

# “Whose Freedom, Whose Democracy?”

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## 1. What is wrong with this picture?

The notions of freedom and democracy that have been deeply tied to capitalism have enjoyed enormous historical force up to now. The identification of democracy with free trade and unregulated capitalism has been touted for so long that we are only now realizing that that identification is over, finished. The current crisis definitively delegitimizes this coupling.

Consider the image of freedom and democracy in Adam Smith's famous claim that if all who enter a free, unregulated market pursue only their own individual good, the general or social good of all others will also thereby be served, as if by the action of “an unseen hand.” The faith here is that simply by pursuing my self-interest in a free market, the needed goods will sooner or later get into the needy hands. We need not plan such a result. In fact, doing so could be harmful. In societies where need satisfactions are got primarily via markets, we are duty-bound to pursue our own good without regard to others. This is because for one thing others can be trusted to pursue their own interest, and for another if everyone does that all will prosper.

Lifted of this burden of care for others, aren't we now finally free? And isn't a political arrangement that preserves this market freedom -- periodic, equal, isolated voting of abstractly equal citizens in societies that allow class divisions -- the very model of democracy?

We are told that democracy = freedom = free trade = capitalism. This has been our epoch's mantra up to now. We all want freedom and democracy. Therefore we must want capitalism.

## 2. Whose “democracy” and whose “freedom”?

We must now ask this question anew.

We have seen the way these terms have been interpreted recently. The deregulation of financial markets that brought about the current crisis allowed bankers the “freedom” to foist loans on people who can't afford them. The lifting of trade barriers allowed US based corporations the freedom to flood the world with their products, thus wiping out small businesses everywhere -- including in the US. If corporations and banks make all of our decisions for us -- from what we eat to what kind of energy we have to what kind of health care we have -- what kind of democracy is this?

Now is the time for bold action to take back the power to make our own decisions and compel our representatives to do what we want, not what corporations want. Following are some examples of what we might want. They are to re-animate our repressed imaginations and our memories of promises

Energy. It always seemed to me that we should be able to choose whether we get our energy from nuclear power plants or from solar, wind and other renewable sources. Nuclear is dangerous to workers and neighbors and produces waste - the spent rods -- that cannot be safely disposed of. Nuclear is imposed because money can be made from electricity only if it is metered out from a central source - a system refractory to local, democratic control.

But imagine: not only are renewable energy sources safe but, being dispersible, they can be in the hands of the people and managed for their needs, not for profits to absentee owners.

Food. It always seemed to me that we should be able to choose whether we eat chemical food or plain food -- what we now call organic food. Half of the world's oil is used in agriculture. Food contaminated

with petroleum-based fertilizers and insecticides benefits private shareholders of Monsanto, but despoils the environment and is harmful to our health.

But imagine: if we owned our banks, as in the case of North Dakota outlined by Cliff or in the case of credit unions -- or if we just insisted on controlling the vast amounts of money in our retirement accounts -- we could direct investment to family farms that were committed to organic production.

Transportation. We should be able to choose between public, collective transportation with low hydro-carbon output and private individual transportation with high hydro-carbon output. The story of GM buying up the trolley car companies in Los Angeles in the late 1940s and ripping it out is well known.

But imagine: alternative mixes of public vs private transportation could be debated and made as public decisions by the people of Los Angeles acting in a democratic process.

Health care. I recently ran across a letter that I wrote to then Pres. Clinton in 1995 pointing out that 60% of the US population wants single-payer health care; why don't we have it? In fact, ever since 1949, a majority of the US population has wanted single-payer health care, and we still don't have it.

The US spends 2.2 trillion dollars a year on health care. Fully 1 trillion of that goes to the insurance industry. With GDP of about 13 trillion a year, 2.2 trillion is 16%-17% of US GDP. Countries in Europe and elsewhere such as Canada with single-payer systems spend about 8% to 10% of GDP on health care. Eight to ten% of US GDP would be about 1.2 or 1.3 trillion dollars. So that's roughly what we are now paying for lousy health care, not counting another one trillion that is given to the insurance industry and other middle men.

But imagine: true democracy would get us single-payer. That means controlling the huge donations to elected representative by the insurance industry. Campaign finance reform has been a pressing issue for decades; public financing of campaigns would end the conflict of interest that our elected representatives face when choosing whether to vote against the voters' interests or against the interest of some contributing corporation. Even if Obama wins, to make real changes, a massive ground swell of popular support must force him.

Free time. Take the free time promised with the advent of computers, that was supposed to allow us to work less than our parents. It has never materialized in the US and had only a brief recent life in France with the short-lived 35 hour week for the same pay.

But imagine: what if, when a factory doubled productivity thanks to computers and mechanization, instead of half the work force being laid off, all the workers worked half time for the same pay.

Work conditions. US workers work longer and harder than do workers in any other advanced capitalist country. Yet in terms of purchasing power, wages have remained stagnant for 30 years. That is why, to maintain a standard of living that is at risk, so many have borrowed against their homes. Greater productivity leads to more wealth for all, right? No. Virtually all of the income resulting from productivity gains has gone to managers and owners, not workers.

But imagine: what if the workers were the owners? The idea is not utopian: in the US, the citadel of capitalism, the growing worker cooperative movement and the spread of truly democratic ESOPs show that this is a workable alternative. First off, many fewer factories would have moved out of the US, eating away at our economy's industrial base. If the workers were the owners, the owners would have paid the workers, i.e. themselves, a family wage, and they would not produce pollution or workplace hazards, poisoning or injuring themselves.

Moreover: if there were either democratic decision making or democratic ownership, work forces would not vote for half of them to be laid off nor would work forces vote for their CEO and CFO to earn 70 times as much as they do or even more – the highest salary paid out in 2007 was 3.3 billion to

some hedge fund manager.

We don't want the freedom to choose between objects for sale on the market place. We want the freedom to establish what options we have to choose among – will productivity gains bring us more free time or more purchasing power? Will some workers earn millions and others not enough to live on? Why can't we have quality health care for all when we pay more than those in countries with better health care than we have?

### 3. From “unseen hand” to Collective Autonomy

Why do a few people get to make economic decisions for the many when the end result is that the decisions made are those that make the most profit for the owners rather than provide for the common good? We can imagine and we can realize a real democracy. Free trade, globalization, the war in Iraq – this was all a lie. It's time for us to demand that our elected representatives do what we want instead of doing what corporations want. Globalization we now see is really corporatization. Taking control of our lives, however, will require changing paradigms, re-issuing our conceptions of freedom and democracy so we can live at peace with the people of the world.

It is clear that the unseen hand does not serve the public good if we all pursue our own self-interest. Let's reverse and abbreviate Adam Smith's formula: if all participants in any undertaking -- a business, a neighborhood, a nation, the world -- pursue the public good above all, the individual good will be served thereby. Reflect on why that is, why the former good entails the latter. It is, I contend, because the public good cannot even be identified, much less debated and decided on, unless the individual good is secured. For the public good is not the property of politicians however democratically chosen; nor is it the property of wealthy and powerful groups able to influence politicians. It is rather determined by free discussion among the people themselves, starting at the smallest units of social life -- the neighborhood and the workplace. So: all of the accomplishments of capitalist society (bourgeois society, modern society) must be kept in serving the public good, and indeed they can be kept only if the public good is served above all.

There are two conceptions of freedom and democracy here. One is that of the isolated individual -- let us call it individual autonomy. On this conception of freedom the presence of another is a limit on my freedom. The other is that of the individual but now the individual-in-relation. Others are not limits on my freedom in this sense. Indeed, it is only through our joint action that we can secure the new freedom of what I call collective autonomy. They are those who together but their collective good first. The first kind of freedom is impotent before the traffic jams that are inevitable when each individual pursues his ends without any coordination with others. (The economic crisis can be seen as a massive, global traffic jam.) The second kind of freedom is the sort that plans so traffic jams are avoided.

Now collective autonomy includes individual autonomy in a way that the former clearly does not include the latter -- as we see in the current crisis. Where the freedom of individuals in isolation is exhausted in choosing between options that are already given, the freedom of individuals-in-relation is fulfilled in choosing what the options themselves will be. Only with the latter kind of freedom, and the concrete democracy built on it, can the paroxysm of selfishness, the colossal traffic jam of the current crisis, be avoided. Only when a people consciously decides together what it wants can it be truly free. No unseen hands. Full transparency. Let's stop and begin talking with each other.

### **“Whose Democracy?”**

comments by Betsy Bowman, Ph.D., Center for Global Justice, Oct. 29, 2008

For sources, see:

## **Brecht Forum**

The Brecht Forum's Economy Watch, a new website for the latest analysis on the US economic crisis.

[www.brechtforum.org/economywatch](http://www.brechtforum.org/economywatch)

The website includes:

-Video coverage of "An Offer We Can't Refuse: Progressives and the Economic Crisis" with William Grieder, Naomi Klein, Arun Gupta, Doug Henwood and Frances Fox Piven

-The Economic Crisis and Socialist Strategy with Rick Wolff

-A Radical Approach to the Subprime Mortgage Crisis

## **Economic Policy Institute**

"HEALTH CARE FOR AMERICA: A proposal for guaranteed, affordable health care for all Americans building on Medicare and employment-based insurance"

[www.sharedprosperity.org/bp180/bp180.pdf](http://www.sharedprosperity.org/bp180/bp180.pdf)

"A Meaningful stimulus for Main Street" 10/22/08

"Stimulus now! Underemployment at 14-year high" 10/15/08

"Not just gasoline: The sneakier squeeze on family budgets" 9/10/08

"Surging wage growth for topmost sliver" 6/18/08

[www.epi.org/content.cfm/webfeatures\\_snapshots\\_archive\\_snapshotsarchive](http://www.epi.org/content.cfm/webfeatures_snapshots_archive_snapshotsarchive)

Inequality in the United States continues to worsen. Huge gains at the top of the income scale have been fueled by, among other things, a surging inequality in wages. The ratio of the wage income of the top 1% of earners to that of the bottom 90% more than doubled between 1979 and 2006, increasing from a ratio of 9.4-to-1 to 19.9-to-1. In contrast there was relatively little change in the earnings disparity from 1947 to 1979, when wages at all levels of the economy grew apace.

From Economic Policy Institute, "Surging wage growth for topmost sliver" 6/18/08

## **Northwest Federation of Community Organizations**

Insuring Health or Ensuring Profit? A Snapshot of the Health Insurance Industry in the United States

[www.nwfc.org/pubs/2008.0727\\_insuring.health.or.ensuring.profit.pdf](http://www.nwfc.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf)

## **POCLAD, Program on Corporations, Law and Democracy**

"The Impact of Corporations on the Commons"

[www.poclad.org](http://www.poclad.org)

**David Schweickart, "Bailout!"** <http://www.globaljusticecenter.org/articles/bailout.html>

## **Service Employees International Union**

"Health Care for All"

[www.seiu.org/seiuhealthcare/index.php](http://www.seiu.org/seiuhealthcare/index.php)

Health care premiums rose 87% between 2000 and 2006. That's almost double. Meanwhile, wages for the average worker actually fell 3.4% over the last eight years.\* With costs surging, many small businesses can't afford to offer health benefits for their employees, forcing workers to fend for themselves in the private insurance market.\* Average annual health insurance premiums last year totaled \$4,479 for single coverage at a private employer and \$12,106 for a family. (Kaiser Family Foundation, employer health benefits 2007 annual survey.)\* Meanwhile, insurance company profits are going through the roof -- rising 170% over the last four years, to \$12.6 billion ([www.nwfc.org](http://www.nwfc.org)). How do they do it? By raising premiums and refusing to cover people with pre-existing conditions.\* As costs skyrocket, more and more Americans will lose coverage. Already, more than 45 million people in America have no coverage at all and 25 million are underinsured.

## **Jack Rasmus**

His book: The War at Home: The Corporate Offensive from Ronald Reagan to George W. Bush

His articles:

“Who pays? How to Finance Single Payer Universal Healthcare”

“America’s Failing Economy At Historic Juncture” forthcoming “How to No Longer Hide a Declining Economy” forthcoming

“Bailing Out Fannie Mae and Freddie Mac”

“The Emerging Epic Recession?”

“Is the Economic Crisis Over-Or Just Begun?”,

“From Financial Crisis to Global Recession”, Parts 1 and 2

“The Trillion Dollar Income Shift” “Z” magazine (Feb.-May 2007)

[www.kykloproductions.com/posts/index.php?p=59](http://www.kykloproductions.com/posts/index.php?p=59)

In 1929, the top 1% of US population received 22.5% of all US income. By 1978, the top 1% received only 9%. Today, it receives 22.5%. From “The Trillion Dollar Income Shift” “Z” magazine (Feb.-May 2007)

The US spends 2.2 trillion dollars a year on health care. Fully 1 trillion of that goes to the insurance industry. With GDP of about 13 trillion a year, 2.2 trillion is 16%-17% of US GDP. Countries in Europe and elsewhere such as Canada with single-payer systems spend about 8% to 10% of GDP on health care. Eight to ten% of US GDP would be about 1.2 or 1.3 trillion dollars. From “Who pays? How to Finance Single Payer Universal Healthcare”

## **War Resisters League**

How much is 1 billion? If you counted to one billion, counting one number per second, it would take you over 33 years to count to one billion. War Resisters League

[www.warresisters.org/pages/piechart.htm](http://www.warresisters.org/pages/piechart.htm)