

DISCUSSION GUIDE

AMERICA BEYOND CAPITALISM

RECLAIMING OUR WEALTH, OUR LIBERTY,
AND OUR **DEMOCRACY**



GAR ALPEROVITZ

A DISCUSSION GUIDE
for
AMERICA BEYOND CAPITALISM
Reclaiming Our Wealth, Our Liberty, and Our Democracy

by Gar Alperovitz

Gar Alperovitz identifies the grave problems in American society, problems that result in a major decline in our most revered values: equality, liberty, and democracy. In a thoughtful and pragmatic way, echoing the sensibilities of the founding fathers, he points the nation in a direction that is not a radical departure from, but rather an evolution to, a new chapter in our history as a great nation.

“How do we detect when a society is in trouble—*real* trouble? What canary in the coal mine signals danger? The real signs of major trouble are not only found in huge deficits, unemployment, even terrorism. The time to pay close attention is when people begin to lose belief in things that once mattered profoundly—like the most important values that have given meaning to American history from the time of the Declaration of Independence: *equality, liberty, and democracy.*”

... There is now massive evidence that for decades Americans have been steadily becoming *less equal, less free, and less the masters of their own fate.*”

Alperovitz reports that the top one percent of the American population now garners for itself more income each year than the bottom 100 million Americans combined; that our civil liberties are seriously threatened, and that the majority of Americans are skeptical if not cynical about our political system. He recognizes that the profundity of the problems suggests the need for systemic change, and new institutions to initiate and support it.

America Beyond Capitalism directs us to look at and adopt some of the progressive alternatives to relinquishing the very values and ideals that have distinguished us as a robust democratic nation.

Part I THE PLURALIST COMMONWEALTH

Equality, Liberty, Democracy

1. Equality

Beyond Tax-and-Spend

The gap between haves and have-nots widens, and the percentage of the population earning substantial incomes and owning the wealth shrinks. The magnitude and gravity of the problem is beyond traditional, conventional solutions. Where do we turn?

Discussion Questions

1. How did we lose our way in abandoning or diminishing the importance of equality as a basic American value?
2. What role did the drastic reduction in membership in labor unions play in exacerbating the situation?
3. What has been the impact of changes in racial politics?
4. What impact has the globalization of the economy had?
5. What are some viable strategies for altering the ownership of the nation's wealth – and why is this important beyond simple questions of equity?

2. Liberty

Money, Time and Real Freedom of Choice

Traditionalists have held that liberty requires small government and an economic culture of individualism and entrepreneurship. But neither liberal nor conservative administrations have reduced government in recent times. In addition, the dominance of massive multinational corporations has steadily diminished the power of individual entrepreneurs. These were once considered the bedrock conditions of liberty by many traditional theorists. In the modern era, how can we establish new conditions which insure personal liberty—and indeed equality of liberty?

Discussion Questions

1. Why does it seem impossible to shrink government in modern times?
2. According to Karl Marx, “The reduction of the working day is the basic prerequisite [for freedom]. And Walter Lippmann observed that free time was “the substance of liberty, the material of free will.” Given the ways in which technology has made many of our tasks easier, and more rapidly done, why have we not been able to find more time in our lives for leisure and civic activity?
3. What political and economic policies might give people the security and time that they need to enjoy the fruits of liberty and develop a robust civic life at the same time?

3. Democracy

From the Ground-Up

Local (small d) democracy is a necessary, though not sufficient, condition for national (big D) democracy. People need to be engaged in the civic, social and political life of their communities, if we are to have a democratic nation, and be guided by the values of

equality, liberty, and democracy in our international affairs as well. It is important for people to assume responsibility for the public good, through group and individual actions, to complement the commercial interests of the community—and to ensure that business does not have undue influence over public policy.

Discussion Questions

1. Why is the “bowling alone” syndrome alarming in American life? How does it threaten democracy?
2. What measures have been taken, or can be taken, to create a more robust community life, with civically-engaged, politically-active citizens?
3. Why do some conventional local economic development strategies have a negative impact on a community’s civic life? What are some alternative approaches to economic development that are more successful in strengthening the civic as well as the economic life of the city or town?

4. Democracy

Inequality and Giant Corporations

The large corporation is, perhaps, the most challenging obstacle to democracy, according to Alperovitz. He points out in this section that “Thomas Jefferson, Louis Brandeis, and such theorists as Henry C. Simons (along with many traditional conservatives), to say nothing of Karl Marx, all held large corporations to be incompatible in various ways with democratic practice. Although alternative systemic solutions—entrepreneurial and smaller-scale capitalism, on the one hand, and socialism on the other—no longer appear viable, the underlying question has not gone away.”

Discussion Questions

1. In what ways do large corporations diminish the impact of individual citizens, and even civil society organizations, on public policy?
2. Why do such previously effective deterrents to unbridled corporate influence as antitrust efforts and deregulation no longer work?
3. What can be done to diminish the power of the corporation in shaping our societies to suit their needs, instead of the needs of the people and the community?
4. Discuss the several “partial solutions” proposed:
 - a. The legal status of the corporation;
 - b. The role of public and quasi-public “stakeholders;”
 - c. The degree to which the corporation can be democratized from within;
 - d. The leverage that public or quasi-public ownership of corporate stock can confer.
5. What can public pension funds do to achieve more democratic control of corporations?

5. Democracy

Is a Continent Too Large?

Whether it is possible to have democracy at the continental scale has been under discussion from the earliest stages of our nation. As the nation has grown in size and population, and as the world has become interconnected and interdependent to a heretofore unimaginable degree, the question, and possible solutions, become more important than ever.

Discussion Questions

1. As the debate on scale continues into the 21st century, this large democratic nation lives on, with some of its flaws attributable to its size and diversity. Can it continue to be vast and democratic at the same time?
2. What measures can be taken to insure that the nation's democratic values and ways are preserved, and that it does not fall into the hands of corporate America?
3. How does the increasing globalization of the world challenge America to develop in a way that preserves its democratic values and institutions?

6. The Pluralist Commonwealth

Many of the strategies discussed in Part 1 lead to a model beyond corporate capitalism and beyond socialism—toward what might be called a “Pluralist Commonwealth.” Strengthening local civic and political participation, building a strong local economic base, altering the ownership of wealth through new public and quasi-public institutions, creating a “Public Trust” at the national level “to oversee the investment of stock on behalf of the public” are some of the measures that would move us toward the eventual expansion of the ownership of wealth in this country. In short, it is conceivable, according to Alperovitz, that we can construct a more just, democratic society—more equal and more free, that would make more efficient and effective use of our human resources.

Discussion Questions

1. What are the main structural features of the Pluralist Commonwealth?
2. Why is wealth ownership critical to the new model?
3. What is the role of community democracy in the model?
4. How do the various elements of the model converge to achieve more accountability of large-scale economic institutions?
5. Why might a Pluralist Commonwealth be as efficient or more efficient than traditional capitalism and traditional socialism?

Part II THE DEMOCRATIZATION OF WEALTH

Alperovitz maintains that “At the very heart of the Pluralist Commonwealth is the principle that ownership of the nation’s wealth must ultimately be shifted, institutionally, to benefit the vast majority. Are strategies based upon this fundamental principle technically feasible? Can they be politically viable? Alperovitz suggests that there are many examples of effective strategies for shifting wealth from the few to the many—strategies applied successfully in a large and various number of locales in the U.S. and abroad. Further, he suggests that the political and economic pressures which have produced these developments are likely to gain momentum—and ultimately open the way to longer-term and more fundamental political and economic restructuring as time goes on.

According to Alperovitz, “The key question is not whether practical ways to implement wealth-owning principles are viable, but how rapidly they may move to substantial scale as the century progresses.”

7. A Direct Stake in Economic Life

Worker-Owned Firms

Discussion Questions

1. What are the advantages of selling a company to its employees as opposed to selling it to a multinational corporation?
2. Why do Employee Stock Ownership Plans (ESOPs) have broad acceptance by both conservatives and liberals?
3. What are the major criticisms of ESOPs?
4. What are the prospects and incentives for ESOPs overcoming their shortcomings in the foreseeable future?
5. How prevalent are traditional cooperatives in the United States? How do they fit into the vision of the Pluralistic Commonwealth?

8. Enterprising Cities

Right, Left, and Center

Discussion Questions

1. Municipal ownership is another effective approach to expanding the ownership of wealth beyond its present borders. Municipal ownership of real estate, utilities, transit systems and the like means not only a standard of equality in dealing with customers and clients, but also that profits derived are used for public good and not for private gain. Can you cite an example of municipal ownership in your city—or a city that you know?
2. What about efficiency and pricing of publicly-owned utilities? Do they measure up to the private standard?
3. Privatization is widely proposed as an efficient approach to providing municipal services. What are the advantages and shortcomings of privatization?

9. Building Community

Neighborhoods and Nonprofits with a Mission

Discussion Questions

1. What were the conditions that led to the creation of the community development corporation (CDC)? Describe its hybrid character, and why it was necessary to address the dire conditions of neighborhoods in the 1960s?
2. The CDCs were, in a sense, an alternative to a large-scale public jobs program to deal with poverty. Why was the government-sponsored jobs program rejected as a viable approach to addressing the needs of the poor?
3. Why did CDCs appeal to both the left and the right?
4. What are academic institutions doing to enhance the growth and evolution of CDCs in the future?

10. State and National Innovators

Discussion Questions

1. There are a number of state and national programs already in existence that are successful in broadening the ownership of wealth. By and large they reflect the goals and spirit of the Pluralist Commonwealth, and are often supported by conservatives and liberals alike. Discuss the Assets for Independence Act in this regard.
2. How do the investments of the retirement systems in California and Alabama benefit those states?
3. What impact does the Alaska Permanent Fund have on the equalization of wealth ownership in that state?

10. Coda

Political and economic trends of the 21st century such as tax cuts for corporations and wealthy individuals, and rising costs of Social Security, Medicare and Medicaid, call for new solutions, and huge deficits require new systemic approaches to maintaining our democratic society.

Discussion Questions

1. How might we rise to the challenges that face us?
2. What positive and negative signs do you see?

PART III LOCAL DEMOCRACY AND REGIONAL DECENTRALIZATION

In this section Alperovitz notes the need for democratic, civic, and economic strength at the local level if we are to build a strong democracy at the national level, and observes that, notwithstanding the power of globalization, he sees a trend toward renewal in all three areas. He also notes important evidence of decentralization that would give greater power to regions.

12. Is Local Democracy Possible in the Global Era?

Discussion Questions

1. How does the rise of a service-based economy contribute to local economic stability?
2. What other factors and new policies have contributed to the strengthening of local communities?
3. A recent survey by professors Carmen Sirianni and Lewis Freidland concludes that Americans at the local level “have created forms of civic practice that are far more sophisticated in grappling with complex public problems and collaborating with highly diversified social actors than have ever existed in American history.” Can you cite one or two examples from the book or from your own community?

13. Community, the Environment, and the “Nonsexist City”

Discussion Questions

1. According to Alperovitz, traditional policies have been insufficient to the task of creating a more healthful and sustainable environment. What, precisely, does he mean by this, and how does he categorize the “outcomes” of different approaches?
2. What are some of the reasons traditional efforts have faltered? How can more effective strategies be designed and implemented?
3. Why does Alperovitz argue that community economic stability is now an important environmental goal?
4. What is a nonsexist city?
5. What are the economic conditions of new, more community-oriented city spatial arrangements?
6. Looking at the lack of environmental progress and the difficulties of building communities that accommodate the needs of women, men and children, why is it increasingly important to see “the bigger picture”—the Pluralist Commonwealth?
7. Sir Ebenezer Howard foresaw communities that were at the same time more individualistic and more socialistic. How do these seemingly opposing directions converge in the vision of the Pluralist Commonwealth?

14. The Regional Restructuring of the American Continent

Discussion Questions

1. Alperovitz cites a new trend toward greater state power, in some instances conferred by federal authority and in others, assumed independently, as a result of federal inaction. What are the dangers and benefits of this trend?

2. The increase in immigration, the prediction of great leaps in population, and the globalization of trade suggest that states will have to become more active decision makers in both domestic and international policy. How does that affect citizens?
3. There is considerable growth of interstate relationships and regional cooperation, which also erodes central power. Is that desirable?
4. Alperovitz offers 5 reasons to believe regionalization is likely over the long haul. In your view, which are the most important of the reasons he cites, and how do you think the various forces might play out over time?

PART IV: TWENTY-FIRST CENTURY POPULISM

Can we advance toward the values and goals of the Pluralist Commonwealth over the course of the twenty-first century? Unexpected, challenging and seemingly all but impossible developments are the rule, not the exception in history, Alperovitz notes. America has realigned its policies and practices dramatically many times in the past. Of particular importance in the coming period is that very large order fiscal problems are likely to demand quite new Pluralist Commonwealth type solutions. They are also likely to help create new political coalitions which challenge existing elite patterns of economic and political control.

15. The Logic of Long-Term Refocusing

Discussion Questions

1. What is meant by a “refocusing” of tax strategy and why might it occur?
2. What demographic changes are likely, and how might they relate to new political-economic strategies?
3. What does Alperovitz mean when he suggests the likely convergence over time of elite tax strategies and the kinds of new wealth ownership approaches involved in the Pluralist Commonwealth—and how might such a convergence play out in as the century progresses and demographic changes also unfold?

16. Social Security, Retirement, and Health Care

Discussion Questions

1. What does Alperovitz mean by the “overarching retirement security” problem, and how does it relate to the more limited question of Social Security?
2. Will privatizing Social Security help or harm prospects for keeping up with people’s needs?
3. Discuss public-private strategies, beyond Social Security reform, for ensuring sufficient retirement support for the future? Can they be implemented in time to avert crisis?
4. What is the role of wealth-related public investment strategies in such approaches?
5. To date, various efforts to ensure universal health care have failed to gain political acceptance? Why? In your view, what are likely longer-term scenarios for more fundamental change?

17. A Twenty-Five-Hour Week?

Discussion Questions

1. Europe has gone far beyond the United States in shortening the work week and providing all workers with four to six week vacations. What are the obstacles to implementing a shorter work week through legislation in the U.S.?
2. What strategies could be devised to encourage government and business to reduce the work week, leaving individuals more time for leisure, family, and civic affairs?
3. How does the shorter work week converge with efforts to reduce inequality in the U.S.?
4. What are the consequences for our society if we do not develop strategies, and the political will to implement them, that address such issues as time use and gender equity in the twenty-first century?

18. Beyond Super-Elites and Conspicuous Consumption

Real Ecological Sustainability in the Twenty-first Century

Discussion Questions

1. The extravagant use of goods and services by the developed countries and, in particular, the United States, is ecologically unsustainable, and conspicuous consumption has reached new levels of absurdity. What measures that lean toward the principles of the Pluralist Commonwealth can be taken to slow down the rampant materialism that harms the earth and, arguably, the character of its human residents?
2. Another serious excess is reflected in the wide gap between haves and have-nots in our society. What measures can be taken to reduce the reality of this inequality, which sends a very negative message to the world?
3. Why are unsustainability and conspicuous consumption cultural as well as economic problems?
4. What is often interpreted as materialism is in reality, according to Thomas Power, “a demonstration of the pathologies of social deprivation.” What is really being sought “is participation in authentic social and natural worlds.” Can we, employing long-range, big-picture strategies, develop sustainable community life in the twenty-first century?

19. Coda

Twenty-first Century Populism

Discussion Questions

1. What does the author mean in holding that traditional liberal and social democratic strategies are in some sense coming to an end? What factors does he argue are undermining such approaches?
2. What does the term “twenty-first century populism” mean, and why does the author use it? How does it relate to the idea of the Pluralist Commonwealth?

Part V TOWARD A MORALLY COHERENT POLITICS

The history of the United States is marked by meteoric growth and dynamic change. Given the technological capacities of the twenty-first century, there is every reason to believe that change and, indeed, rapid change, will continue to define our society.

Conclusion

The Challenge of the Era of Technological Abundance

According to Gar Alperovitz, the United States is “a society committed to enhancing equality, liberty, and democracy that is moving precisely in the opposite direction—committed to a morally incoherent politics.” He asks, “Can a meaningful, morally coherent, and ultimately positive politics be constructed in the emerging era of technological abundance? Can a new direction be set that acknowledges the systemic nature of our problems and openly posits a concrete alternative and process that might move in a new direction? Can the system be changed?”

He posits that:

- We cannot achieve greater equality without developing new institutions that hold wealth on behalf of small and large publics;
- We cannot renew national democracy without strengthening democracy at the local level;
- Given the size of our country, moving toward a population of 400 million, we need radical decentralization;
- We cannot achieve meaningful individual liberty without individual economic security and greater amounts of free time, “and neither is possible without a change in the ownership of wealth and the income flow it permits.”

Alperovitz’s approach is “evolutionary reconstruction,” combining the processes of reform with fundamental institutional change. He urges each of us to “refine our understanding and our strategies and to help establish the practical and political elements needed in the first stage of any realistic forward-moving developmental process.”

He concludes:

Long before the civil rights movement, there were many years of hard, quiet, dangerous work by those who came before. Long before the feminist explosion were those who labored to establish new principles in earlier decades. It is within the possibilities of our own time in history that—working together and openly charting an explicit new course—this generation can establish the necessary foundations for an extraordinary future and for the release of new energies.

It may even be that far-reaching change will come much earlier and much faster than many now imagine.

Do you agree?

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