tolerance, civility, and compassion. But they believe that traditional cultures sometimes transmit undesirable norms that discriminate against minorities, women, gays, and others. They believe traditional cultures can be excessively supportive of practices that are no longer appropriate to current conditions (e.g., carrying hand-guns) or excessively repressive of individual choices (e.g., to form a single-sex union). Sometimes, the way traditional cultures structure life in communities must be challenged.

Democratic socialists: Seeking strong socialist parties to pursue market socialism and cultural transformation

Being reformers, democratic socialists are willing to move down the road toward socialism using those economic, political, social, and cultural institutions that already exist within pluralist communities. Being more radical reformers than contemporary liberals, they often seek more extensive modifications within these structures than those sought by their pluralist friends.

Rather than focusing on how to restructure government, democratic socialists have emphasized the restructuring of the broader political economy, but there is much disagreement here. On the one hand, centralists within socialism have sought a strong state that owns most of the means of production and distributes many economic goods. On the other hand, decentralists have emphasized smaller scale institutional arrangements allowing continued private ownership of many industries, but reducing the power of capitalists. Subjecting corporate power to constraints imposed by trade unions, workplace democracies, local community representation, and governmental oversight and restrictions are some ways of restructuring capitalism to make it more responsive to socialist goals. These two strands of socialism serve as countervailing tendencies that make socialist institutions a hybrid of many organizational structures. The term **market socialism** is often used to capture this hybrid of public and private institutions, but market socialism can refer to many different organizational arrangements because, within a mixed political economy, centralists will emphasize state institutions, while decentralists will emphasize market institutions.

Under market socialism, goods and services can be produced through at least six types of institutional arrangements:[xxxiii]

> (1) In **nationalized enterprises** a centralized government owns the means of production, employs labor, and controls most decisions.
>
> (2) In **socialized enterprises** the means of production are owned by various governments (and thus by the citizens of these governments) and these enterprises are accountable to the governments that own them. However, workers of the plant directly or indirectly control most decisions and employ management to administer the enterprise. While nationalized enterprises normally have monopolistic control of a particular industry in a country, many socialized

enterprises can compete with each other, developing different methods of production and product variations.

(3) In **cooperatives** the work force owns the means of production and controls most decisions, subject to the regulations of various governments having jurisdiction over them.

(4) In private enterprise the means of production are owned by private stockholders and controlled by managers who are formally accountable to their stockholders and constrained by the agreements they make with other organizations (such as labor unions) and the regulations of those governments having jurisdiction over them.

(5) In **worker-controlled private enterprises** the means of production are owned by stockholders, but workers (and various affected publics) control decisions either directly or by selecting their managers who are accountable to them.

(6) In individual entrepreneurial activity such single persons as free-lance writers, painters, and shopkeepers own and control all the resources used in their businesses.

A political economy having some mix of these productive arrangements has many "market" characteristics. Many corporations are privately owned. The managers of the various types of enterprises must secure their resources in competitive markets; for example, even nationalized enterprises must attract workers from a labor market in which workers can try to secure higher wages and other benefits from the management of other enterprises. Except for nationalized enterprises with monopoly control of their markets, enterprises must price goods in ways that are competitive with other enterprises (and even nationalized monopolies may have to consider international competition when setting prices). There is, for the most part, freedom of entry and exit throughout an economy of market socialism. Successful enterprises will encourage others to invest in the area, and unsuccessful enterprises can fail. Thus, market socialism encourages productivity and innovation.

This mix of productive arrangements also has many "public" characteristics. There is public ownership of some enterprises, especially those like railroads and utilities that are natural monopolies. The public can invest in certain industries by creating nationalized and socialized enterprises, and it can influence investment decisions elsewhere by having the state control credit and by providing various financial incentives and disincentives for private investors. And the state can regulate production through labor, safety, environmental, trade and other types of legislation.

In short, market socialism organizes economic production in a pluralistic manner. Diversity in productive arrangements is both permitted and encouraged. The benefits of economic markets are recognized and utilized. But extensive state participation in the political economy through public planning, regulation, and (at least occasional) ownership tempers competition and secures various public objectives.

Market socialism also has a mix of distributive organizational arrangements:

(1) Individuals and organizations distribute commodities to other individuals and organizations based on the market principle of free exchange.

(2) State agencies distribute many necessities to (potentially) everyone, as citizen rights.

(3) Helping societies distribute some necessities and commodities to the poor, as mutual aid.

When thinking about distributive arrangements, socialists distinguish between commodities and necessities. Commodities are those goods like caviar and luxury homes and those services like tennis lessons and financial counseling that people often *want* but do not require. Socialists understand that people want a wide range of commodities, that such commodities are most efficiently distributed by the market, and that "market morality is a celebration of wanting, making, owning, and exchanging commodities."[xxxiv] In contrast, necessities are those goods like minimal nutrition and basic housing and those services like police protection and essential medical care that everyone needs in order to survive, to engage successfully in the pursuit of happiness, and be free and contributing members of society.[xxxv] Socialists with centralist perspectives have long maintained that necessities ought to be distributed by state agencies, because all citizens have a right to necessities, even if they cannot afford them in the marketplace. Such *nationalized distributions* are provided by state agencies that are merely acting as agents of citizens of a nation who are committed to providing for each others' essential needs and paying for these provisions through taxes. But socialists having more decentralist perspectives worry that the role played by state agencies in providing nationalized distributions undermines fraternal values; such distributions of necessities may be seen as "bureaucrats spending taxpayers' money" rather than as mutual aid. These socialists want to augment nationalized distributions with *socialized distributions*, which is aid to needy individuals provided directly by citizens through helping societies, rather than through the state. Helping societies are composed of citizens who, rather than being taxed on an involuntary and impersonal basis, give of their time, energy, and money on a voluntary and personal (face-to-face) basis.[xxxvi] Despite recent emphasis on socialized distributions, nationalized distributions -- more than nationalized production -- remain essential features of market socialism.

Democratic socialists understand that pluralist communities have constitutional and institutional arrangements that incorporate political rights and democratic principles offering socialists opportunities to pursue market socialism and other socialist goals, win public support, and govern. Thus, rather than proposing fundamental constitutional changes, socialists focus on strengthening those existing institutions that facilitate the attainment of their goals. Socialists want to enhance the role of political parties both in elections and in governance, because strong parties -- especially strong socialist and labor parties -- help organize and empower those with fewer economic resources. Socialists want to enhance the power of labor unions as an important countervailing force to corporate power in industry. In circumstances in which conservative and corporate interests are entrenched in state institutions, socialists may make proposals for "restructuring" and reorganization, but such proposals are limited and ad hoc. Because there are no clear socialist principles on how to structure government,[xxxvii] socialist proposals for institutional reform are opportunistic. Within contexts of particular problems and opportunities, socialists simply hope to make modest reforms in government structures that allow working people to participate more readily in government and that seem likely to enhance their power.

Like other pluralists, social democrats appreciate the role of voluntary associations in structuring societies. Indeed, socialists follow the Marxist theoretical perspective that diminishes the line between public and private spheres of life that is so central to the liberal tradition. For socialists, all community activity is public and

political. From this perspective, voluntary associations within civil society are not separate from or alternatives to political organization but are essential structures of socialist political communities. Socialist values must be pursued in the family, in the workplace, and in various voluntary associations. Indeed, these are regarded by socialists are excellent places to develop socialist values and democratic skills.[xxxviii]

Socialists also have a deeper appreciation than liberals of the role of cultural norms in structuring society. Much of what is "evolutionary" in evolutionary democratic socialism, rather than revolutionary Marxist socialism, is the transformation of cultural values in a socialist direction. Socialists believe that the long march toward socialism requires that liberal values – stressing individual achievement and material prosperity – must be complemented by socialist values involving collective achievement, social solidarity, and social justice. They reject the Marxist belief that capitalism so dominates liberal societies that changes in cultural values toward socialism are impossible without destroying capitalism. Instead, they believe cultural values can be changed through education and persuasion. While such cultural transformation is a difficult and long-term project, socialists believe that socialism will not be approached without the development of a culture that emphasizes, transmits, and reinforces socialist ideals.

Contemporary conservatives: Seeing strong states as stifling capitalism, voluntarism, and traditional cultural values

Contemporary conservatives believe that their pluralist friends – contemporary liberals and democratic socialists – have vastly over-emphasized the role of government in structuring political communities, and that totalitarian ideologies have been even worse in this regard. Each of these ideologies is guilty of creating excessive expectations about what governments can do. Fascists claim to be able to create a unified and powerful state that achieves whatever leaders proclaim to be important national interests. Communists claim to be able to lay the groundwork for a future utopia, an affluent society without classes and without coercive power, a virtual heaven on earth. Socialists claim to be able to provide social justice, and liberals claim to be able to address effectively, if not completely resolve, various economic and social problems. Contemporary conservatives set themselves against these claims, emphasizing the failures of the governmental programs of each of these regimes, the unanticipated consequences of many "social engineering efforts" by strong governments, and the destabilizing consequences of their excessive ambitions and claims. Because these ideologies create rapidly rising expectations about a glorious future while governmental capacity to meet these expectations remains very limited, citizen lose faith in government and question its legitimacy. This ultimately undermines the capacity of government to do the essential things – like provide security and the infrastructure of an effective market economy - that are realistically within its capacity.

Contemporary conservatives think capitalism and free markets effectively structure economic activity. Excessive governmental taxation to provide the resources for its excessive programs diverts money away from capitalists and thus curtails the investments in innovative technologies that can make the economy grow. Excessive governmental regulations on behalf of various social and environmental goals prevent markets from working effectively and strangle entrepreneurial activity. The profit motive and the competition of free markets can work to improve the programs that governments do deliver. Thus contemporary conservatives want to privatize or contract out to private corporations many of the programs that were formerly provided by the bureaucracies created by liberal and socialist governments. Such changes would help restore the vitality of capitalism and its capacity to effectively structure economic life.

Contemporary conservatives accept the institutions of representative democracy as legitimate, but they understand that such governments can be structured in various ways, and they thus reject the suggestion that there is "one best way" to structure government. In Western Europe, conservatives have worked within parliamentary systems, and in the U.S. conservatives have supported our presidential system, including the separation of powers and federalism.

In general, contemporary conservatives support institutions that define the particular historical identities of their nations. Conservatives in England and other European countries have often opposed integrating their nations into the European Union, on the grounds that joining the common market can endanger national sovereignty and cultural identity. German conservatives like Chancellor Kohl have supported the unification of West and East Germany, as they attempt to reclaim a German community under a constitution that retains the principles of representative democracy.

In the U.S., the structural issue of greatest concern to conservatives deals with the character of American federalism. Conservatives generally support states' rights and local governmental power, and accuse liberals of expanding excessively the size, range, and power of the federal government. Conservatives support the decentralization of political power because state and local governments provide a defense against a powerful national government and promote regional and local values and responsibilities. Local governments have knowledge of local problems and capacities and can thus best determine the proper laws and policies for their communities. Contemporary conservatives believe that local control over many policies will force citizens to recognize that public programs are expensive. Awakened citizens, conservatives hope, would be willing to prune these programs.

Indeed, Republican presidents since 1968 have regularly promised a new division of responsibilities among the three levels of the U.S. federal system. Both Nixon and Reagan announced "New Federalism" approaches that would reduce the size of the federal government and provide local governments with increased discretion in some policy areas. Nixon's plans were more specific about the distribution of responsibilities, but his plans were not implemented. Reagan's approach was guided less by concerns about proper spheres of responsibility than by the desire to transfer spending from the national to the local levels.[xxxix] George W. Bush has withdrawn aid to the nation's cities (and the poor within them) to finance reductions in federal taxes. His most visible urban program – urging urban churches to sponsor programs to provide homeless shelters, soup kitchens, and social services – illustrates the conservative view that national governments should not be involved in local matters.[xl]

Such support for "faith-based" organizations also illustrates the importance that conservatives give to voluntary associations in structuring society. George H. Bush, of course, emphasized that voluntary associations provided a "thousand points of light" – small organizations that provide moral virtue, do good deeds, and help the needy. Voluntary charitable associations are preferred to governmental welfare as a means of assisting the poor and the otherwise disadvantaged, because when people work for

charitable organizations or make donations to them, they develop their moral character in ways that are absent when governmental welfare agencies come in and assume responsibilities that could be undertaken by morally responsible individuals. Voluntary associations are also preferable to governmental programs because the assistance they provide is mere "charity" rather than "welfare, " which too often becomes future economic entitlements that undermine incentives for the poor to take moral responsibility for themselves.

Contemporary conservatives are especially outraged by what they see as the liberal trashing of our culture. They believe that liberalism is a political outlook that not only supports moral relativism but is unwilling to deny the moral depravity of much popular culture. Obscene music and films crowd out wholesome family program. Sexual promiscuity is winked at, as liberals call for "safe sex" rather than the abstinence that is necessary for young people to achieve the self-discipline required for adulthood. While examples could be provided endlessly, the point is that conservatives believe that liberals and civil libertarians have broken down the cultural norms that previously proscribed morally offensive conduct.[xli] While conservatives are reluctant to have government impose a single moral outlook on society, they believe some limits on a toxic culture is necessary if political communities are to be composed of citizens having sufficient virtue to fulfill the responsibilities that pluralist politics requires.

Globalists: Capitalism must be governed, but not underwritten, by democratic governments

Globalists stress the importance of two basic structures: free-market capitalism and representative democracy. Most globalists seek to enhance the role and importance of capitalism and reduce the role of the democratic state in the global political economy. As Friedman puts it, the end of the Cold War and the beginning of the age of globalization "was a victory of market forces above politics," and he emphasizes how capitalism comprises the basic "hardware" of all political economies in the age of globalization.[xlii]

Globalists see free-market capitalism as the key to economic freedom and material prosperity. Free-markets allow and encourage people to specialize, innovate, invest, and make use of competitive advantages in ways that produce dramatic increases in prosperity and dramatic decreases in poverty.[xliii] The kind of capitalism that globalists prescribe is free-market capitalism - not "crony capitalism." Rather than economic enterprises prospering due to governmental privileges and protections, companies in a truly free market can only "hold on to a good economic position by improving production and offering people good products and services."[xliv]

But globalists do not seek to greatly weaken the democratic state, and instead are committed to state building.[xlv] As Thatcher puts it, "some commentators would have you believe that globalization spells the end of the state as we have known it over the centuries. But they are wrong: it does not. What it actually does is prevent – to some degree – the state from doing things which it should never have been doing in the first place."[xlvi] Globalists thus seek some reduction of governmental role in the political economy, for example, through the privatization of certain public programs. But globalists understand that free markets are highly dependent on democratic institutions to provide effective rules that govern market activity. Such rules must preserve property

rights, encourage investment and risk-taking, and provide the sort of political stability that can encourage people to invest their resources and energy into productive economic activity.

Indeed, in a temporal sense, most globalists believe that countries without democratic capitalism should first give priority to developing democracy rather than creating free markets. They suggest that democracy is a precondition for effective capitalism, as investors will not bring needed capital to countries governed either as autocracies whose arbitrary degrees make investments insecure or as "kleptocracies" where corruption is so extensive that it greatly enhances the costs of business.[xlvii] The priority of "good government" over "free markets" is suggested by those analyses that claim that poverty and economic collapses are due to corrupt and undemocratic governments and to misguided policies by autocratic regimes rather than the results of exploitation and bad judgments by participants in free-market globalism.[xlviii]

The organizations of civil society – numerous and diverse voluntary social and charitable associations – are of secondary importance to globalists, given their less intensive roles in the political economy. Still, globalists support such institutions for at least a couple of reasons. First, charitable groups and philanthropic foundations are an important alternative to the welfare state. Norberg believes "we have more to expect from philanthropic capitalists than from politics." According to Norberg, [xlix]

> "Microsoft's Bill Gates, the very personification of modern capitalism, himself devotes more to the campaign against disease in the developing countries than the American government does. Between November 1999 and 2000, through the $23 billion Bill and Melinda Gates Health Fund, $1.44 billion went to vaccinate children in developing countries from common diseases and to fund research into HIV/AIDS, malaria, and TB."

In addition, the voluntary organizations within civil society provide an important sense of identity and belongingness to people uprooted from local communities due to the mobility and rapid change that is a part of globalization. Friedman argues that such voluntary associations provide the roots that people require to balance the forces of globalization.[l]

By stressing the importance of a market economy, the democratic state, and the institutions of civil society within globalized communities, globalist principles about structures are within the pluralist underlying consensus. When globalists seek to shift the balance of power from governments to markets, progressive forces within the pluralist political system are likely to emerge to ensure that the state retain its role as a countervailing power to capitalist institutions.

Right-wing extremists: Dissing democratic capitalism and countervailing structures of power

The radical right has little respect for the existing structures of the political economy in pluralist societies. The radical right does not challenge the role of a market economy with capitalist ownership, and it seldom rejects at least some form of democracy, but – like the radical left – it regards as deeply flawed the existing capitalist democracy that structures pluralist societies. Global capitalism is seen as controlled by transnational elites who pursue trade policies that undermine American national interests at home and investment policies that undermine traditional cultural values abroad. The democratic governments of pluralist society are viewed as far removed from citizen interests and accountability and dominated by foreign (Jewish) interests, neoliberal

organizations (like the Trilateral Commission), and liberal bureaucrats who are overly sympathetic to multiculturalism. Many on the radical right claim that pluralist structures are dominated by some nefarious but difficult to identify conspiratorial elite. Such structural arrangements are seen as marginalizing the kinds of structures that have traditionally been important to people, especially families and churches.

In America, the radical right is particularly upset when pluralists have interpreted the Constitutional prohibition of an established church to mean that our forefathers sought freedom *from* religion rather than freedom *for* religion. In their view, the doctrine of separation of church and state has resulted in excessively hostile governmental policies against religious organizations, such as the banning of prayers in schools and challenges to religious symbols in public spaces. At a minimum, the radical right believes that the state should support religious organizations and practices. A more radical right in America believes the state should shed its neutrality among religions and embrace those Christian churches that have long played a central role in upholding the moral culture that is central to American identity. Pluralists fear that Christian fundamentalists wish to go further and establish a Christian theocracy in which the borderlines between state and church structures become increasingly blurred, but it is difficult to find American advocates of such a theocracy.

This is not the case for political Islam. From its birth in the seventh century and throughout its history, Islamists have sought "din wa dawla" - the integration of church and state.[li] Of course, some Muslims have sought to liberalize or secularize the governance of Islamic societies – most famously the effort of Mustafa Kemal Ataturk to "Westernize" Turkey after the disintegration of the Ottoman Empire. However, "the Kemalist option" has been much resisted, and some Islamic theocracies have been reestablished, especially after the Iranian Revolution of 1979 (which replaced the Shah's secular regime with an Islamic regime headed by Ayatollah Ruhollan Khomeini) and through movements to "Islamize" other governments in Islamic societies, such as Pakistan and Sudan, that were regarded as overly sympathetic to Western elites and under-concerned with traditional Muslim values. Such **theocracies** involve church-dominated governments that create and enforce laws reflecting divine law and that sustain church-defined moral behavior of individuals. For some Islamic extremists, such theocracies are necessary to prepare Muslims for a future apocalypse.

In addition to a greater integration of church and state, the radical right has often sought a greater integration of the political economy. Prior to World War II, fascists in Italy believed that corporatism was the key to a prosperous national economy. In the corporatist model, government, corporations, and labor are integrated through cooperative policymaking schemes that place perceived national interests ahead of any "selfish" interests of particular corporations and labor unions. There are strains of neo-fascist corporatism in the rhetoric of many right-wing nationalists in America and elsewhere.

Right-wing support for theocracies and corporatist political economies are at odds with the pluralist underlying consensus that the major institutions of a society should be independent of each other, existing as countervailing powers that prevent an oppressive centralization of power within pluralist societies. Unable to make significant advances toward such unified structures and believing that the existing structures are hopelessly dominated by corrupt and alien forces, many members of the radical right have become highly alienated from the basic structures of pluralist societies, withdrawing into their own enclaves in such places as Hayden Lake, Idaho (the home of the Aryan Nation), rural counties that are hospitable to militia and patriotic groups, and fundamentalist churches like World Church of the Creator and the Church of Israel. Obviously, when

withdrawal is for purposes of creating training bases for hostile actions against perceived enemies, as exemplified by al Qaeda units in the mountains of Afghanistan and Pakistan, pluralism is threatened, but when such withdrawal is merely a manifestation of severe alienation, pluralists may merely shrug their shoulders. Pluralists may believe that efforts by the radical right to isolate themselves from pluralist society are based on delusions about the structure of pluralist society, but pluralist philosophy affirms the moral autonomy of residents within their midst. If members of the radical right withdraw from the basic structures of pluralist society in ways that are not abusive of the rights of others or threatening to pluralism, pluralists may tolerate minor violations of pluralist practices in order to provide an uneasy peace with those whose beliefs are far removed from pluralist underlying consensus.

Left-wing extremists: Seeing globalization as a higher stage of imperialism and structural domination

The radical left is more critical of the way pluralist communities are structured than with such communities themselves, as they see capitalist institutions – especially corporations that have become more powerful and less constrained during the processes of globalization - as dominating structures within pluralist communities that undermine any genuine pluralist politics. They believe that capitalism is inadequately conceptualized as "free enterprise." Perhaps in an earlier stage of economic development and in pure economic theory, capitalism could be seen as a system of widespread freedoms and opportunities to trade, work, invest, and consume in mutually beneficial ways, but in more advanced capitalist societies, especially in a global economy, free markets are distorted because huge economic entities exercise enormous power within markets and over governments. For the radical left, capitalism must be seen as an economic system in which the accumulation of capital – or the means of production – has created huge inequalities in the power of actors who operate within markets that are only formally free and open to all people. Multinational corporations have bargaining power over labor, subcontractors, and other less powerful actors when conducting market transactions. As Marxists have argued, when efficient production occurs in large corporate entities that control the quantity and quality of capital required to succeed in the intense competition of the global marketplace, those lacking similar resources are at huge bargaining disadvantages. Under such conditions, they have little choice but to work under labor contracts and other kinds of agreements that ensure corporations extensive profits while providing less compensation to others than the value of their contributions.

Multinational corporations also flex their power at the societal level, as communities, states, and nations compete with each other to attract the mobile capital that provide jobs and other economic resources. To entice a large corporation to locate in their communities, governments may provide at public expense various tax exemptions, reduced regulations (for example, regarding labor and the environment), and other resources and services that benefit corporations. In short, the power of concentrated capital distorts the balance of power that is supposed to be the hallmark of pluralist politics. The radical left believes that rather than democratic governments controlling private power in the public interest, corporate capitalism controls democratic governments for private purposes, and this imbalance is enhanced by globalization.

According to the radical left, globalization is a more advanced stage of capitalism than the imperialism that characterized the international political economy during the later part of the 19th century and the beginning of the 20th century. Compared to old-fashioned imperialism, globalization involves capital that is more mobile than ever, has technologies that more thoroughly pierce the societies of developing nations, and involves processes that are more able to manipulate and control citizens, orienting them

to a life centered on production and consumption in ways that serve the interests of the corporate elite. Leaders and citizens in political communities throughout the world willingly participate in the global economy and enter into one-sided agreements to attract mobile capital because they believe such arrangements are the key to future affluence. But the radical left maintains that this is an illusion, that the promised affluence is often fraudulent. Even if economic growth occurs and people attain higher wages, there are enormous costs. Economic prosperity is always relative, as economic development creates more real and perceived material needs that can only be satisfied by more intense economic activity. People's overall sense of well-being may be reduced despite their higher standards of living, as they devote more of their lives to alienated labor, as they have less leisure time, as they go into debt to pay for their higher standard of living, as they devote more of their lives to maintaining the material goods that clutter their lives, as they feel increasingly insecure and vulnerable to changing economic forces that can deprive them of their jobs and livelihoods, and as their natural environments are devastated and depleted.[lii]

The radical left is skeptical that there is any place within pluralist communities to turn for relief from these forces. Democratic governments within pluralist nations and sub-communities are dominated by capitalist interests and see their role as facilitating the community's participation in the global capitalist system. Perhaps it is possible to envision international political organizations being responsible for constraining multinational corporations and global markets on behalf of the interests of labor and the environment, but existing international organizations are viewed by the radical left as hopeless. The World Bank promotes economic growth in developing nations, but does so only under terms acceptable to developed nations and corporate interests. The International Monetary Fund aids economies having financial crises, but normally imposes regulations on such countries, requiring them to implement neoliberal policies that serve the interests of global capital. The World Trade Organization is completely oriented toward securing free trade and financial investment policies that enhance economic globalization and thus the interests of transnational corporations. And other international organizations like the United Nations have neither the legitimacy nor the capacity to be of any help.

The principles of the radical left regarding community structures are more oriented toward criticizing current arrangements than offering alternatives. The deep greens probably have the most developed ideas about alternative economic structures. Their call for decentralization is not merely territorial, but aimed at economic organization. "Small is beautiful" applies to economic activity as well as political communities.[liii] "Human-scale" cooperatives are proposed as alternatives to today's mega corporations. Such organizations should be concerned with producing goods for their "use value" (i.e., their capacity to satisfy the real material needs of citizens) rather than for "exchange value" (i.e., the capacity to profit from economic trade in ways that enable one to accumulate capital and enlarge one's bank account). By producing only what is needed in the local community, local economic organizations can be highly efficient, avoiding such unnecessary costs as those involved in advertising and marketing their goods and transporting them to far-away markets. Economic growth and development is not seen as an end in itself, and thus a prosperous local economy may be a "steady-state" one that can sustain rather than exploit the environment and that can involve humans in cooperative economic activity rather than ceaseless competition.

Pluralism may well be threatened by the structural principles of the radical left, although a more benign interpretation is possible. Perhaps the criticisms of the radical left are merely an effort to make pluralists more wary of the limitations of free markets, the power of capital, and the material values that drive global capitalism. Absent the old

left's enthusiasm for planned economies and for nationalizing or socializing private capital, today's radical left lack any real program to dismantle the economic structures that pluralists accept as providing desirable economic opportunities and affluence. The decentralized economic structures supported by the deep greens may be the greatest threat to pluralism as it is currently practiced, because it is difficult to see how such an economy could come about without the destruction of the economic institutions that are now so central to pluralist societies. At a deeper level, such decentralized economic structures may require political decisions to privilege one way of life – the pursuit of a nonmaterial lifestyle – while punishing alternative life styles that depend on participation in the markets of global capitalism. Because pluralism is a public philosophy that insists on political neutrality about the contents of the good life – because pluralists agree on structuring society so as to allow individual autonomy in the choice and pursuit of alternative lifestyles – any effort to structure the political economy in a way that reduces such autonomy would be a serious threat to pluralism.

Progressive pluralists: Recognizing the roles of markets, civil society, and governments in structuring our lives

Progressive pluralists believe that many economic, social, and political institutions structure and should structure the lives of people within political communities. Like all friends of pluralism, progressives agree that individuals should have a considerable private sphere in which their lives are unstructured. Beyond the citizen rights discussed above, people have privacy rights such as the liberal freedoms of conscience, expression, and self-regarding actions. But progressives do not endorse an excessively liberal atomistic conception of the individual pursuing the good life in isolation from the community. The benefits of interacting with others can and should be sought through three increasingly dense social structures: the marketplace, civil society, and government.

The free market is the most individualistic, least dense social structure that progressives acknowledge and support. The free market is a place of voluntary exchange, where individuals pursue their interests by interacting with others for mutual gain. The free market includes relationships between buyers and sellers, employers and workers, and men and women seeking mutual sexual pleasure, affection, and support. The free market is an efficient means of producing, exchanging, and distributing many social goods and services. The free market is a minimally coercive way of forming relationship of economic production and of love and affection, because unsatisfied partners can exit relations that are not mutually beneficial. Among social structures, free markets are the most transitory, as relationships exist for specific exchanges and purposes. Of course, stable organizations – such as corporations and labor unions - come into existence to provide more permanent structures for economic exchange, but as long as members of these organizations can come and go at will – whenever they no longer see personal advantage in staying within the organization – they remain firmly within the free market. When lovers marry, their freedom to come and go gives way to more permanent responsibilities, making the family a part of civil society and not just a part of the free market.

Conservatives have recently emphasized that free markets are valuable because they teach the virtues of individual responsibility, initiative, and self-reliance. The transitory nature of market exchanges means that each person is encouraged to develop capacities that will make him or her valued partners in the future. A free market requires us to become responsible for making a living, not only today but also down the road, and

this encourages us to invest in our own skills and capacities. Progressives recognize such benefits of the free market and give it a large role in structuring community life, but relative to conservatives and globalists, they see the limitations of a free market. Thus, they want a thriving civil society to supplement the free market and strong governments to regulate the marketplace.

Progressives understand that the free market cannot be entirely free and completed unregulated. Before making free exchanges, people need assurance that the goods and services being offered by one's trading partner meets certain specifications and that they have recourse if these specifications are promised but not met. People make promises and sign contracts to ensure future performances, and the free market will not work effectively if agents in the free markets cannot be confident that others will make good on their promises and contracts. People make agreements in the free market that can harm the interests of others, and free markets thus will not work in the public interest if harmed third parties have no protection against such dealings. Intoxicated by the benefits of the free market, globalists sometimes forget the need for regulations in the free market and call for extensive deregulation of the marketplace. In contrast, progressives regard a community that is structured largely by individual exchanges in a marketplace as one without the stronger social bonds and public benefits that a good community requires.

Civil society structures community life in a way that is more enduring than the structure provided by the free market, but it is less coercive than the structure provided by government. Organizations in civil society exist for reasons beyond economic profit and personal gain. Families, churches, educational organizations, charitable groups, civil organizations, neighborhood associations, and groups for recreational and cultural purposes organize people to reap both personal and social benefits from cooperation.[liv] Progressives believe that the associations that structure civil society are immensely important for giving purpose and meaning to people's lives, for promoting their well-being, and for providing the social capital that enables communities to address community problems. For progressives, such structures are "seedbeds of civic virtue." Families should be schools that teach children about civility, democracy, and justice, and families can be effective teachers when parents practice these virtues.[lv] Other associations in civil society can be places where people develop and practice the political virtues that democracy requires. Such associations can be places below the level of government where members can be expected to exhibit more particular conceptions of virtue. As long as citizens can freely enter and exit churches in accordance with their moral autonomy, churches can enforce their faith-based conceptions of virtue on their members. Progressives believe that associations in civil society are much better teachers and enforcers of various conceptions of human virtue than are political communities.

For progressives, governments are, however, especially important structures within pluralist communities. Progressives do not regard governments as structures that are independent of citizens or as somehow opposed to their interests, but rather see them as structures that enable citizens to address their collective needs. To ensure governments are so structured, progressive regard their principles about democratic rulers to be especially important, as discussed in the next chapter.

Governments have the special responsibility of making the rules that govern the marketplace and civil society.[lvi] Governments must correct various market failures including the desire of agents in the market to reduce the competition that an effective marketplace requires, to externalize their costs, and to avoid ethical restraints on their actions. Governments must provide public goods and the communal provisions that a society deems necessary. Governments must address poverty and the dislocations that

occur in a volatile global economy. Governments must provide the rights, enforce the responsibilities, and promote the virtues that attend citizenship. As will be discussed in Chapter 9, progressives thus must develop clear principles about the appropriate extent and limits of governmental authority.

Because progressives identify with a variety of communities ranging from the global to local level, they understand the importance of governmental institutions that structure global, national, and local communities. And governments at each of these levels – not just national governments - must be highly democratic. Contemporary progressives differ from those in the First Progressive Movement in this respect. At the beginning of the 20th century, progressives turned their attention to American cities, and perceived great flaws in the kind of democracy that urban political machines provided, and so they backed a series of urban structural reforms that sought to depoliticize city government, essentially diminishing citizen involvement in local governments and increasing the role of experts and business-oriented managers. The waning power of political machines and very low levels of citizen participation in city governance has reversed progressive principles regarding local governance today. In the contemporary world, progressives seek to mobilize citizen organizations to bring broader social concerns to local governments than the pro-business agenda that is typically entrenched in urban governing regimes.[lvii]

Progressives are particularly concerned that the transactional institutions that structure the global community and economy are less than democratic governments. The World Trade Organization, the World Bank, the International Monetary Fund, and so forth make rules and policies regarding the global marketplace, but their concerns are primarily economic and their ideas are primarily the result of economic rationality. Without sufficient concern for broader social and political concerns and without employment of political rationality, they fail to make the sorts of tradeoffs that are important to progressive pluralists. For example, many progressives criticize NAFTA, because it has adopted rules that simply facilitate the movement of goods and capital across borders in North America, but inadequately address other social concerns about labor migration and immigration, environmental standards, and consumer protection.[lviii]

In many ways, progressive pluralists draw upon the concerns of each of the old friends of pluralism to derive their principles about how to structure political communities. From contemporary conservatives they draw an appreciation of capitalism, and they seek to provide a discourse that is less hostile to capitalism than is often conveyed by other pluralists. From contemporary liberals, they draw an appreciation of the role that a strong state can play in addressing many social and economic programs. And from democratic socialists, they draw an appreciation of transforming cultural norms. Just as socialists stressed that cultural values can and should evolve to achieve a more socialist society, progressives believe that cultural values can and should evolve as the world changes and progresses. Political communities changed by globalization must reexamine their cultural values to ensure they respect the diversity of citizens within them. As political communities become more affluent, they must reexamine the economic norms that predominate in political cultures to ensure that environmental, social, and cultural values are not subsumed by norms that promote a ceaseless quest for more affluence that can generate "diminishing marginal returns" as more and more affluence is acquired.

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[i] Civilization is often said to have begun when humans formed permanent settlements, resulting in urban centers. The concept of civilization is derived from the Latin term "civitas" which means an inhabitant of a city and a citizen. Other features of civilized societies include a division of labor, the development of

security systems, the designation of rulers, the establishment of rules, and the development of systems of collective memory, especially systems of writing.

[ii] John Locke, Two *Treatises of Government*

[iii] While such provisions for civil government were clearly spelled out in Smith's *Wealth of Nations* (1776), a more thorough account of why a "free enterprise system" was never understood by liberal intellectuals as a system that could thrive without governmental rules and enforcement of these rules was provided by Karl Polanyi, The *Great Transformation: The Political Economic Origins of Our Time* (Boston: Beacon Press, 1944).

[iv] See Alexander Gray, *Development of Economic Doctrine* (New York: John Wiley, 1931), and Robert L. Heilbroner, *The Worldly Philosophers* (New York: Simon and Schuster, 1961.

[v] James Madison, *Federal Papers #10.*

[vi] Thomas Paine, *The Rights of Man*.

[vii] See Steven DeLue, Political *Thinking, Political Theory, and Civil Society*, 2nd ed. (New York: Longman, 2002), pp. 18-21.

[viii] For a discussion of the difference between aristocratic republicanism and the more democratic republican principles of classical liberals, see Robert Dahl, *Democracy and Its Critics,* pp. 24-28.

[ix] Perhaps many political scientists are traditional conservatives in this respect, as there is widespread support in the profession for the Electoral College. See Paul Schumaker and Burdett Loomis: *Choosing a President: The Electoral College and Beyond* (NY: Chatham House, 20032.

[x] Among the many conservatives to recall Burke's admiration of the "little platoons" is Samuel Huntington, *Who are We?* p. 28.

[xi] Tocqueville, *Democracy in America*, *Volume 2* (New York: Vintage, 1945 [1840]). 2nd Book, Chapter 5.

[xii] Robert Nozick, Anarchy, *State, and Utopia* (New York: Basic Books, 1974), pp. 312-17.

[xiii] Quoted in Woodcock, *Anarchism* (Cleveland: World, 1962) p. 163.

[xiv] Anarchists have never resolved the problem of conflicts among local associations. For example, what would prevent some associations from invading and seizing the assets or persons of other associations? Federal inter-associational agreements empower some central authority to protect each local association and to adjudicate conflicts among them. Because anarchists regard such central authorities as potentially coercive, they have preferred confederative agreements calling for more ad hoc and informal, and less decisive, conflict-resolution processes among the parties to disputes. Robert Nozick discusses this issue in *Anarchy, State, and Utopia*, pp. 326-331, but he is unable to propose a solution to the problem that would be compatible with anarchist ideals.

[xv] "Manifesto of the Communist Party," in *The Marx-Engels Reader*, 2nd ed. Edited by Robert C. Tucker (New York: Norton, 1972), p. 475.

[xvi] "Manifesto of the Communist Party," p. 477.

[xvii] "Manifesto of the Communist Party," p. 476.

[xviii] "Manifesto of the Communist Party," p. 475.

[xix] "Manifesto of the Communist Party," p. 474.

[xx] "Manifesto of the Communist Party," pp. 490-491.

[xxi] These quotes are from Howard D. Mehlinger, *Communism in Theory and Practice* (San Francisco: Chandler Publishing, 1964), p. 82. Among the many books describing such ideological control is Alfred G, Meyer. *Communism* 4th edition (New York: Random House, 1984), pp.103-119.

[xxii] See Franz Mehring, *Karl Marx: The Story of His Life*, trans. by Edward Fitzgerald, (Ann Arbor: The University of Michigan Press, 1962), pp. 316-356 and 387-500, and David McClellan, *Karl Marx: His Life and Thought*, (New York: Harper and Row, Publishers, 1973), pp. 360-411, for a detailed history of the First International.

[xxiii] Edmund Wilson, *To the Finland Station* (London: Macmillan London, Ltd., 1972), pp. 449-500.

[xxiv] In Eduard Tannenbaum's estimation, corporatism was an abject failure in Italy. The corporations served to discipline workers, but did not seriously affect the capitalist owners, who made decisions largely as before, independent of corporatist interference. The economic aims of the fascists were never realized. See Tannenbaum, *Fascist Experience* (NY: Basic Books, 1972), pp. 89-100.

[xxv] Frederic F. Clairmont, "Volkswagens' history of forced labor," in *Le Monde Diplomatique* (January 1998). See http://mondediplo.com/1998/01/11volkswag.

[xxvi] Hannah Arendt, *Origins of Totalitarianism* (New York: Harcourt, Brace and Jovanovich, 1951), Chapters 11-13, passim.

[xxvii] Ronald Dworkin, *Taking Rights Seriously* (Cambridge MA: Harvard University Press). p. 149.

[xxviii] Theodore J. Lowi, *The End of Liberalism* (New York: Norton, 1969), p. 272.

[xxix] Paul Peterson, *City Limits* (Chicago: University of Chicago Press, 1981), pp. 210-22. Also see Deborah A. Stone, "Why the States Can't Solve the Health Care Crisis," American *Prospect*, (Spring, 1982), pp. 51-60.

[xxx] Lowi, *The End of Liberalism*, pp. 274-9.

[xxxi] James Sundquist, *Policies and Politics: The Eisenhower, Kennedy, and Johnson Years* (Washington DC: Brookings Institution, 1968).

[xxxii] Lowi, *The End of Liberalism*, p. 276.

[xxxiii] The following discussion draws extensively from Alex Nove, *The Economics of Feasible Socialism Revisited* (London: HarperCollins, 1991), pp. 212-225.

[xxxiv] Michael Walzer, *Spheres of Justice* (New York: Basic Books, 1983), pp 104-5.

[xxxv] Mortimer Adler, *Six Great Ideas* (New York: Macmillan, 1981), pp. 164-173.

[xxxvi] This discussion of nationalized versus socialized distributions is drawn from Michael Walzer's "Socializing the Welfare State," *Dissent* (Summer, 1988), pp. 292-300. Walzer points out that helping societies should not be confused with more conservative philanthropic organizations that provide aid as charity. Conservative charities, like the United Way, are more bureaucratic and impersonal than socialist helping societies.

[xxxvii] Bernard Crick, *Socialism* (Minneapolis: University of Minnesota Press, 1987), p. 80.

[xxxviii] G.D.H. Cole, *Social Theory* (London: Methuen, 1920, pp. 6-11. Such ideas are developed and clarified by Carole Pateman, *Participation and Democratic Theory* (New York: Cambridge University Press, 1970).

[xxxix] For a discussion of the idea that guided Nixon's "New Federalism," see Robert P. Nathan, *The Plot That Failed: Nixon and the Administrative Presidency* (New York: John Wiley and Sons, 1975), esp. pp. 13-34.

[xl] See Peter Dreier, "Urban Neglect: George W. Bush and the Cities," *Shelterforce Online* (Sept/Oct. 2004). www.nhi.org/online/issues/137/**urban**neglect.html

[xli] Charles Krauthammer, A "Social Conservative Credo," *The Public Interest* (Fall, 1995): 15-22.

[xlii] Friedman, *Lexus and the Olive Tree*, p. 107.

[xliii] Norberg, *In Defense of Globalization,* pp. 72-94.

[xliv] Norberg, *In Defense of Globalization,* p. 90.

[xlv] Francis Fukuyama, State-*Building: Governance and World Order in the 21st Century* (Ithica, NY: Cornell University Press, 2004).

[xlvi] Margaret Thatcher, *Statecraft*. (New York: HarperCollins, 2002), p. xviii.

[xlvii] Friedman, *Lexus and the Olive Tree*, pp. 145-166.

[xlviii] Thatcher, *Statecraft.* pp. 441 and 463.

[xlix] Norberg, *In Defense of Globalization,* p. 189.

[l] Friedman, *Lexus and the Olive Tree*, pp. 468-75.

[li] David E. Ingersoll, Richard K. Matthews, and Andrew Davison, The *Philosophical roots of Modern Ideology*. 3rd ed. (Upper Saddle River, NJ: Prentice-Hall, 2001), p. 278.

[lii] William Ophuls, *Requiem for Modern Politics* (Boulder, CO: Westview Press. 1997), p 121-176,

[liii] E.F. Schumacher, *Small is Beautiful (New* York: Harper and Row. 1975).

[liv] Non-governmental organizations (NGOs) of course play a large role in structuring civil society at the international level, as discussed by Iriye, Akira. 2002. *Global Community: The Role of International Organizations in the Making of the Contemporary World*. Berkeley: University of California Press.

[lv] Susan Moller Okin, *Justice, Gender, and the Family* (New York: Basic, 1989). Pp. 24-41

[lvi] Walzer, *Spheres of Justice*, pp. 281-282.

[lvii] Clarence Stone, *Regime Politics* (Lawrence, University Press of Kansas,1989).

[lviii] Jeff Faux, "Corporate Control of North America: How to Bring NAFTA under Popular Governance," *American Prospect* (January 13, 2003): 24-27