BUILDING THE GOOD SOCIETY

BUILDING THE GOOD SOCIETY

The Power and Limits of Markets, Democracy and Freedom in an Increasingly Polarized World

LLOYD J. DUMAS University of Texas at Dallas, USA



United Kingdom – North America – Japan India – Malaysia – China Emerald Publishing Limited Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2020

© Lloyd J. Dumas, 2020 Published under exclusive licence by Emerald Publishing Limited

Reprints and permissions service

Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the author. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-83867-632-2 (Print) ISBN: 978-1-83867-629-2 (Online) ISBN: 978-1-83867-631-5 (Epub)



ISOQAR certified Management System, awarded to Emerald for adherence to Environmental standard ISO 14001:2004.

Certificate Number 1985 ISO 14001



TABLE OF CONTENTS

About the Author	i×
Foreword	X
Acknowledgments	xiii
ntroduction	1
Securing Political Freedom and Sustainable Democracy	9
A Freedom-Maximizing Legal System	9
The Role of Norms and Social Institutions	15
Why Democracy and Freedom Are not Enough	16
Democracy and Market Capitalism	29
2. The Market System: Achieving Equity and	0.1
Material Abundance	31
Introduction	31
Why Truly Laissez-Faire Capitalism Doesn't Work	33
Effective Demand versus Need	43
The Real Function of Money	47
Money Value and Economic Value	51
Financial Institutions	54
What About a Hybrid Economic System?	55
The Economic System and the Good Society	60
3. Attitudes: Promoting Progress or Destroying	
Dignity?	63
Introduction	63
Militarism. Racism. and Sexism: The Common Threads	64

vi Table of Contents

	Materialism	68
	Meritocracy	75
	Individualism and Social Responsibility	78
	Social Roles and Obedience to Authority	80
	Questioning Authority: The Power of Nonviolent Disobedience	84
	Competition and Cooperation	88
	Language and Attitudes	91
	Privacy, Freedom, and Security	96
	Nationalism and Independence	100
4.	Institutions and Organizations: Constructing the Social Foundation	109
	Introduction	109
	Institutions, Organizations, and Practices within the Good Society	110
	Interacting with the World	127
	Protecting the Web of Life	139
	The Role of IGOs, Treaties, and International Law	142
5.	Limits and Incentives: Tools for an Efficient, Fair, and Responsible Society	149
	Introduction	149
	The Nature and Fungibility of Wealth, Power, and Influence	150
	Economic Limits	153
	Political Limits	162
	Incentives	170
6	Democratic Transitions: Creating, Protecting,	
٠.	and Sustaining the Good Society	179
	Introduction	179
	Bringing Freedom and Democracy to	
	Those Long Deprived	180
	Stopping the Loss of Freedom and Democracy in Places Long Used to Them	189

Table of Contents vii

Reform in Democratic Structure and Operation	196
Creating a Freer, More Democratic, and Prosperous Society	199
Conclusion: The Core Principles of a Good Society Extracting the Core Principles of a Good Society	201 202
Notes	211
Index	225

ABOUT THE AUTHOR

Lloyd J. Dumas is Professor of Political Economy, Economics and Public Policy at the University of Texas at Dallas. Dumas' eight books include *The Peacekeeping Economy: Using Economic Relationships to Build a More Peaceful, Prosperous, and Secure World* (Yale University) and *The Technology Trap: Where Human Error and Malevolence Meet Powerful Technologies* (Praeger). He has published over 120 articles in 11 languages in books and journals of seven disciplines, and periodicals such as *New York Times* and *International Herald Tribune*. He has been quoted in *Business Week*, the *Financial Times*, and *Barron's*, and he has appeared on more than 300 TV and radio programs in the US and around the world.

FORFWORD

With the defeat of fascism in the middle of the twentieth century and the peaceful ending of the Cold War threat of nuclear annihilation a few decades later, there was a great deal of optimism that the world was becoming a more peaceful place. With the success of a series of prodemocracy nonviolent "people power" revolutions in overthrowing brutal dictatorships in Eastern Europe and elsewhere in the mid-1980s and the initially spectacular success of the pro-democracy nonviolent "people power" revolutions that overthrew dictatorial regimes in North Africa during the "Arab Spring" a few decades later, there was a great deal of optimism that the spread of democracy throughout the world was just around the corner. By the second decade of the twenty-first century, that optimism was rapidly fading. Yet we cannot afford to lose the hope or give up the dream.

This book is written in the spirit of trying to make it plain that a better world – a world in which we can finally realize the persistent vision of more peaceful, prosperous, democratic, and free societies – is not only a possible but also an eminently practical and achievable goal. It is not a blueprint for or a road map to such a world, but a guide to more effectively modifying and combining the elements of that world we have already put in place.

L. J. Dumas

ACKNOWIFDGMENTS

In one way or another, the elements of the various analytical essays in this book are the product of a decades-long process of learning, thinking, and teaching. In any enterprise of this kind, there are many people to thank for their contribution, stimulation, and encouragement. As my teacher, colleague, and friend, Seymour Melman was always a source of encouragement to take on challenging problems, think broadly, and not be constrained by the boundaries of the conventional wisdom. Many long conversations with my friend and colleague Bob Karasek, after we finished teaching our night classes at Columbia University, taught me to think much more deeply about the impact of the work environment on worker's lives. Talking to and reading the work of the Albert Einstein Institution's leader Gene Sharp convinced me of the potential power of civil disobedience and other forms of nonviolent resistance. One Sunday morning in Northern California, my friend and minister of the United Church of Christ, Carolyn Roberts, gave an inspired sermon that deepened my understanding of the social and psychological impact of language, particularly sexist language. And many discussions with international lawyer Burns Weston helped me to more fully understand the role and importance of laws and norms, even in an international realm where there is no overriding political authority to enforce them.

From childhood, my parents, Edith and Marcel Dumas, were always a source of encouragement. They taught me the importance of empathy and gave me the confidence that I had something to say. Many old and new friends motivated and encouraged this work, among them Kenneth Boulding, Peggy Herrman, Janine Wedel, Dana Dunn, Warren Davis, Yolanda Eisenstein, Jonas Bunte, Anthony Cummings, Magnus Kpakol, Brett Cease, Julia Besser Cease, Alba Halili, Katie Sadorro, Antoinette White, Abigail Durden, and Nick Wolterman, my always supportive and

enthusiastic editor at Emerald. My intellectual partner and soul mate, Teresa Nelson Dumas, contributed to this project in more ways than I can say. Her sharp intellect, good heart, and gentle touch helped to shape nearly every aspect of this work. And her love and support carried me through one of the most difficult and challenging times of my life.