

## **PART III**

### **DEMOCRACY**

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In the first part of this book we explored how the American economy works. The central theme of that investigation was that while a capitalist market economy may be efficient in many ways and be an effective engine of economic growth, it also generates all sorts of very important inefficiencies and creates many problems which it cannot solve by itself. In one way or another, these problems can only be countered by an “affirmative state” – government actions to correct the pathologies of markets.

In the second part we examined the value of fairness and the problem of inequality, especially economic inequality, but also racial and gender inequality. The central theme was that the extremely high levels of economic inequality and poverty in the United States today pose very serious challenges to principles of fairness. Again, these problems will not be self-correcting simply by the actions of individuals and the market; if fairness is to be achieved, it requires a collective response through a democratic process.

So, this brings us to democracy – to the main way we have for solving collective, common problems. Our task will be to examine how American democracy works, and why in many instances it fails to redress the kinds of problems we have identified in our study of the market and inequality.

We will begin in Chapter 16 by clarifying exactly what we mean by “democracy” and the difficult problem of building democracy in a society in which the economy generates high concentrations of private power. Chapter 17 explore the dilemmas of political representation within American democracy and how the specific rules of the game of electoral competition shape the kind of representation that becomes possible. Elections are at the very core of what makes a democracy democratic, but as we shall see, both because of the role of money in politics and because of the rules of electoral competition, American elections fall far short of democratic ideals. Chapter 18 explores the attack on taxation and the affirmative state in American politics. The American Revolution was triggered by the issue of taxation – “no taxation without representation” – and taxation to this day is one of the central axes of political conflict. Taxes are at the very core of a democratic society, for it is the way we as a society can collectively allocate social resources between public and private purposes. This chapter we explore the nature of taxation and the political assault on taxation and the purposes to which taxes are put.

The quality of democracy, of course, depends not just on the mechanics of representation, but also on the extent to which citizens have access to high quality information about political issues and have the capacity to effectively process that information in making collective choices. This will be the central theme of Chapter 19 on the relationship between democracy and the corporate domination of the media.

Chapter 20 deals with the problem of militarism and empire in American democracy. The military always has a potentially ambiguous role in a democracy. On the one hand, the military is critical for national defense. On the other hand, the military becomes connected to militarism and

empire, it distorts national priorities and undermines democracy by fueling a politics of fear.

Finally, our exploration of democracy concludes with two chapters that focus on the issue of mass participation in democratic life. Chapter 21 examines the labor movement as a critical basis for getting citizens involved in democracy, and how the hostile legal and economic environment for unions in the last decades of the 20<sup>th</sup> century undercut this role. Chapter 22 explores various new kinds of initiatives of citizens to revitalize democracy from below.