Expanding Citizens’ Democratic Participation As The Context For Earning the Public’s Trust
Majid Behrouzi, Professor of Mathematics and Philosophy, Cuyahoga Community College

Abstract
To trust government and business, people need to know and feel that these entities are genuinely concerned with public welfare and matters of the common good. In the case of government, people also need to feel that it is both responsive and open to the public’s input. As to business, people need to feel that corporations honor their social responsibilities and value the service and input of their employees. This means that, in order to earn people’s trust, government and business not only need to take a genuine interest in the public’s welfare but also need to find ways of incorporating the public’s input in decision making processes in their structures and institutions. This will only be possible if we, as a society, work toward adopting participatory models of democracy.

That is to say, we need to find ways of expanding citizens’ participation in, and contributions to, the decision making processes on matters that affect their lives and their livelihoods in profound ways. Representative democracy and big business—especially in the phase of Globalism, which has put them beyond the reach of the public’s democratic oversight—have failed us. We need to develop new visions of good society, good government (genuine democracy), and good economy.

Introduction
Trust is an essential component of interactions among individuals in social and political settings. Without adequate levels of trust, relations among individuals would become unhealthy, dysfunctional, strained, unequal, abusive, and could eventually be severed. In the absence of trust, relations can be maintained only through coercion, fear, and at best, through manipulations and false pretences. The same is true of the societal settings. Relations in business firms, business partnerships, social organizations, political parties, political alliances, and governments would become strained, dysfunctional, or fall apart altogether in the absence of trust among the parties involved. At the societal level, once people lose their trust in government, the government is doomed. The only way for it to survive would be to resort to coercive and repressive measures.

Moreover, trust is an important component of the economic life in nation states, especially in the larger ones. Without trust, individuals will not be able to enter into any sort of healthy or meaningful interactions in business relations with other individuals outside of their closed circle of friends and relatives. While trust among individuals in traditional or smaller societies is established and sustained through cultural norms and long standing traditions, trust in business relations in modern nation states can only become possible through the medium of the law and the culture of obeying it, and hence through the state in a social contractarian sense. That is to say, all individuals agree to abide by a set of rules that are generally regarded as fair—a function of which is to instill and sustain trust—in
exchange for the guarantee that everyone else will also abide by them. In this model, the government is the ultimate guarantor of the contracts as it enforces the laws even handedly and punishes those who break them. The Achilles’ heel of this model lies in that for this arrangement to work, the people need to trust the ultimate guarantor, the government; otherwise, all deals are off.

The first section of the article develops a philosophical theory of trust, especially as it relates to the question of the public’s trust in government and business. The theory developed here sets the framework for studying the question of the erosion of the public’s trust in the United States in the ensuing sections.

In the second section, the article puts forth the argument that the rise of the public’s trust in government and business in the U.S. began with the introduction of the New Deal reforms and regulations in the 1930s, and increased gradually over the following decades, finally peaking with the introduction of the “Great Society” programs by the federal government in the mid to late 1960s. The sentiments against the Vietnam War and the Watergate scandal in the 1960s and 1970s had negative impacts on trust levels of the people, especially among the younger generation. The programs and reforms of this period gave the federal government an activist role in solving social and economic ills, such as poverty and racial discrimination. They also burdened business with social responsibilities. These helped the majority of Americans see their government as a force for good. The net results were high levels of the public’s trust in government and business. The reforms and regulations of the 1930s-1960s were democratic in nature in that they aimed at, and at some levels succeeded in, establishing a minimum level of social justice in the country through decreasing socio economic disparities and stabilizing the economy.

Starting in the early 1980s, the third section argues that, this minimum level of social justice began to fall apart. Deregulating of economy, downsizing of the welfare benefits, undermining of Affirmative Action, breaking of labor unions, relieving of business from its social responsibilities, and enacting of unegalitarian tax cuts have gradually led to the widening of the socio economic disparities. These measures, the article argues, were parts of a deliberate strategy that was aimed at dismantling what I will call the “regulatory welfare state” that was established gradually in the U.S. in the course of four decades. This marked the beginning of the erosion of the public’s trust in
government and big business in the United States. To these, one should also add the negative consequences of Globalism that took off with NAFTA in the 1990s, and the harmful effects of the rise of neoconservatism in the 2000s. These two factors have exacerbated the problem of the erosion of the public’s trust in government and business. The legislations, policies, and politics of the last quarter of a century or so have led to the widening of socio economic inequalities and weakening of the appeal of public spiritedness and citizenship values. They have also given rise to cynicism, apathy, narcissism, unabashed materialism and hyper individualism. Lastly, the debacle of the Iraq war, and tarnishing of the image of America in the world as a consequence of the war, have compounded the problem of trust in government and business, and have turned it into a worldwide phenomenon.

Section IV takes a long political theoretical view of the rise and fall of the public’s trust in government and business in the United States as it puts the question within the context of the political developments in the West in the last century or so.

The closing section argues that to restore the public's trust in government and business, the country would need to move toward a more egalitarian vision of society; that it would need to make some fundamental socio economic, social political, and social cultural changes that would help it embrace such a vision. This requires that we embrace a more genuine form of democracy. To do this, we would need to expand citizens’ participation in, and contributions to, decision makings on legislations and policies that affect people's lives and livelihoods. Our present system of representative democracy, as well as the business' incessant fixation on maximizing profit, and now an unbridled Globalism, are all culprits in the creating of the unpleasant circumstances in which we now find ourselves. We need to develop new visions of good society, good government, and good economy.

Finally, it should be noted at the outset that by the word "government,” the article means "the State”; that is, not just the presiding administration or a group of people who occupy the leadership positions in the government (e.g., the Bush administration, the Clinton administration, Tony Blair's government, or Gordon Brown’s government), but the entire establishment of the governance in its totality, which includes all of its branches, structures, institutions, procedures, practices, and laws. Moreover, by "business,” the article means primarily the "big business” which comprises
corporations, banks, trusts, transnationals, and all of the major companies or firms that are active in the economy.

I. Toward A Theory Of Trust In Government And Business

Trust among individuals entails a perception of trustworthiness that encompasses certain degrees or levels of some positive character traits which are often associated with trust. Among these, one should mention good will, benevolence, honesty, fairness, integrity, dependability, accountability, prudence, and competence. These traits offer good grounds and reasons for trust. Generally speaking, A trusts B if A perceives B as possessing some adequate levels or degrees of some or all of these traits. In their personal or business relations, people in general trust good willed, honest, just, benevolent, dependable, prudent, and competent individuals, and distrust those whom they consider evil intentioned, malevolent, dishonest, unjust, unreliable, and incompetent.

Moreover, in most cases the question of trust among individuals involves an object of trust, i.e., something that needs to be attended, guarded, nurtured, looked after, and/or cared for. That is to say, it is usually the case that “A trusts B with x (or with respect to x),” where x is the object of trust. Thus, A trusts B with x, if A perceives B as possessing some adequate levels or degrees of some or all of the trust worthiness traits that are most relevant to attending, protecting, looking after, and/or caring for x.\(^1\) Often, what matters the most for A in a trust relation is the most relevant trustworthiness traits of B. Nevertheless A might take into consideration the less relevant or nonrelevant traits as well. As an example, consider the case of passenger A who trusts pilot B with his life who flies him over the Pacific Ocean, because he perceives B as a competent pilot and a person of integrity who knows he should not get intoxicated before flying the plane. Yet, it might be the case that A does not trust B with his wallet or gold watch. As another example, consider the following case. The car owner A trusts mechanic B so along as A perceives B as being a competent mechanic who charges her a fair

\(^1\) I have taken my "three place predicate" approach to the question of trust (A trusts B with x) from Annette Baier, "Trust and Antitrust," *Ethics*, vol. 96, no.2 (January 1986), 231-60. My approach to the question is also influenced by Mark E. Warren, "Trust in Democratic Institutions," *Trust: Cement of Democracy?*, ed. Frank R. Ankersmit and Henk Te Velde (Dudley, Massachusetts: Peeters, 2004), and also by Russell Hardin, "Do We Want Trust in Government?!," *Democracy and Trust*, ed Mark E. Warren (Cambridge: Cambridge Press University, 1999). Both Warren and Hardin use the three place predicate approach in discussing trust.
fee, guarantees his work, and honors the guarantee if the car is not serviced or repaired properly. A will keep taking her car to B for service and repair provided that A continues to perceive B as being competent, fair, dependable, and accountable. Now, if A learns that B is dishonest in dealings with his other customers or that he is a malevolent person (e.g., he beats his wife and children or deals drug on his free time), she might lose her trust in B, or might stop going back to him for service, even though she personally has been satisfied with his work.

In discussing the question of trust, one needs to consider its connection to two closely related notions: delegation and vulnerability. The statement "A trusts B with x" could be understood as "A delegates the responsibility of attending or caring for x to B, believing that B—which A perceives as a trustworthy agent—will do all that is needed to be done in the way of attending and caring for x.”

Delegating responsibilities could be a matter of convenience or necessity. Passenger A who is not a pilot and does not have access to a jet plane to fly, must, out of necessity, delegate the responsibility of flying him to pilot B who, he believes, would do all that is needed to fly him safely over the ocean. Car owner A may know how to change the oil in her car, but might decide to delegate the job to mechanic B—whom she believes would do all that is needed to be done in an oil change—because she finds delegating the task to B to be more convenient for her. It could also be the case that A does not know how to change oil, and hence out of necessity, must seek a mechanic to do it for her.

Furthermore, with trust comes the possibility of vulnerability. In a trust relation, when A delegates the responsibility of caring for x to B, she leaves herself vulnerable to the possibility that she could be harmed if B does not fulfill his responsibility. It is easy to see that in these situations, the deeper the trust, or the larger the scope, or the greater the importance, of the responsibility being delegated, the deeper, and the more extensive, would be the vulnerability of A, if B betrays her trust. That is to say, A can get harmed if her perception of trustworthiness of B with respect to x turns out to be false. Fear of vulnerability, and also the natural tendency to avoid harm, often works against trusting others, or deepening and expanding the scope of one's trust in them.²

² See Annette Baier, “Trust and Antitrust,” *Ethics*, vol. 96, no.2 (January 1986), 231-60 for a discussion of the role played by vulnerability in trust relations.
Trust in organizational and societal settings also entails a perception of trustworthiness, and usually an object of trust as well. Inside and outside of groups and organizations, people trust good willed, benevolent, honest, just, prudent, and competent members, leaders, politicians, committees, groups, associations, and organizations. This applies to all groups and organizations in all three spheres of society: the state, the economy, and civil society. In general, the individual or group A trusts the individual, group, company, association, organization, or government B with the object of trust x, if A perceives B as being good willed, benevolent, honest, just, prudent, and competent.

In the case of trust in government (and in its leading figures and officials), the object of trust is the common good. Generally speaking, people would trust their government (and/or its leaders) if they perceive it (or them) as possessing adequate levels of most or all of the traits and qualities that are usually associated with the ability to care for, look after, protect, and foster the common good and the public interest. Some of the main traits and qualities that are often considered as the criteria in this area are: benevolence (being a force for good), accountability, dependability, responsiveness (to the needs of the public), leadership, integrity, prudence, competence (the ability to make good laws and policies; the ability to execute, enact, and enforce the laws and policies; the ability to provide security for, and defend, the society), and justice (the will and ability to act fairly and even handedly, vis-à-vis favoring the interests of a special group/class—usually the upper classes—over the interests of the rest of the society). In other words, citizen A would trust government B (and/or its officials) if he

---

3 Following Hegel, it is customary to separate the society into two distinct domains: "the state" or the "political society," on the one hand, and the "civil society" (i.e., the rest of the society), on the other hand. In this bifurcation, the civil society also includes the economy. Here, I separate the economy from the civil society and use the term the "economic society," to denote it. Broadly defined, the economic society denotes the domain of economic activities, institutions, and entities that include, among others, the relations governing production and distribution, "means of production," markets, financial institutions, economic firms and corporations, and the activity of work itself. The "economic society" is distinguished from the "civil society" and the "political society." The term "civil society" denotes the sum total of all societal entities and spheres of activities that deal with, or relate to, the question of life in the society. Simply put, civil society is the sphere of life outside of the workplace, as the "economic society" is the sphere of life in the workplace, and in this sense, it is separate and distinct from the latter society. The "civil society" is also apart and distinct from the state (the "political society").

4 This intuitive and functional definition of trust in government is an adequate one for the task at hand. It is a definition that most people would accept at its face value. A more elaborate treatment of the topic would require lengthy and cumbersome philosophical analyses of both the concept of government (the state) and the idea of trust that would not fit in the context of this article. As to an indepth analysis of the question of trust, the reader is advised to consult the following works. Annette Baier, "Trust and Antitrust," Ethics, vol. 96, no.2 (January 1986), 231-60 offers a thorough philosophical treatment of the question. Robert C. Solomon and Fernando Flores, Building Trust in Business, Politics, Relationships, and Life (Oxford: Oxford University Press, 2001) is an excellent source for the lay reader. Moreover, Karen Jones, “Trust,” Routledge Encyclopedia of Philosophy, ed. Edward Craig (London: Routledge, 1998) provides an overview of the question as well as some helpful
perceives them as possessing adequate degrees or levels of most or all of the traits or qualities listed above. When a considerable majority of citizens perceive their government (or leaders) in this way, it is usually said that the people trust their government (or leaders).  

The question of trust between the people and government can also be modeled as a delegation relation. The statement "people trust their government with respect to the common good" can be understood as "people delegate the responsibility of looking after the common good to government, believing that it will do all that needs to be done for protecting and advancing the common good."

Moreover, the trust criteria developed for government here also applies—albeit in a much weaker sense—to the case of trust in big business (e.g., large banks, corporations, and other large economic firms) in that their conducts often have considerable effects on the common good at the local or national levels. The corporate CEOs are in the habit of saying that their first responsibility is to their shareholders; yet the public expects a sense of social responsibility and also a "good corporate citizenship" attitude from them. The general public, as well as the employees of big business, also develop their perceptions of trustworthiness about the business firms from the way they treat their employees. A good example of how the conduct of a business firm could affect the public, and how the public would trust or distrust it, is the case of Wal Mart. There are considerable numbers of people in the United States who boycott Wal Mart, even though the company provides some of the best (cheapest) prices to consumers on most of the consumer items it carries. The boycotters do not trust Wal Mart with matters of the public good for the following reasons. Wal Mart pays low wages to its employees; it spies on them; and it uses some of the most underhanded tactics, including intimidation, sources. For a discussion of trust in government presented from the perspective of political science/theory, the reader can consult Peter G. Brown, Restoring the Public Trust (Boston: Beacon Press, 1994). Brown's argument is based on John Locke's social contractarian conception that assigns to government "fiduciary trust" (p. 70). Brown quotes the following phrase from John Locke's Second Treatise on Government: "mutual preservation of their lives, liberties and estates, which I call by the general name, property. The great and chief end, therefore, of man's uniting into commonwealth, and putting themselves under government, is the preservation of their property" (ibid.). Brown argues that "[t]he government conforms to the terms of the trust when it discharges its duties 'to be directed to no other end but the peace, safety, and public good of the people'" (ibid.).

Given that there are competing and opposing interests in each society, and consequently, given that these interests have competing and opposing conceptions of the common good and the public interest, no government can earn the trust of all, or the overwhelming majority, of the people, except in unusual circumstances such as war times. A government trusted by an overwhelming majority of people is the one that has had a remarkable success in projecting the conception of the common good that is associated with the interests of the groups or classes it represents as being the conception of the common good for all of the society. That is to say, it has succeeded in persuading a large majority of the population to see the common good and the public interest through the eyes of the groups or classes whose interests it represents.
to prevent them from forming a union. Moreover, during the last decade or so, Wal Mart has bankrupted numerous small and local businesses in the communities it has moved into. Furthermore, Wal Mart has forced its competition (e.g., K Mart and many other department stores, especially the smaller regional/local ones) to lower the wages they pay to their employees and also weaken or break their unions. The result has been that in recent years, Wal Mart has played a considerable role in driving down the wages of the working people in the United States.\(^6\)

Now, the perception of trustworthiness could be real, or it could be created through deception, manipulation, and false pretences. In the case of personal relations or business relations, individuals or the involved parties might be conned into trusting those on the other side of the relation. The perception of trustworthiness can be said to be real in the sense that it somewhat accurately represents the reality of trustworthiness. That is to say, when A trusts B, B in reality does possess most, if not all, of the trustworthiness traits, at some adequate levels, which A perceives B as having. However, the perception is false if B does not possess most or all of the trustworthiness characters in question. The false case can be attributed to either A being a mentally disabled person and/or having a defective sense of judging characters, or to B deceptively and cunningly projecting oneself/itself as possessing the traits in question, thus manipulating A into believing that they/it are/is trustworthy in general, or with respect to the object of trust x. In the case of trust in business, the boycotters of Wal Mart argue that the company deceptively and cunningly projects itself as having the characters of trustworthiness (in this case with matters of the good of the community) by running TV commercials that manipulate the public into believing that Wal Mart is helping save communities by providing jobs for the people and paying taxes to local governments.

In the case of trust in government or in its leaders, the perception of trust can also be created through deception, manipulation, and false pretences. Governments or their leaders could even fabricate events or situations, or manipulate the already existing events, so that they could be used to win the trust of the people. The exaggeration of the dangers of terrorism in the aftermath of the 9/11 terrorist bombings in the U.S., and scoring victory against terrorism in Afghanistan—and hence

---

\(^6\) The question of consumers trusting business with their products and services does not fit within the context of the topic, and hence, is not considered here.
winning the trust of the people by projecting the government and its leaders as highly competent in protecting the public and defeating its enemies—is a good example here.

Moreover, the question of trust in government has an “ideological” component. That is to say, each society has its own system of values (including political values) and value laden views which it holds in high regard, and considers as part of the fabric of its identity, even as its raison d’être. The value system of the society undergirds the outlooks on life and on the world which prevail among its people. These outlooks include an overlapping set of conceptions of "good life,” “good society,” and “good government.” Given that there are divergent and opposing outlooks in each society, as there are divergent and opposing interests and classes, ideology has a class character. The successful class is the one that manages to persuade the rest of the society (or at least the majority of the people) to see the world and life through its eyes, and in the process, succeeds in marginalizing opposing ideologies, hence making its own ideology hegemonical, and presenting it as the ideology of the whole society. However, when the hold of the ideology of the hegemonic class over the rest of the society weakens, the political establishment is thrown into turmoil. This in turn generates distrust towards values and ideals that undergird the ideology.

Finally, when the leaders of a government fail to perform their responsibility of attending, caring for, protecting, and nurturing the common good at some acceptable levels, or when the prevailing ideology fails to deliver to the people what it has promised, trust levels plummet.

---

7 In the United States, “ideology” is generally treated as a pejorative word, and has a disparaging connotation. It is usually used to stigmatize and denigrate those worldviews and political systems that are inimical to the free market system, and to its world outlooks. Since the early period of the last century or so, the word ideology has been used to refer to communism, fascism, and now to “Islamism.” It is widely assumed that the United States does not have an ideology or it is not an ideological society. In truth, the American system of government has its own highly entrenched and sophisticated ideology that masquerades as nonideology. America’s firm beliefs in the values of freedom and liberal democracy, its almost fanatical devotion to the infallibility of the free enterprise system, in the idea of working hard and becoming successful (becoming wealthy), its devotion to the motto “freedom and justice for all,” and everything else that is taught to pupils in schools, including the grand narrative of the founding of America, are some elements of American ideology. The reader is advised to consult Michael Parenti, Land of Idols: Political Mythology in America (New York: St. Martin’s Press, 1994) and Andrew Levine, American Ideology (New York: Routledge, 2004) for discussions of ideology in the United States.
II. The Rise Of Trust In Government And Business In The United States: 1930s-1970s

The answer to the question “how much did the people in the United States trust the government and business in the pre New Deal era?” is anyone's guess. My own inclination is to assume that the large majority of the people living in the United States in this era did not trust government and big business at all. By the large majority of the people, I mean all those who lived in the country at the time. Here I include poor white workers, immigrants, small farmers, blacks, and Native Americans. What I exclude in this category are the wealthy and the members of the traditional middle classes (e.g., lawyers, teachers, engineers, entrepreneurs, small business owners, and skilled workers) who happened to be a minority in pre 1930s America. Reading Howard Zinn's *A People's History of the United States*, or the works of any other revisionist historian who does not write the history of the country from the perspective of the wealthy classes, gives one a good sense of how bad and how hard things were for the majority of the people in that era, and also why they should not have had any faith or trust in the wealthy classes, who controlled and manipulated government and ran big business.

I would argue that the people's trust in government and big business in the United States began to take shape gradually with the introduction of Franklin D. Roosevelt's New Deal reforms in the 1930s. The New Deal established some ground rules and responsibilities for big business, and required that the government take an active role in dealing with economy and societal problems. The reforms also gave ordinary people some entitlements in the system. The wealthy and powerful people in the country opposed the New Deal, calling it a communist and fascist plan, and regarded Roosevelt as a traitor to his class. The fact that the New Deal reforms laid the foundation for the establishment of what I want to call “a minimum level of social justice” made a lot of people (save Native Americans, blacks, and poor immigrants) feel that they had some entitlements and stakes in the system. Also, the success of the government in jump starting the economy through the introduction of regulations and its active involvement in the economy began to fill the political atmosphere of the country with an aura of hope and trust. Ordinary people began to feel that government could be good for the people,

---

8 I know of no study which has specifically focused on the question of trust in American government and business in the pre New Deal era. The public opinion polls, and polling of the public on the question of trust in government, only began in the late 1930s during the second term of Franklin D. Roosevelt’s presidency.

and big business could act responsibly and fairly, and that people have some rights and protections in
the franchise, and that the system did not work just for the rich man.\textsuperscript{10}

The following are some of the acts and organizations that were introduced by the New Deal reforms toward the establishing a foundation for a minimum level of social justice in the U.S.: "Social Security Act" of 1933, "Social Security Board" (now "Social Security Administration"), the "National Labor Relations Act (or Wagner Act)" of 1935, "National Labor Relations Board," and "Fair Labor Standards Act" of 1938. The Wagner Act made concessions to the labor movement and unions, as it gave workers the right to organize and form unions, go on strike, and engage in collective bargaining. The Fair Labor Standard Act mandates eight hour work day for most of the economy. The Social Security Act provided disability insurance, unemployment insurance, public assistance to needy families, and benefits to spouses and widows. It also started a children's health insurance program, and provided supplemental security income.\textsuperscript{11} Moreover, the New Deal introduced numerous sweeping acts, and also founded various new organizations that helped jump start the economy and regulate it.\textsuperscript{12}

The start of WWII led to the establishment of close ties and direct cooperations between the government and big business. This was necessary for the efficient management of the war economy. The alliance of the government and big business presented itself as a force for good, as it fought against the evil of fascism. During WWII, the whole country was mobilized and united around the goal of defeating fascism. Civic spiritedness, a sense of cooperation, and feelings of patriotism filled the air. The country achieved full employment. Women came out of the house and started working. In

\textsuperscript{10} Opinion polls, starting in the late 1930s, have consistently shown that trust levels in the American government continuously increased under Roosevelt’s administration as the size and power of the Federal Government increased. See Jacob Weisberg, \textit{In Defense of Government: The Fall and Rise of Public Trust} (New York: Scribener, 1996), p. 49.

\textsuperscript{11} A good number of programs and organizations brought about by the New Deal were abolished in 1943 during WWII. Moreover, in the 1930s, the Supreme Court ruled some of the programs and acts of the New Deal as unconstitutional on the grounds that government had no business interfering with commerce or infringing on the "freedom of contract" among people.

\textsuperscript{12} These organizations were often referred to "Alphabet Agencies" because of the acronyms used to describe them, e.g., FDIC. Here are some examples of acts and organizations that dealt with economic recovery and regulating the economy: "Reconstruction Finance Corporation," "National Recovery Act," "Agricultural Adjustment Administration," "National Industry Recovery Act," "Federal Emergency Relief Administration," "Federal Deposit Insurance Corporation (FDIC)," "Civilian Conservation Corps," "Public Works Administration," "Community Credit Administration," "Civil Works Administration," and "Federal Housing Administration." The New Deal also put together federal relief programs aimed at jump starting the depressed economy. Among these, one should mention the aid programs for agriculture.
many respects, almost everyone benefited from the war economy. Of course, a lot of people made sacrifices on a daily basis, and hundreds of thousands of people lost loved ones in the war. However, most people accepted the hardships willingly and with honor. During the war the alliance of the government and big business managed to exert effective leadership, ran the economy competently, defeated fascism, and hence, won the trust of the large majority of the people in the country. Almost all of the main traits and qualities of the trustworthiness mentioned in the earlier section were present in the alliance. Both the government and big business acted as a force for good, showed leadership, integrity, and competence in defeating the enemy and protecting the country.

The high levels of public trust that the government and business earned during the war continued into the economic boom years of the post war era. In the 1950s, government leaders and corporate executives were regarded as national heroes. The prevailing perception was that government and big business could do no wrong. The federal government's GI Bill and housing programs (especially the "Omnibus Housing Bill" of 1961), all of which in many ways continued the spirit of the New Deal reforms, established a pattern of upward mobility. Millions of people coming from working class and poor backgrounds managed to raise their incomes and join the growing ranks of the middle class. By securing high middle class wages and job security for their members, trade unions also contributed to the upward mobility. The Keynesian economic model was producing good results. While most utilities firms were publicly owned or heavily regulated, the rest of the economy was in private hands. Yet, the government actively had a strong presence in the economy through regulations, public planning, construction of infrastructures (e.g., transportation and communication), and job training.\(^\text{13}\)

All appeared to be well in the country for a decade or so. However, this force for good had a dark side. It oppressed its black population, and treated Native Americans as prisoners in their own homeland. The Civil Rights movement of the 1950s and 1960s let the white America know that blacks were unhappy with their oppressed status and poverty, and that they did not trust the government, or the white establishment for that matter. The civil rights movement forced America to face its dark side.

\(^\text{13}\) It should be mentioned that regulations were introduced into the American economy gradually starting in the late 19\(^\text{th}\) century. The process culminated in the 1930s with the New Deal programs, as was mentioned above. The regulations targeted mainly public utilities and service industries such as water, electricity, communications, and transportations.
and deal with it. Soon after came the awareness of the genocide that was being conducted by the U.S. armed forces in its war of aggression against the Vietnamese, and also the awareness that there were millions of hungry people living in the United States.\(^{14}\) The big business began to lose credibility as well, as Ralph Nader and other consumer activists began to expose corporations' negligence and disinterest in people's safety and the matters of public welfare in general.

In the era that is often dubbed as "the sixties," it seemed for a while as if the public trust that the American business government alliance had managed to build since the 1930s was breaking down. Along with this breakdown of trust came the weakening of the ideology that the business and government had managed to spawn and secure since the 1930s. This ideology basically consisted in a culture and mindset of conformity that valued patriotism, individualism, materialism, and private religiosity. Life was rich and comfortable for the majority of the people in the country who did what they were told: they worked hard, followed the rules, obeyed the leaders, loved their country, believed in God, aspired to be rich, and believed that America was a force for good in the world. The younger generation in the sixties challenged this ideology and began to experiment with things which were regarded as taboo or unAmerican. The sixties was the decade of the sexual revolution, drugs, student unrests, anti war protests, anti authority struggles, and the creation of the counterculture. Out of these experiments came new consciousness and new ways of thinking about life, society, and politics. Everything was questioned and rethought, including the gender roles (hence the beginning of the women’s rights movement), race relations, inequality, poverty, and aggressive foreign policy.

In some respects, the 1960s can be regarded as the era of the “explosion of democracy” in the United States. People (mostly the younger generation and blacks) took to the streets and protested the racial injustice at home and the war in Vietnam. They condemned military aggressions abroad and sympathized with the poor and the oppressed at home and around the world. Moreover, they challenged authoritarianism in the university, government, and the workplace. The desire of the younger generation to get people involved in politics and give them voice manifested itself in the form of popular movements that worked both inside and outside of the establishment. Working inside the establishment,

\(^{14}\) Michael Harrington’s groundbreaking work *The Other America: Poverty in the United States* (New York: Collier Macmillan, 1962) had a profound impact on the nation.
the activists, on the one hand, attempted to democratize the internal structures and politics of the establishment parties (e.g., demanding that the parties hold open primaries for the party cadres and nominees), and on the other hand, organized mass voter registrations and mass membership drives (e.g., the mass voter registration of blacks in the southern states) in order to break the grip of the wealthy and the business (especially, the “industrial military complex”) over the parties. Working on the outside of the establishment, democracy was in the streets. People were engaged in both violent and nonviolent protests, and also in various acts of civil disobedience ranging from sit ins to illegal and quiet protests.

Perhaps the best expression of the mistrust of the younger generation in government and business in this period is the Port Huron Statement (1962) that served as the founding document for the Students for a Democratic Society (SDS). The Statement criticized "the hypocrisy of American ideals" and the failure of the country to live up to the values and standards it preached. The objective reality that the Statement depicted of America and the world fell miserably short of what the authors thought were the American ideals of freedom and democracy. The message of the Port Huron Statement was loud and clear: there was something wrong with the American ideology. Despite what the leaders of the country proclaimed in their speeches, and contrary to what was being taught to children in schools, American society had failed to let freedom, democracy, equality, community, reason, and people's participation to shape its institutions and guide its conduct at home and abroad. Instead, apathy, hypocrisy, cynicism, profiteering, war mongering, and racial, economic, and social inequalities had prevailed. Criticizing American democracy as “Politics without Publics,” the Statement asserted that

The American political system is not the democratic model of which its glorifiers speak. In actuality it frustrates democracy by confusing the individual citizen, paralyzing policy discussion, and consolidating the irresponsible power of military and business interests.

By the year 1970, the sort of political radicalism and participatory form of democracy that the Statement gave voice to was in decline. The only thing that kept going strong was the anti war movement. Perhaps one of the main reasons for this decline was that the government did pay heed,

16 Ibid., p. 336.
though reluctantly, to the demands of the civil rights movement and took note of the "discovery" of poverty and hunger in the country.

Under Lyndon Johnson's administration, and with the support of the Democratic Congress, the mid to late 1960s saw the development and implementation of the "Great Society" programs, which in many ways complemented, and expanded, Roosevelt’s New Deal reforms. The programs consisted of a set of social and domestic reforms that were intended to eradicate poverty and expand racial equality and social justice in the country. The reforms provided public assistance, education, and medical care for the poor, and invested in the rebuilding of the poor neighborhoods. Some of the most important elements of the "Great Society" programs were the "Civil Rights Act" of 1964, "Voting Rights Act" of 1965, the "Economic Opportunity Act" of 1964, "Education Act" of 1965, "Higher Education Act” of 1965, and "Social Security Act" of 1965—which provided Medicare and later Medicaid in 1966.\(^{17}\)

The Affirmative Action, which had been initiated under J. F. Kennedy's administration, was expanded by Lyndon Johnson’s “Executive Order 11246,” and also by the provisions of the Civil Rights Act and Voting Rights Act. Big business also gave in reluctantly to the democratic demands of the sixties as the government did. One direct result of this was the rise of what is often referred to as “corporate social responsibility” and “corporate conscience.” Another result was the further growth of the unions and the consolidation of their political power.

Despite all of the turmoil, the 1960s ended with moderately high levels of trust in government, albeit not as high as they were in 1964-65, the highest ever recorded by the opinion polls.\(^{18}\) The trust levels increased in the late sixties among the poor in general, including some blacks, as they were brought into the franchise and made to feel that the establishment (government and big business) was concerned with their well being. In this respect, the “Great Society” project was a success as it worked to decrease socio economic and racial disparities, and won the trust of the people in the lower

---

\(^{17}\) In some ways, the "Great Society" programs began to build on John F. Kennedy's "New Frontier” program which included two important components: the "Fair Labor Standards Act," which increased the Minimum Wage by twenty five percent, and the "Omnibus Housing Bill” of 1961, which enabled many Americans to own houses.

\(^{18}\) There seems to be a consensus among researchers that, according to the opinion polls taken over the years, the trust of the people in the U.S. government rose steadily from the late 1930s (when public opinion polling began in the U.S.) until 1964-65, the latter years showing the highest level of trust ever recorded. See Jacob Weisberg, In Defense of Government: The Fall and Rise of Public Trust (New York: Scribener, 1996), p. 49. Also see Joseph S. Nye, Jr., Philip D. Zelikow, and David C. King, Why People Don’t Trust Government (Cambridge, Massachusetts: Harvard University Press, 1997), p. 1.
echelons of the society. In many respects, the “Great Society” completed the structure of what I call the “regulatory welfare state” in the U.S. that began with Roosevelt’s New Deal.

Notwithstanding the political radicalism of the younger generation—largely limited to the traditional middle class and urban black youth—and the political disillusionment of some white southerners (who opposed Johnson’s Civil Rights and Voting Rights Acts of 1964-5), overall, the majority of Americans continued to trust the government and business in the late 1960s. The trust levels among skilled blue color workers, the rural population, especially in the north, and older adults of the urban middle classes remained relatively high. However, the trust eroded due to the Vietnam War, was not compensated fully by the trust earned among the rural and urban poor.

The positive effects of the “Great Society” programs and the moderately high levels of trust among most segments of the population continued into the 1970s. Yet, the continuation of the Vietnam War and the revelations of the Pentagon Papers that exposed some of the lies the government told to the people in the 1960s proved to be major sources of distrust in government, especially among the members of the traditional middle classes. The Watergate scandal that broke in 1973 exacerbated this distrust and increased the suspicions of the younger generation toward the establishment. Nevertheless, it seemed that most Americans were convinced that the scandal was not caused by, nor did it reveal, internal flaws in the American political system; but rather showed the personal failings of Richard Nixon and a few other crooks in high places. The election of Jimmy Carter in 1976, who brought with him an image of dignity and honesty, managed to help repair the damage of the Watergate scandal to some extent.

By the mid to late 1970s, people in the country were beginning to lose interest in the Watergate scandal, as they were starting to notice that the economy was slowing down and prices were going up. Inflation and unemployment were on the rise. The victory of the revolutions in Iran and Nicaragua in 1979, and the ensuing hostage crisis in Iran, helped weaken Carter’s administration considerably, and preoccupied Carter personally. A sense of general malaise was setting in slowly and Carter was increasingly appearing as weak, and as lacking the ability to respond to it.
III. The Erosion Of Trust In Government And Business In The United States: 1980s-Present

Then came the 1980s, which began with conservatives’ rhetorical assaults on the “regulatory welfare state.” The post WWII economic boom in the U.S. and around the world slowly came to an end in the mid to late 1970s. The general sense of malaise that accompanied the economic stagnation helped set the political stage for the rise of the right wing and conservative politicians who successfully managed to lay the blame of the economic stagflation and the national malaise at the feet of the regulatory welfare state and the "tax and spend liberals" who ran it. These politicians swept into political offices in the 1980s with their self assumed “mandate” to dismantle the regulatory welfare state, take the government out of the business of intervening in the economy, and give the control of the economy back to the markets—and hence to those who own it.

Of course, the rhetoric of the new politicians against the regulatory welfare state was much more complex and deceptive. They did not openly acknowledge their love affair with free markets. Rather, they disguised it as a love affair with the idea of freedom. At the heart of their rhetoric lay the argument that freedom was the greatest of all American virtues. With their expression of love for freedom came the accusation that the activist or regulatory welfare government infringes upon people's and businesses' freedom. These freedom lovers portrayed the regulatory welfare government as a burden on society. “Government is not the solution to our problems; government is the problem,” and that we should “get the government off our backs,” as Ronald Reagan put it on a few occasions.19 The rhetoric claimed that people should have the right and freedom to spend their money as they wished, and the government had no right to tax and spend people's money for purposes and programs that bureaucrats in Washington design.20 To right the wrongs of “the liberals,” people were told by the new breed of politicians and leaders that the country had to remove regulations and reduce taxes, especially on the wealthy and corporations, so that they could invest and prosper. Their prosperity, as the argument went,

---

19 The first sentence is taken from Ronald Reagan’s first inaugural address on January 20, 1981. The second sentence was the theme of some of his 1980 presidential campaign speeches.
20 The following is one of the widely cited quotes from Ronald Reagan: “The federal government has taken too much tax money from the people, too much authority from the states, and too much liberty with the Constitution.”
will trickle down to the rest of the society, and lead the economy and the country out of the malaise—a doctrine which is often referred to as trickle down economics or Reaganomics.

Soon after they took office, the newcomers began a barrage of policy and legislative assaults on the regulatory welfare state that complemented their rhetorical assaults. For their plan of remaking the American government to work, they had to move to crush their opponents swiftly and decisively. Hence a hard nosed anti unionism began within a few months of Reagan's swear in ceremony, by firing the striking workers of PATCO.\footnote{PATCO is the acronym for the Professional Air Traffic Controllers Organization.} This sent shock waves through the labor movement and emboldened businesses that wanted to crush or weaken their employees’ unions. The policy and legislative assaults were coordinated with concerted political and cultural efforts designed to undo the political and cultural “damages” of the 1960s and 1970s. The new breed of free market ideologues had successfully made strategic alliances with the social conservatives, especially with the rising Christian Right. The right wing conservative ideologues began to talk up the “traditional” American values of belief in God, family, hard work, self reliance, conformity, and patriotism. Supporting your government, right or wrong, was exalted as patriotic duty. The regulatory welfare state was attacked for spending the public's money on abortion and other programs that Christian tax payers did not support. Providing financial assistance to the poor and needy was characterized as acts that demeaned the poor and robbed them of their dignity. The invasion of Granada was used as a stepping stone in overcoming what they referred to as the "Vietnam Syndrome."

The underlying political philosophical principles of the new breed of leaders who set out to remake America starting in the 1980s were very straightforward. As they saw it, the Keynesian model of the government business alliance had run its course and was not working for the American capitalist class any longer. The post war economic boom had ended, and taxes, regulations, and labor unions, along with the rising cost of energy and raw material, were cutting down on the rate of profit of big business. As far as big business was concerned, the regulatory welfare state had proven disastrous for its interests. Employees, and people in the country in general, had developed a sense of entitlements; they had gotten into the habit of expecting services from the government and business. To increase the productivity of the business, and hence to shoot up the falling rate of profit, the new architects of America wanted to
rollback the regulations and entitlements that had gradually crept into the fabric of American government, business, and culture since the 1930s. The plan was to return the country to the pre sixties period, and hopefully to the pre New Deal era.

Thus, the 1980s marked the beginning of the era of reorganizing America according to a neoliberal design, a devolutionary process indeed, which continues to date. The basic ideas motivating and guiding the devolution were the following: deregulating the economy, letting markets set the prices, privatizing the assets and/or services and functions of the public sector, breaking/weakening unions, decreasing taxes on the wealthy and business, downsizing the government (i.e., getting the government out of the business of giving services to citizens, or being involved in solving societal problems), and letting the markets solve societal problems by doing their magic. The argument was, and still is, that markets can do everything better than governments and if they are left alone, they will let freedom reign and prosperity rise. It was argued that the role of the government should be reduced to protecting private property, enforcing contracts, and defending the country. The good government, as the argument went, was a small and weak government. The devolutionary process also entailed the lowering of public spending for unemployment benefits and social services such as public housing, transportation, food, and education for the unemployed and the needy. The rollbacks also worked to undermine Affirmative Action and make permanent the substantial tax cuts Ronald Reagan gave to the wealthy and business. Even though the rollbacks were initiated during Reagan’s

---

22 This has also been known as the “Washington Consensus” which is often discussed within the context of the neoliberal restructuring of Latin America. This is how Noam Chomsky in Profit Over People (New York: Seven Stories Press, 1999), p. 20, defines the term “neoliberal” or “Washington consensus” as he calls it:

The basic rules, in brief, are: liberalize trade and finance, let markets set prices (“get prices right”), end inflation (“macroeconomic stability”), privatize. The government should “get out of the way”—hence the population too….

The “principle architects” of the neoliberal “Washington consensus” are the masters of the private economy, mainly huge corporations that control much of the international economy and have the means to dominate policy formation as well as the structuring of thought and opinion.

Peter Brown discusses the important role played by the Mandate for Leadership (Mandate I) and Mandate II, two documents that were prepared by the Heritage Foundation. The documents were used as roadmaps for Ronald Reagan’s onslaught on the regulatory welfare state. See Peter G. Brown, Restoring the Public Trust (Boston: Beacon Press, 1994), pp. 15-16.

Administration, most of them were implemented or completed during George W. H. Bush, Bill Clinton, and George W. Bush's administrations. The following passage from Charles F. Andrain and James T. Smith's *Political Democracy, Trust, and Social Justice* summarizes some aspects of the neoliberal reconstruction of America so eloquently that it is worth quoting at length:

…the Reagan Presidency (1981-88) enacted comprehensive programs that gave fewer tax benefits to poor people than to business corporations and the wealthy, raised expenditures for the military and security agencies, and lowered spending on such social programs as job training, unemployment benefits, public housing, public transportation, school meals, and public education. Expenditures for child health services, public health clinics, community health centers, and programs to assist the handicapped declined…the Reagan executive branch decreased the powers of the Occupational Safety and Health Administration and the Environmental Protection Agency. It promoted deregulation of large corporations such as airlines, television, telephones, telecommunications, oil, natural gas, and banks. Rejecting wage controls, the Reagan officials took steps to decrease labor union influence, including rights to collective bargaining.

The neoliberal trends continued through the 1990s under the Clinton presidency (1993-2000) and the administration of George W. Bush… Whereas labor unions influence over public policies decreased from its 1950-70 peak, business corporations gained even greater power over public policymaking, particularly under the Republican administrations but also over Democratic leaders who shared policy view with business executives in law firms, universities, the entertainment industry, and information processing corporations. President Bill Clinton…encouraged congress to pass free trade legislation. Approved by the Republican Congress and signed by President Clinton in 1996, the Personal Responsibility and Work Opportunity Act transferred block grants to the state governments, which gained the latitude to exclude low income individuals, especially noncitizen immigrants, poor adults, and disabled children, from access to publicly funded benefits, such as Medicaid and Supplemental Security Income. The Bush II administration favored even more drastic cuts in public spending on social services. Government funds to private schools, public vouchers for private education, and the provision for private health insurance care to compete with Medicare received strong backing by the Bush officials and congressional Republicans, as did tax reduction that brought extensive gains to corporations and the wealthy. Reduction of environmental controls enabled timber companies, construction firms, and oil corporations to develop public lands. Unlike business, labor unions exerted no influence over these neoliberal policies.

As the passage clearly portrays, neoliberal legislations and policies of the last quarter of a century or so have transformed the United States in significant ways.

---

24 In the case of deregulations, it should be said that the move toward deregulation actually began in the 1970s during Nixon’s presidency and continued under Ford’s and Carter's administrations. Nixon and Ford's administrations attempted to deregulate rails and trucking transportation. “Under the Carter administration (1977-80),” according to Andrain and Smith, “the Democratic Congress deregulated railroads, air freight, the trucking industry, banks, and electric power….President Carter supported a neoliberal austerity program: reduced budget expenditures…” (Charles F. Andrain and James T. Smith, *Political Democracy, Trust, and Social Justice* (Boston: Northeastern University Press, 2006)). Perhaps the most important piece of deregulatory document in the last quarter of the century has been the "Regulatory Flexibility Act" of 1980. The Act was implemented and strengthened in the ensuing administrations, especially in Clinton's and George W. Bush’s.

Now, focusing on the question of the erosion of trust in the government and business in this period, one cannot help but establish links between, on the one hand, this erosion, and on the other hand, the socio economic hardship and financial insecurity endured by the majority of the people in the country during the neoliberal restructuring. Nowadays, the majority of the people in the country, viz., the middle class, working people, and the poor, seem to see the government as an entity that is partial to the interests of the wealthy, and also as lacking competence in protecting and advancing the common good. Moreover, they do not see the government or business as being a force for good, benevolent, honest, accountable, and responsive to the needs of the majority. Expecting the government or big business to be honest, socially responsible, or a force for good, no longer seems to be the conventional wisdom in the American mind or popular culture.

In addition to socio economic factors, the erosion of trust in the last quarter of the century of so also has cultural components. Since the beginning years of the neoliberal reconstruction of America in the 1980s, new types of cultural attitudes and outlooks on life and the world have been gaining currency in the country. These new attitudes have helped facilitate the dismantling of the regulatory welfare state. They have also made the widening of socio economic disparities, and displaying indifference and cruelty toward the needy, look culturally acceptable. Competition, downsizing, privatizing, corporate lobbying, freedom, God, family, patriotism, personal responsibility, efficiency, self reliance, self interest, stocks, greed, cynicism, apathy, and disregard for, and distrust in, anything which has to do with the public interest have become the familiar buzzwords and themes in almost anything that the media, government, and business deal with. Hollywood, television, and the other media that directly affect the culture seem to have been spreading, as if deliberately, these new cultural attitudes.

In many ways, the values associated with these buzzwords and themes go directly against the values that were cherished in the 1960s and 1970s: cooperation, social responsibility, corporate conscience, the public interest, equality, social justice, social conscience, peace, caring, and compassion. The old African proverb “it takes a village to raise a child,” which was often cited to call attention to the importance of the public’s role in education, is now mocked and revised into saying
“it does not take a village to raise a child; it takes a family to raise a child.”

People who never earned an honest pay in their lives, even for a day, have been lecturing those who rely on public assistance on the virtues of hard work and honest pay with the refrain: “Honest pay for an honest day’s work.” The new cultural attitudes, and suspicion and distrust they have fomented against anything which has to do with the public interest and social responsibility, have also contributed to the erosion of trust in government.

The fanning of these cultural attitudes and bashing of all that is related to the public interest have led to the rise of a culture that is saturated with unabashed materialism, hyper individualism, selfishness, nihilism, cynicism, rampant narcissism, apathy, and cruelty and hostility toward the poor. Valuing social responsibility, social awareness, public spiritedness, and civic values are now rare commodities that one cannot find on the American main street. Far from being just symptoms of the erosion of trust, like a feedback loop, these cultural attitudes contribute to the further erosion of trust. In this culture, market is the God, and the public the devil. Consumership trumps citizenship as consumers’ sovereignty displaces citizens’ sovereignty.

The erosion of trust in government in recent years has been coupled with the erosion of trust in its form of governance. The ever growing power of lobbyists, i.e., the ever increasing power of the business class, in American democracy has convinced large segments of the population that they lack any meaningful power in the political establishment. Citizens appear and feel completely powerless and marginalized on matters related to influencing the political agenda. Increasingly, they see politicians as liars and self serving opportunists who sell themselves to the highest bidder. The anti democratic consequences of the downsizing of the regulatory welfare state has alarmed a growing number of influential scholars, journalists, commentators, and public figures from all political spectrums in the country who have been voicing their concerns for a while.

26 “It Takes a Village to Raise a Child” is also the title of a speech given by Hillary Clinton in 1996. During his acceptance speech at the 1996 Republican National Convention, the republican presidential nominee Bob Dole mocked the proverb and Hillary Clinton by saying: “It does not take a village to raise a child; it takes a family to raise a child.”
Some have warned of “The Corporate Takeover of Our Democracy,” arguing that “collusion between corporate interests and politicians” has torn down the “hard-on regulations that restrained the worst capitalist excesses.”27 Others have argued that the country is witnessing the reemergence of “plutocracy”; that it is suffering from “democracy deficit” and the “loss of national sovereignty”: “America, in an ironical perversion of Lincoln’s words at Gettysburg, . . . [has] . . . become a government of the corporations, by the corporations and for the corporations.”28 Still others have charged that the “[b]ig money and big business, corporations and commerce are again the undisputed overlords of politics and government.”29 The traditional links between “big business” and politics and government have become so cozy and transparent in recent years that it is now commonplace for ordinary citizens to express the view that “the government is pretty much run by a few big interests looking out for themselves.”30 The following passage from Ralph Nader on the problems of the “democracy gap” finds tens of millions of receptive ears.31

The unconstrained behavior of big business is subordinating our democracy to the control of a corporate plutocracy that knows few self-imposing limits to the spread of its power to all

27 The phrase inside the first set of quotation marks is the subtitle of a chapter in Arianna Huffington, Pigs at the Trough: How Corporate Greed and Political Corruption Are Undermining America (New York: Crown Publishers, 2003). The other phrases inside the quotation marks are quoted from the same chapter, pp. 77-78.


31 The phrase “democracy gap” is borrowed from Ralph Nader, Crashing the Party: Taking on the Corporate Government in an Age of Surrender (New York: St. Martin’s Press, 2002).
sectors of our society. Moving on all fronts to advance narrow profit motives at the expense of civic values, large corporate lobbies and their law firms have produced a commanding, multifaceted, and powerful juggernaut. They flood public elections with cash, and they use their media conglomerates to exclude, divert, or propagandize. . . . By their control in Congress, they keep the federal cops off the corporate crime, fraud, and abuse beats. They imperiously demand and get a wide array of privileges and immunities: the tax escapes, enormous corporate welfare subsidies, federal giveaways, and bailouts. . . .

In another ironical twist of Lincoln’s words at Gettysburg, American democracy is amusingly characterized by one author as “a government by the fund, of the fund and for the fund.” The growing sentiments in recent decades that American democracy is a Democracy Derailed, a Democracy for the Few, a Checkbook Democracy, and the Best Democracy Money Can Buy fly in the face of the received view of American democracy as a “pluralist democracy” or a “polyarchy.” Now that the devolution movement to recreate the conditions of the pre New Deal era is pushing full steam ahead, it is becoming gradually evident that the latter characterizations of American democracy are fathomable only if one takes the existence of a regulatory welfare state as a given. In the absence of such a state, as is becoming increasingly evident, plutocracy, or perhaps “fund democracy” would be more appropriate

32 Ibid., pp. 327-28, quoted from his speech announcing his candidacy for the Green Party’s nomination for president.
34 The italicized phrases are titles of the following books: David S. Broder, Democracy Derailed: Initiative Campaigns and the Power of Money (New York: Harcourt Inc., 2000); Michael Parenti, Democracy for the Few, 7th edn (New York: St. Martin’s Press, 2002); Darrell M. West, Checkbook Democracy: How Money Corrupts Political Campaigns (Boston: Northeastern University Press, 2000); Greg Palast, The Best Democracy Money Can Buy (London: Pluto Press, 2002). The main thrust of the arguments in these books is that “moneyed” and special interests manipulate and corrupt the elections and decision making processes in American democracy, be it at the federal level, or the local/state levels. (Palast’s focus is on the Florida debacle in the 2000 presidential elections in the United States.) These are among many books (mostly by commentators and journalists) that have appeared in recent years with the intention of taking the problem to the public. To the list above, one should also add John B. Judis, The Paradox of American Democracy (New York: Routledge, 2000), which in part puts the blame on elites and the “enlightened political establishment” who offer their talents and expertise as services to special interests. Finally, one should mention Noreena Hertz, The Silent Takeover: Global Capitalism and the Death of Democracy (London: Heinemann, 2001). Hertz argues that the state’s tilt toward serving the corporations works against its commitment to being the government of the people. The concept of “pluralism” gained currency in American political thought in the 1950s and 1960s when a regulatory welfare state was firmly established; and the defenders of the status quo then could argue that the existence of social safety nets meant that the interests of the poor were also represented, and also that regulations protected the interests of the working and middle classes against the wealthy. But even then, given the all prevailing unequal dispersion of political resources or the unequal access to the corridors of power, the pluralist idea of democracy was more of an idealized notion than empirically present—and this is despite the fact that pluralism presented itself, by and large, as an empirical or explanatory theory. The organized “interest groups” that competed among each other in influencing public decisions mainly represented the interests of a small minority of Americans (those belonging to the upper echelons of society). See David Held, Models of Democracy (Palo Alto: Stanford University Press, 1989), pp. 186-220 and Frank Cunningham, Theories of Democracy: A Critical Introduction (London: Routledge, 2002), pp. 72-90 for short discussions of “classical” pluralism.
characterizations of a “democracy” in which contributing to the campaign funds of representatives, or lobbying their offices, results in legislative decisions or executive actions that are favorable to the interests of those who can afford to contribute or lobby.

In their desperation, many citizens try to identify, and vote for, those “honest” individuals and politicians whom they think will be able to “restore” democracy and trust to government, fight for people’s interests, and “change” things. Politicians have read people’s sentiments very shrewdly and have been packaging themselves as anti establishment or anti government candidates, and as the agents of “change.” A good example of someone who effectively used this sentiment to get elected is George W. Bush. During the 2000 presidential campaigns, George Bush repeatedly said that “[t]he difference between me and my opponent [Al Gore] is that he trusts the government while I trust you.”36 That is to say, he was telling people that he was aware that they did not trust the government for which he was running to become its leader, and also that he himself did not trust it either. His point was that if he was elected, he would make the untrustworthy government work for the people.

In closing this section, it should be added that the shift toward neoliberalism in the U.S. in the 1980s was not exclusively an American phenomenon. Neoliberalism was on the march in other parts of the world. The policies and legislations that restructured British economy under Margaret Thatcher, and those that reshaped Latin America’s economies starting in the 1980s worked in similar ways. Downsizing of the regulatory welfare state was a necessary step toward a much larger project that is often referred to as Globalism. In the American scene, Globalism took off with NAFTA under Clinton’s administration. In recent years, Globalism has exacerbated the problem of trust in government and business. By giving the “fast track authority” to presidents, and via establishing supra congressional legal and judicial procedures and institutions, corporations and governments have colluded to put themselves beyond the public’s oversight. To this, one should add massive job losses to the global market and other socio economic hardships that Globalism has inflicted on the middle and working classes in the U.S. The difference between the period of Globalism and the pre 1980s era

---

is that in the earlier period, the regulatory welfare state had considerable powers and incentives in looking after the public interest, whereas now the state lacks the power and the will to reign in business. Globalism has effectively put big business out of the reach of the democratic process.

Finally, under George W. Bush and the reign of the neoconservative ideology, the problem of trust in American government has been further exacerbated both at home and abroad. At home, neoconservatism has blurred the line between the political discourse and religious faith. It has also given rise to an activist government bent on spreading, even enforcing, Christian conservative values. In conjunction with the market based rationality of neoliberalism—which has been around since the 1980s—the political moral rationality of neoconservatism has worked to depoliticize social problems (e.g., education) and turn them into economic problems that would be remedied by market solutions (e.g., charter schools). Going in the opposite direction on the questions of values and morality, neoconservatism has politicized them, hence giving the government authoritarian features and an aura of moral authority on social and scientific issues. The result has been, to borrow Wendy Brown’s words, “a radically disenchanted world,” that is to say, a world which is short on reasoned or meaningful truth, but overdosed with “truth from the gut…from inner convictions or certainty that no amount of facticity or argument could counter.”37 In conjunction with neoliberalism, neoconservatism has done much to undermine democracy in the United States, and hence has contributed to the erosion of trust in government since 2001.

In the international arena, neoconservatism has manifested itself as a self righteous imperial power that is intent on changing the world for its own interests, while deceptively wanting to appear as a force for good that fights “evil” and exports democracy for the good of the people in the developing countries. Violations of the international laws, including the invasion of Iraq, and the display of disregard for the Geneva Convention (e.g. tortures and renditions) are the prime examples of the neoconservative foreign policy. Moreover, under the forceful presence of neoconservatism, the neoliberal and globalist projects of World Bank, IMF, WTO, and transnationals have been pushed more aggressively than ever down the throats of the smaller nations in recent years. The self serving

---

hypocrisy of the country and its leaders, and along with it, the sufferings its policies have inflicted upon great number of people in the developing countries, have resulted in the drastic plummeting of the good will toward, and trust in, the American government and business around the world.

IV. The Rise And Erosion Of Trust In Government And Business In The United States:

Putting It In Context

The rise of trust in government and business in the U.S. that began in the 1930s can be put in the historical context of the rise of what we now know as the “liberal democratic states” in Europe during the late 19th and early 20th centuries. The growth of manufacturing capitalism that was fueled by the Industrial Revolution led to tremendous social and economic transformations in Europe. These transformations brought with themselves dire social conditions for the majority of the population, which eventually exploded into social upheavals and revolutions.

The “liberal democratic state” rose as a response to these upheavals, and to the challenges they posed for the wealthy classes who were in the dominant position in the state. The states that held the political power in the most advanced countries in the Europe at the time (England being a prime example), though they were representative and elected governments, had a major flaw: they lacked a mass base of support, and hence legitimacy, in that they had a small electorate. In order to be eligible to vote, one had to have a certain amount of property. The property qualifications or requirements barred large majorities of the people from meeting the eligibility criteria. The electorate consisted mainly of the wealthy landlords, merchants, industrialists, entrepreneurs, and well educated middle class professionals. The pangs of transformations to industrial society brought about widespread poverty, exploitation, and misery that led to revolts and unrest. One only has to think of the revolutions that swept Europe in the mid 19th century, and read the Communist Manifesto and Fredrick Engles' The Condition of the Working Class in England to get a good sense of what was taking place in Europe in this period. In order to quiet revolts and thwart revolutions, the wealthy classes who dominated the states—and their shrewd politicians and intellectuals—began to realize that to save the state, they had to give some concessions to the dissatisfied, dispossessed, and
revolting masses of people. (I refer to the states in this period as the “liberal states,” for they were the actualization of the political system desired and recommended by the political philosophy of (classical) liberalism—i.e., a political system which had minimal, or no, interference in the affairs of economy, and showed no interest in dealing with social problems—in other words, the type of state that the present day libertarians advocate.)

Hence the liberal states of the 18th and 19th centuries and their representative forms of government, which exclusively protected and advanced the interests of the propertied classes, began to open up gradually to let nonpropertied members of society join in the franchise and be co opted. The property qualifications for eligibility were relaxed gradually. Middle classes with a moderate amount of property were allowed into the franchise first. A little later, the workers and other property less segments were taken in gradually through successive voting rights reforms. Finally, women won the right to vote in 1918 in England and Germany. The classical case of what took place is the gradual expansion of voting rights to nonpropertied classes in England during the 19th century.38

This was the process that gradually transformed the “liberal states” to “liberal democratic states.” It took a little less than a century for these transformations to be completed. As soon as the poor and nonpropertied classes won voting rights, the fear that they could overtake the state by their numerical majority voting status motivated the propertied classes and their politicians to pass a series of social legislations designed to co opt and appease the newcomers and manipulate them into accepting the hegemonic leadership and the ideology of the propertied classes, and creating the perception that the free enterprise system is egalitarian and has the interests of the entire society at heart. The social legislations of this era, Otto von Bismarck's in Germany being the greatest of the early ones, were intended to appease and co opt the property less classes into accepting the free enterprise system and its political establishment. Alternately stated, the liberal states adopted a minimum form of democracy—viz., the

38 The reform acts of 1832, 1867, 1884, and 1885 extended voting rights in England. The reform act of 1832 defined the eligible voter as any male who owned a household worth of 10 British Pound. This act enfranchised the middle class and as a result, twenty percent of the male population was qualified to vote. The reform act of 1867 enlarged the pool of voters by allowing many workers to vote. The voting acts of 1884 and 1885 added the agricultural workers to the pool, thus breaking the class barrier completely. The age barrier for men was broken in 1919 when all men over 21 were enfranchised. The gender barrier was cracked in 1918 when women over the age of 30 were enfranchised, and it finally came down in 1928 by the Equal Franchise Act which reduced the voting age for women to 21.
universal suffrage—and secured a minimum level of social justice through establishing a minimum form of entitlements and social safety nets for the socio economically vulnerable classes (e.g., forty hour work week, right to form unions, and unemployment benefits). Also, in order to lessen, and keep in check, the chaos in the economy that market forces of the free competition laissez faire era were causing, the states began to introduce regulatory measures into the economy. The expansion of voting rights to all, the establishment of a welfare system, as well as the introduction of regulations into the economy are the three attributes that differentiate the liberal democratic states of the late 19th and early 20th centuries from the liberal states of the 18th and 19th centuries.

In the United States, the process of transformation form the liberal state to the liberal democratic one took a slightly different path. The "Jacksonian Democracy" of the 1830s, which granted voting rights to new rising middle classes—mainly small farmers and property less but well paid and well off workers, and also to a growing class of professionals—and the gradual establishment of the white male suffrage foreshadowed what was to come in a generation. The Civil War emancipated the black slaves and gave them the right to vote—even though the actual and widespread exercise of this right was not materialized for another century. The rapid rise of wealth and industry in the "gilded age" and beyond, and the social upheavals and labor strikes that came with them, created in the U.S. a situation similar to what was taking place in Europe. The Great Depression of the 1930s, the dire economic condition of the majority of the people in the country, and the resulting social unrest and labor strikes brought the crisis of the American laissez faire capitalism to a head, and forced the leadership of the country to follow in the footsteps of the Europeans. Franklin Roosevelt's New Deal programs had two major

---


40 The Constitution of 1787 had stipulated that the eligibility for voting in federal elections be the same as those required by the states for their lower houses. During the ratification of the Constitution, 12 out of the 13 states forming the United States had property ownership requirements for voting eligibility. One should bear in mind that these qualifications applied only to white males, and women, blacks, and Native Americans were completely disenfranchised. According to some estimates, only less than ten percent of the total adult population of the country at the time was eligible to vote. See Michael Parenti, Democracy for the Few, 7th edn (New York: St. Martin’s Press, 2002), especially p. 42.

41 By the time Franklin Roosevelt took office in 1933, the country was already in turmoil. The rebellion of The Bonus Army and disturbances in Chicago, Detroit, New York, and Seattle in 1932 are some examples of turmoil in the country. The year 1934 witnessed massive strikes in Minneapolis, San Francisco, and among textile workers in the South. By September of that year, over 18 million workers were on strike throughout the country. (The total population of the country at the time was 125 million.) Hundreds of thousands of
objectives: to save the free markets from themselves through introducing regulations, and to establish some form of a minimal welfare system (albeit a weaker one in comparison to the European model) in order to appease and co-opt the ordinary people, and to persuade them to see the free market system and the government as morally and politically egalitarian. With these programs, America’s move toward the first stage of transforming the liberal state of the time to the liberal democratic state—which had been inaugurated by the gradual elimination of the property quantifications for voting in the 1830s—was completed.

As in turned out, the transition to liberal democracy was the transformation of the liberal state and its laissez faire model of free market economy to a regulatory welfare state and a regulated model of free market economy. This transition in Europe and the U.S. was necessary in order to provide a mass base of support for capitalism (especially in its industrial stage) and strengthen it while it was struggling to consolidate itself, especially in the European scene. In the United States, the introduction of the New Deal reforms provided the mass base of support for Roosevelt to push through his policies to transform the laissez faire free market economy of the country to a regulated free market economy, which was bitterly resisted by some segments of the American capitalist class.42

The second stage of the construction of the liberal democratic state (i.e., regulatory welfare state) was necessitated as a response to the challenges of the Civil Rights and other movements of the 1960s. The Great Society reforms of this era brought blacks into the franchise by securing their voting rights. They also enacted policies and programs that aimed at fighting racial injustice and poverty. By the end of the 1960s, the second and final stage of the formation of the liberal democratic state (regulatory welfare state) was completed in the U.S. The results were universal suffrage, the lessening of socio-economic disparities, and the establishment of a minimum level of social justice and democracy. One also need to add that the “Great Society” programs were in part responses to the rising power of the Soviet Union at the time which portrayed itself as the ultimate welfare state (the

42 One should bear in mind that the U.S. economy was lightly regulated in the pre-Roosevelt era. Regulations were introduced into the American economy starting in the “glided age.” The regulations of this era mainly affected the public utilities and service industries such as water, electricity, communications, and railroads.

unemployed workers were joining together to form councils in order to help each other. People were losing their respect for, and defying, the law, police, and authority in general. See Howard Zinn, A People's History of the United States (New York: Harper Colophon Books, 1980), pp. 380-390 for a detailed account of the social unrests and strikes in this period.
"workers' paradise"). Finally, the second phase became possible in part due to the good economic times of the 1950s and 1960s. The tremendous wealth of the country in this period could subsidize the regulatory welfare state.

Thus, putting the question of trust in the larger context of the history of the development of the liberal democratic states in the last hundred years or so shows that trust in government and business in the U.S. was created as the result of the establishment of the liberal democratic state that imposed regulations on the economy to keep in check the ruinous chaos of the free market system, and also offered democratic and socio economic concessions to the working people in the form of voting rights and public spending on matters of the public good.

Unlike the liberal states of the 18th and 19th centuries that were weak states—in the sense that they lacked power to intervene in the affairs of the economy, and also lacked a mass base of support—the liberal democratic states of the late 19th and 20th centuries were strong states, as they actively intervened in the economy and also enjoyed a wide base of support among the people. They earned their mass support because of their activist roles in tackling social problems, including poverty. While the ultimate power in the liberal society clearly resided in the hands of those who controlled the economy, with the rise of the liberal democratic state, the locus of power shifted to the state, and those who controlled the economy could exercise their power mainly through influencing and instrumentalizing the state.

Now, the regulations were introduced, the concessions were made to the people, and hence the liberal democratic states were born at a time when the free market system and its liberal states were weak and vulnerable—markets were in ruins and there was large scale social unrest and revolutionary movements against them. Yet, the regulations and concessions were not eliminated when the free market system and the states that were presiding over them emerged stronger at the end of WWII. The main reason for this was that the post WWII era enjoyed an unprecedented economic boom that lasted for almost three decades. The powers at the top were too busy reaping the benefits of the boom. Besides, there was considerable wealth that was created in the 1950s and 1960s and the system could afford these concessions, and tolerate regulations as the economy was benefiting from them.
Though the slashing of regulations and the taking away of the concessions and socio economic entitlements were originally initiated in bits and pieces in the mid to late 1970s, the actual process was officially inaugurated by Ronald Reagan during the hard economic times of the 1980s. What ended up taking place was that the movement toward downsizing the liberal democratic state took on a strong ideological cultural form as neoliberalism aligned itself with social and religious conservatism. This alignment proved so successful that it soon managed to manipulate the media and took charge of directing the public debate, and setting the agenda for it, even during the Clinton years. With the newly gained confidence, the original goal of downsizing the regulatory welfare state was upgraded to dismantling it all together. This alignment got a shot in the arm with the fall of the Soviet Union, and grew more confident and bolder. Globalism (NAFTA, WTO, IMF, WORLD BANK, and now CAFTA) is an entirely new challenge to the liberal democratic state, as it removes whatever power or control the public used to exercise on big business in the past. With George W. Bush in the White House, and with the rise of neoconservatism, the dismantling of the liberal democratic (regulatory welfare) state has taken on new dimensions as war mongering and fear mongering have provided a smoke screen for the ongoing dismantling. The people are kept in constant fear of terrorism that helps lighten their fear and insecurity about their jobs and their future economic prospects.

Putting the events of the last quarter of a century in the context of historical development, it seems that we are being led back to the liberal state and the liberal society of the 19th century. The locus of power in society is gradually shifting back to where it was in the pre New Deal era, viz., in the hands of the wealthy who own and control the free market economy. We are now beginning to see some flashbacks of the politics under the now forgotten liberal state, where the wealthy and business interests had a free hand in ramming their self interested agenda through the legislatures. The downsizing of the liberal democratic state is in effect the downsizing of the minimal social justice and democratic gains that people have earned as concessions in the last hundred years or so.
V. Participatory Democracy as The Solution To The Problem Of Trust

As I tried to show in the previous section, the efforts to establish trust in government and business in the United States—and the West in general—during the course of the last century or so were motivated by the need to secure the survival, and safeguard the interests of the free enterprise system. Yet, the reforms that laid the grounds for establishing this trust were deceptively publicized as measures adopted to advance democracy and social justice. In other words, these reforms were disingenuous, and the trust that resulted from them was based on deceptions and political necessities. They were not based on a genuine concern for the public’s well being and a genuine commitment to social justice and democracy. Rather, these reforms were intended to con and manipulate people into believing that the system was egalitarian and worked for the benefit of all. The regulatory welfare state that embodied these reforms—and worked as the vehicle for establishing trust—was also a disingenuous attempt at eradicating social injustice. In truth, it was installed in order to preempt revolutions, counter the rise of communism, and pacify the people with minimal democratic and welfare concessions. In short, the trust in government and business during the 1930s-1970s was based on a deceptively created illusion of democracy and social justice—i.e., the illusion that the free enterprise system and the government that served its interests were genuinely motivated by egalitarian concerns and the good of all.

Starting with the 1980s, the deceptively created trust has been eroding steadily as a direct consequence of the downsizing of the regulatory welfare state. The prevailing political cultural atmosphere is in the grip of the right wing ideologies and pro business sentiments, and for this reason, the efforts to dismantle the regulatory welfare state will continue. The regulatory welfare state cannot be saved; nor can it be returned to its pre 1980s grandeur.

Given this state of affairs, there are two possible approaches to the problem of eroding trust. The first approach would be to continue with deceptions and manipulations of the last quarter of a century or so, and if possible, intensify the efforts. That is to say, to prescribe stronger doses of Christian conservative and market centered ideologies to continue manipulating and misleading the population: priming them into believing that they need to believe, and have, trust in God, reminding them that God
helps those who help themselves; telling them that they should not expect anything from government; that they should accept personal responsibilities for their situations, and be self reliant; telling them that relying on government and public expenditure takes away their freedom, and robs them of their dignity; telling them that the role of government is not to take care of the needs of the public domain; that free markets would do wonders for them if they just worked hard and had faith in their power; telling people that we would need to put markets at the helm, and turn social and political problems into market problems—and hence find market solutions for them: when public schools are in shambles, tell people that we should invest in charter schools and expand private education; when the water table is contaminated, tell them that we should use bottled water; and to the problem of poverty related crimes, and over crowded prisons that come with them, propose that we should rely on private security guards, gated communities, and private prisons.43

The strategy of continuing with deceptions and manipulations would also include the following components: keeping people preoccupied, and diverting their attention from the current social and economic problems; and luring them into continuing to submit themselves to the slavery of the consumer culture. (The latter will make them work hard and long hours so that they can pay for the new consumer gadgets that pop up almost on a daily basis. Besides, this will create more wealth for business, and rob people of time and energy they could have otherwise spent on being informed and becoming active citizens in their communities. An uninformed and dumbed down citizenry is easier to manage than an informed one.) For this strategy to work, it will also need to be coupled with spinning things and blaming everything on Globalism, NAFTA, WTO, China, and now on CAFTA (as if they are alien entities working against us rather than being creations of our own government and business), and telling people that we must downsize the government and cut the public spending so that we would be able to compete in the global arena. Finally, to make the deception manipulation strategy work, it needs to be combined with some fear mongering based on the threat of Islamist terrorism and the prospect of an unending war on terror. If done successfully, this strategy will work for some time to come.

43 The examples I am using here are taken from Wendy Brown’s “American Nightmare: Neoliberalism, Neoconservatism, and De-Democratization,” Political Theory, Vol.34 No.6 (December 2006), p. 704.
Surely, resorting to more deceptions and more manipulations at this stage will not create trust in
government and business. However, if implemented successfully, it would keep things in check as it will
make living with the lack of trust look and sound acceptable. This would be a short term solution.

The second approach to the problem would be to seek a genuine and long term solution. That is to
say, to work toward establishing a form of social organization that would foster genuine and real
perceptions of trust among the citizens. Any society aiming to achieve this would need to find a way to
empower its citizens so that they would take part in making decisions on matters of the public interest.
There is a name for this form of social organization; it is called a democracy—and I would hasten to
qualify it by using the predicates "genuine" and "substantive" in order to distinguish it from the pseudo
and formal democracy in the United States.

My proposed solution starts from the premise that genuine and substantive democracy is the
highest of all ethical principles in societal, organizational, and political contexts. In the absence of this
principle, societies and organizations become manipulative, hierarchical, domination driven,
unequalitarian, and authoritarian—in which cases trust can only be established and maintained through
deceptions and false pretences—which has been the story of trust in the United States since the
1930s. Moreover, a substantive and genuine form of democracy is participatory by definition. It is a
kind of democracy that empowers people to participate in decision making processes on matters that
affect their lives and livelihoods. A participatory form of democracy is the primary remedy to most of
the social, organizational, and governmental ills, including the problem of trust. The higher the level,
and the wider the scope, of participation of the public in decision making processes in government and
business, the higher would be the trust level.

But, how do I define a genuine substantive democracy and how does it differ from the pseudo and
formal democracy in place in the United States? Before answering this question, I would need to make it
clear that my intention here is not to propose new models or blueprints for government and business.
Nor do I have the expertise to engage in such undertakings. All I can, and will, do as a political

44 If people (i.e., the considerable majority) trust their government, it does not imply that the government is
genuinely democratic. The trust that was created during the 1930s-1970s was not a genuine one. Nor was it
achieved because there was a genuine democracy in the country. Free elections and the right to vote do not qualify
as genuine democracy; they only establish the formal prerequisites for it.
philosopher is to offer a *vision* and talk about the underlying principles and values that are associated with a genuine substantive form of democracy.

By a genuine substantive democracy (or participatory democracy), I mean a kind of society in which people are empowered to be part of the decision making patterns in all spheres of society, including the civil society and the economy. This conception of democracy is an ethical one, in that it affirms the value of “positive” freedom, and expands citizens' rights and political entitlements to the degree that they are empowered to have a say on matters that affect them personally and shape their communities.\(^{45}\) The idea of genuine substantive democracy, as I am defining it, is substantively a much broader concept than having free elections, and voting to elect leaders once or twice every four years. Moreover, this concept of democracy does not limit itself just to the political governmental sphere. What I have in mind is eloquently expressed in the following statement of John Dewey:

> The idea of democracy is a wider and fuller idea than can be exemplified in the state even at its best. To be realized it must affect all modes of human association, the family, the school, the industry, religion.\(^{46}\)

To achieve a genuine substantive form of democracy, we would need to expand citizens’ participation to all three spheres of life in society: government, the economy, and the civil society. We also need to create social and political institutions and structures, and social cultural venues and patterns for the widespread and inclusive participation of citizens in most, if not in all, levels of these spheres. This would require that we rethink the fundamental assumptions of our society, and let the commitment to a genuine substantive form of democracy guide this rethinking. This would also require that we develop and embrace alternative ways of looking at government and the economy, which in turn would lead us to develop new visions of good society, good government, and good economy. As to government, we would need to see it as, and alter it accordingly to become, the manifestation and

\(^{45}\) The idea of “positive” freedom, or the positive conception, takes freedom in the sense of “freedom to,” that is to say, as one’s power or authority to give direction to his/her life (self direction or self mastery) and to have a say in controlling the authority or making the laws that he/she lives under. The “positive” conception is often contrasted with the “negative” conception, which is the received understanding. The latter sees freedom as the absence of coercion, or as “freedom from” coercion or limitation. Hence, I am free to the extent that the state does not interfere with my affairs or actions. The less the state interferes with my affairs, or the less it coerces me to follow its rules, the freer I am.

expression of the general will of the public. As for the economy, we would need to think of it, and again alter it in ways that, it would be, to quote John Dewey again, “a means of life and not its despotic master.”

As to the relations between the government and business, we would need to move away from the present model which allows the business class to instrumentalize the resources of the state for its sectional interests. In pseudo democracy, the business class dominates and conditions both the state and civil society. Its financial power controls, or at the very least, directs the political processes and their outcomes, including the legislative ones.

The idea of genuine substantive democracy (or participatory democracy for short) that I am proposing here is the original idea of democracy which was formulated in ancient Athens some twenty five centuries ago. In its original formulation, the idea of democracy meant “rule by the people.” The idea itself, and the form of governing that was associated with it, were established on three moral social political principles: 1) citizens' direct and ongoing participation in the political process, especially in the policy and legislative decision makings; 2) citizens' direct and ongoing engagement in public deliberations; and 3) a substantive notion of equality among those who had the good fortune of being regarded as citizens of the city.

Though the idea of participatory democracy is an ancient one and was born in a distant land, it has manifested itself twice in the American scene in the modern era. The first is the experience of the New England town hall meeting style of direct deliberative democracy in early America—which is still being practiced at small scales in some small towns and at most school districts. The second, and more recent one, is the concept of “a democracy of individual participation” or “participatory

By the “general will” of the public, I mean the will that is formed collectively and deliberatively by the people around the questions of what constitutes their generalizable interests and their political moral ideals. See my discussion of Rousseau’s “general will” in Democracy as the Political Empowerment of the People: The Betrayal of an Ideal (Lanham: Lexington Books, 2005), pp. 31-40.

The phrase inside the quotation marks is borrowed from John Dewey, The Public and Its Problems (Chicago: Swallow Press, 1954 [1927]), p. 184. Here Dewey has in mind the despotism of “the machine age” (i.e., the economy of industrial capitalism).

It should be noted that espousing the underlying social political principles of Athenian democracy is not tantamount to embracing its experience and practice uncritically. Athenian democracy suffered from a series of problems, the main ones being: its slave based economy and the injustice of slavery (to compensate for its under productive economic system); the absence of political institutions and cultural norms that were needed to protect the rights of its citizens; its cultural failings (oppressing and exploiting women, slaves, and colonized people, and denying to them the right of citizenship); and the extreme hedonism, materialism, and individualism of the culture.
democracy” which was promoted by the Students for a Democratic Society (SDS), and also by some other social movements in the sixties.\(^{50}\) The following passage is from *The Port Huron Statement*:

> that the individual share in those social decisions determining the quality and direction of his life;

> that society be organized to encourage independence in men and provide the media for their common participation;

> that decision making of basic social consequences be carried on by public groupings; that politics be seen positively, as the art of collectively creating an acceptable pattern of social relations;

> that politics has the function of bringing people out of isolation and into community, thus being a necessary, though not sufficient, means of finding meaning in personal life;

> that the political order should serve to clarify problems in a way instrumental to their solution.\(^{51}\)

This vision of democracy takes *politics* primarily as civic participation, and hence grasps its true and original meaning—viz., *attending the affairs of the polis*. The political atmosphere of the period made it possible for numerous activists and scholars to question the inconsistencies and the anti democratic tendencies of pseudo democracy. It also made it possible to develop new ways of thinking about democracy that were much closer to the original idea than pseudo democracy was. Works such as those by C. B. Macpherson, Carole Pateman, Jane Mansbridge, Andrew Levine, and later by Benjamin Barber are among these.\(^{52}\) During the last quarter of a century or so, some of the ideas that formed the core of “participatory democracy” have been developed in new directions that include “deliberative democracy,” “direct democracy,” and “e democracy.”\(^{53}\)

---

\(^{50}\) See James Miller, *"Democracy Is In the Streets": From Port Huron to the Siege of Chicago* (New York: Simon and Schuster, 1987), pp141-54 for a discussion of what SDS meant by “participatory democracy” and the ambiguities and confusion over its meaning. Frank Cunningham notes that the term “participatory democracy” was coined by Arnold Kaufman (one of the advisors to SDS) in 1960 (Frank Cunningham, *Theories of Democracy: A Critical Introduction* (London: Routledge, 2002), p. 122).


\(^{53}\) See my *Democracy as the Political Empowerment of the Citizen: Direct-Deliberative e-Democracy* (Lanham: Lexington Books, 2005) and *Democracy as the Political Empowerment of the People: The Betrayal of an Ideal* (Lanham: Lexington Books, 2005) for discussions and critiques of these approaches.
The best way to distinguish participatory democracy from pseudo democracy is to draw some comparisons. To begin with, the latter is a formal conception in that it reduces democracy to a mere method for electing the officials. The pseudo democracy is primarily a political (in the subverted sense of the word), and fundamentally an elitist and technocratic construct. It is a representative system of governance that is headed by a group of elected officials who earn the right to rule over the people—in the name of ruling on their behalf—by winning elections. In pseudo democracy, the moral substance of the original idea—that is to say, the idea that people ought to be the authors of the laws and policies that they have to live under—has been undermined. Furthermore, the underlying principles of the citizens' direct, ongoing, and deliberative participation in political discussions and decision makings have been replaced by the liberal democratic principles of representative government, universal suffrage, periodic elections, and procedural decision making in the elected assemblies. Lastly, the principle of the substantive equality of citizens has been replaced by principles that are essentially form and legal and manifest themselves in “one person, one vote” and the “equality of all before the law.” The American pseudo democracy is a distorted version of the original idea of democracy.

What makes the American democracy a pseudo democracy is that it is not intended to empower the people. On the contrary, it is designed to disempower them in a way that appears legitimate, legal, fair, reasonable, and practical. Once people are disempowered through the electoral process and sent home, the powers that be (those who own and control the free markets—banks, corporations, the stock market, etc.) do the ruling for them. The disempowerment of the people in pseudo democracy is so pervasive and thorough that the rulers (the elected officials) do not feel obligated to make their decisions in the public square or in a visible, deliberative, and publicly reasoned manner. Moreover, the citizens have no power or opportunity to get directly involved in deliberations on issues or to have input in setting the agenda, defining the issues, and contributing to the decision making. Debates among politicians, political elites, and pundits in the media, and “letter to the editor” sections or commentaries in newspapers make a mockery of public deliberation, to say the least. What is worse is that the people are duped with the supposedly compelling argument that public opinion polls convey
to the elected officials the sentiments of the public, and that they heed these sentiments, knowing well that they would not be reelected if they ignore people’s opinions and sentiments.

In pseudo democracy, the very idea of democracy collapses into the “negative” conception of freedom that conditions us into believing that democracy means the freedom to choose, and hence a country or a government is democratic if people have the right to elect their government.\textsuperscript{54} Conceptually and logically, freedom and democracy are two different things.\textsuperscript{55} Pseudo democracy works on the basis of a set of false and deceptively disseminated assumptions that manipulate us into believing that the existence of free markets is the essential prerequisite for the existence of freedom; that free markets expand democracy; and that there could be no democracy without free markets. Once we are conned into believing these, we would be ready to also believe that the broader the reach and power of free markets, the broader and more solid would be democracy. This distorted understanding of democracy is at the heart of all that is wrong with pseudo democracy. It suits and serves the needs and interests of the free markets and the class that owns and controls them. This conception is erected not on the genuine premise of democracy that literally means “rule by the people,” but on the premise of the “negative” conception of freedom, and hence on the premise of the “rule by the free markets.”

A closer look at the actual workings of pseudo democracy reveals how it, at its very core, is a free market enterprise, and not a genuinely democratic franchise. Putting aside the powerful and decisive presence of lobbying in the legislative process in the elected assemblies (at the federal, state, and local

---

\textsuperscript{54} Concisely stated, the “negative” conception sees freedom as the absence of coercion, or as “freedom from” coercion or limitations. Hence, we are free to the extent that the state does not interfere with our affairs. The less the state limits us or the less it coerces us to abide by the laws it makes, the freer we are. Closely related to the negative conception of freedom is the conception of “rights.” If the state grants us the freedom to do action x, that means that we have the right to do it. Pseudo democracy is a right based conception in that democracy is understood in terms of having the right to elect the government. The negative conception is often contrasted with the “positive” conception of freedom. In this conception, freedom is seen in the sense of “freedom to,” that is to say, freedom is seen as one’s power or ability to give direction to his/her life (self mastery) and to have a share in controlling the authority or making the laws that one has to abide by. The original idea of democracy is more compatible with the positive conception. For further details, see “Two Concepts of Liberty” in Isaiah Berlin’s \textit{Four Essays on Liberty} (Oxford: Oxford University Press, 1969). See also B.C. Macpherson, \textit{Democratic Theory: Essays in Retrieval} (Oxford: Clarendon Press, 1973), pp. 108-109 and p. 119, and Frank Cunningham, \textit{Theories of Democracy: A Critical Introduction} (London: Routledge, 2002), pp. 36-39 for discussions and critiques of Berlin’s “Two Concepts of Liberty.”

\textsuperscript{55} Here the allusion is to the distinction drawn by Isaiah Berlin: “there is no necessary connexion between individual liberty and democratic rule,” as he has argued in “Two Concepts of Liberty” (Isaiah Berlin, \textit{Four Essays on Liberty} (Oxford: Oxford University Press, 1969), p. 130). “The answer to the question ‘Who governs me?’ is logically distinct from the question ‘How far does government interfere with me?’,” ibid.
levels) and also on public policy decisions, and focusing mainly on the election process for the moment, one can easily see that in pseudo democracy, the citizens’ input or participation in politics lacks substance or democratic value.

The carnival of election campaigning comes to the town once every two years and gets the news media and their pundits excited, who in turn try to excite the citizens into joining the carnival. The media turns campaign and election reporting into a form of entertainment and spectacle through their customary practice of sensationalizing events and issues, and focusing on the superficial aspects of things. By now, campaign and election coverage has turned into an entertainment genre in its own right, especially on television where it is turned into the ultimate form of reality show. It is a game show played by pundits and pollsters. It is all about how much money each candidate is raising, who is getting what percent of the vote of this or that voting block or demographic group, and who will win the next primary or secure the endorsement of which prominent figure. The media and their pundits also bombard the citizens with messages and arguments that are designed to encourage them to join the carnival and experience American democracy—which they are told is the best democracy in the world—first hand. They also persuade people to show up on the closing day of the carnival and cast a vote. The media pundits, candidates, and politicians elevate voting in elections to the status of the supreme act of democratic and citizenship participation, and hence give the people the false beliefs that voting is what democracy is all about, and that they can make their country a better place or change it for better, simply by showing up at the ballot box for half an hour once or twice every four years to cast a vote.

Despite all this fanfare, in reality, the role of the citizens in campaigns and electioneering is reduced to that of mere spectators who watch the show from afar. In pseudo democracy, citizens do not get the opportunity to have any sort of meaningful or actual input in the process: they don’t get to express their views directly, set the political agenda, frame the issues, and propose ways of addressing them. The opinion polls and the media define and frame the issues for the public; the mass media manipulate people into believing that opinion polls accurately reflect the public’s sentiments and represent their views on the issues. Next, at the end of the chain, the candidates study the polls and “tailor their images
manipulatively in political advertising to match public opinion poll results.” Finally, by means of complex techniques of political marketeering and salesmanship, these images are presented—in fact are sold—to the electorate by their campaigns. But before they can be sold, candidates need to be turned into commodities. The commodification of candidates takes the form of presenting them as political packages. It also takes the form of “designing” images for them for the purpose of marketing them to the carefully studied and selected target groups. The marketing of candidates, on the other hand, manifests itself in the form of advertising them in the vast election markets run by a complex industry of pollsters, political consultants, “media specialists . . . image-makers . . . electronic wordsmiths, and . . . other manipulators of the public will.” In the political markets of pseudo democracy, the distinction of candidates stands out less by their commitment to the common good, or by their grasp of issues, intelligence, knowledge, or by their personal virtues, and more by their skills to raise funds, spin the facts, balance the competing demands of the lobbyists, and manipulate the media and public opinion in projecting themselves as intelligent, trustworthy, and committed to serving the public, and thus as individuals with integrity and competence.

What is painfully manifest in this picture of pseudo democracy is the complete absence of any form of genuine and substantive participation and input on the part of the citizens. While they have absolutely no participation or input in decision makings at the legislative and public policy levels, they are reduced to mere spectators, and are manipulated and played as fools, at the electoral level, where they supposedly exercise their power.

---

56 The phrase in quotation marks is borrowed from Daniel Yankelovich, *Coming to Public Judgment: Making Democracy Work in a Complex World* (Syracuse: Syracuse University Press, 1991), p. 216. Candidates or representatives interpret the polls in ways that support their own policies, or exploit the sentiments expressed in polls to give popular “spins” to their own political programs.

57 “At the core of candidate manufactured images,” according to Bruce I. Newman, “is the attempt to manipulate and control media coverage to paint the best possible television face for a candidate and, at the same time, to mold an image consistent with the appeal that the candidate wants to use to win over voters” (Bruce I. Newman, *The Mass Marketing of Politics: Democracy in an Age of Manufactured Images* (Thousand Oaks, California: Sage Publications, 1999), p. 106).


Now, is my idea of genuine substantive democracy (participatory democracy) feasible? My response would be a definite yes. I would argue that with the material wealth; economic productivity; technological infrastructures; social, political, and cultural institutions and resources; educational institutions, facilities, and other resources at our disposal at the present time, we would need to think, more than ever, in terms of expanding people's participation in politics in direct and deliberative ways. Given these resources, I would argue, we should be able to expand participatory democracy to levels very close to what the ancient Athenians had designed. The latest advances in electronic technologies make it possible for us to establish a system of direct and deliberative democracy very similar to the ancient Athenian's, but this time without its slaves and without its exclusionary limits on citizenship. We can do with great success what the Athenians tried but failed, mainly due to the fact that they lacked most of the essential prerequisites and resources needed to make a genuine democracy work. The underlying principles and values at the foundation of Athenian democracy were way ahead of their time, in that the objective and subjective conditions necessary for their realization had not been developed at the time. Athens lacked a productive system of economy which could provide an adequate standard of living for all of its residents without requiring them to work long and hard hours on a daily basis—hence freeing time for all adult residents to participate in democracy. (In Athens of the time, for one man to live comfortably and to have free time to participate in democracy, a few others had to toil all day long, and everyday, in order to provide him comfort and the means of subsistence—hence slavery of the majority by the minority.) The city also lacked the cultural value system and institutions necessary for proper functioning of a genuine form of democracy. The oppression and exploitation of women and nonGreeks, the refusal to grant the status of citizenship to them, and the slave owning and colonialist norms of Athens are among some of its most egregious cultural failings. Finally, democracy in Athens lacked political institutions and structures that could facilitate the participation of all of the adult residents in politics and protect their rights as citizens.

Unlike the Athens of twenty five centuries ago, I would argue that our present society has all of the essential prerequisites for the establishment of a genuine form of direct and deliberative democracy. Our vast and potent means and networks of communication can more than compensate for the geographical vastness of the country and the large size of its population. The possibility of the establishment of a
participatory (i.e., direct deliberative) form of democracy is more real now than it has ever been in human history. We just have to open our minds to, and prepare ourselves for, this possibility, and direct our energies toward turning it into a reality. Moreover, we need to develop citizen centered and participation based visions, theories, practices, and approaches to the question.\textsuperscript{60} Finally, given the current problems of our pseudo democracy and citizens’ expressions of distrust of the government and politicians, and also given liberal democracy’s inability to deal with them, we need to be ready with our participatory approaches and models of democracy as possible alternatives if, or when, it breaks down.

As for the forms and functions of business in the participatory democracy I am proposing, the best I can do is to mention a few things about the principles that would lie at the foundations of business. A participatory form of democracy would need an accommodating democratic economy. This would entail a set of economic and business norms, relations, and practices that would be directed toward undergirding the society’s democratic principles, rather than undermining them—which happens to be the case in our pseudo democracy. In a participatory democracy, the goal of producing profit would take secondary importance to the requirement of meeting the needs of the population and the common good. Moreover, in such a democracy, business, instead of treating workers as cogs in a profit producing machine, would treat them as valuable in themselves, and also as being capable of managing their work environments, and taking part in shaping their firms’ directions. In a participatory democracy, work would be regarded primarily as a means for citizens to earn their living (and secondarily as a subordinate form of developing their talents and potentials). Furthermore, work and business would be regarded as the sphere of the material production of life’s needs, and not the end of life itself. Nor would the economy or work be allowed to turn into tyrannical masters that enslave life and society, as is the case in our pseudo democracy. In a direct contrast to pseudo democracy which manipulates and lures its citizens into working hard and endless hours so that they would produce more wealth for business, and instead of subjugating its citizens to the needs of economy (the modus operandi

\textsuperscript{60} See my Democracy as the Political Empowerment of the Citizen: Direct-Deliberative e-Democracy (Lanham: Lexington Books, 2005) for my share of contribution toward this end. There I attempt to develop a theoretical philosophical groundwork for a participatory form of democracy that uses the latest electronic technologies as the media for public deliberations and the citizens’ direct participation in making political legislative decisions.
of our pseudo democracy), a democratic economy would place work and business, and the economy in general, in the service of life and its needs.

**Conclusion**

In closing, I want to offer four reasons as to why I claim that participatory democracy is the solution to the problem of trust. First, democracy and social justice are intertwined in that both concepts are based on a substantive notion of equality. Hence, the expansion of democracy is at the same time the expansion of social justice. Second, democratic participation increases the accountability of the government in the eyes of the public, especially in the eyes of the citizens who are directly involved in making the decisions that affect their lives. Third, participatory democracy disperses the responsibilities involved in caring for the matters of the common good and public interest among the citizens, and consequently reduces the need to delegate to, or depend on, government for making decisions. This, in turn, decreases people's vulnerability in trust relations as they themselves take on some of the responsibility for decision making. Lastly, in participatory democracy, the locus of the power in society shifts to the civil society, i.e., to the citizens, where it can be used to direct the resources of the state and the economy toward satisfying the needs of life and meeting the objectives of the public interest.

**Reference List**


Published by the Forum on Public Policy
Copyright © The Forum on Public Policy. All Rights Reserved. 2008.