

Distinguished Political Economist Suggests Radical Systemic Change Is Likely Given Emerging Threats to Equality, Liberty, and Democracy

“I think it is entirely possible that, like Rome, the U.S. empire will fail and decay,” warns noted political economist Gar Alperovitz. “Or that our domestic and international troubles will lead to violence and the suppression of what remains of American liberties.” However, he argues in **AMERICA BEYOND CAPITALISM: Reclaiming our Wealth, Our Liberty, and Our Democracy** (John Wiley & Sons), simultaneously, just below the surface of public attention, our difficulties are also causing a steady build-up of system-changing developments which offer hope for the future. That systems change, he observes, is the rule, not the exception in world history. And America has had at least five major political realignments in its own history.

Neither capitalist nor socialist, neither conservative nor liberal, the system he sees emerging is what he calls a Pluralist Commonwealth. It would ultimately offer new ways to support democratic diversity, individual liberty, and public or quasi-public wealth-holding institutions that benefit the community of the nation as a whole.

As Republican senator John McCain has pointed out, the current American political system has become “an elaborate influence-peddling scheme in which both parties conspire to stay in office by selling the country to the highest bidder.” The failure is clearly visible, Alperovitz reminds readers, in the rampant inequities in the distribution of wealth, with the top 1% of our population owning just under 50% of all investment wealth and the immense power that corporations and special interests now wield in Washington. But he also points to the loss of personal liberty due to the Patriot Act, the evaporating sense of communities because of economic dislocation and sprawl, the drop in voter turnout, and the rise in personal debt despite greatly increased working hours, as further proof that the market system and the democratic process as we know them have ceased to work.

A Pluralist Commonwealth would return wealth and political decision-making to the people. Alperovitz explains that such a system would be built on four ideals: the creation of new institutions that would hold wealth on behalf of the public, the return of local democratic participation to those who now feel disenfranchised, a shift from our continental-scale government to a “regionalization” of power, and economic security and greater amounts of free time to allow participatory democracy to take hold.

But how could such a radical restructuring really take place? Alperovitz points out that many of these changes are already in the works. He reports on a wide range of worker-owned firms—11,000 to date— neighborhood corporations, municipal enterprises, state investment strategies, public pension funds, and other innovations that are transferring wealth to the vast majority rather than the 1% at the top. Every Alaskan, for example, derives income from a public wealth-owning trust. Municipalities across the country have Community Land Trusts that develop and own housing. Institutions such as the Bank of North Dakota and the Wisconsin State Life Insurance Fund have long been huge sources of revenue for their states.

—OVER—

Local grassroots political action and economic experimentation are taking place under the media's radar, and in California, with an economy the size of France's, state political leaders of both parties have begun to take independent positions that increasingly challenge those of the Washington-based federal government. Perhaps Alperovitz's most iconoclastic proposition is a shortened workweek, which, as technology progresses and the economy expands, would allow workers to reconnect with their families, their communities and, ultimately, the democratic process—already a trend in every major industrialized country other than the U.S.

Alperovitz's cogent proposals are based on the best academic studies and on massive new research, and rather than simply urging change, he describes the forces that are already producing such change. Still, he concedes that we are a long way from instituting the reforms necessary for a Pluralist Commonwealth. We need long-haul evolutionary strategies that challenge the current emphasis on income, wealth, and consumption, through changes in taxation and resource allocation. The politics and economics of the current system are at a dead-end, he says, and in many cases there is simply no alternative but to begin building something new at the level of everyday life. Without this change, our society will grow more politically stratified, with the tiny 1 to 2% percent at the top controlling the nation's wealth in almost medieval fashion.

“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 there were those who labored to establish new principles in earlier decades,” Alperovitz writes. “It is within the possibilities of our time in history that—working together and openly charting an explicitly 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.”

ABOUT THE AUTHOR

Gar Alperovitz is a professor of political-economy at the University of Maryland. He is a former Fellow of Kings College, Cambridge University; Harvard's Institute of Politics; and a guest scholar at the Brookings Institution. He is the author of critically acclaimed books on the atomic bomb and atomic diplomacy and his articles have appeared in the *New York Times*, the *Washington Post*, the *Los Angeles Times*, the *New Republic*, the *Nation* and the *Atlantic*.

* * * *

America Beyond Capitalism: Reclaiming Our Wealth, Our Liberty, and Our Democracy
by Gar Alperovitz
John Wiley & Sons; 2005
Cloth; 336 pp. \$24.95
ISBN: 0-471-66730-7

Please visit the AMERICA BEYOND CAPITALISM website: www.americabeyondcapitalism.com