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# REFLECTING ON GLOBALIZATION

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## IDEOLOGICAL INCOHERENCE AT THE CORE OF THE CAPITALIST-DEMOCRATIC DYNAMIC

**John Esposito**

*The ostensible allure of globalization is the promise of improved material conditions and a concomitant sense of control over one's life. Progress and freedom are the buzzwords that accompany the argument that the best way to achieve such ends is by subscribing to the ideologies of capitalism and democracy, however alien they may be to innate sensibilities. Both are deemed to be significant improvements over past or current forms of social organization, particularly when they are adopted in tandem. The assumption is that they are complementary systems and that any perceived incompatibilities between them can be overcome due to their benign interaction. Moreover, contemporary global conditions provide few, if any other, options for achieving national stability and prosperity. This paper will attempt to show, rather, that the core values of capitalism and democracy are mostly antithetical, and, as a result, the more one tries to realize their respective ideals, the greater the contradictions are manifest. The current drive toward increased global economic and political integration is thus rendered suspect to the extent that the ideological forces at its core are in an essential state of discordance.*

**Keywords:** capitalism, democracy, globalization, ideology, values.

### **Introduction: Global Spread of Capitalism and Democracy**

Ideologies are intimately bound with historical change whose pace has been amplified in the modern era. As traditional patterns of existence are scrutinized alongside new social forms and practices, ideologies not only lend coherence to the past but also offer plausible rationales for embracing an uncertain future (Mullins 1972). It is without coincidence that the modern concept of ideology was coined slightly after the major upheavals wrought by the French Revolution (Plamenatz 1970). Likewise, ideology has played a crucial role in promoting solidarity and identity in those nations that have embarked on the path to modernization (Apter 1964). Over the past half-century, in particular, global forces have thrust upon the world the need to pursue wholesale social transformations that have created the space for alternate values, and the belief systems of which they are an integral part, to proliferate (Sekulic 2007; Steger 2009). Capitalism and democracy have, often in tandem, filled this ideological void (Chirico 2014; Simmons, Dobbin, and Garrett 2008).

Globalization, understood as an expansion, or the latest phase, of modernization has led to an intensification of cultural, economic, and political change (Scholte 2000).

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In consequence, it has created contradictions and tensions within and between societies that are increasingly difficult to reconcile (see Hertz 2001; Kellner 2002; Rodrik 2011). Giddens (2003), for instance, notes how the relentless pace of technological innovation is not only transforming interpersonal relations but is also creating unimaginable environmental hazards. While issues such as these have been widely studied (e.g., Appadurai 1996; Pieterse 2009; Robertson 1992; Tomlinson 1999), the locus of friction invariably occurs at the point where impersonal, exogenous forces come into conflict with long-held beliefs and customs common to a particular locality or bounded group. Controversy thus ensues over the degree to which these interactions are leading to more homogenized social forms or conversely fostering hybrid configurations. What has received less scrutiny is the compatibility of the main ideological components of globalization, viz., capitalism and democracy. Even when they are deemed in conflict, apparently this is not indicative of chronic underlying tensions, but simply the need for a recalibration in their relationship (vide Dahl 1998; Fiss 1992; Kellner 2002; Reich 2012; Rodrik 2011; Stiglitz 2012). Such conclusions are reached in absence of an analysis of the core values of these belief systems, which must precede any attempt to interrogate their commensurability.

This paper, therefore, proceeds from the assumption that a focus on values constitutes the most parsimonious approach to understanding how ideological forces come to occupy the vacuum created by the rapid social change associated with globalization. It is the core values of capitalism and democracy that are, paradoxically, responsible for much of its outward appeal and internal incoherence. The process of determining their commensurability begins by identifying those meaningful elements that constitute the essence of each ideology from which their respective value clusters are derived. These values are then classified according to a core-peripheral model that accounts not only for their valences and functions but also for the stability and change observed in belief systems. Next, an explicit interrogation of the compatibility of the two systems reveals deep ideological divergences despite apparent similarities concerning the nature of individual freedom. What this portends for the future of globalization as well as related attempts to study value change at the personal and social levels is briefly addressed in the final section.

### **The Essence of Capitalism and Democracy**

Although the concept of capitalism is more readily defined than that of democracy, in practice, it produces a variety of forms, which suggests that it is open to some interpretation (see Bowles, Edwards, and Roosevelt 2005; Fulcher 2004; Hall and Soskice 2001; Nölke and Vliegenthart 2009). Moreover, the dynamic nature of capitalism is a sign of its ability to evolve according to changing circumstances (Appleby 2010; Cox 1964; Rueschemeyer 1995; Shonfield 1965). Despite this history of transformations, its essence, based on a core cluster of values, might be rendered thus: *The self-interested competition between rational individuals for scarce resources in an efficient manner that respects monetary values*. This is not meant to be a formal definition in the sense of delimiting the parameters of its use, but an attempt to identify the meaningful elements that, in toto, distinguish capitalism from other economic systems. If one were to then parse its essence according to the main ideas therein, the major areas of its theoretical and normative contestation can be traced.

Capitalism rests upon the fundamental assumption of self-interest (Fiss 1992; Rand 1967). Because each individual always acts to secure their own happiness or satisfaction, a market system is necessary to harness such impulses for the ultimate benefit of society (Smith [1776] 1952). Whether it is the individual owner seeking greater profits, worker striving for higher wages, or investor after the best returns, all attempt to enhance their well-being through competition, which is predicated on their ability to acquire unlimited wealth and property (Heilbroner 1985). The degree to which markets and their participants ought to be free of government oversight that seeks to curb potential excesses is a topic of intense debate. From a neoclassical perspective, markets are inherently self-correcting; that is, they invariably arrive at a competitive equilibrium in response to the laws of supply and demand (Frank and Bernanke 2004). The only role of government, therefore, is to guarantee through legal measures and the coercive power of the state that contracts are honored, property protected, and profits secure (Friedman 1962; Hayek 1949). By contrast, free markets that lead to vast inequalities in wealth, or externalities, such as pollution, must be regulated in the form of prohibitions, taxes, or subsidies (Reich 2012; Stiglitz 2012).

A necessary corollary to the perpetual pursuit of self-interest, if it is not to result in harmful societal conflict, is an arena that sanctions competition – hence, the market. In order to ensure a level playing field, all competitors must have access to the same information concerning either the good itself or the circumstances under which it is traded (*cf.* Hayek 1949). Perfect competition thus arises when prices equal marginal cost, that is, the cost of producing one more unit of the good. Another characteristic of a competitive market is one in which a large number of buyers and sellers are unable to influence prices (Leach 2004). But the free exchange of goods does not always lead to the most efficient outcomes, usually rendered in terms of a Pareto optimal allocation. O'Neill (1998), for instance, writes that the market is often a source of ignorance due to competitive pressures that block the dissemination of relevant information, such as that associated with patents, intellectual property, and copyrights (*i.e.*, proprietary knowledge). When a single firm, as a consequence, is able to determine the prices of a particular product, its high cost will deter many potential buyers (Bowles, Edwards, and Roosevelt 2005). In this way, monopolies have detrimental effects on both competition and consumption. The same is true of oligopolies, which occur when a particular market is dominated by a few companies. Although agreements between them (*i.e.*, collusion) are prohibited according to antitrust laws, Mankiw (2009) demonstrates how the relentless logic of self-interest further deters any type of cooperative behavior.

Individual rational behavior is not only defined by the incessant need to compete even when it is ultimately detrimental to all involved, but also the degree to which decisions are based on economic principles, such as comparing marginal benefits and costs. The willingness to pay at the margin for some good is a sign that actions are consistent with objectives (O'Neill 1998). Rational individuals also respond to incentives, so that they may benefit, for example, from lower prices or government subsidies. In the case of public goods, those whose use is neither controlled nor whose consumption is restricted, the unwillingness to pay for them even though one receives benefits (the free-rider problem) is deemed a rational response (Leach 2004). On the other hand, individuals are often swayed by the emotional appeals or misleading information found in advertisements (Leiss *et al.* 2005). Mankiw (2009) counters that such behavior is not nec-

essarily irrational if choosing to buy a certain brand ensures a degree of quality. The collective effect of irrational tendencies on the overall economy in terms of reduced aggregate demand, lower production, and higher unemployment is what Keynes (1936) cites as the necessity for governmental monetary and fiscal policies aimed at its stabilization (*cf.* Friedman 1962).

Another driving force behind the self-interested competition between rational individuals is the assumption that there is a limited amount of resources available to satisfy everyone's needs (Daly and Farley 2011). While Heilbroner (1985) contends that such scarcity is a consequence of private property, most seem to regard it as a natural state of affairs best addressed by competitive markets (*e.g.*, Cox 1964). Accordingly, the price of a good is a measure of its scarcity (Bowles, Edwards, and Roosevelt 2005). Prices are thus the means by which demands for certain goods are restricted just as salaries (prices paid for labor) limit the relative supply of jobs insofar as an employer is unwilling to hire an additional worker if their pay exceeds the value of their marginal product (Marshall 1952). When scarce resources are used in the pursuit of profit rather than to determine if profits will be earned (*i.e.*, rent seeking), society does not benefit. This is often the case when firms compete with a monopoly, which then tries to deter them by producing fewer goods, thereby artificially inflating prices, or, alternatively, by lowering prices below the cost of production (Leach 2004).

Monopolies, just like externalities, are signs of inefficiency to the extent that they squander society's scarce resources. Unlike competitive firms that expand production until marginal cost is equal to the market price, monopolies restrict output even when demand is high. This may not necessarily lead to higher prices, however, due to factors concerning economies of scale or elasticity of demand (Marshall 1952). Still, monopolies typically incur the deadweight losses associated with a shrinking market, that is, less production and consumption. Asymmetric information also leads to deadweight losses because resources must be reallocated to address its consequences (Leach 2004). When a worker knows more than an employer, for example, the employer may choose to pay the worker an efficiency wage, one that is above the normal level, to ensure productivity and effort. All interventions, such as taxes and regulations, designed to address market failures likewise distort the price system thereby creating inefficiencies (*vide* Mankiw 2009). In order for a competitive market to produce the most efficient allocation of society's scarce resources, its participants must be mostly free from any outside interference (Vincent 1992).

Efficiency increases in production normally translate into lower costs, which mean more profits can be converted into greater returns for investors and/or higher wages for employers. Profits, in other words, can be seen as the monetary value of an economy's entire surplus product (Bowles, Edwards, and Roosevelt 2005). In a competitive market, higher efficiency also leads to lower prices for consumers. Consumption is thus an indicator of value, for those goods that have the most utility (*i.e.*, are most desired) are produced. They attain value only after they are exchanged in a contractual transaction that requires the transfer of money and property rights between economic agents (O'Neill 1998). In addition to value, prices reflect the cost of producing a good and the manner in which it is distributed and consumed (Polanyi 1944). Although market interventions are usually unwelcome because they affect prices, they can be advantageous when addressing an externality such as pollution (assuming that the affected parties can be iden-

tified – see Callon 1998). Similarly, official attempts to control the money supply in order to curtail inflation by raising interest rates, for example, are also controversial due to the uncertain outcomes of such constraints on overall economic activity. This controversy is symptomatic of a deeper divide between neoclassical assumptions of scarcity, marginality, and competitive equilibrium and those who subscribe to models based on uncertainty, disequilibrium, and imperfect markets (Rochon and Rossi 2003). For the latter, the role of government is irreducible in the constitution of monetary values (Parguez and Seccareccia 2000; Rodrik 2011).

These various lines of contention within capitalism mostly serve to reinforce the fact that they revolve around a core cluster of values – namely, self-interest, competition, and efficiency. When combined with guiding beliefs in rationality, scarcity, and quantifiability, they constitute the essence of capitalist ideology, which lies at the center of theoretical and normative inquiry. The same process of ideological corroboration and elucidation is next applied to democracy in order to establish a framework for comparative analysis.

Democracy is clearly a contested concept not only because it gives rise to a diverse array of political practices, but also due to the constant need to interpret its ideological nature (Bollen 1990; Dahl 1998; Held 2006; Lively 1975; Saward 2001; Schmitter and Karl 1991). In order to avoid the conceptual confusion (Collier and Levitsky 1997) and/or transformation (Wood 1994) that occurs when attempting to apply the term (*e.g.*, Schaffer 1998), its essence is derived by identifying those core values that cut across varying emphases (*cf.* Rokeach 1973). This distillation does not preclude the existence of other relevant values (*cf.* Beetham 2004; Foweraker and Landman 2002); rather, it affirms their importance as secondary or ancillary if proceeding from the democratic principle of popular rule. One cannot accept this principle without valuing freedom, participation, and equality – each value interwoven with the other. The democratic essence might thus be expressed as follows: *The informed participation of equals to govern their affairs in an uncoerced manner that respects collective values.*

Because democracy is not an either-or condition, the measure of its essential components is a matter of degree; hence, debate arises around the relative threshold of each component that is deemed acceptable. To what extent the members of a political community are informed is the first case in point. Some argue that very little information is needed to make democratic decisions (Lupia and McCubbins 2000), and that limited information does not affect one's capacity to make the reasoned judgments that Dahl (1998) claims depend on the access and competence to assess it. This raises further questions concerning both the source of and how information is acquired, especially when done through the media (Thompson 2001). On the other end of the spectrum are those (*e.g.*, Cohen 1989) who advocate for a deeper and deliberative mode of political practice that may entail a pragmatic focus on local problems and solutions (Fung and Wright 2001), or the need to arrive at collective decisions through the exhibition of reasoning and debate in public fora (Held 2006).

Where one falls on the 'informed' spectrum is closely related to the question of the manner in which citizens participate. There is a long-standing argument, emanating from Plato, that ignorance of political matters is commonplace, due to either a lack of interest, expertise, or competence (Lindsay 1929; McClosky 1964; Mueller 1999). Par-

ticipation in governing should thus be limited to professional politicians; the role of the masses is, according to Schumpeter (1942), to elect those deemed most capable of representing their interests. Alternatively, citizens can bypass representatives by taking part in referenda or ballot initiatives that have direct consequences for policy or legislation (Lupia and Matsusaka 2004). Budge (1993) argues that given the opportunity to decide on matters of immediate importance, citizens will become more informed, especially through public debate between experts and education programs on specific issues. Participation, therefore, ought to be both inclusive and substantive, although both can be easily undermined if such engagement entails a high degree of specialist knowledge and/or critical discursive skills that a significant number of citizens do not possess (Sanders 1997).

Subsumed within debates about participation is the notion of equality. Once the constituents of a political group are determined by either spatial or historical referents, the question turns to one of opportunity or outcomes. Political equality is achieved when each eligible citizen is allotted one vote of equal weight (Christiano 2008). Assuming that all citizens have equal access to their representatives and that their claims are addressed accordingly when binding decisions are made, a certain degree of equality attains regardless of the outcome (Dahl 1989). Young (2001) insists that structural inequalities not only trump such electoral attempts to consider everyone's interests, but that the very act of participating with institutions that perpetuate economic and social injustice only serves to reify inequality. The equal protection of interests is further challenged when this principle is extended to other species (Goodin 1996) or future generations (Dobson 1996). There is also the issue of majority rule, which in many ways is incompatible with equality, particularly when it results in the perpetual exclusion of minorities from political influence (Lively 1975).

Given the size and complexity of modern societies, the type of government does not simply follow from a knowledgeable group of citizens equally involved in decision-making. Realism dictates that not everyone can be involved in governing, for it would simply be too chaotic and a continual threat to political stability (Schumpeter 1942). Therefore, a small group of elected officials or representatives usually decide on policies that ought to reflect the will of the people (Dahl 1989). According to Pitkin (2004), representation discourages active citizenship while excluding most people from the opportunity to exercise power. Once power is entrusted to a group of professional politicians, the issues of accountability and transparency arise – both intimately linked to the political legitimacy that can only be conferred through consent of the governed. In addition to the constitutionally mandated separation of powers, citizens attempt to exert control over government officials through competitive elections, which constitutes a form of indirect rule (Held 2006). Still, this does not clarify whether representatives are to work on behalf of their constituents or if people should simply consent to government proposals (Lindsay 1929).

Depending on one's perspective, then, government institutions are either the guarantors or inhibitors of freedom. In addition to protecting freedom of speech and assembly, democratic constitutions ought to guarantee a free press so that people are not subject to propaganda, deception, and ideological indoctrination (McChesney 1999). In short, they must be free from any state interference that would prevent them from participating in the political process. Constitutions, however, can also be viewed as impeding citizens from making collective decisions (Holmes 1995). Laws emanating from

past generations can place limits on the power of the people to govern, even though they may also enable liberty by protecting citizens' democratic rights – one of which might be to alter or abolish the constitution. Citizens can also start or join political parties and have the right to elect their leaders. In these ways, freedom is preserved through participation (Dahl 1998). When political decisions reflect the institutional constraints under which they are made, though, Cohen (1989) argues that government is determined less by the people than by institutions. This has become exacerbated to the degree that individual rights have become a substitute for collective action.

The most controversial aspect of democracy is arguably the idea that the members of a polity share a unified purpose that is based on a set of collective values (see McClosky 1964). The common good can lead to a consensus on even the most divisive issues if the citizenry is given the opportunity to deliberate on them in public (Dryzek 1999). Policies and laws, as a consequence, should always follow from a popular mandate. Holmes (1995) insists that in absence of such a procedure, people are not obliged to obey any rules that have been decided without their consent. The notion that a homogeneity of views can be reached in large-scale democracies is dismissed as being impractical (Schumpeter 1942) or idealistic (Mueller 1999), however. Inclusive participation among an educated, free citizenry on an equal footing invariably leads to a plurality of interests vying for political influence. Rather than arriving at decisions that reflect a common purpose, majority rule becomes a menace to elite minorities (Levin 1992), or, conversely, excessive power is exercised by a select few who have the most political influence (see Hertz 2001). Either outcome is unwelcome insofar as it interferes with the incremental change that occurs as social values evolve.

Like capitalism, then, democratic theory clusters around a set of values and beliefs that constitute its ideological essence. And because capitalism and democracy are rooted in the liberal tradition, there is clearly some conceptual overlap between them (Vincent 1992). Both, for instance, advocate for the power of free individuals to collectively contribute to the betterment of society. Competition, a core component of free market ideology, plays a prominent role not only in the election of political representatives or leaders and the means by which factions or groups influence them, but also in the manner in which ideas gain democratic currency or legitimacy. In these and other ways, the two systems have become conflated as they have coevolved within the nation-state (Dahl 1998). Part of the confusion lies in an analytical focus on the procedures, attributes, or features of institutions, rather than the ideals they are designed to realize, because the former more readily provide an empirical basis for analysis (Lively 1975). However, if ideals are paramount, as Schaffer (1998) claims, then an apposite emphasis ought to be on their core values, for economic and political institutions manifest in complex forms that do not always reflect their underlying ideologies.

### **Value Clusters and Ideological Systems**

An ideology is an integrated system of attitudes, ideas, and beliefs that provides a limited or restricted view from which to act upon the world in a meaningful way (*cf.* Gerring 1997; Plamenatz 1970; Vincent 1992). In addition to its pejorative associations with an irrational or distorted outlook, this rendering of ideology draws upon a more neutral appreciation of it as a stable and comprehensive conceptual system for interpreting, acting upon, and evaluating the world (Jost, Federico, and Napier 2009; Knight 2006). At the core of ideology is a cluster of values that bind specific attitudes, beliefs, and ideas into

an internally consistent whole. The values themselves are aligned in a dynamic network without which the system cannot function, for when they are not activated, ideological responses tend to be indistinct. Coherence is thus an essential attribute of any ideology (Gerring 1997). As such, the term clearly applies to capitalism and democracy, both of which encompass a set of beliefs and values that have been stable over time and can readily be contrasted with competing ideologies.

Despite the widespread recognition of the ideological significance of core values, they have yet to be defined with any clarity or precision (*e.g.*, Alvarez and Brehm 2002; Feldman 1988; Hurwitz and Peffley 1987; Jacoby 2006; Pollock, Lilie, and Vites 1993; Wade-Benzoni *et al.* 2002). As a result, no attempt has been made to distinguish them from non-core values. Assuming the latter exist, then the nature of their interaction with core values, and the larger belief system of which they are an integral part, must also be established. Such a conceptualization of core values would appear to have implications for the debate over how modernization affects cultural values (*e.g.*, Inglehart and Baker 2000), while helping address apparent anomalies concerning the relative stability of value systems (Seligman and Katz 1996). It would further serve as a useful heuristic in the controversy over universal values, which is often implicit in globalization discourse.

Core values are analogous to universal principles that guide behavior independent of the situation toward an ideal state. As a result, they are relatively stable and enduring elements that permeate an entire ideological system. Core values, therefore, function as both a means and an end (*cf.* Rokeach 1973). Their centrality is also indicative of their interconnectedness with other values (*cf.* Rokeach 1968; Schwartz 1994). In the concentric model being proposed here, inner values occupy the adjacent ring to core values. They are also integral to the belief system but of a secondary or ancillary nature when compared with core values. Inner values are those that are nurtured, promoted, and transmitted by certain ideological practices. At the outer edge of this depiction are peripheral values, which can readily be replaced by others depending on the circumstances. They are not actual values, but quasi-values, insofar as a value cannot be only a means to an end. What must be stressed is that the lines between core, inner, and peripheral values are not sharply drawn, for non-core values in particular are subject to temporal alteration. This model thus accounts for the internal coherence and dynamic nature of value systems by positing a fixed or stable center encompassed by rings with varying degrees of mutability.

The core-inner-peripheral schematic depicts the particular valences of the values; that is, where they reside indicates their relative influence within the system. But beyond their potential power, values can also be classified according to their meaningful relevance within three domains (*cf.* Jost, Federico, and Napier 2009; Schwartz 1994). In the case of capitalism and democracy, both can be explained in terms of an interconnected set of existential, social, and ideal values (see Table 1). An existential value is one that concerns the needs of survival. For capitalism, self-interest, usually rendered in term of individualism, is its primary value. This seems to overlook the fact that such a value stems from a deeper need for protection from harm and might be better construed in terms of personal security. Democracy's existential value is self-rule, which, insofar as it entails freedom, is the flip side to security. Because individuals must function in concert with others in order to survive, there is the need for social values. From a capitalist perspective, the way to resolve conflict between individual interests is through competition in a free market. Democratic polities, conversely, seek to foster personal freedom through participation in civic groups whose members have equal standing. Although it is diffi-



cult to realize in practice, equality is the ideal state for citizens in a democracy. On the other hand, efficiency is the ideal value that guides market exchanges, technological innovations, and capitalist relations in general.

*Table 1*

**Core-Peripheral Model of Value Clusters**

<b>Capitalist Values</b>			
	<i>Core</i>	<i>Inner</i>	<i>Peripheral</i>
<i>Existential</i>	Self-Interest	Ambition Innovation Rationality Self-Reliance	Self-Rule
<i>Social</i>	Competition	Consumption Expansion Prosperity Specialization	Participation
<i>Ideal</i>	Efficiency Freedom	Authority Control Equilibrium Security	Equality
<b>Democratic Values</b>			
	<i>Core</i>	<i>Inner</i>	<i>Peripheral</i>
<i>Existential</i>	Self-Rule	Empowerment Opportunity Respect Self-Restraint	Self-Interest
<i>Social</i>	Participation	Compromise Cooperation Tolerance Welfare	Competition
<i>Ideal</i>	Equality Freedom	Benevolence Fairness Justice Understanding	Efficiency

**Comparative Analysis of Capitalist and Democratic Values**

As indicated earlier, both capitalism and democracy extol individual freedom insofar as it leads to socially desirable ends. That they both share an enduring faith in the power of the unfettered citizen and/or consumer might be the strongest argument that the two systems are in fact complementary. Capitalist and democratic interpretations of freedom indicate that the discontinuities that do exist between them are merely one of emphasis. That the individual is free from the arbitrary power or authority of the state as manifest in various economic policies and regulations constitutes a rather negative rendering, whereas the freedom to govern one's affairs by forming coalitions of like-minded citizens lends a positive air to democratic participation. Capitalism thus tends to measure

freedom quantitatively in terms of fewer constraints on amassing more capital or greater profits. By contrast, the liberty to realize one's potential by developing the requisite skills or establishing certain relations is best determined through qualitative measures. Despite such focal variance, both capitalism and democracy arose primarily in response to totalitarian forms of social organization that placed significant physical and intellectual constraints on self-determination. They thus share many of the same assumptions of how best to achieve individual liberty. Ideals, such as freedom, however, are not conceptual isolates, but part of larger value clusters, comparative analysis of which is intended to determine their commensurability.

From an existential perspective, being in control of one's life is a necessary corollary to protecting one's interest. Security is at best uncertain for those who cannot govern their own affairs. The pursuit of self-interest, as well, presumes a degree of danger or risk from which freedom is sought; that is, security is based on a sense of existential fear, which arguably entails a lack of trust. This becomes compounded in a world of ostensible scarcity. Preoccupation with one's security amongst mostly unknown or unknowable others who are also obsessive about furthering their interests compels competition over limited resources. While private property is the primary means of protecting oneself from exploitation, the consequences of the competitive interaction of isolated individuals point in an orthogonal direction from one with an initial focus on self-rule.

Democracy is not as preoccupied with individual achievement as it is the collective ability to define the parameters of self-determination via the implementation of policies and laws. And although they ultimately demand conformity, their establishment can only occur through the uncoerced involvement of free individuals. This ensures that they are neither arbitrarily enacted nor unanticipated but are impartially applied to all. Self-centered participation is the antithesis of the democratic ideal of disinterested service on behalf of fellow citizens, for it erodes the basis of democratic practice, which presumes that others, particularly leaders, can be trusted. Debate, discussion, and deliberation over competing ideas likewise depend on the moral integrity, or trustworthiness, of the participants. This is a key distinction, because unlike capitalism, trust affirms a basic goodness in everyone. Indeed, the market system has often been lauded as the best way of harnessing the unsavory impulses – most notably, greed – of economic actors, even though their relations also presume a large degree of trust.

Furthermore, the zero-sum nature of market competition between self-interested individuals inevitably leads to a hierarchical social order. As has been well documented, the concentration of wealth that accrues from capitalist activity often translates into inordinate power that is exercised in various ways, such as capital flight, political lobbying, and the control of financial markets. Equality clearly cannot coexist with an economic system that restricts participation while creating formidable imbalances between winners and losers. Moreover, a system that is based on the division of labor in order to attain greater productivity with the least amount of human effort (*i.e.*, efficient) is inimical to a sense of public welfare to the extent that it fosters group 'self-interest' competing for political advantage. In other words, the imperatives of efficiency are hard to reconcile with democratic values. However circumscribed, political activity that endeavors to be inclusive is time and energy intensive, particularly if it strives to be accountable and transparent; the same is true for political processes that emphasize fairness and tolerance as requisite to achieving egalitarian ends. Put differently, equality facilitates the process of free individuals participating in collective decision-making,

whereas efficiency facilitates the process of self-interested individuals competing over scarce resources. Attempts to make the former more efficient by either limiting the number of participants through representation or by simplifying the type of decisions to be discussed leads to various degrees of inequality. Similarly, attempts to level the playing field by implementing progressive taxes, for example, or via the more equitable distribution of resources tends to introduce inefficiencies into the free market system.

As discussed earlier, despite such inconsistencies between their core values, capitalism and democracy share a high regard for freedom. This is due to the liberal conviction that, although people may differ in their capacities or endowments, all should be treated according to common standards. As a result, everyone is free to pursue their own interests in a manner they deem best. Any efforts to ensure equality in the name of justice or fairness through differential treatment, for instance, constitute a diminution of freedom. Inequality, in other words, is a natural consequence of freedom. However, if equality is the basis of liberty, as it must be because inequalities perforce impinge on people's freedoms, then those who support liberty cannot oppose equality in absence of contradiction. An apt illustration of this axiom concerns the capitalist presumption of private property, whose concentration in the hands of the few deprives the many of their means to independence for the very reason that its ownership protects individuals from coercion by establishing a legally sanctioned space that is not subject to outside interference. Part of the difficulty here lies in the conceptual confusion enabled by the various ways equality is interpreted; namely, in terms of ability, opportunity, or outcomes – all of which rest on the ontological issue of human essence. Where one comes down on the nature/nurture side of this divisive question determines to a significant degree one's understanding of equality, which, in turn, will be reflected in an expansive or restricted appreciation for freedom.

Before exploring this distinction further, it is important to note that the tensions between freedom and efficiency are likewise not easily reconciled. Efficiency justifies the division of labor and the exploitation of resources to achieve the highest level of productivity at the lowest cost, thereby placing physical and intellectual restrictions on work conditions while impinging upon the rights of both present and future generations to a quality of life insofar as it limits access to an adequate material base or compromises the integrity of natural systems. Moreover, efficiency gains that result from technological progress tend to reduce the number of workers, which increases competition for less-desirable jobs, thus curtailing opportunities. When technological progress is not feasible, wage reductions are a means of reducing costs. Lower salaries are apt to restrict people's economic prospects while placing manifold constraints on personal development. In these ways, freedom is diminished in the name of efficiency.

An expansive orientation of freedom, by contrast, rejects any hindrances to the realization of individual thought, expression, development, or potential until or unless such liberties place unwarranted limits on others, which constitutes a violation of the principle itself. The ideal, then, subsumes a robust rendering of not only equality but also universality: either everyone is free or no one is, for any individual deficit ultimately accrues to all. Freedom is thus the basis of personal well-being and requisite to the long-term health of society. From a capitalist perspective, freedom is more narrowly defined in terms of economic agents pursuing their interests in absence of the threat of force; as a value, it is essentially a means to personal enrichment, and only for those with the wherewithal (*i.e.*, capital) to participate. Individuals are free to act in a way that brings the most benefit, but within a system that constantly provides inducements or

compels certain responses. Besides, there are government regulations that, although viewed as a necessary evil, establish the parameters of free enterprise, and, in concert with the aforementioned systemic constraints, constitute a type of bounded freedom that distinguishes it from the democratic ideal.

The aforementioned incompatibilities between capitalist and democratic values appear to point toward a deeper divergence over fundamental questions concerning human nature, human relations, and human-nature relations. That humans are essentially good is axiomatic to the democratic process whose integrity is undermined when people attempt to mislead others or cannot be entrusted to represent them. Ideally, social institutions ought to cultivate and reward desirable behavior. For the capitalist, human nature is inherently corrupt; therefore, social institutions must constrain, discipline, or channel inevitable harmful activity toward positive ends. Hence, the emphasis on markets and the laws designed to enforce proper economic activity. Because prices communicate essential information to market participants, there is little need to know the causes and consequences of any economic transaction. Ignorance of others is a given, and, as a result, their motives are to be treated as circumspect. Conversely, equal treatment is the *sine qua non* of democratic interaction, which, if it is to be genuine, must be based on the respect of each person as an autonomous agent capable of development. Tolerance of diverse ideas and opinions is further necessary to avoid potential conflict. If the formal democratic rendering of equality were stripped of its flagrant anthropocentrism, then humans would be compelled to acknowledge a fundamental reciprocity with the non-human world. Reciprocal relations imply recognition that other species are an integral part of the earthly community and thus have intrinsic value. Capitalism, on the other hand, treats nature as a resource whose instrumental value is its utility to humans. Control and dominance over natural phenomena, including all other species, define this relationship, which presumes an implicit hierarchy with humans at the apex. In sum, democracy and capitalism appear to evince diametrically opposed orientations toward essential questions concerning core beliefs and values.

### **Conclusion: A Clash of Core Values**

To suggest that capitalism and democracy occupy antithetical poles on a continuum of values is to infer that they are based on incongruent worldviews whose ultimate terms of reference differ. If the core values of these apparently heterogeneous ideologies are contradictory, then why has this not been subjected to more scrutiny, especially as they have been propagated under the guise of globalization? Despite an intense focus on the nature of sociocultural evolution in a rapidly changing world, globalization theorists tend not to address this seminal conflict whose implications extend from one's sense of self and security to the viability of the nation-state and the international order of which it is an essential part. An emphasis on core values, moreover, would presumably lend important insights into the paradoxical or ambiguous nature of global processes.

Given that social institutions are the primary source of values for most people, particularly to the extent that they embody and/or promote specific ideologies, studies should examine the consequences of a clash of values from a broad perspective. Questions such as the following might be addressed: To what degree is social conflict and instability related to the fissures created by the constant friction between capitalist and democratic values? Is there convincing evidence that in places where these value systems appear to co-exist that the inherent antagonisms between them have been obfuscated or concealed?

What consequences arise from the fact that global forces blithely transgress the shared values that establish group affiliations or cultural boundaries? What is the role of legal, political, educational, economic, and media institutions in the transmission or diffusion of values? How do historical, cultural, or national factors influence the adoption of incommensurable value-belief systems?

Attending to such questions would be an important first step toward understanding whether the capitalist-democratic dynamic that comprises the essence of globalization is one that ought to be lauded as an enabler of peace and prosperity or shunned as a precipitator of social strife. This study, although a cursory attempt at analyzing an issue of considerable depth – one clearly in need of further theoretical explication and empirical validation, has attempted to provide a replicable model of core values to guide further inquiry. The preliminary findings outlined above indicate that there are serious discontinuities and contradictions within the predominant socioeconomic system currently in use by a majority of the world's population, acknowledgement of which would seem to warrant a re-evaluation of its long-term feasibility.

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