

Is there a Progressive Future for America?

Bruce Ackerman

America is becoming a poorly disguised plutocracy.<sup>1</sup>

There can be no disputing the basic facts: Between 1979 and 2006, the top one percent's share of total income grew from 9% to 19%. And the problem is getting worse, not better. During the boom between 1993 and 2008, the top one percent took more than half of the total increase in national income, as economists Thomas Piketty and Emmanuel Saez have established in path-breaking work. They also show that that the top one-tenth of one percent is doing even better. The elite's share of the national income has quadrupled over the past forty years -- growing from 1.28% in 1979 to 5% in 2008. <sup>2</sup>

Wealth is even more concentrated than income. According to data compiled by the Federal Reserve, the top 1% owned 35% of the disposable wealth, as opposed to 21% of the income, in 2006-2007.

At the same time, thanks to the Supreme Court, the new plutocrats can overwhelm the political system. The conservative Koch brothers, for example, plan to spend nearly one billion dollars during the next election campaign. This is almost as much as each of the two national party organizations.

The question all this raises is simple enough: What is future of democracy in America?

One thing should be clear. The prospects are grim unless Progressives can come up with a new reform agenda that will enable ordinary Americans to take charge of their political and economic lives. Over the past fifteen years, my colleagues and I have taken up this challenge to make four practical proposals that add up to a "citizenship agenda" for the twenty-first century. One or another proposal has already had an impact, both in American and abroad. But It will be enough for now to set out four reform initiatives in a summary fashion, and leave it to the panel to discuss their future chances of real-world success.

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Begin with the problem of big money in politics. The top one percent of Americans give over ninety percent of the money to political candidates.

To change the system, we need something new: Give every voter a special credit card account containing \$50 that they can spend only on federal election campaigns. Armed with their cards, voters could go to local ATM machines whenever they liked and send their "patriot dollars" to favored candidates and political organizations.

About 130 million Americans went to the polls in 2012. If they also had a chance to go to their ATMs, they would have injected about \$6.5 billion federally funded patriot dollars into the campaign -- greatly diluting the power of the private \$5.2 billion spent by all federal candidates, and their nominally "independent" campaign supporters, during the last electoral cycle. <sup>3</sup>

There are lots of key details that must be resolved in transform this idea into a workable program: Ian Ayres and I work out these problems at book length in *Voting with Dollars*.<sup>4</sup>

But for now, consider the way a functioning program would invigorate the politics of ordinary citizenship. When each American voter has 50 patriot dollars in his pocket, candidates will have a powerful incentive to reach out and grab it. Fundraising will become a community affair - a box lunch for 100 can gross \$5000! These outreach efforts will provoke hundreds of millions of conversations: Who should get the money? Who is a charlatan and who is really concerned about the country?

Patriot has many merits, but one great limitation. Once citizens go to their ATMs to beam their patriot money onward, the candidates will continue to spend most of their cash on sound-bite appeals to hot-button issues. Patriotic

finance will redistribute the sound-bites, emphasizing themes with greater resonance for ordinary citizens. But we will still be living in a sound-bite democracy, and this isn't good enough.

The next challenge is to provide citizens with the tools they need to move beyond the media blitz, and engage in thoughtful political discussion. An exemplary model is the American jury. Twelve men and women begin in total ignorance, but they learn a lot during the course of the trial. After hearing competing arguments, and reasoning together, they regularly - if not invariably -- come up with perfectly sensible conclusions.

The task is to design a similar format for politics. Working with my friend, Stanford political scientist Jim Fishkin, we've come up with a practical proposal based on a new technique, Deliberative Polling, which has been field-tested in more than 100 settings throughout the world - from Australia to Bulgaria, China to Denmark, Brussels to Philadelphia.

Each Poll invites a few hundred citizens to spend a week-end deliberating on major issues of public policy. Before they arrive, participants respond to a standard questionnaire that explores their knowledge about, and

positions on, the issues. They then answer the same questionnaire after completing their deliberations.

Comparing these before-and-after responses, Fishkin and his team of social scientists have rigorously established that participants greatly increase their understanding of the issues and often change their minds on the best course of action. Ten percent swings are common. No less important, participants leave with a more confident sense of their capacities as citizens.

These experiments suggest a new way of thinking about democratic reform. In our book, *Deliberation Day*,<sup>5</sup> Fishkin and I urge the creation of a new national holiday, held two weeks before critical national elections. Ordinary business will come to a halt, and citizens will be invited to gather at neighborhood centers to discuss the central issues raised by the leading candidates for the presidency. Nobody will be forced to attend, but as with jury service, participants should be paid a stipend for the day's work of citizenship.

DDay begins with a nationally televised debate between the candidates, who discuss the leading issues in the traditional way. But citizens then deliberate in small groups of fifteen, and later in larger plenary assemblies. The small groups begin where the televised debate leaves

off. Each spends an hour defining questions that the national candidates left unanswered. Everybody then proceeds to a 500-citizen assembly to hear their questions answered by local representatives of the major parties.

After lunch, participants repeat the morning procedure. By the end of the day, citizens will have moved beyond the top-down television debate by the leading candidates. They will achieve a bottom-up understanding of the choices confronting the nation. Discussions begun on DDay will continue during the run-up to Election Day, drawing tens of millions of other Americans into the escalating national dialogue.

If Deliberation Day succeeds, sound bite democracy will end. Candidates would have powerful incentives to create longer and more substantive "infomercials." Newscasts would be full of exit polls determining the extent to which DDay discussions had changed voting preferences - framing the intensifying debate that culminates only on Election Day. While there will always be plenty of room for a politics of personality, the new system would put the focus where it belongs: on the crucial issues determining the future of America.

Once again, our book works out the proposal in detail. The task here is to place the proposal into the

larger context defined by the patriot dollar initiative. In our present sound-bite democracy, voters are bombarded by hot-button slogans generated by well-financed special interests: the point is to arouse knee-jerk reactions, not informed judgments. So it's no surprise that most voters go to the polls with only the vaguest understanding of the issues.

But once they are provided with new tools for engagement, voters will be in a position to take their citizenship seriously. From the very beginning of the presidential campaign, candidates will be reaching out to them with great vigor - if only to pick their pockets and get at their patriot dollars. As citizens begin "to vote with their dollars," Deliberation Day will loom on the horizon. Candidates will no longer spend most of their money on 30-second sound-bites. They will be beaming longer "infomercials" to enable partisans to state their case intelligently on DDay. By the time Election Day arrives, voters will go to the polls with a far better sense of the stakes before the nation, and the nature of the rival responses proposed by the candidates.

The democratic promise of DDay can be further enhanced by an ongoing effort to shape the internet as a force for citizenship deliberation. Despite the vibrancy of the

blogosphere, the hard truth is that the internet is destroying professional journalism. The speed of this transformation is extraordinary. In the United States, the overall number of newspaper reporters and broadcast news analysts has already dropped from 66,000 in 2000 to 52,000 in 2009, with devastating cuts in the Washington press corps.<sup>6</sup> This is only the beginning. The very existence of journalism is at stake. We are losing a vibrant corps of serious reporters whose job is to dig for facts and provide both sides of the story in a relatively impartial fashion.

The blogosphere can't be expected to take up the slack. First-class reporting on national and international affairs isn't for amateurs. It requires lots of training and lots of contacts and lots of expenses. It also requires reporters with the well-honed capacity to write for a broad audience - something that eludes the overwhelming majority of academic specialists and think-tank policy wonks. And it requires editors who recognize the need to maintain their organization's long-term credibility when presenting the hot-button news of the day. The modern newspaper created the right incentives, but without a comparable business model for the new technology, blogging will degenerate into a postmodern nightmare—with millions spouting off without any concern for the facts.



Enter the internet news voucher. Under my proposal, Internet users click a box whenever they read a news article that contributes to their political understanding. These reader "votes" are then transmitted to a National Endowment for Journalism, which would compensate the news organization originating the article on the basis of a strict mathematical formula: the more clicks, the bigger the check from the Endowment.

Some might find this prospect daunting. Readers may flock to sensationalist sites and click to support their "news reports." But common sense, as well as fundamental liberal values, counsels against any governmental effort to regulate the quality of news.

Nevertheless, some basic restrictions should apply. For starters, the government should not be in the business of subsidizing libel. It should limit grants to news organizations prepared to put up an insurance policy to cover the costs of compensating people whose reputations they destroy through false reporting. This means that a news organization must go into the marketplace and satisfy an insurance company that they have the resources to do serious fact-checking. It's only if they pass this market test that they can open their voucher account with the National Endowment.<sup>7</sup>

The resulting system will bear a family resemblance to Voting with Dollars and Deliberation Day. The National Endowment sets up a voucher system that, like patriot dollars, permits the decentralized show of support by concerned citizens. Like Deliberation Day, it engineers a credible micro-context for the responsible exercise of citizenship - but this time on a day-to-day basis.

No need to exaggerate. I am not conjuring up some mythic version of Periclean Athens. I am not asking modern Americans to don their togas, but to click their computers, send patriot dollars via ATM machines and talk to their neighbors at local community centers - while spending most of their time earning a living and leading a fulfilling personal life. I am not longing for some brave new world, but one where ordinary citizens can check the power of big money to control our sound-bite democracy.

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Real reform in politics comes cheap. The patriot dollars initiative would cost about \$2 billion dollars on an annualized basis (\$6.5 billion during presidential elections, \$2.5 billion during mid-term elections). The National Endowment for Journalism would have a huge impact if citizen-clicks could direct \$1 to \$2 billion dollars a year to journalistic sites.

DDay is also pretty cheap. Running the facilities would cost about \$2 billion if 50 to 70 million Americans show up.<sup>8</sup> The big cost comes in creating a new national holiday - which would more-or-less close down the economy, losing a day's economic output. But we can avoid this large "opportunity cost" by celebrating President's Day in late October rather than the middle of February. I'm very confident that George Washington and Abe Lincoln would applaud the move - since a Day of Citizen Deliberation would serve as a superior memorial than the current consumerist orgies at the Presidents' Day Sale!

Once we move from political to economic citizenship, we confront big price tags. Only a large initiative has the chance to stop the spiraling inequalities that endanger the future of democratic life.

America is becoming a four-class system. Below the plutocrats, about 30 percent of the nation's children will graduate from four-year colleges and move into the ranks of the professional class. But the next large group, who graduate high school or a two-year college, will fail to share in the prosperity of these symbol users. To be sure, they won't confront the long-term unemployment that threaten the bottom fifth who drop out of high-school. But

that is small consolation to the fifty percent who make up the old "working class."

If progressives don't confront these gaps, conservatives will continue to exploit working class anxieties to create a backlash against a welfare state that seeks to help the bottom fifth of Americans sustain a minimal economic livelihood. There is a big hole here in the our vision of economic citizenship, and Anne Alstott and I try to fill it in our book, *The Stakeholder Society*.<sup>9</sup>

Our idea is simple: As a birthright of citizenship, each American should be guaranteed a stake of \$80,000 as he or she confronts the challenges of life as a young adult.

This stake will allow the typical college graduate to start off life without a crippling debt burden. The initiative will yield even greater gains for the 7 out of 10 Americans who never gain the economic autonomy that a four-year degree provides. An \$80,000 nest-egg will provide average Americans with a rough-and-ready sense of economic independence, permitting them to confront the labor market with their heads held high.

Stakeholding creates a new institution - citizenship inheritance - to compete with traditional family inheritance. In contrast to right-wing efforts to eliminate the "death tax" on the rich and super-rich, the citizenship

agenda offers a more democratic vision. The nation's wealth, after all, is the product of generations of work by all Americans - the policeman on the beat, the teacher in the school, no less than the financial wizards on Wall Street. Stakeholding recognizes this basic point by granting all citizens a share of the nation's wealth as they start out in life, when they need it most.

Before they can claim their \$80,000, Americans will have to complete high school. The fifteen percent who drop out will only receive the interest on their stake, not the principal. But for the rest, there will be no strings attached. For the first time in a long time, ordinary Americans will have a real taste of economic freedom.

Some might throw away their \$80,000 on frivolities. But the abuse of freedom by a few should not deprive the vast majority of a genuine opportunity to shape their lives while they are young. Today most men and women in their early twenties live lives of quiet desperation. Astonishingly, normal Americans in their early twenties face an unemployment rate similar to high-school dropouts.

Here is where stakeholding makes its special contribution. Eighty thousand dollars would keep some in college who would otherwise drop out, and send others to

college who can't afford it today. Others will decide that university isn't for them, and will use their \$80,000 to gain technical education, pay off debt, buy a house, or otherwise gain a stable foothold in adult life. Since they must complete high school to gain full control over their citizenship inheritance, young Americans will have a powerful incentive against dropping-out. The overwhelming majority of Americans will enter adult life with their head held high, with the right to a fair starting point in economic life.

All this comes with a new tax, but one that gets to the heart of the problem, hitting only Americans in the 3 percent at the top of the wealth distribution. About three and a half million Americans would qualify for stakeholding each year. Based on data reflecting the impact of the current recession, we estimate that \$80,000 stakes can be funded by an annual wealth tax two percent on households with assets above 1.5 million dollars. This estimate assumes a 28 percent tax evasion rate; if the economic elite prove to be more responsible, their tax rate would be lower.<sup>10</sup>

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Will the rising generation seize the moment by bringing dynamic new ideas to the table, or will they content themselves with minor reforms that fail to confront twentieth century realities.

Fifty years ago this month, Martin Luther King Jr. led the march at Selma which finally broke the log-jam that enabled blacks to vote throughout the United States. While I'm happy to talk about the short-term prospects of the citizenship agenda, this will be a generational project. So let me close with a glimpse at the year is 2030.

Citizens are now voting with their patriot dollars; they are debating stakeholding at Deliberation Day, after considering its merits through the vibrant journalism established under the National Endowment for Journalism. They are now going to the polls to provide an electoral mandate to progressive candidates to guarantee every citizen a substantial stake when starting out in life.

Or maybe they will come up with a more attractive and effective citizenship agenda that makes sense of twenty-first century aspirations?

Americans have done it before; they can do it again.

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<sup>8</sup> Federal Reserve Board, *Survey of Consumer Finance* (Washington DC: Federal Reserve Board, 2007).

<sup>7</sup> Thomas Piketty & Emmanuel Saez, "Income Inequality in the United States, 1913-1998," *Quarterly Journal of Economics*, 118, no. 1 (2003): 1-39, updated version in A.B. Atkinson and Thomas Piketty eds., *Top Incomes Over the Twentieth Century* (Oxford: Oxford University Press, 2007), 141-225.

<sup>1</sup> Blair Bowie & Adam Lioz, *Billion Dollar Democracy* (Washington D.C: Demos/U.S. PIRG: 2013), 3. These provisional figures will doubtless be refined in later analyses.

<sup>2</sup> Bruce Ackerman & Ian Ayres, *Voting with Dollars* (New Haven: Yale University Press: 2002).

<sup>3</sup> Bruce Ackerman & James Fishkin, *Deliberation Day* (New Haven: Yale University Press: 2004).

<sup>4</sup> My report on job losses in journalism is derived from the Bureau of Labor Statistics, which changed its reporting



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categories in 2004. Before then, it aggregated journalists working in newspapers and broadcast news into a single group. More recently it has treated "broadcast news analysts" and "reporters and correspondents" separately. My own figure for 2009 adds the two categories together, to permit comparison with the 2000 report. Compare Bureau of Labor Statistics data for 2000 at [www.bls.gov/oes/2000/oes273020.htm](http://www.bls.gov/oes/2000/oes273020.htm) with data for 2009 at [www.bls.gov/oes/current/oes273022.htm](http://www.bls.gov/oes/current/oes273022.htm) and [www.bls.gov/oes/2009/may/oes273021.htm](http://www.bls.gov/oes/2009/may/oes273021.htm).

For thoughtful qualitative assessments, see Robert McChesney & Victor Pickard eds., *Will the Last Reporter Please Turn Out the Lights: The Collapse of Journalism and What Can Be Done to Fix It* (New York: The New Press, 2011).

<sup>5</sup> For further (important) design issues, see Bruce Ackerman, *The Decline and Fall of the American Republic* (Cambridge: Harvard University Press, 2010), 133-35; Bruce Ackerman, "One Click Away: The Case for the Internet News Voucher," *ibid.*, 299-306.

<sup>6</sup> Ackerman & Fishkin, *Deliberation Day*, 221-227.

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<sup>9</sup> Bruce Ackerman & Anne Alstott, *The Stakeholder Society* (New Haven: Yale University Press, 1998).

<sup>10</sup> Since Alstott and I published our book in 1998, we hired Professor Edward Wolff, a leading expert in the field, to update our calculations on the basis of the Federal Reserve's 2007 data, updated to 2009 to reflect the onset of the recession. The estimate in the text is based on Professor Wolff's analysis.