



The Oxford Handbook of Political Theory

John S. Dryzek (ed.) et al.

<https://doi.org/10.1093/oxfordhb/9780199548439.001.0001>

Published: 2008

Online ISBN: 9780191577406

Print ISBN: 9780199548439

CHAPTER

43 Political Theory and Political Economy

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<https://doi.org/10.1093/oxfordhb/9780199548439.003.0043> Pages 792–809

Published: 02 September 2009

Abstract

This article describes the connection between political theory and political economy. It argues that political theorists need to take account of political economy in theorizing about the contemporary world because capitalism is the most powerful force at work in shaping the modern sociopolitical world. It also explains that economic questions concerning economic growth, the distribution of wealth and income, and role of markets are at the core of the political life in democratic societies.

Keywords: political theory, political economy, capitalism, sociopolitical world, economic growth, distribution of wealth, income distribution, markets, democratic societies

Subject: Political Theory, Politics

Series: Oxford Handbooks

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Political theorists neglect at their peril the relation of political theory to political economy. With such neglect comes the implication that it matters little for political life how the productive apparatus of the society is organized.¹ This is unlikely to be so. In theorizing about the contemporary world, political theorists especially need to take account of political economy because, as Marx noted, capitalism is the most powerful force at work in shaping the modern sociopolitical world. More specifically, for those living in democracies, political theory should, in significant part, be a theory of political economy because, at the core of the political life of these polities, are economic questions concerning economic growth, the distribution of wealth and income, the political power of large business corporations, the role of markets, and the rights of property.²

A fundamental concern of political theory, at least if it is concerned with the actual world in which we carry on our lives, should then be the relation between capitalism and democracy. This is even more so the case because there are few, if any, strong arguments in favor of something other than democracy, at least for the long haul and even for places where it is presently more or less completely absent. Moreover, the world's experience with forms of economic life other than capitalism has not been a happy one (Kaminski 1991; Kornai 1992). And while we do have outlines of alternative economic systems that may well be more attractive than either some form of capitalism or state ownership, they are largely “economies in speech.”³

Thus, the question of the relation between capitalism and democracy is unlikely to go away any time soon. Friends of a full democracy need to understand in some detail the marriage of capitalism and democracy because they should care about improving the democracy we have while we wait for the democracy they prefer. The same should be the case for advocates of new forms of economic organization. They too should think about what might be done with the economic life we have while we wait for their preferred economic life to put in an appearance.

1 Capitalist Democracies as They Are

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A common account given in contemporary political theory and political science is that capitalism undercuts democracy (Lindblom 1977). For those who believe in any real measure of democracy, the most troubling form of the argument is that capitalism inevitably produces a class of owners of large-scale capital who form a ruling class that directs the political life of the society. ↪ Any claims to democratic control are largely window dressing (Marx and Engels 1955; Lenin 1949; Domhoff 1986). Much ink has been spilt over this question of capitalist control of democratic political life. Perhaps the clearest result of this discussion is to make it apparent that any strong form of the ruling class thesis is impossible to sustain since it requires Herculean rationality on the part of capitalists, which they do not even display in economic life, and it disregards the significant political resources that other actors are able to deploy. Much defense of the ruling class argument indeed shades into a more easily defensible claim that a truncated pluralism is at work (Elkin 1985).

A contrasting account, held especially by American political scientists, is that the core of the relation between capitalism and democracy rests on the powerful interest groups that business forms. Most of those who share this view argue that business groups are the most powerful type of interest organization but that the political regimes being considered can still be called “pluralist” and broadly democratic (Dahl 1961; Truman 1993). There are two fundamental difficulties with this view. One is whether pluralism is itself a sufficient account of how an attractive and long-lived form of democracy should or can operate. There are reasons to doubt this, not the least of which is that competing groups are unlikely to pay any serious attention to maintaining the rules and institutions that make pluralism and democracy possible. The second difficulty is simply that pluralism requires that all the major interests that compose a society be organized, and there is reason to doubt whether anything like this is or can be at work in an existing democracy.

A more compelling view of the relation between capital and public officials can be built around the proposition that in any form of democratic capitalism those who control large-scale productive assets—big businessmen—will have a privileged political position (Lindblom 1977; Offe 1984; Block 1988). This politically privileged position results from the fact that:

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1. given property rights, the state cannot command⁴ property holders to do its bidding;
2. controllers of productive assets need discretion if there is to be economic prosperity: It is unlikely that government officials possess the requisite information or skill to direct economic decisions (Hayek 1944);
3. ↪ the political calculus of public officials includes that they will be penalized for poor economic performance and will be rewarded for good performance;⁵
4. most businessmen—having discretion in how they will deploy their assets—will not, without inducement, make the kinds of long-term significant investments that are needed for high levels of economic performance.

Among the most important inducements is that public officials will not, except in the most pressing circumstances, raise issues that deeply affect what might be called the prerogatives of property. Three are of the greatest importance: the large returns in the form of profits and salary to those controlling productive property, and concomitantly the significantly unequal distribution of wealth and income; the power to move capital from one locality to another at will; and the control of productive assets to remain largely in private hands. There are also specific inducements in the form of tax breaks, subsidies, and various kinds of legal permissions.

Business privilege, at its most general, means that businessmen have special access to public officials. They are consulted *as a matter of course* on all major economic issues, and more so than any other interest in other matters. The extent of large-scale business's privileged position is greater than that of other interests because of the kinds of choices they have. To take an obvious possibility, workers need to work if they are to eat, since even government provision of employment and strike benefits are limited in size and duration. Large-scale controllers of productive assets do not need to invest to any great extent or even at all. They can consume their capital. They can, moreover, also employ their capital abroad, depriving their home countries of its use.

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If businessmen have a common view on a policy matter—or, at least, if a large number of them do—their privileged position makes their views especially weighty. But public officials are not ciphers. Still, because of electoral considerations, most officials will see the need to induce economic performance. This special access by controllers of productive assets does not depend on businessmen being an especially powerful interest group, better organized and with greater resources than their competitors. They have such organization ↵ and resources, but their special political access depends on the privileged position itself. Even given these two kinds of advantages—a privileged position and significant political resources—businessmen, of course, do not win all battles. In conflicts with businessmen, public officials, when they need it, have the resources of law and popular will to set against the former's control of capital and of substantial political resources.

Much of what we need to know about business–state relations within contemporary capitalist democracies can be captured by the following formulation: controllers of productive assets will, must, and ought to have substantial discretion in how these assets are to be employed. They will have such discretion since, if all else fails, they will succeed in taking it because they control vital resources. They must have it if there are to be reasonable levels of economic efficiency and high economic performance. Even if their actions could be carefully controlled—which they cannot—it would be counterproductive to do so. And finally, controllers of productive assets ought to have such discretion because, given the reasonable concern of citizens for at least moderately high levels of economic well-being, there appears to be no other way to secure it other than giving asset-controllers considerable discretion. The result of this discretion is also inevitable: the privileged political voice of large-scale controllers of capital. That it is inevitable, however, does not entail that the privileged voice be a dominating one nor that the interests for which it speaks be narrow or adverse to broad public interests.

It is worth emphasizing here that in *any* complex political economy those who control the day-to-day operation of productive assets will have a privileged political position. This will be as true for state officials under state socialism as for worker-owners under market socialism. To be sure, state managers can be commanded to invest but there are real limits to such commands. After all, shooting the present group of managers will make it harder to find competent people to take on the task of planning investment. As for worker-owners, since they will usually have little wealth, they may be even more risk averse than private owners, and may thus require even greater inducements from public officials (Miller 1990, ch. 3). This pervasiveness of the politically privileged position of large-scale asset-controllers reinforces the point made earlier that political theorists should give their principal attention to democratic capitalism. Looking elsewhere will not change the major questions as much as is often supposed.

2 Capitalist Democracies as They Might Be

Political theorists can take one of two tacks once they accept that controllers of large-scale productive assets will, must, and ought to have a privileged position in any form of democratic capitalism. They can join with political economists and try to devise forms for the control of productive resources other than private ownership. But, as noted, if they go down this road, it cannot be because such forms of control will obviate the need for democratically elected officials to offer inducements to invest and the political privilege that flows from it. The more promising alternative, however, is to consider whether anything significant can be done with regard to how capitalist democracies now work—proposals that take due account of the privileged position of business but do not allow that privilege to undercut significantly the kind of extensive popular control of authority that is part of democracy's value.

A strategy is needed if we are to discuss in brief compass the broad question of whether a democratically supportable relation between capitalism and democracy is possible. Given that capitalist democracies have in common that business has a privileged position, we can focus on a particular case, a particularly useful one being the United States. It poses in the clearest fashion the question of how to accommodate the privileged position of capital since in this case the privilege is difficult to miss. By contrast, in what might be called party-corporatist regimes the political privilege of capital is partly disguised by the presence of disciplined political parties that make it possible to carry out programs aimed at securing a significant measure of economic equality. Hence the designation “party.” The regimes are “corporatist” in that labor is sufficiently organized to enforce a system of peak organization bargaining with business leaders. Moreover, much state policy is shaped by a civil service with a strong sense of its corporate prerogatives. Thus, the politics of these regimes—which are broadly social democratic in orientation—revolve around the interaction of parties, peak organizations, and senior civil servants (Esping-Anderson 1990; Goodin et al. 1999; Schmitter and Lehmbruch 1975). Proposals for reform of the relation between capital and democracy which emerge from the American case will therefore need to be modified to fit these and other broadly democratic political systems.⁶

p. 798 A useful starting proposition for analyzing the United States, as well as other democracies, is that the broader the politically expressed interests of capital, the greater the justification for its privileged position. In understanding this proposition for the United States, the political theory of James Madison, one of the founders of the American republic, is particularly useful. While Madison did not see that controllers of large-scale productive assets must have a privileged political position—this came with the advent of advanced capitalism—he did argue that in the new broadly democratic regime, the interests of the propertied must be given special attention. While the political economy that came into being did not, in fact, work in the fashion he hoped for, Madison did see the importance of how the special political position of the propertied might be handled in a political order built on popular sovereignty.⁷ Madison also shows us that to think effectively about the position of large-scale asset-controllers, we must think about the design of the whole political economy, what Aristotle called the political regime (Aristotle 1962).

Madison believed that the fully realized commercial republic that he hoped the United States would become could not rest solely on institutional design. He understood himself as presenting a theory of political constitution—and that required not just a design for the framework of government, including how its major political institutions are to work and what will make them work that way. Such a theory, he thought, also needs to specify the sociological foundation of the regime, its basis in the dominant strata of the political community. More generally, Madison understood that a regime is a set of institutions harnessed to the realization of a certain conception of justice—and that conception must at least be consistent with the one held by the powerful political strata of the regime. He himself looked to the propertied class to provide the foundation in self-interest for the regime's operation, in particular by increasing the likelihood that the rights of the citizenry and the permanent interests of the regime would be given due attention.⁸

p. 799 There were thus to be two principal sources of energy in this new government: non-factional majorities⁹ and a propertied class with broad interests. ↵ Men of property were to be given political advantages—political influence greater than their proportion in the population would call for—in order to increase the odds that they would be a significant portion of those elected to office. It was likely, thought Madison, that they would predominate in those offices filled by indirect election. Additionally, large electoral districts would mean that most of the people widely known in a given electoral district would be major property-holders whose holdings would allow them to engage in a wide variety of civic and political affairs, and whose resources would allow them to take the time to run for office (Farrand 1911, III, 454). Moreover, popular government itself would confer an advantage on the propertied class. Those with economic resources are more able to get their views disseminated; they will be opinion leaders.

Men of property would naturally be drawn to protecting the rights of property, Madison thought, and he believed that property rights were essential to republican government. Without such rights, the commerce that produced the economic prosperity that the new government promised, and on which it rested, would be impossible to achieve. Moreover, if property rights were eviscerated, other rights would soon follow. Additionally, a government that regularly was the scene of intense struggles over property could not long survive, and thus keeping such struggles off the public agenda by making the right to property secure was crucial to the success of republican government. The propertied would also be drawn to the limited government that Madison believed was a fundamental feature of an attractive regime of popular sovereignty since such limits would make it likely that their property rights would be respected. Although Madison was clear that men of property might be drawn to deeply flawed versions of these matters—versions built around their immediate and narrowly defined self-interest—he believed that protection of property rights was necessary for republican government, that limited government was its very essence, and that promotion of commerce was a part of the republican public interest, what he termed the permanent interests of the community.¹⁰ Madison thus believed that there was a providential overlap between the interests of the propertied and the security of a right to property and the permanent interests of the community.

p. 800 Still, even if the interests of the propertied did, to some degree, overlap with the rights the regime was to secure and the permanent interests of the community it was to serve, the overlap in private and public interests, Madison believed, was unlikely to be sufficient. The same political advantages that the constitutional design gave to the propertied in order to protect property rights and serve the permanent interests of the community could, and plausibly would, be used to serve narrow versions of these. Moreover, the propertied would be in a position to prevent the serving of other rights than to property, and aspects of the permanent interests of the community other than the promotion of commerce. If the political sociology of the regime was to do its job, the regime's institutional design must increase the odds that the interests the propertied promoted were not of the narrowest kind.

There are several features of the Madisonian design that were meant to promote an enlargement of the interests of the propertied. The first is simply elections. After all, men of property in seeking public office would be unlikely to say to voters that politics is a business and they themselves are in it to fatten their bank accounts. The impact of deliberation in law-making that Madison supposed would characterize the new republic would work in much the same fashion. Those who advocate narrow interests would need instead to provide reasons why their concerns should receive attention from their fellow law-makers, and in making such arguments they would inevitably be drawn to a formulation of their interests that emphasizes the broad nature of the benefits to be gained.

This tendency for legislative deliberation to enlarge interests would be reinforced by the separation of powers. The separation is janus-faced: It both inhibits factional government¹¹ and promotes a broadening of the interests of those at work in the several branches of government. Madison likely supposed that different kinds of property holders would, in seeking political influence, be drawn to the different branches of

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government depending on the manner of selection that characterizes each of them. If this occurred, then various parts of the propertied class would each have a measure of legal authority, and they would need to find common ground if they were to act in concert. In itself, this would broaden their interests. Moreover, the separation of powers—because it is a representative form of government—would force disagreements among the propertied to be played out publicly, as the protagonists would seek public support to induce the cooperation of other holders of political authority. The need to address the citizenry would again broaden interests.

How far might this broadening of the interests of the propertied go? Madison certainly thought that the propertied could be induced to rise above indifference to the fate of their propertyless fellow citizens. If they saw clearly, the propertied could not be indifferent in this fashion, nor would they behave factionally, stripping the propertyless of their civil and political rights in an effort to contain them—not if they valued free government, even if it was confined to men like themselves. Democratic government could not withstand such conflict, and the propertied would need to be and could be induced to see that they had a substantial interest in its maintenance.

Madison believed, therefore, that the political advantages given to the propertied would be legitimated by the breadth of their interests. He understood that an essential problem of securing democratic government in the context of a commercial society is that there will inevitably be a division between the propertied and the propertyless. But commerce is valuable. Indeed, a commercial society offered the best hope for the have-nots (Nedelsky 1990). The desideratum was republican government, the essential difficulty was class division. At bottom, the problem was how to get the propertied to serve in a government that would not be an exercise in class rule, while at the same time getting the propertyless to accept a regime that was not constructed with the express intent of alleviating their distress.

3 Broadening the Interests of the Propertied

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Madison's approach to the role of the propertied in a political order built around popular sovereignty is part of his general analysis of how to constitute a republican form of government in which the people rule but not as they please. If Madison's design would actually work as described, it would be a very attractive solution to the problem of how, in a regime where the people are to rule, property rights can be protected, other rights secured, and the permanent interests of the community served. Even if men of property proved to be as self-interested as the ordinary run of human beings, their private interest would be harnessed to securing rights and serving the public interest, and majoritarian electoral controls would constrain any factional behavior on their part. However, there are serious flaws in Madison's political theory that become apparent once we look at how the American political economy has, in fact, come to work. To the political advantages given to the propertied, as Madison argued should be done, has been added the privileged position of business. Together, these have resulted in large-scale controllers of productive assets having a very powerful role indeed in the political life of the society. At the same time, however, the interests of the propertied have remained relatively narrow. The result is a politics of narrow interests with controllers of productive assets at its center, and with little political energy directed to serving larger public interests.¹² Madison's account of how to broaden the interests of the propertied is then deficient, and a principal source of that deficiency is the insufficient attention he paid to how to foster the attentive citizenry his design requires. Two fundamental questions for the political theory of democratic capitalism are therefore: how to broaden these interests and how to foster an attentive citizenry.

There are at least two ways to broaden the interests of the propertied. One is to alter the ownership and control of capital so that the interests pursued by those who control capital through their privileged position will be broader than is now the case. This is an effort to broaden the interests of the propertied directly by

altering its composition. The other method is indirect and aims to make effective the Madisonian effort to use the separation of powers to broaden interests.

There have been various proposals to enlarge the ownership of capital through a wider distribution of stock. It has been argued¹³ that if a large number of ordinary citizens own significant amounts of stock, they may succeed in pushing business corporations to take a broad view of business interests. Corporations would be more likely than at present to worry, for example, about the impact of their decisions on local communities because ordinary citizens are vulnerable to what large corporations do there, and citizen-owners will take this into account in exercising their authority.

p. 803 There are several problems here. First, the extent of stock ownership by ordinary citizens would have to be significant if they are to have any noticeable impact on corporate policy given how corporations are now governed. Widely distributed stock ownership is not now the case in the United States where its extent is very likely greater than elsewhere. Moreover, most ownership of stock in the United States is in small amounts (Wolff 1996), even though Americans have a larger proportion of their wealth in stock compared to other industrial democracies (Bertaut 2002). Second, the argument assumes that ordinary citizens would not have as their primary concern the return on their investment. If they in fact do, they will presumably vote in much the same way as present shareholders do. Perhaps most important of all, it has long been clear that corporations are not run by their shareholders but by their chief executives (Berle and Means 1933). It is their interpretation of their duties to shareholders, their self-interest, and the impact of competition that are the sources of the narrow interests of corporations. Broadening ownership and doing nothing else is unlikely to change significantly any of these.

Another compositional alternative here is to change the character of capital ownership itself in a way that is consistent with the basic principles of a capitalist democracy. The possibilities run from various kinds of publicly constituted investment funds, in which all citizens own stock, to forms of worker ownership. In the first, most investment capital in the economy would be provided by such funds, and business firms would be run by much the same sort of people as at present. In the second, some, or even all, of the business organizations that compose the economy would be owned by those who work within them, and professional managers would typically be hired to run the firms. At the risk of oversimplification, in these schemes ownership is cooperative. That is, each person owns property but can only dispose of it in ways consistent with cooperative ownership. Thus, shares in the funds and firms cannot be bought and sold at will. Worker-owners, for example, may only be able to sell them either to incoming workers or to existing workers; that is, back to the firm (Simon 1991). Similarly, in some versions of investment funds, the shares cannot be converted to cash but only into shares of other funds. These restrictions are meant to ensure that cooperative ownership continues.

p. 804 It is not possible here to do more than make one essential point about these alternative forms of ownership. In all of them capital is held “privately,” that is, not by the state in any of its guises. To this degree, the proposals are consistent with democratic capitalism. Moreover, such decentralized forms of ownership provide a counterweight to the state as does, it is widely argued, the usual form of private ownership. These alternative forms also provide the independent sources of income that is probably necessary for the individual liberty that democracy promises. Moreover, they all use the market system, and to the degree that the market is central to securing a high degree of economic well-being, they promise the high levels of prosperity that democracy seems to require. In short, these cooperative forms will plausibly provide much the same benefits as the present form of private ownership. Moreover, these forms can and likely would make use of the same large-scale business organization that may also be necessary for high levels of economic well-being.

The fundamental question, however, is whether such forms of widespread ownership would broaden the interests of those who control capital. Robert Dahl, for one, thinks so, at least with regard to worker

ownership, and his arguments are difficult to dismiss (Dahl 1985). The case for investment funds is less clear, since those who run them will presumably act as fiduciaries for their citizen-owners, and they are likely to interpret this as meaning that they should focus on increasing the value of the fund's holdings. In short, they are likely to act much like present providers of capital.

As to indirectly broadening the interests of the propertied, Madison, we have said, looked to the effects of the separation of powers. As noted, crucial to the separation of powers doing its work is the presence of an attentive citizenry. This will prompt controllers of different kinds of productive assets to look to a version of their common interests that would be broad enough to attract significant support from such a citizenry. The rise of the administrative state increases the importance of such a citizenry. An attentive citizenry is needed to prompt legislators to engage in oversight of the administrative branch sufficient to prevent components of the business class from successfully serving their particular interests by concentrating their efforts inside this branch (Lowi 1979).

This leaves us with the very difficult question of how an attentive citizenry might be fostered, since few will claim that one is presently at work in most if any existing democracies. Moreover, the engendering of such a citizenry is a substantial and complex undertaking. We cannot here pursue the question very far (Elkin 1999, 2006). But we can point to a piece of the puzzle that does not require any great feats of citizenship from a citizenry that, on the basis of much evidence (Miller and Shanks 1996), is not greatly inclined to be very attentive. The separation of powers can work to broaden the interests of capital, as Madison hoped it would, if there is a secure and confident middle class. Why is this so?

The principal source of income for the middle class comes not from controlling large-scale productive assets; nor does it come from selling muscle power in the manner of much of the traditional working class. Most members of the middle class will be salaried, and the skills they exchange for a salary are in greater demand than for relatively simple bodily exertion. This position, in between asset-controllers and those who rely on exchanging unskilled labor for a wage, is likely to make the middle class both skeptical of some of the claims of the other classes and sympathetic to others. Thus, a middle class secure in its political views and confident in its political power is likely to argue that a markedly unequal distribution of income in which controllers of productive assets routinely get paid twenty or even thirty times more than the middle class is unjust. They are likely to be at least moderately suspicious of those who do work that bears some relation to their own but that garners vastly greater rewards. Very great political influence on the part of large asset-controllers will likely also make such a middle class uneasy. Many middle-class people are also likely to share the view of America's greatest exponent of the dignity of work and free labor, Abraham Lincoln, that idleness is to be discouraged and high regard given to those who work for a living (Shklar 1995, 81–2). All able-bodied people should work for their keep they will think. After all, most middle-class people do, and they likely believe that their own class status is the consequence of hard work. And, although it does not necessarily follow, many such middle-class people will at least find plausible the idea that reasonably paid work should be widely available. The result of such a policy, many are likely to think, will be to reduce substantially the extent of poverty and thus the number of people who lack the self-respect and proud independence necessary to be democratic citizens. With regard to secure work, the point is likely to be much the same: most middle-class people can understand the importance of economic security since it plays a substantial role in their own well-being. For similar reasons, they are likely to be skeptical of the value of governmental agencies giving great benefactions, that is, favors, to particular business interests. This smacks too much of not playing by the rule that we all ought to work for a living and thus deserve what we get.

The argument might be further embroidered but the essential point has already been made: A secure and confident middle class will seek to build coalitions that, in the context of a separation of powers system, will increase the likelihood that the definition large asset-controllers give of their interests will, at least, not be hostile to efforts to strengthen democracy, and may well support them. In particular, controllers of such

assets will, as a result of the political efforts of such a middle class, at least be likely to acquiesce in policies aimed at securing a modest measure of economic equality and a substantial measure of political equality, both of which democracy requires. If this is so, a key to constituting an attractive form of democratic capitalism is the state of the middle class. This conclusion supports a proposition to which many have been drawn: For there to be a well-ordered democratic capitalism, there must be a well-ordered middle class. It is worth noting here that a strong labor movement will help to foster a secure and confident middle class because many of its members work in occupations that are unionized or that present no overwhelming obstacles to being so, most notably in the public sector (Pierson 1991; Greenberg 1995). How, in turn, to secure such a class looks to be a, perhaps the, crucial question for a political theory of capitalist democracy that meets the minimum standards of popular self-government.

It is worth adding here that, in addition to efforts to broaden the interests of the propertied, we might also look to an institutional design that gives them fewer political advantages than they now possess. In particular, we might look to diluting Madisonian-style advantages. If we can do so, it will matter less to the success of democratic government that the propertied have narrow interests.

4 Conclusion

The problem of the relation between capital and democracy cannot be understood by any of the following simplicities: That capitalists control an ostensibly democratic politics; that controllers of large-scale capital present no special problem for democratic polities since they are part of a pluralist political order; that the problem of the political privilege of those who control large-scale productive assets can be solved by ending private ownership of the means of production; that the task of democrats is to rein in as much as possible the political activities of those who control capital; and that there is little of value that can be done to harness better the political energies of large asset-controllers in democratic political orders. Instead, it is both possible and necessary to harness the political energy of capital and the key to that is to broaden their interests. Such a broadening, in turn, requires a secure and confident middle class. Otherwise said, the question of the political role of capital is a problem in regime analysis. We will understand more about what is possible and desirable if we think through how a democratic regime can be best constituted.¹⁴ An essential point in this regard is that democratic theorists are mistaken when they argue that the more direct citizen political participation in governing there is the better. As Walter Lippmann argued, that the people will rule has long been settled, at least in the West (Lippmann 1937). The essential question is no longer whether they should rule but how they shall do so. In the case of the control and use of the political energies of capital, the problem for democratic practice is how to organize the rule of the people so that it promotes broad interests on the part of capital. It is unlikely that any sort of increase in the political participation of the people will increase the likelihood of this occurring. In a well-ordered democratic regime, the people must attend to particular matters which it is the task of democratic theory to help define through an account of the political constitution of democracies.

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Notes

- 1 For an example that comes perilously close to saying this explicitly, see Barber (1984), preface to the fourth printing, where Barber says “if democracy is made to work politically, the American people will be positioned to choose the economy they deem compatible with their liberties and with prosperity” (see also Barber 1986).
- 2 On the interconnections between other kinds of political and economic orders see Kaminski (1991) and Kornai (1992).
- 3 For some examples of these economies in speech, see Roemer (1994) and Dahl (1985). For the original, focusing on politics in speech, see Plato (1968).
- 4 Except in wartime.
- 5 Harold Wilson, a British prime minister in the last half of the twentieth century, said that “all political history shows that the standing of a government and its ability to hold the confidence of the electorate at a general election depend on the success of its economic policy.” Quoted in the *New York Times*, 10 August, 1990.
- 6 See footnote 14 below.
- 7 For an extended discussion of Madison's political theory, see Nedelsky (1990); Banning (1995); McCoy (1989); Elkin (1996, 2001).
- 8 For a very useful discussion on this point—a discussion I have learned much from—see Jennifer Nedelsky (1990).
- 9 On faction, see below.
- 10 I have elsewhere discussed in some detail the content of the public interest. See Elkin (2001, 2006).
- 11 Following Madison, we may say that a faction is a group of people united by “some common impulse of passion, or of interest adverse” to the rights of the citizenry and the permanent interests of the community (Madison 1987, no. 10).
- 12 For some evidence, see Lowi (1979) and Elkin (1987).
- 13 This is the implication of the original argument for broadening stock ownership by Kelso and Adler (1958).
- 14 Note here that the problem in party-corporatist regimes of how to broaden the interests of capital will differ from how this can be done in the United States and in other commercial republican regimes. In party-corporatist regimes, there are at least two reform paths to take: (1) attempt to increase the ability and interest of senior civil servants to resist narrow definitions of the interests of capital; and (2) attempt to increase the likelihood that parties of both the left and the right

will believe that significant private ownership of the means of production is acceptable but that big business' conception of how to run such a system should not be taken at face value.