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It was in classical Greece and Rome around 500 B.C.. that systems of government providing for popular participation by a substantial number of citizens were first established on foundations so solid that, with occasional changes, they endured for centuries.

Greece. Classical Greece was not a country in our modern sense, a place in which all Greeks lived within a single state with a single government. Instead, Greece was composed of several hundred independent cities, each with its surrounding countryside. Unlike the United States, France, Japan, and other modern countries, the so-called nation-states or national states that have largely dominated the modern world, the sovereign states of Greece were city-states. The most famous city-state, in classical times and after, was Athens. In 507 B.C.E. the Athenians adopted a system of popular government that lasted nearly two centuries, until the city was subjugated by its more powerful neighbor to the north, Macedonia. (After 321 B.C.B. the Athenian government limped along under Macedonian control for generations; then the city was subjugated again, this time by the Romans.)

It was the Greeks-probably the Athenians-who coined the term democracy, or demokratia, from the Greek words demos, the people, and kratos, to rule. It is interesting, by the way, that while in Athens the word demos usually referred to the entire Athenian people, sometimes it meant only the common people or even just the poor. The word democracy, it appears, was sometimes used by its aristocratic critics as a kind of epithet, to show their disdain for the common people who had wrested away the aristocrats' previous control over the government. In any case, democratia was applied specifically by Athenians and other Greeks to the government of Athens and of many other cities in Greece as well.

Among the Greek democracies, that of Athens was far and away the most important, the best known then and today, of incomparable influence on political philosophy, and often held up later as a prime example of citizen participation or, as some would say, participatory democracy.

The government of Athens was complex, too complex to describe adequately here. At its heart and center was an assembly in which all citizens were entitled to participate. The assembly

elected a few key officials-generals, for example, odd as that may seem to us. But the main method for selecting citizens for the other public duties was by a lottery in which eligible citizens stood an equal chance of being selected. According to some estimates, an ordinary citizen stood a fair chance of being chosen by lot once in his lifetime to serve as the most important presiding officer in the government.

Although some Greek cities joined in forming rudimentary representative governments for their alliances, leagues, and confederacies (primarily for common defense), little is known about these representative systems. They left virtually no impress on democratic ideas and practices and none, certainly, on the later form of representative democracy. Nor did the Athenian system of selecting citizens for public duties by lot ever become an acceptable alternative to elections as a way of choosing representatives.

Thus the political institutions of Greek democracy, innovative though they had been, in their time, were ignored or even rejected outright during the development of modern representative democracy.

Rome. About the time that popular government was introduced in Greece, it also made its appearance on the Italian peninsula in the city of Rome. The Romans, however, chose to call their system a republic, from res, meaning thing or affair in Latin, and publicus, public: loosely rendered, a republic was the thing that belonged to the people.

The right to participate in governing the Republic was at first restricted to the patricians, or aristocrats. But in a development that we shall encounter again, after much struggle the common people (the plebs, or plebeians) also gained entry. As in Athens, the right to participate was restricted to men, just as it was also in all later democracies and republics until the twentieth century.

From its beginnings as a city of quite modest size, the Roman Republic expanded by means of annexation and conquest far beyond the old city's boundaries. As a result, the Republic came to rule over all of Italy and far beyond. What is more, the Republic often conferred Roman citizenship, which was highly-valued, on the conquered peoples, who thus became not mere subjects but Roman citizens fully entitled to a citizen's rights and privileges.

Wise and generous as this gift was, if we judge Rome from today's perspective we discover an enormous defect: Rome never adequately adapted its institutions of popular government to the huge increase in the number of its citizens and their great geographical distances from Rome. Oddly, from our present point of view, the assemblies in which Roman citizens were entitled to participate continued meeting, as before, within the city of Rome-in the very Forum that tourists still see today, in ruins. But for most Roman citizens living in the far-flung territory of the Republic, the city was too far away to attend, at least without extraordinary effort and expense. consequently, an increasing and ultimately overwhelming number of citizens were, as a practical matter, denied the opportunity to participate in the citizen assemblies at the center of the Roman system of government. It was rather as if American citizenship had been conferred on the people in the various states as the country expanded, even though the people in the new states could only exercise their right to vote in national elections by showing up in Washington, D.C.

Although the Romans were a highly creative and practical people, from their practice of electing certain important officials in citizen assemblies they never developed a workable system of representative government based on democratically elected representatives.

Before we jump to the conclusion that the Romans were less creative or capable than we are, let us remind ourselves that innovations and inventions to which we have grown accustomed often seem so obvious to us that we wonder why our predecessors did not introduce them earlier. Most of us readily take things for granted that at an earlier time remained to be discovered. So, too, later generations may wonder how we could have overlooked certain innovations that they will take for granted. Because of what we take for granted might not we, like the Romans, be insufficiently creative in reshaping our political institutions?

Although the Roman Republic endured considerably longer than the Athenian democracy and longer than any modern democracy has yet endured, it was undermined after about 130 B.C.B. by civil unrest, war, militarization, corruption, and a decline in the sturdy civic spirit that had previously existed among its citizens. What little remained of authentic republican practices perished with the dictatorship of Julius Caesar. After his assassination in 44 B.C.B., a republic once governed by its citizens became an empire ruled by its emperors.

With the fall of the Republic, popular rule entirely disappeared in southern Europe. Except for the political systems of small, scattered tribes it vanished from the face of the earth for nearly a thousand years.

Italy. Like an extinct species reemerging after a massive climatic change, popular rule began to reappear in many of the cities of northern Italy around 1l00 C.B. Once again it was in relatively small city-states that popular governments developed, not in large regions or countries. In a pattern familiar in Rome and later repeated during the emergence of modern representative governments, participation in the governing bodies of the city-states was at first restricted to members of upper-class families: nobles, large landowners, and the like. But in time, urban residents who were lower in the socioeconomic scale began to demand the right to participate. Members of what we today would call the middle classes-the newly rich, the smaller merchants and bankers, the skilled craftsmen organized in guilds, the footsoldiers commanded by the knights-were not only more numerous than the dominant upper classes but also capable of organizing themselves. What is more, they could threaten violent uprisings, and if need be carry them out. As a result, in many cities people like these-the popolo, as they were sometimes called-gained the right to participate in the government of the city.

For two centuries and more these republics flourished in a number of Italian cities. A good many republics were, like Florence and Venice, centers of extraordinary prosperity, exquisite craftsmanship, superb art and architecture, unexcelled urban design, magnificent poetry and music, and an enthusiastic rediscovery of the ancient world of Greece and Rome. What later generations were to call the Middle Ages came to a close, and that incredible outburst of brilliant creativity, the Renaissance, arrived.

Unhappily for the development of democracy, however, after about the mid-1300s the republican governments of some of the major cities increasingly gave way to the perennial enemies of

popular government: economic decline, corruption, oligarchy, war, conquest, and seizure of power by authoritarian rulers, whether princes, monarchs, or soldiers. Nor was that all. Viewed in the longer sweep of historical trends, the city-state was doomed as a foundation for popular government by the emergence of a rival with overwhelmingly superior forces: the national state or country. Towns and cities were destined to be incorporated into this larger and more powerful I entity, thus becoming, at most, subordinate units of government.

Glorious as it had been, the city-state was obsolete.

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DEMOCRATIZATION: ON THE WAY, BUT ONLY ON THE WAY

Looking back with all the advantages of hindsight, we can easily see that by the early eighteenth century political ideas and practices had appeared in Europe that were to become important elements in later democratic beliefs and institutions. Using language that is more modern and abstract than people of the time would have employed, let me summarize what these elements were.

Favored by local conditions and opportunities in several areas of Europe-notably Scandinavia, Flanders, the Netherlands, Switzerland, and Britain-the logic of equality stimulated the creation of local assemblies in which free men could participate in governing, at least to an extent. The idea that governments needed the consent of the governed, initially a claim primarily about raising taxes, was gradually growing into a claim about laws in general. Over an area too large for primary assemblies of free men, as in a large town, city, region, or country, consent required representation in the body that raised taxes and made laws. In sharp contrast to Athenian practice, representation was to be secured not by lot or random selection but by election. To secure the consent of free citizens in a country, nation, or nation-state would require elected representative legislatures, or parliaments, at several levels: local, national, and perhaps provincial, regional, or other intermediate levels as well.

These European political ideas and practices provided a base from which democratization could proceed. Among proponents of further democratization, accounts of popular governments in classical Greece, Rome, and the Italian cities sometimes lent greater plausibility to their advocacy. Those historical experiences had demonstrated that governments subject to the will of the people were more than illusory hopes. Once upon a time they had actually existed, and had lasted for centuries to boot.

What hadn't been achieved. If the ideas, traditions, history, and practices just described held a promise of democratization, it was, at best, only a promise. Crucial pieces were still missing.

First, even in countries with the most auspicious beginnings, gross inequalities posed enormous obstacles to democracy: differences between the rights, duties, influence, and power of slaves and free men, rich and poor, landed and landless, master and servant, men and women, day laborers and apprentices, skilled craftworkers and owners, burghers and bankers, feudal lords and tenants, nobles and commoners, monarchs and their subjects, the king's officials and those they ordered about. Even free men were highly unequal in status, wealth, work, obligations,

knowledge, freedom, influence, and power. And in many places the wife of a free man was regarded by law, custom, and practice as his property. Then as always and everywhere the logic of equality ran head-on into the brute facts of inequality.

Second, even where assemblies and parliaments existed they were a long way from meeting minimal democratic standards. Parliaments were often no match for a monarch; it would be centuries before control over the king's ministers would shift from monarch to parliament or a president would take the place of a king. Parliaments themselves were bastions of privilege, particularly in chambers reserved for the aristocracy and higher clergy. Representatives elected by "the people" had at best only a partial say in lawmaking.

Third, the representatives of "the people" did not really represent the whole people. For one thing, free men were, after all, men. Except for the occasional female monarch, half the adult population was excluded from political life. But so were many adult males-most adult males, in fact. As late as 1832 in Great Britain the right to vote extended to only 5 percent of the population over age twenty. In that year it took a tempestuous struggle to expand the suffrage to slightly more than 7 percent. In Norway, despite the promising appearance of popular participation in the Tings of Viking times, the percentage was little better.

Fourth, until the eighteenth century and later, democratic ideas and beliefs were not widely shared or even well understood. In all countries the logic of equality was effective only among a few and a rather privileged few at that. Even an understanding of what a democratic republic would require in the way of political institutions was all but nonexistent. In speech and press freedom of expression was seriously restricted, particularly if it was exercised to criticize the king. Political opposition lacked legitimacy and legality. "His Majesty's Loyal Opposition" was an idea whose time had not yet come. Political parties were widely condemned as dangerous and undesirable. Elections were notoriously corrupted by agents of the Crown.

The advance of democratic ideas and practices depended on the existence of certain favorable conditions that did not yet exist. As long as only a few people believed in democracy and were prepared to fight for it, existing privilege would maintain itself with the aid of undemocratic governments. Even if many more people came to believe in democratic ideas and goals, other conditions would still be required if further democratization were to be achieved ...

... democratization did not proceed on an ascending path to the present. There were ups and downs, resistance movements, rebellions, civil wars, revolutions. For several centuries the rise of centralized monarchies reversed some of the earlier advances-even though, ironically, these few, monarchies may have helped to create some conditions that were favorable to democratization in the longer run.

Looking back on the rise and decline of democracy, it is dear that we cannot count on historical forces to insure that democracy will always advance-or even survive, as the long intervals in which popular governments vanished from the earth remind us.

Democracy, it appears, is a bit chancy. But its chances also depend on what we do ourselves. Even if we cannot count on benign historical forces to favor democracy, we are not mere victims

of blind forces over which we have no control. With adequate understanding of what democracy requires and the will to meet its requirements, we can act to preserve and, what is more, to advance democratic ideas and practices.

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CRITERIA FOR DEMOCRATIC PROCESS

Within the enormous and often impenetrable thicket of ideas about democracy, is it possible to identify some criteria that a process for governing an association would have to meet in order to satisfy the requirement that all the members are equally entitled to participate in the association's decisions about its policies? There are, I believe, at least five such standards.

Effective participation.
Before a policy is adopted by the association, all the members must have equal and effective opportunities for making their views known to the other members as to what the policy should be.

Voting equality.
When the moment arrives at which the decision about policy will finally be made, every member must have an equal and effective opportunity to vote, and all votes must be counted as equal.

Enlightened understanding.
Within reasonable limits as to time, each member must have equal and effective opportunities for learning about the relevant alternative policies and their likely consequences.

Control of the agenda.
The members must have the exclusive opportunity to decide how and, if they choose, what matters are to be placed on the agenda. Thus the democratic process required by the ... preceding criteria is never dosed. The policies of the association are always open to change by the members, if they so choose.

Inclusion of adults.
All, or at any rate most, adult permanent residents should have the full rights of citizens that are implied by the first four criteria. Before the twentieth century this criterion was unacceptable to most advocates of democracy.

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WHY DOES DEMOCRACY REQUIRE FREE, FAIR, AND FREQUENT ELECTIONS?

... if we accept the desirability of political equality, then every citizen must have an equal and effective opportunity to vote, and all votes must be counted as equal. If equality in voting is to be implemented, then clearly elections must be free and fair. To be free means that citizens can go to the polls without fear of reprisal; and if they are to be fair, then all votes must be counted as equal. Yet free and fair elections are not enough. Imagine electing representatives for a term of, say, twenty years! If citizens are to retain final control over the agenda, then elections must also be frequent.

How best to implement free and fair elections is not obvious. In the late nineteenth century the secret ballot began to replace a public show of hands. Although open voting still has a few defenders, secrecy has become the general standard; a country in which it is widely violated would be judged as lacking free and fair elections. But debate continues as to the kind of voting system that best meets standards of fairness. Is a system of proportional representation (PR), like that employed in most democratic countries, fairer than the First-Past-the-Post system used in Great Britain and he United States? Reasonable arguments can be made for both

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WHY DOES DEMOCRACY REQUIRE FREE EXPRESSION?

To begin with, freedom of expression is required in order for citizens to participate effectively in political life. How can citizens make their views known and persuade their fellow citizens and representatives to adopt them unless they can express themselves freely about all matters bearing on the conduct of the government? And if they are to talk the views of others into account, they must be able to hear what others have to say. Free expression means not just that you have a right to be heard. It also means that you have a right to hear what others have to say.

To acquire an enlightened understanding of possible government actions and policies also requires freedom of expression. To acquire civic competence, citizens need opportunities to express their own views; learn from one another; engage in discussion and deliberation; read, hear, and question experts, political candidates, and persons whose judgments they trust; and learn in other ways that depend on freedom of expression.

Finally, without freedom of expression citizens would soon lose their capacity to influence the agenda of government decisions. Silent citizens may be perfect subjects for an authoritarian ruler; they would be a disaster for a democracy.

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WHY DOES DEMOCRACY REQUIRE THE AVAILABILITY OF ALTERNATIVE AND INDEPENDENT SOURCES OF INFORMATION?

Like freedom of expression, the availability of alternative and relatively independent sources of information is required by several of the basic democratic criteria Consider the need for enlightened understanding. How can citizens acquire the information they need in order to understand the issues if the government controls all the important sources of information? Or, for that matter, if any single group enjoys a monopoly in providing information? Citizens must have access, then, to alternative sources of information that are not under the control of the government or dominated by any other group or point of view.

Or think about effective participation and influencing the public agenda. How could citizens participate effectively in political life if all the information they could acquire was provided by a single source, say the government, or, for that matter, a single party, faction, or interest?

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... a highly favorable condition for democratic institutions is a market economy in which

economic enterprises are mainly owned privately, and not by the state, that is, a capitalist rather than a socialist or statist economy. Yet the dose association between democracy and market-capitalism conceals a paradox a market-capitalist economy inevitably generates inequalities in the political resources to which different citizens have access. Thus a market-capitalist economy seriously impairs political equality: citizens who are economically unequal are unlikely to be politically equal. In a country with a market-capitalist economy, it appears, full political equality is impossible to achieve. Consequently, there is a permanent tension between democracy and a market-capitalist economy.

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INDIA: AN IMPROBABLE DEMOCRACY

That India could long sustain democratic institutions seems, on the face of it, highly improbable. With a population approaching one billion at the end of the twentieth century, Indians are divided among themselves along more lines than other country in the world. These include language, caste, class, religion, and region-and infinite subdivisions within each. Consider:

India has no national language. The Indian constitution officially recognizes fifteen languages. But even that understates the magnitude of the language problem: at least a million Indians speak one of thirty-five distinct languages. What is more, Indians speak about twenty-two thousand distinct dialects.

Although 80 percent of the people are Hindus (the rest are mainly Muslim, though one state, Kerala, contains many Christians), the unifying effects of Hinduism are severely compromised by the caste system that Hinduism has prescribed for Indians since about 1500 B.C.E. Like language, even the caste system is infinitely divisive. To begin with, a huge number of people are excluded from the four prescribed hereditary castes: these are the "outcastes," the "untouchables" with whom contact is defiling. In addition, however, each caste is further divided into innumerable hereditary subcastes within whose social, residential, and often occupational boundaries its members are rigidly confined.

India is one of the poorest countries in the world. Pick your number: From 1981 to 1995 about half the population lived on the equivalent of less than one U.S. dollar a day. By this measure, only four countries were poorer. In 1993-1994, more than a third of India's population-more than three hundred million people-officially lived in poverty, mainly in small villages and engaged in agriculture. In 1996 among seventy-eight developing countries India was ranked forty-seventh on a Human Poverty Index, next to Rwanda in forty-eighth place. In addition, about half of all Indians over age fifteen, and more than 60 percent of females over age six, are illiterate.

Although India gained independence in 1947 and adopted a democratic constitution in 1950, given the conditions I have just described no one should be surprised that India's political practices have displayed some egregious shortcomings from a democratic point of view. It has suffered from recurring violations of basic rights. India is viewed by business people as among the ten most corrupt countries in the world. Worse, in 1975 India's democratic institutions were overturned and replaced by dictatorship when the prime minister, Indira Gandhi, staged a coup

d'etat, declared a state of emergency, suspended civil rights, and imprisoned thousands of leading opponents.

Yet most of the time most Indians support democratic institutions. In an action that would not have been taken by a people unqualified for democracy, two years after Indira Gandhi's seizure of power, she was voted out of office in a reasonably fair election. Not just the political elites but the Indian people as a whole, it appeared, were more attached to democratic institutions and practices than she had assumed; and they would not permit her to govern by authoritarian methods.

Although Indian political life is highly turbulent and often violent, somehow the basic democratic institutions, blemishes and all, continue to operate. This observation seems to confound all reasonable expectations. How can we account for it? Any answer to the Indian conundrum must be tentative. Yet surprising as it may seem, certain aspects of India help to explain why it manages to maintain its democratic institutions.

To begin with, several of the favorable conditions I've described do exist in India. Growing out of its past as a British colony, the Indian military developed and has maintained a code of obedience to elected civilian leaders. Thus India has been free of the major threat to democratic government in most developing countries. In contrast to Latin America, for example, Indian military traditions provide little support for a military coup or a military dictatorship. The police, though widely corrupt, are not an independent political force capable of a coup.

In addition, the founders of modern India who led it to independence and helped to shape its constitution and political institutions all adhered to democratic beliefs. The political movements they led strongly advocated democratic ideas and institutions. Democracy, one might say, is the national ideology of India. There is no other. Weak as India's sense of nationhood may be, it is so intimately bound up with democratic ideas and beliefs that few Indians advocate a nondemocratic alternative.

Furthermore, although India is culturally diverse, it is the only country in the world where Hindu beliefs and practices are so widely shared. After all, eight out of ten Indians are Hindus. Even though the caste system is divisive and Hindu nationalists are a standing danger to the Muslim minority, Hinduism does provide something of a common identity for a majority of Indians.

Yet even if these conditions provide support for democratic institutions, India's widespread poverty combined with its acute multicultural divisions would appear to be fertile grounds for the rampant growth of antidemocratic movements powerful enough to overthrow democracy and install an authoritarian dictatorship. Why has this not happened? A closer view reveals several surprises.

First, every Indian is a member of a cultural minority so tiny that its members cannot possibly govern India alone. The sheer number of cultural fragments into which India is divided means that each is small, not only far short of a majority but far too small to rule over that vast and varied subcontinent. No Indian minority could rule without employing overwhelming coercion

by military and police forces. But the military and police, as we have noted, are not available for that purpose.

Second, with few exceptions, members of a cultural minority do not live together in a single area but tend instead to be spread over different regions of India. As a consequence, most minorities cannot hope to form a separate country outside India's boundaries. Whether they like it or not, most Indians are destined to remain citizens of India. Because disunion is impossible, the only alternative is union, within India.

Finally, for most Indians there is simply no realistic alternative to democracy. None of India's minorities, by itself, can overturn democratic institutions and establish an authoritarian regime, count on the military and police support it would need to sustain an authoritarian government, hope to form a separate country, or propose an appealing ideological and institutional alternative to democracy. Experience indicates that any sizable coalition of different minorities will be too divided to sustain a takeover, much less an authoritarian government. Democracy, it seems, is the only feasible option for most Indians.

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If we approach market capitalism from a democratic point of view we discover, when we look closely, that it has two faces. Like the emblem of the Greek god Janus, they face in opposite directions. One, a friendly face, points toward democracy. The other, a hostile face, points the other way.

Democracy and market-capitalism are locked in a persistent conflict in which each modifies and limits the other.

By 1840, a market economy with self-regulating markets in labor, land, and money had been fully installed in Britain. Market capitalism had triumphed over its enemies on all fronts: not only in economic theory and practice but in politics, law, ideas, philosophy, and ideology as well. Its opponents, so it appeared, were completely routed. Yet in a country where people have a voice, as they had in England even in those predemocratic times, such a complete victory could not endure.' As it always does, market-capitalism brought gains for some; but as it always does, it also brought harm to others.

Though suffrage was highly restricted, the other political institutions of representative government were largely in place. And in due time-in 1867 and again in 1884-suffrage was expanded; after 1884 most males could vote. Thus the political system provided opportunities for the effective expression of opposition to unregulated market-capitalism. Turning for help to political and governmental leaders, those who felt themselves injured by unregulated markets sought protection. Opponents of laissez-faire economics found effective expression of their grievances through political leaders, movements, parties, programs, ideas, philosophies, ideologies, books, journals, and, most important, votes and elections. The newly formed Labour Party focused on the plight of the working classes.

Although some opponents proposed only to regulate market capitalism, others wished to abolish it outright. And some compromised: let's regulate it now, they said, and eliminate it later. Those

who proposed to abolish capitalism never achieved their goals. Those who demanded government intervention and regulation often did.

As in Britain, so, too, in Western Europe and the other English-speaking countries. In any country where governments could be influenced by popular movements of discontent, laissez-faire could not be sustained. Market-capitalism without government intervention and regulation was impossible in a democratic country for at least two reasons.

First, the basic institutions of market-capitalism themselves require extensive government intervention and regulation. Competitive markets, ownership of economic entities, enforcing contracts, preventing monopolies, protecting property rights-these and many other aspects of market capitalism depend wholly on laws, policies, orders, and other actions carried out by governments. A market economy is not, and cannot be, completely self-regulating.

Second, without government intervention and regulation a market economy inevitably inflicts serious harm on some persons; and those who are harmed or expect to be harmed will demand government intervention. Economic actors motivated by self-interest have little incentive for taking the good of others into account; on the contrary, they have powerful incentives for ignoring the good of others if by doing so they themselves stand to gain. Conscience is easily quieted by that seductive justification for inflicting harm on others: "If I don't do it, others will. If I don't allow my factory to discharge its wastes into the river and its smoke into the air, others will. If I don't sell my products even if they may be unsafe, others will. If I don't . . . others will." In a more or less competitive economy, it is virtually certain that, in fact, others will.

When harm results from decisions determined by unregulated competition and markets, questions are bound to arise. Can the harm be eliminated or reduced? If so, can this be achieved without excessive cost to the benefits? When the harm accrues to some persons and the benefits to others, as is usually the case, how are we to judge what is desirable? What is the best solution? Or if not the best, at least an acceptable solution? How should these decisions be made, and by whom? How and by what means are the decisions to be enforced?

It is obvious that these are not just economic questions. They are also moral and political questions. In a democratic country citizens searching for answers will inevitably gravitate toward politics and government. The most easily accessible candidate for intervening in a market economy in order to alter an otherwise harmful outcome, and the most effective, is . . . the government of the state.

Whether discontented citizens succeed in getting the government to intervene depends, of course, on many things, including the relative political strengths of the antagonists. However, the historical record is dear: in all democratic countries, the harm produced by, or expected from, unregulated markets has induced governments to intervene in order to alter an outcome that would otherwise cause damage to some citizens.

In a country famous for its commitment to market-capitalism, the United States, national, state, and local governments intervene in the economy in ways too numerous to list. Here are just a few examples:

* unemployment insurance;

* old age annuities;

* fiscal policy to avoid inflation and economic recession;

* safety: food, drugs, airlines, railroads, highways, streets; public health, control of infectious diseases, compulsory vaccination of school children;

* health insurance;

* education;

* the sale of stocks, bonds, and other securities;

* zoning: business, residential, and so on; setting building standards;

* insuring market-competition, preventing monopolies, and other restraints on trade;

* imposing and reducing tariffs and quotas on imports;

* licensing physicians, dentists, lawyers, accountants, and other professional persons;

* establishing and maintaining state and national parks, recreation areas, and wilderness areas;

* regulating business firms to prevent or repair environmental damage; and belatedly,

* regulating the sale of tobacco products in order to reduce the frequency of addiction, cancer, and other malign effects.

And so on. And on, and on.

To sum up: In no democratic country does a market-capitalist economy exist (nor in all likelihood can it exist for long) without extensive government regulation and intervention to alter its harmful effects.

Yet if the existence in a country of democratic political institutions significantly affects the operation of market-capitalism, the existence of market-capitalism in a country greatly affects the operation of democratic political institutions. The causal arrow, so to speak, goes both ways: from politics to economics and from economics to politics.

4. Because market capitalism inevitably creates inequalities, it limits the democratic potential of polyarchal democracy by generating inequalities in the distribution of political resources.

Words About Words

Political resources include everything to which a person or a group has access that they can use to influence, directly or indirectly, the conduct of other persons. Varying with time and place, an enormous number of aspects of human society can be converted into political resources: physical force, weapons, money, wealth, goods and services, productive resources, income, status, honor, respect, affection, charisma, prestige, information, knowledge, education, communication, communications media, organizations, position, legal standing, control over doctrine and beliefs, votes, and many others. At one theoretical limit, a political resource might be distributed equally, as with votes in democratic countries. At the other theoretical limit, it might be concentrated in the hands of one person or group. And the possible distributions between equality and total concentration are infinite.

Most of the resources just listed are everywhere distributed in highly unequal fashion. Although market-capitalism is not the only cause, it is important in causing an unequal distribution of many key resources: wealth, income, status, prestige, information, organization, education, knowledge. Because of inequalities in political resources, some citizens gain significantly more influence than others over the government's policies, decisions, and actions. These violations, alas, are not trivial. Consequently, citizens are not political equals-far from it-and thus the moral foundation of democracy, political equality among citizens, is seriously violated.

Market-capitalism greatly favors the development of democracy up to the level of polyarchal democracy. But because of its adverse consequences for political equality, it is unfavorable to the development of democracy beyond the level of polyarchy.

For the reasons advanced earlier, market-capitalism is a powerful solvent of authoritarian regimes. When it transforms a society from landlords and peasants to employers, employees, and workers; from uneducated rural masses barely capable of surviving, and often not even that, to a country of literate, moderately secure, urbanized inhabitants; from the monopolization of almost all resources by a small elite, oligarchy, or ruling class to a much wider dispersion of resources; from a system in which the many can do little to prevent the domination of government by a few to a system in which the many can effectively combine their resources (not least their votes) and thereby influence the government to act in their favor-when it helps to bring about these changes, as it often has and will continue to do in many countries with developing economies, it serves as a vehicle for a revolutionary transformation of society and politics.

When authoritarian governments in less modernized countries undertake to develop a dynamic market economy, then, they are likely to sew the seeds of their own ultimate destruction.

But once society and politics are transformed by market capitalism and democratic institutions are in place, the outlook fundamentally changes. Now the inequalities in resources that market-capitalism churns out produce serious political inequalities among citizens.

Whether and how the marriage of polyarchal democracy to market-capitalism can be made more favorable to the further democratization of polyarchy is a profoundly difficult question for which there are no easy answers, and certainly no brief ones. The relation between a country's democratic political system and its nondemocratic economic system has presented a formidable

and persistent challenge to democratic goals and practices throughout the twentieth century. That challenge will surely continue in the twenty-first century.