

Introduction

Within a generation or so after the Constitutional Convention, a rough consensus appears to have been reached among Americans—among white male citizens, at any rate—that a well-ordered society would require at least three things: political equality, political liberty, and economic liberty; that circumstances in the United States made it possible for Americans to attain these ends; and that, in fact, to a reasonably satisfactory degree these three ends had already been attained in America. Such was the state of mind that Alexis de Tocqueville encountered among Americans in 1831.

At the same time, however, some eminent and philosophically minded observers of the human condition believed that the three goals might very well conflict with one another, quite possibly, indeed, *must* conflict with one another. John Adams, Thomas Jefferson, and James Madison, together with many of Madison's fellow members of the American Constitutional Convention, were deeply concerned that political equality might conflict with political liberty. This possibility forms a major theme—in my view, *the* major theme—of Tocqueville's *Democracy in America*. Echoing an already ancient idea, in the pen-

ultimate chapter of his second volume Tocqueville asserts his belief that

it is easier to establish an absolute and despotic government amongst a people in which the conditions of society are equal, than amongst any other; and I think that if such a government were once established amongst such a people, it would not only oppress men but would eventually strip each of them of several of the highest qualities of humanity. Despotism therefore appears to me peculiarly to be dreaded in democratic ages. I should have loved freedom, I believe, at all times, but in the time in which we live I am ready to worship it.

(Tocqueville [1835] 1961, 2: 385)

While Tocqueville was mainly concerned with the threat that equality—political, social, and economic—posed for *political* liberty and personal independence, many of the Constitution's framers had been alarmed by the prospect that democracy, political equality, majority rule, and even political liberty itself would endanger the rights of property owners to preserve their property and use it as they chose. In this sense, democracy was thought to menace *economic* liberty as it was then commonly conceived—in particular, that kind of liberty represented by the right to property. Like the conflict between equality and political liberty, this potential conflict between democracy and property was also part of a much older debate. In the United States, the concern expressed at the Constitutional Convention has been frequently voiced ever since.

In considering the threat posed by equality to liberty, Tocqueville, like Jefferson and the Framers before him, observed a society in which it was by no means unreasonable to expect, and hope, that male citizens would be approximately equal in their resources—property, knowledge, social standing, and so on—and consequently in their capacities for influencing political decisions. For they saw a country that was still overwhelmingly agrarian: seven of every ten persons gainfully employed were in agriculture, and the citizen body was predominantly composed of free farmers, or farmhands who aspired to become free farmers. What no one could fully foresee, though advocates of a republic constituted by free farmers sometimes expressed worrisome anticipations, was the way in which the agrarian society would be revolutionized by the development of the modern corporation as the main employer of most Americans, as the driving force of the economy and society. The older vision of a citizen body of free farmers among whom an equality of resources seemed altogether possible, perhaps even inevitable, no longer fitted that reality of the new economic order in which economic enterprises automatically generated inequalities among citizens: in wealth, income, social standing, education, knowledge, occupational prestige and authority, and many other resources. Had Tocqueville and his predecessors fully anticipated the shape of the economic order to come, they probably would have viewed the problem of equality and liberty in a different light. For if, in the older view, an equality among citizens might endanger liberty, in the new re-

ality the liberty of corporate enterprises helped to create a body of citizens highly unequal in the resources they could bring to political life.

The question I want to confront, therefore, is whether it would be possible for Americans to construct a society that would more nearly achieve the values of democracy and political equality and at the same time preserve as much individual liberty as we now enjoy, and perhaps even more. Or is there an inescapable trade-off between liberty and equality, so that we can only enjoy the liberties we now possess by forgoing greater equality? Would therefore the price of greater equality necessarily be less liberty?

More concretely, I propose to explore the possibility of an alternative economic structure that would, I believe, help to strengthen political equality and democracy by reducing inequalities originating in the ownership and control of firms in a system like that we now possess—a system that for want of a better term I call *corporate capitalism*. The last three chapters describe an alternative, explain its justification, and examine some of its problems.

In examining this possibility I have deliberately narrowed the scope of our inquiry into the problem of freedom and equality: first by focusing on *political* equality, then by focusing on the consequences of owning and controlling enterprises. Important as it is, political equality—equality among citizens engaged in governing themselves by means of the democratic process—is not the only relevant form of equality that might serve as a standard for a good society. And owning and controlling firms is not the only source

of undesirable inequalities among human beings, or even of political inequalities.

Yet narrowing the focus is, I believe, justified on several grounds. For one, the *general* problem of equality is so complex that perhaps we can deal with it well only by examining parts of it. As Douglas Rae concludes at the end of his masterly analysis of the meaning, kinds, and values of equality:

Equality is the simplest and most abstract of notions, yet the practises of the world are irremediably concrete and complex. How, imaginably, could the former govern the latter? It cannot. We are always confronted with more than one practical meaning for equality and equality itself cannot provide a basis for choosing among them. The question "Which equality?" will never be answered simply by insisting upon equality.

(Rae 1981, 150)

Moreover, of the various kinds of equality that might exist in a good society, political equality is surely one of the most crucial, not only as a means of self-protection but also as a necessary condition for many other important values, including one of the most fundamental of all human freedoms, the freedom to help determine, in cooperation with others, the laws and rules that one must obey. In a somewhat similar way, differences in ownership and control of enterprises, while certainly not at the origin of all forms of inequality, are deeply implicated in inequalities of many kinds: in esteem, respect, and status, in control over one's daily life, in income and wealth

and all the opportunities associated with them, in life chances for adults and children alike. It seems to me scarcely open to doubt that a society with significantly greater equality in owning and controlling economic enterprises would produce profoundly greater equality than exists among Americans today.

Before considering whether an alternative to corporate capitalism might strengthen political equality without sacrificing liberty, we first need to search for a clearer understanding of the relationships between political equality, political liberty, and economic liberty. In my view these relationships have often been misconceived, or asserted in so general a fashion that we can scarcely judge the truth of statements about them. An enormously influential example of what I believe to be a mistaken view of these relationships is to be found in a very great work by a very great writer—Tocqueville himself, in *Democracy in America*. In the first chapter I examine this view, insofar at least as it can be teased out of Tocqueville's two volumes, and explain why I think his view is in some crucial respects misleading. In the second chapter I set out my conception of the relations between democracy, political equality, and economic liberty. The alternative discussed in the last three chapters may then be seen as an element in a system of liberties and equalities superior to what Americans now possess.