

CHAPTER 2

WHAT KIND OF A SOCIETY IS “AMERICAN SOCIETY”?

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The starting point for our exploration is to understand precisely what *kind* of a society we are talking about when we refer to “contemporary American society”? But first, what exactly does it even mean to ask the question: “What kind of society do we live in?” This kind of question has a pretty clear meaning when it comes to living organisms. Suppose you are walking through a woods and you come across a strange animal. Everyone knows what it means to wonder, what kind of a creature is this? For animals there is a well-established set of questions one would ask: Does it have a skeleton? Does it breathe air? Is it warm-blooded? These are not just random questions; they come from a very developed scientific framework rooted in evolutionary biology, which tells us what sorts of questions we need to ask in order to properly classify a strange unknown creature within the range of variation of living things that have been studied by biologists. The same thing can be said if you come across some peculiar, as yet unknown substance and you want to know what kind of a substance it is. Chemistry has a periodic table of elements and a powerful and elegant scientific theory of how these elements get combined into the fantastic variety of molecules that make up the physical world. After a careful chemical analysis of the substance you will have a systematic answer to the question, “what is this?” Of course, it could turn out that the questions we asked were unsatisfactory and produced contradictory answers, or no answers at all, and this would provoke some rethinking of our classification menu. Discoveries of new species and new elements can lead to new understandings of the underlying logic of classification. But at least in both of these bodies of knowledge there is a broad consensus on how to classify the things in the world.

Social science is not as developed as evolutionary biology or chemistry, and there is certainly less consensus about what are the most salient characteristics of a society that one needs to identify in order to answer the question “what kind of society is this?” Think of the problem this way: Suppose, you were dropped into another country today — Japan or Sweden, Guatemala or Nigeria, or into the United States in a different era — 1710, 1810, 1910? Suppose, though, that everyone talked exactly like Americans do today. What would tell you that you were not in the contemporary United States? What would you look for? If you were blindfolded, what questions would you ask? Which questions would be more important than others?

This chapter will explore our answers to the general question “what kind of society is this?” Some of these may seem obvious, but they are worth noting in order to situate the United States in the world, comparatively and historically. Others may be less familiar. We will organize our answers under a number of quite general headings -- technology, economy, inequality, politics, militarism, gender, social cleavage, immigration, culture, violence. In the chapters that follow we will provide much more detail on many of these topics, but it will be helpful from the outset to sketch the salient characteristics of each in order to get a general descriptive picture of American Society.

1. TECHNOLOGY

Many people believe that the core technology that a society uses in economic production is the most important single characteristic that distinguishes one society from another. If you take all of human history and all of the societies that have ever existed and wanted one single piece of information that would tell you something of central importance about what it means to live in that society, technology would certainly be a good candidate. It matters hugely whether the means of production in a society are simple hand tools or complex power driven machines, whether food is acquired primarily through hunting and gathering or through machine-intensive and chemically-enhanced large-scale agricultural.

We are a technologically advanced industrial society moving towards what is sometimes called post-industrialism or the knowledge economy or the information society. What precisely does it mean to say that we have a “high” level of technological development? The main idea here is that the techniques we use to produce things are highly productive: it takes fewer inputs to produce a given amount of output than it did in the past. There was a time, not so long ago in historical terms, in which nearly all people had to spend most of their time producing food in order for everyone to have enough to eat. Today in the United States less than 2% of the labor force has to work in agriculture to produce more than enough food for the 300 million people who live in this country. That is what is meant by “high productivity” and developed technology.

As an economy becomes more and more productive, human time is liberated for various new activities. When we say that we are becoming a “post-industrial” society what we mean is that most people now earn their living by producing services of various sorts rather than physical things. But of course, this is only possible because we produce physical things so productively. Human life is no less dependent on food now than 40,000 years ago. The difference is that human time is vastly less absorbed in the activity of producing food.

It is important to remember how recent a development this is and how different from most of the world it is. Two empirical indicators of these changes are especially striking: the shift from rural to urban living, and the transformation of the occupations people have in order to make a living. In 1860 around 80% of U.S. population was rural and about half of labor force was in agriculture. This is still basically the case in the world’s two most populous countries at the beginning of the 21st century: in India 60% of the labor force works in agriculture (2003) and 71% of the population live in rural areas (2007); in China the figures are 43% (2006) and 58% (2007).¹ By the 1940s the majority of Americans lived in cities and a bit under 20% worked in agriculture. Today we are overwhelmingly an urban society and less than 3% are employed directly in agriculture (see Figure 2.1).

-- Figure 2.1 about here --

2. THE ECONOMY

When we talk about “the economy” we are talking about all of the ways in which people produce the goods and services used and consumed in a society. Economies vary in many different ways. One of these we have already mentioned as a distinct category: technology. But there are a range

¹ CIA, *The World Factbook* (<https://www.cia.gov/library/publications/the-world-factbook/>) and The World Bank, *World Development Indicators 2009*

of other very important features of the American economy that systematically shape the kind of society we live in. What kind of economy does the United States have today? A number of features are especially salient: It is a type of *capitalism*, dominated by *giant corporations*, with *weak unions*, and relatively *weakly regulated markets* which exist in an increasingly *globalized system of economic interactions*. Let us look at each of these characteristics in turn.

Capitalism

Sometimes people simply say that the United States has a “market economy” or a “free market economy,” but it is more precise to say that the American economy is *capitalist* economy. That means three things need to be true:

1. *Markets for Exchange*. Production is organized for the market rather than for immediate use by the producers. This means that things are produced in order to be sold rather than to be directly consumed by the people who produce them or to be made freely available to others. This is the difference between a growing food on a farm rather than in a family garden.
2. *Private ownership and control of investment*. The firms which organize production are privately owned rather than owned by a public body like the state or a city or a community. The private owners of these firms can buy and sell those firms in markets. As owners, they also have freedom to dispose of their property as they see fit. Crucially, that includes property they allocate to future economic activity, or investment.
3. *Markets for Labor*. The people who work in firms are hired on a labor market to work in firms as employees; they are not themselves the owners of the firm. There are, of course, within capitalist economies, some worker cooperatives – worker-owned and run firms – but these are special, interesting cases of noncapitalist firms operating within capitalism. If all firms were fully owned by their employees then the economy would no longer be an instance of capitalism.

The world has not always had capitalist economies. Until five hundred years or so ago, in fact, capitalism was rather rare, occupying at most small niches in economic life. The United States has also not always really been fully capitalist. At the time of the American Revolution at end of the 18th century while the new country definitely had a market-oriented economy, it was not pervasively capitalist. Perhaps 65% or so of the labor force outside of the South was self-employed as small farmers owning their own farms and means of production, and in the South many laborers were slaves.² Only a small minority of people earned their living by selling their labor. A hundred years later in the period after the Civil War capitalism was certainly well underway and constituted the dynamic force in the American economy, particularly once the process of industrialization took off. Still, in the 1870s, over 40% of the labor force was still self-employed. While slavery was abolished in the South, many ex-slaves had become sharecroppers and in many ways still operated under severe forms of direct coercion rather than as free laborers. So even though capitalism was well established in much of the country and a

² In 1800, about 70% of the free labor force worked in agriculture (calculations from data in Stanley Lebergott, *Manpower in Economic Growth: The American Record Since 1800*. New York: McGraw-Hill, 1964, p. 102 and 510). Consistent self-employment data are only available from 1900, but we can assume that almost all the free labor force employed in agriculture was self-employed in 1800.

class of industrial workers was developing, capitalism did not yet completely pervade all aspects of American economic life.

By the early decades of the 20th century the U.S. had become deeply capitalist: a clear majority of the labor force owned no property and worked for wages, although until the latter decades of the century most adult women were still not in the labor force and thus were not fully integrated into capitalist economic activity. Now, in the 21st century only around 8-12% of the labor force are self-employed.³ Most people, men and women, must seek employment, get hired and work in a hierarchal organization in order to obtain their living.

To understand the nature of the economy in American Society, it is not enough to say that the economy is capitalist. Capitalism comes in many varieties. Sometimes capitalism is characterized by many small firms competing in local and regional markets. Sometimes capitalism is strongly regulated by the state. Sometimes workers in capitalism have their basic economic welfare guaranteed by an “affirmative state” that provides them with a strong and secure “safety net.” Sometimes the employees in capitalism are very well organized into collectivities called “unions” so that their relationship to employers does not depend just on their power as an individual person on the labor market, but on the collective power of the union.

The U.S. is a very specific type of capitalism. The following are some of the salient characteristics of the variety of capitalism in Contemporary American society.

Gigantic Corporations

United States Capitalism is dominated by huge, mega-corporations. Here are some striking facts:

- The top ten U.S. firms in the Fortune magazine list of 500 largest firms had combined revenues in 2008 of almost \$2.1 trillion. If these ten firms were a country, they would constitute the 8th largest economy in the world, ranked just after Italy. (Table 2.1) The total gross domestic product (GDP) of India with 1 billion people is around 60% of this.⁴
- In the year 2000, the largest 500 Corporations in the United States employed 16.3% of all private sector employees, yet accounted for 57% of total private sector profits.⁵
- Each of the America’s four largest corporations in 2005 -- GM, Wal-Mart, Exxon and Ford -- had 2007 revenues greater than the 285 million people living in the 16 poorest

³ It is very difficult to get accurate estimates of real self-employment for a variety of reasons: many people who are technically self-employed as “independent subcontractors” are really indistinguishable from ordinary employees; government statistics often treat “incorporated” and “unincorporated” self-employed people very differently, treating the former as “employees in their own corporations”; and a significant number of people engage in off-the-books self-employment which they do not report. The low estimate here comes from OECD, Data on Informal Employment and Self-Employment, 2009; <http://www.oecd.org/dataoecd/4/49/42863997.pdf>. Estimates from social science surveys are typically closer to 12-15%.

⁴ It is important to note that the revenues of a corporation are not strictly comparable to the GDP of a country, so these comparisons should only be taken as suggestive of the magnitudes involved.

⁵ Table 8, p.156 in Lawrence J. White, “Trends in Aggregate Concentration in the United States,” *The Journal of Economic Perspectives*, Vol. 16, No. 4 (Autumn, 2002), pp. 137-160

countries in the world combined. Wal-Mart alone had revenues greater than 405 million people in the 24 poorest countries.⁶

Small firms continue to exist and play an important role in the U.S. economy, and in some situations they are particularly important for jobs and local development. In 1999 there were 5.6 million firms in the United States. Just over 5 million of these – 89% of the total – had fewer than 20 employees. 36% of total employment in the United States was in companies with less than 100 employees, accounting for 32% of the total annual payroll of U.S. firms.⁷ So, small firms are a significant part of the American economy. Still, they often depend heavily on their connections to large corporations which control most of the profits and exercise vast economic power in the American economy.

Extremely weak labor unions

Sometimes politicians and employers complain about the power of “Big Labor” and portray labor unions as interfering with the smooth and efficient functioning of the market. In fact, the U.S. has among the weakest labor movements of any developed capitalist country, both in terms of the rights of workers, the proportion of the labor force that are union members, and rate of union coverage. In the U.S. in 2008 only 12 % of nonfarm employed wage and salary workers was unionized. This compares to almost 70% in Sweden and 20-40% in many European countries. Even more important, the U.S. has few “extension” laws that apply the results of bargaining between unions and employers to other workers. As a result, rate of union “coverage” here are just a few percent age points above our rates of union membership. In most developed countries, even those without high levels of union membership, union coverage extends to most wage and salary workers.

What exactly is a “labor union”? It is an association that people form in order to be able to bargain more effectively with employers and in other ways collectively pursue their interests. Individually each employee is usually pretty weak when bargaining with an employer. In general any given worker is more in need of a job than the employer is in need of that particular employee. But if people join together and act collectively they may be able to forge a better deal with employers. While the employer may not especially need any given worker, they certainly depend upon all of their workers taken together.

Since U.S. unions are so weak, labor markets in the U.S. are generally much less regulated than in most developed countries and involve much more intense competition among individuals. One result of this is that American workers have fewer rights than in most other developed countries. To give just two examples:

- *Parental leaves:* In Germany, mothers get fourteen weeks of maternity leave at 100% of wages. In France mothers get sixteen weeks for the first two children and 26 weeks for subsequent children at 100% of wages up to a maximum of about \$60/day. In Sweden mothers and fathers can share up to 15 months of paid parental leaves, paid at

⁶ Fortune 500 data: “Complete List of Fortune 500/1000 Companies 1955-2009”, in *AggData.com*, http://www.aggdata.com/business/fortune_500; GDP data from The World Bank, *World Development Indicators* (accessed July 20, 2009).

⁷ Table 6, p.150 in Lawrence J. White, “Trends in Aggregate Concentration in the United States,” *The Journal of Economic Perspectives*, Vol. 16, No. 4 (Autumn, 2002), pp. 137-160

80% of earnings for the first 52 weeks and a lower flat rate for the remaining 13 weeks, up to a maximum (in 2000) of about \$27,000.⁸

- *Right to strike:* The United States is the only developed capitalist democracy in which an employer has the legal right to hire permanent replacements in a legal strike. In other countries employers can hire temporary replacements, but striking workers have a right to get their jobs back after a strike even if they lose the strike itself.

American capitalism, therefore, is one in which compared to most other countries labor markets operate in a quite competitive manner and capitalists have relatively unrestricted unilateral rights to hire and fire with generally weak constraints from the organized power of workers.

Weak public regulation of the economy

Americans often complain about “Big Government”, over-regulation, and high taxation, but in fact the U.S. economy is in many respects much less heavily regulated by the government than in nearly all other developed capitalist countries. This is especially the case for labor markets: employers are pretty free to hire and fire employees at will (except for some important restrictions on forms of discrimination); the minimum wage is extremely low and provides almost no real protection for workers; and government regulation of training and skills is minimal. The government also provides many fewer direct services to its citizens. Most notably, the United States the only developed capitalist country in the world in which the government does not guarantee universal health services or insurance for all of its citizens.

As a result of this reduced role of government in the domestic economy, the government is smaller in the U.S. than in all other comparable countries. Consider the following facts about the U.S. state:

- *Public employment.* In the U.S. at the beginning of the 21st century public employment is around 15% of labor force. This is about average among advanced capitalist countries: almost 30% of the labor force are public employees in Sweden, 25% in France, 12% Germany and only 6% in Japan (Figure 2.2). Nearly all of this public employment in the U.S. is at the state and local levels of government (these two together accounted for about 88% of all government employees in 2007). Furthermore, contrary to what many people think, most of the growth of government has been at the local and state level: from 1960-2007 Federal civilian employment grew about 13% while state and local government employment increased by over 200% (Figure 2.3).
- *Civilian spending.* In 2007, civilian spending came to about 33% of the Gross Domestic Product. The U.S. level is much less than Germany (43%) or Sweden (51%), and slightly less than Japan (35%), among the lowest in terms of public spending of the economically developed countries.⁹

⁸ These policy profiles come from Janet C. Gornick and Marcia K. Meyers, *Families that Work: policies for reconciling parenthood and employment* (New York: Russell Sage Foundation, 2003), pp. 124-5

⁹ OECD, “OECD.Stat Extracts,” <http://stats.oecd.org/Index.aspx> (accessed July 21, 2009).

- *Taxation.* Taxation is also incredibly low in the U.S. compared to most other wealthy countries. Less than 30% of the gross domestic product in U.S. is taxed compared to around 40% in Germany and 50% in Sweden, and this has changed very little over the past several decades. We are not a highly taxed economy.

None of this implies that United States capitalism really approximates the ideal of the “free market” in which the state plays almost no role. There are still many regulations of the economy – health and safety, pollution, product labeling, employment discrimination, to name only a few. The point in terms of our question “what kind of society is this?” is that compared to most other comparably developed capitalist societies, the American economy is towards the weakly regulated end of the spectrum.

Globalization

While it is true that the U.S. *has* a capitalist economy, it is also increasingly *a part of* a global capitalist economy. This integration into the world economy can be seen from the vantage point of trade, of production, and of ownership.

- *Trade.* From WWI to end of 1960s imports plus exports equaled about 10% of the total United States G.N.P. (Gross National Product). The U.S. was a very self-contained economy, producing mostly for itself and mainly consuming things which it produced. By the end of the 1970s this had increased to 20% and at then beginning of the 21st century it was more than 25%. This is a very major change in trade patterns. American firms are now involved in intense competition with firms in other countries.
- *Production.* The production of almost everything involves materials and components that are produced from all over the world. Production takes place, in a sense, in a “Global factory” in which the raw materials come from different places, the parts made from those raw materials come from other places, and all these components are assembled in still other place. Many American-made cars contain more foreign material than U.S. material. A pair of jeans may have the cloth made in one country, the zipper in another, the dye in a third and then the whole thing is assembled in a fourth and shipped to a fifth.
- *Ownership:* Many U.S. corporations have operations in East Asia; are these part of “American Society”? What about Toyota factories in the US: are these part of the U.S. economy or the Japanese economy? If we subtracted from the total exports from a country like Taiwan to the U.S. those exports produced by US-owned companies in Taiwan, the trade deficit would be drastically reduced, perhaps even eliminated. Where does the American “economy” end and the Taiwanese economy “begin”?

This increase in the intensity of global interconnectedness of economic activities is of great importance. Some people in fact argue that this even calls into question the idea that the USA is a well-bounded “society”. What is well-bounded is *citizenship* and *political control*; but not “American *society*”. This is one of the most important facts of social change beginning especially in the last quarter century of the 20th century which profoundly affects everyone’s life: the world is increasingly integrated and economically interdependent. To speak of “a” society as an isolated entity is increasingly problematic.

3. Economic Inequality in a wealthy economy

All capitalist societies have a significant levels of economic inequality – some people are much richer than others, either because they have lots of wealth or because they have high earnings in the labor market. But capitalist societies differ in how much inequality is generated by the market. This is a complex problem; there are many things that come into play in explaining the levels of inequality in different countries as we will see later in this book. But the bottom line is that the relatively unregulated labor markets in the United States combined with weak labor unions and a very limited role of the government in providing economic support to people generate extreme inequality. Here are some basic facts:

- The U.S. has the highest poverty rates and highest levels of economic inequality of any developed country, regardless of how one measures these.
- In the first decade of the 21st century around 18% of children live in poor households in the US. In most other rich countries the figure is 5-10%. (Figure 2.4)
- In 2004, the richest 1% of American households owned about 40% of all stocks (excluding pensions); the bottom 80% owned only 8%. The wealthiest 1% of households had 190 times more wealth than the median wealth.¹⁰
- In the quarter century between 1980 and 2007, the richest 5% of U.S. households had their average annual income by \$150,000, from \$167,727 to \$316,618 (in 2007 dollars) while the poorest 20% had their average income increase by less than \$700, from \$15,359 to \$16,068.¹¹ By 2006 the top 1% of households received 22.8 % of all pre-tax income, compared to only 8.9% in 1976. The last time in American history when there was this much income concentrated at the very top was in 1928, when the top 1% received 23.9%.¹²
- The ratio of CEO pay in largest U.S. corporations to factory worker pay rose from 42:1 in 1980 to a high of 531:1 in 2000, at the height of the 1990s stock market bubble, when CEOs were cashing in stock options. Even after the sharp recession after 2001, CEOs in the largest 500 corporations earned in 2007 an average of \$10,544,470, or 344 times what an average factory worker earned. The same ratio in Europe is generally around 25:1.¹³ In the financial sector the disproportions were even greater. In 2007 the top 50 hedge and private equity fund managers earned on average \$588 million, or more than 19,000 times as much as average worker.

The U.S. may have high levels of poverty and inequality, but it is also an extraordinarily rich economy. This is closely connected to the high level of productivity of the U.S. economy linked to its technological level of development. By both comparative and historical standards, we are

¹⁰ *State of Working America, 2008/9*

¹¹ US Census Bureau, "Table F-3. Mean Income Received by Each Fifth and Top 5 Percent of Families, All Races: 1966 to 2007", available at <http://www.census.gov/hhes/www/income/histinc/f03AR.html>

¹² Thomas Piketty and Emmanuel Saez (2008) "Tables and Figures Updated to 2006 in Excel format, July 2008," in Emmanuel Saez's website, <http://elsa.berkeley.edu/~saez/TabFig2006.xls>.

¹³ *Executive Excess 2006, the 13th Annual CEO Compensation Survey* (Washington: the Institute for Policy Studies and United for a Fair Economy, 2006), and *Executive Excess 2008, the 15th Annual CEO Compensation Survey* (Washington, D.C.: the Institute for Policy Studies and United for a Fair Economy, 2008).

one of the richest countries in the history of the world. This is the most obvious thing to most people; it puts the U.S. into a family of perhaps 15-20 countries in the world: the per capita income in the United States when you adjust it for the cost of living is at or near the highest in the world depending upon precisely how this is measured. This does not necessarily mean that the quality of life of the average American is the highest in the world, or even that their economic wellbeing is the highest. Economic wellbeing depends upon the amount of leisure time, economic security, and other characteristics of a person's economic situation, not just income. What it does mean that in terms of sheer wealth, the United States as a whole is fantastically rich.

This, then, is one of the crucial defining characteristics of the United States at the beginning of the 21st century: poverty in the midst of plenty, tremendous inequalities in conditions of life and opportunities in the context of an extraordinarily rich society.

4. POLITICAL INSTITUTIONS: LIBERAL DEMOCRACY.

The United States is characterized by political institutions that are generally called "liberal democratic." We elect the political officials in more or less competitive elections; we have relatively secure civil liberties, including things like freedom of association, freedom of speech, freedom of religion; and we live under the "rule of law," with transparency on rules of conduct and constraints on the arbitrary exercise of power. This kind of state is historically new, and still far from universal. It can be contrasted both with non-democratic sorts of states and those that extend democratic governance outside formal politics, typically through higher levels of organized citizen participation.

Among the family of liberal democracies, American democracy has a number of distinctive features. Here are some of the more important:

Winner-take-all, single-member-district elections

Electoral systems get organized in many different ways. In some countries, for example, representatives are elected on a principle called "proportional representation". In a PR system, if a party wins 40% of the vote in an election it will get roughly 40% of the seats in the representative body, with election districts including potential candidates from different parties to make those numbers work out right. The U.S. system shares with a few other countries the property that each representative is elected from a district in which only one candidate wins. This means that a party could conceivably get 49% of the vote in every district and end up with no seats at all in the U.S. Congress. Among other consequences of this system, it is extremely difficult to form minor parties in the U.S., so difficult that we typically refer to them as "third" parties, in contrast to the dominant Democratic and Republican major parties.

Federalism

The U.S. is one of the world's "federal" systems, meaning that national power is explicitly shared with subnational units of government, which here we call "states." Federal systems are typically contrasted with "unitary" states, in which the national government holds all public power.

Federalism matters for all sorts of things. It means that there is considerable complexity to nature of political jurisdictions over different kinds of problems of public policy. It means that

there are historical moments in which the states can be laboratories for new experiments in public policies. And it also means that sometimes the decentralization and fragmentation of the political system can obstruct the process by which constructive solutions to national problems can be forged.

Divided Powers, and Presidential System

The U.S. has “divided” government, with clear and separate constitutional bases for power assigned its legislative, executive, and judicial branches. It is also a “presidential”, not “parliamentary” system. In other countries the head of state and head of government are commonly separated. In the U.S. they are the same. And in the U.S., the head of government is chosen by citizen election, rather than, as in parliamentary systems, by the dominant party or party coalition.

Interest groups and grass roots activism

While political power in American democracy is organized through elected government, interest groups and grass roots activism also play a particularly important role in political life. Both come in all shapes and sizes, reflecting shifting popular interests and the distribution of resources needed for any political action. The United States has historically had a quite vibrant, bottom-up tradition of local mobilization around social and political issues, and has a particularly strong tradition of voluntary associations engaged in all sorts of civic activities, from the Rotary Club to the NAACP to the PTA.

Money in Politics

Liberal democracies always face a series of dilemmas about the role of private money in political competition. On the one hand, the principle of political equality of citizens implies that rich people, by virtue of being rich, should have no more influence in democratic politics than anyone else. On the other hand, the values of individual autonomy and free speech implies that people should be allowed to spend their money however they like and there should be no restrictions on the ability of people to express themselves. One interpretation of this idea is that people should be allowed to spend as much money as they like in support of political candidates since this could be interpreted as supporting a form of “speech”. The United States has adopted a fairly extreme version of this principle, and thus in spite of various efforts at reform, money plays a huge role in American politics. Some people argue that we have moved from one-person one-vote to one-dollar one vote.

The Media and Politics

The issue of money and politics also comes into play around the problem of the mass media and access to political information. While political censorship is from time to time an issue in American politics, the major problem of information for democratic vitality centers on the corporate control of the mass media. Ownership of broadcast media is incredibly concentrated in a few giant corporations, newspapers in most parts of the country are run like ordinary commercial enterprises, and generally commercial interests dominate the dissemination of news and public debate.

Taken together -- as we will see in the extended discussions of democracy in Part III of the book -- these characteristics present a mixed picture of democratic institutions in American life.

On the one hand democratic values remain important, basic civil liberties are largely protected, regular contested elections are held, and grass roots activism is an important expression of democratic impulses. On the other hand, American political institutions give an inordinate role for money and wealth in political life and electoral rules are designed to favor powerful established parties. Affected by all these things, the basic work of any democratic government — debating issues of public concern, making decisions about how those issues are best address, executing whatever is decided, and doing all this in a way that reflects the interests of citizens — is also done in the U.S. through an unusually divided structure of formal power. John Quincy Adams once described it “the most complicated government on the face of the earth,” which makes making any decision, and sticking to it, more difficult.

5. MILITARISM AND GLOBAL DOMINATION

In many ways the United States has become a heavily militarized society. Regardless of what you think about the purposes to which this military might is put – whether you think it is ultimately a force for peace in the world or is itself one of the main sources of violent destabilization and conflict – there is no doubt that one of the central characteristics of American society that distinguishes it from others is its degree of militarization. We spend more than ten times as much on the military than any other country in the world. In 2003 – even before the Iraq War – we spent 13 times more than China and over 20 times more than Russia on the military. In the 2009 Fiscal year budget the total of all military spending by the United States – including the budget of the department of defense, the military portions of other departments, and the various supplements to fund the “war on terror” – comes to \$965 billion. If to this we add the funding of the Veterans Administration and interest on the national debt generated by past military spending, the total increases to almost \$1.5 trillion, over half of the total U.S. Federal government budget.¹⁴ Even if we exclude these expenses linked to past military activity, U.S. military spending is still more than the total spending of the 15 countries in the world.¹⁵ We have more soldiers around the world outside of our borders than all other countries combined, and our soldiers have fought in more countries than any other country in the last half century. In the last fifty years we have intervened militarily in scores of conflicts and have been directly involved in trying to overthrow militarily at least a dozen governments. The United States economy is deeply integrated into the production of military goods, both for our own use and for export. This means that the livelihood of significant segments of the civilian population depends upon the continuing strength of the U.S. military.

6. GENDER RELATIONS: ERODING MALE DOMINATION

American society today is in a period of dramatic transformation of gender relations in which many features of traditional forms of male domination are eroding: Until 1920s, women could not vote in the United States. Until 1930s they could not have a passport in their own name if married. Female adult labor force participation was only 18% in 1900 and 33% in 1950, but had grown to 50% in 1980 and is just under 60% today. The presence of women has increased

¹⁴ These estimates come from War Resister’s League, “Where you Income Tax Money Really Goes” (New York: War Resisters League, 2009)

¹⁵ SOURCE: Center for Arms Control and Non-Proliferation, armscontrolcenter.org, reported in War Resister’s League, “Where you Income Tax Money Really Goes” (New York: War Resisters League, 2009)

dramatically in a wide range of previously male-dominated occupations: between 1975 and 2007 the percentage of police officers that were women increased from under 3% to over 16%; the percentage who were lawyers increased from 7% to 34%; and the percentage who were doctors increased from under 15% to about 31%.¹⁶

Male dominance is being undercut in various ways, but has by no means collapsed. Some occupations remain highly sex-segregated: over 95% of secretaries, dental assistants, and early-education teachers are still women, whereas less than 2% of carpenters and auto-mechanics are women. Women have gained more political influence, yet they are greatly underrepresented in all levels of elected office, especially national office. While the percentage of the largest 1000 corporations that have at least one woman on their boards of directors has increased from 13% in 1969 to over 70% by 2008, women still occupied only a little over 15% of the actual seats.¹⁷ And, perhaps most strikingly, while women have made significant gains in gender equality in many public settings, within the private domain of the family they continue to do the vast majority of housework, childcare, and other caregiving labor.

7. SOCIAL CLEAVAGE: RACIAL DIVISION.

Racial inequality and racial cleavage remain a deep and serious reality of American life. For over three and a half centuries both inequality and domination have been structured around race in North America. The United States was founded as a liberal democratic country proclaiming equal rights for all, and yet it found a way to accommodate one of the most brutal forms of inequality of basic rights: slavery. The legacy of slavery has marked American history to the present, especially in the ways it has generated such a sharp and troubling form of racial inequality. Racism has also been deeply connected to the relationship between European immigrants to the United States (and the British colonies before the American Revolution) and Native Americans. The development and expansion of the United States depended upon displacement and destruction of Native American peoples.

This does not mean that there has been no progress on issues of race and racism in the United States. The destruction of the official legal machinery of racial inequality in the 1950s and 1960s was a huge change, and since those momentous days of the civil rights struggles educational and occupational opportunity has opened up for many African Americans. There is now a prosperous and well-educated African-American middle class, and this makes a real difference. Cultural representations of African Americans on television and film have also become less racist than in the past, often showing African Americans in a positive way. And, of course, the election of Barak Obama in 2008 constituted a profound break with racial patterns of the past. Nevertheless, racism, racial stereotyping and potent racial discrimination remain significant and pervasive facts of contemporary American society.

¹⁶ For details, see figure 15.3 in chapter 15.

¹⁷ Catalyst, "The Catalyst Pyramids: U.S. Women in Business", March 2009, <http://www.catalyst.org/publication/132/us-women-in-business>

8. IMMIGRATION

It is a cliché to say that the United States is a nation of immigrants -- old immigrants, new immigrants, legal immigrants, illegal immigrants. Aside from Native Americans, everyone in the United States has ancestors who moved here – or were brought here – sometime in the last three hundred or so years. Before the 20th century, for whites at least, there was no such thing as an “illegal immigrant”: more or less anyone could just come. Beginning in the 1920s, however, people needed permission to move to the US. From the 1920s until the 1960s the rules were very restrictive, excluding almost everyone other than Europeans. But beginning in the 1960s the rules were quite significantly liberalized. And in recent years, beginning in the 1980s and accelerating in the 1990s, there has been an explosion of immigration, both legal and illegal. Today we are approaching the levels of foreign born living in the United States that existed at the beginning of the 20th century – just over 12% today compared to about 15% in 1910.

9. CULTURE

It is always difficult to make simple characterizations of something as complex as “culture”, particularly since all national cultures are heterogeneous and contradictory. Nevertheless, in a somewhat stylized manner some of the salient features of what can be broadly termed “American Culture” would include the following:

- *Pluralism and tolerance.* The United States is characterized by a deeply diverse array of what might be termed “subcultures”: Amish communities; urban cosmopolitans; Southern traditionalists; educated “highbrows” and NASCAR sports fans; lovers of country-music, hip-hop, easy-listening, and opera; and so on. By and large this pluralism exists in a broader culture of tolerance. Most people accept this diversity as a good thing, or at least have learned to live with it. Despite the recent “culture wars” in the U.S., the U.S. surely rates as one of the most tolerant societies in the world.
- *Individualism.* The United States is generally thought to be a fairly individualistic society, a society in which individual autonomy and “freedom” are considered more important than collective welfare, and in which individuals are held pretty much responsible for their own fate. It is easy, however, to exaggerate this cultural element, since many Americans also deeply value *community* and have a strong sense of shared fate with others. Still, on the spectrum of contemporary societies it is probably fair to say that American culture is marked by higher levels of individualism than most other places.
- *Religiosity.* By every measure, Americans are among the most religious people in the contemporary world, at least if we define this by formal beliefs and church-attendance. A very large proportion of Americans profess a belief in God – upwards to 90% depending upon precisely how the question is asked. This is much higher than any other comparably developed country. And a smaller percentage of the population believes in the scientific validity of biological evolution than in any other economically developed country: In the 2004 General Social Survey (a regular, large, attitude survey of American adults), 12.4% of respondents agreed that human beings evolved without any divine guidance; 42% said that humans evolved, but with guidance from God; and another 42% rejected biological evolution altogether. In another question on the same survey, 54% said it was either

definitely not true or probably not true that humans evolved from earlier species of animals. Church attendance is also higher than in any European country.

- *Commercialism and consumerism.* A final element of American culture is the importance of commercial forms of culture, especially consumerism, in American life. This underwrites the fact that Americans save less and buy more things on credit than in other comparable countries. Shopping is a major recreational activity. Success in the market is a source of high status and “keeping up with the Joneses” is a major motivation for working hard.

10. VIOLENCE AND REPRESSIVE SOCIAL CONTROL

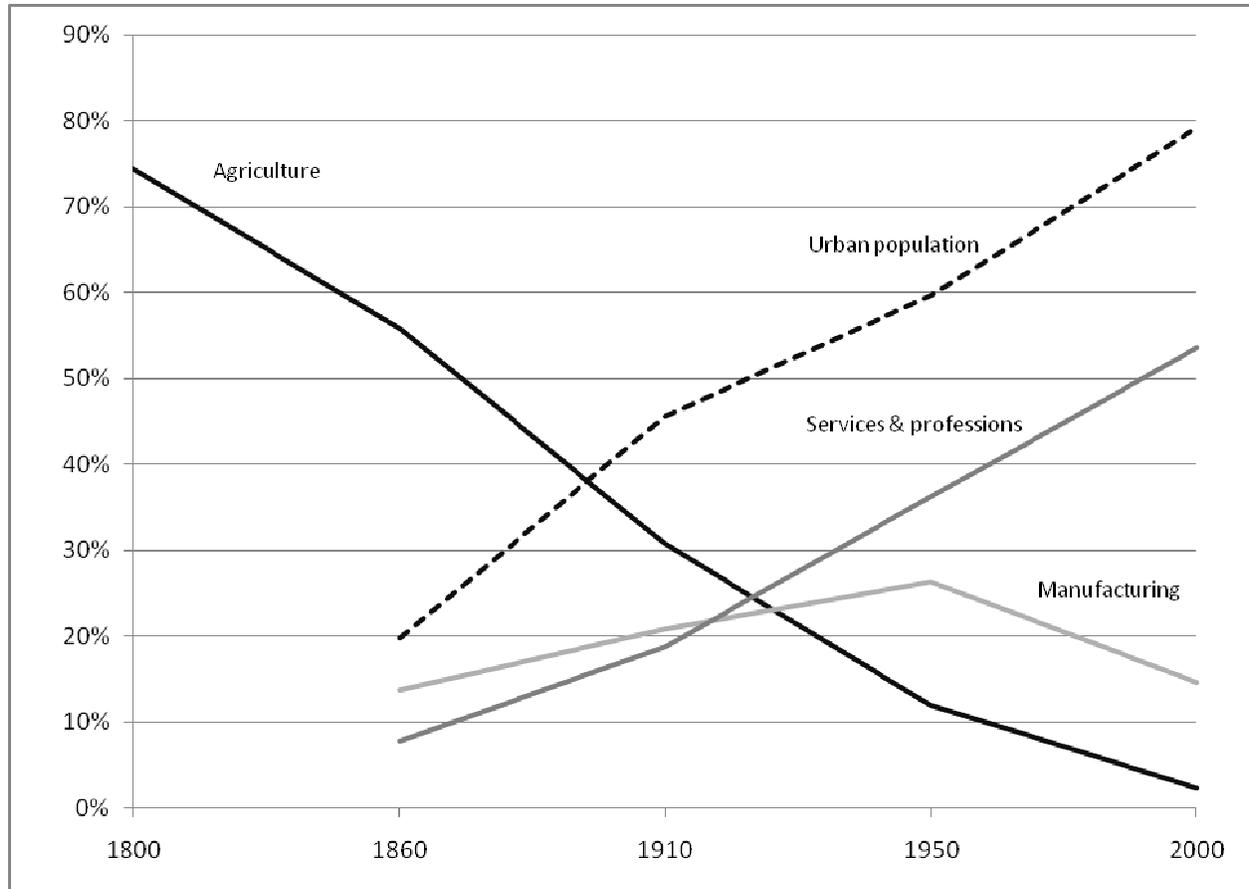
Of the various attributes of American society we have proposed that are answers to the question “What kind of a society is this?” perhaps the most controversial is the idea that the United States is a violent and repressive society. The facts, however, are striking:

- **Gun murders:** In the U.S. in 2004 there were 31 firearm murders a day. In Great Britain the rate were 25 gun murders per year in 2005-2006. In Canada there were 225 gun murders in 2005, and in Japan a total of 22 in that year.
- **Homicide** is the 2nd leading cause of death among those aged 15-24 and the leading cause of death for black males 15-34.
- **Prisons:** In U.S. in 2005 there were about 738 prisoners/100,000 people. That is the highest in the world, ahead of Russia (611). The U.S. rate is 4-7 times higher than most other industrialized countries. In 2005 23% of the prisoners *in the world* are in U.S. prisons even though the U.S. has only 5% of the world population.
- The United States is the only economically developed liberal democracy besides Japan and South Korea to have the death penalty; all other countries have abolished it.
- In 2006 the U.S. had almost 1.7 million police and security guards.

*

There are, of course, many other things one could say about American Society, other attributes that would add to classifying the U.S. within the catalogue of contemporary societies: The U.S. is a geographically very large (the third largest after Russia and China) and a very populous country (the third after China and India); Americans are highly mobile, moving to new cities and regions to look for jobs at higher rates than most other economically developed countries; the United States has one of the most developed university systems in the world, and by most measures the highest quality graduate education programs anywhere; and so on. These and other things are important, but the attributes we have mentioned are especially salient for studying American society in terms of the core values of efficiency, freedom, fairness, and democracy.

CHAPTER 2. TABLES & FIGURES



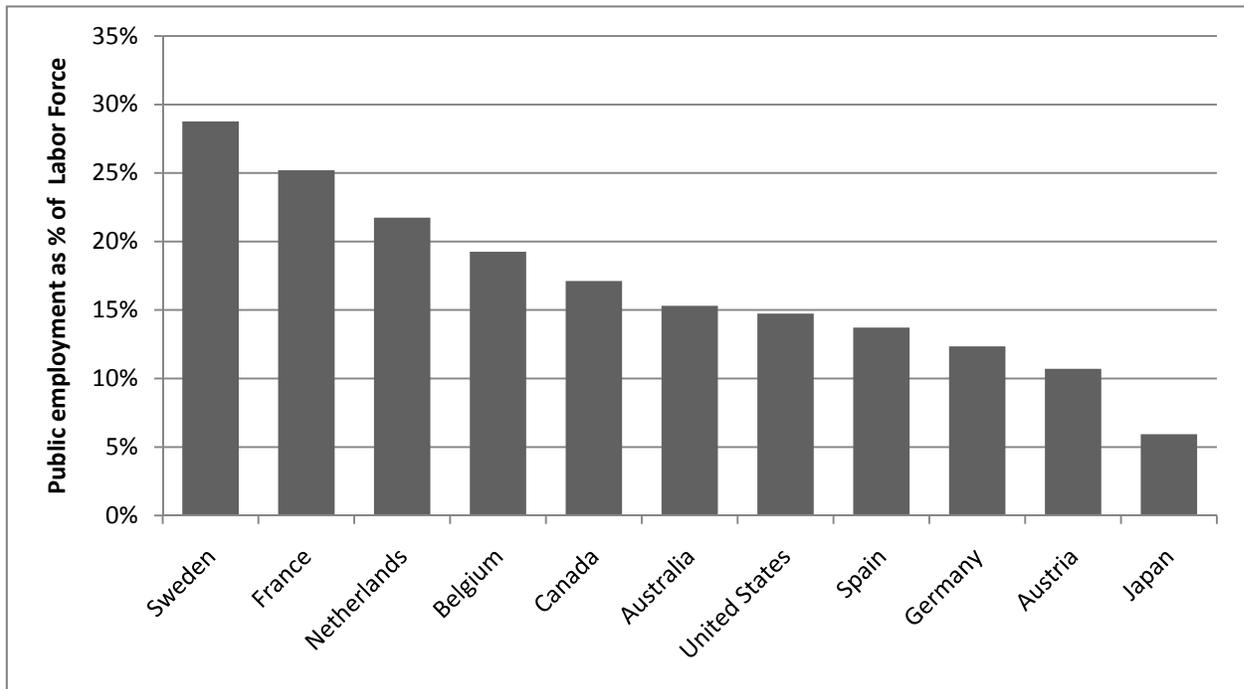
Sources: Labor force data: *Historical Statistics of the United States Millennial Edition Online*, Table Ba-A. Urban population data: Labor force data: *Historical Statistics of the United States Millennial Edition Online*, Table Ba-A. Urban population data: U.S. Census Bureau (2004) *United States Summary: 2000*, Table 18, available at <http://www.census.gov/prod/cen2000/phc3-us-pt1.pdf>.

Figure 2.1
The trajectory of Agricultural, Manufacturing and Services Employment and Urbanization, 1800-2000

	Country	GDP 2008 in billions of current U.S. dollars
1	United States	14,265
2	Japan	4,924
3	China	4,402
4	Germany	3,668
5	France	2,866
6	United Kingdom	2,674
7	Italy	2,314
8	Top 10 U.S. Corporations	2,070
9	Russia	1,677
10	Spain	1,612
11	Brazil	1,573

Sources: National GDP data: IMF, "World Economic Outlook Database April 2009," Available at <http://www.imf.org/external/pubs/ft/weo/2009/01/weodata/index.aspx>. Fortune 500 data: *AggData.com*, "Complete List of Fortune 500/1000 Companies 1955-2009", available at http://www.aggdata.com/business/fortune_500.

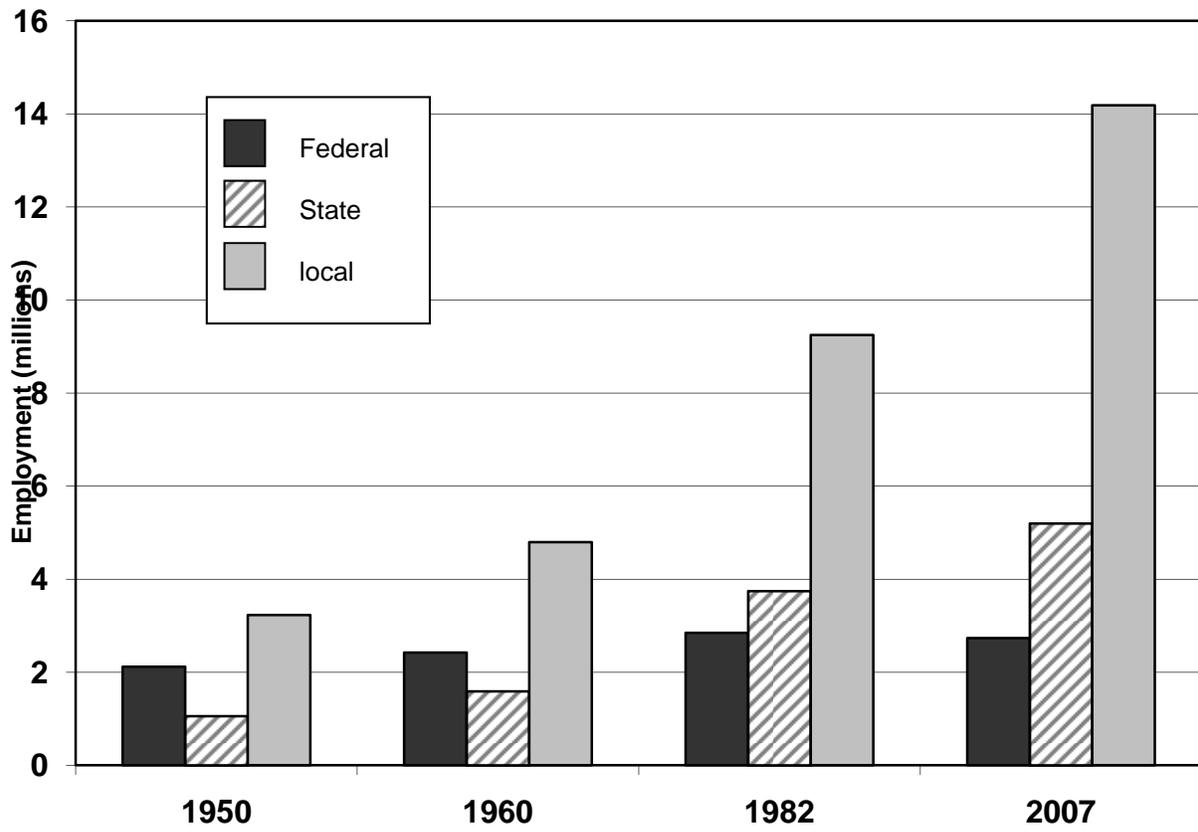
Table 2.1 Eleven largest economies in the world in 2008



Notes: (1) Public employment includes employment in government and public corporations
(2) Data are based on number of employees, except for Austria, Netherlands, and Sweden where they are in full time equivalents. Employment numbers for those countries are thus underestimated

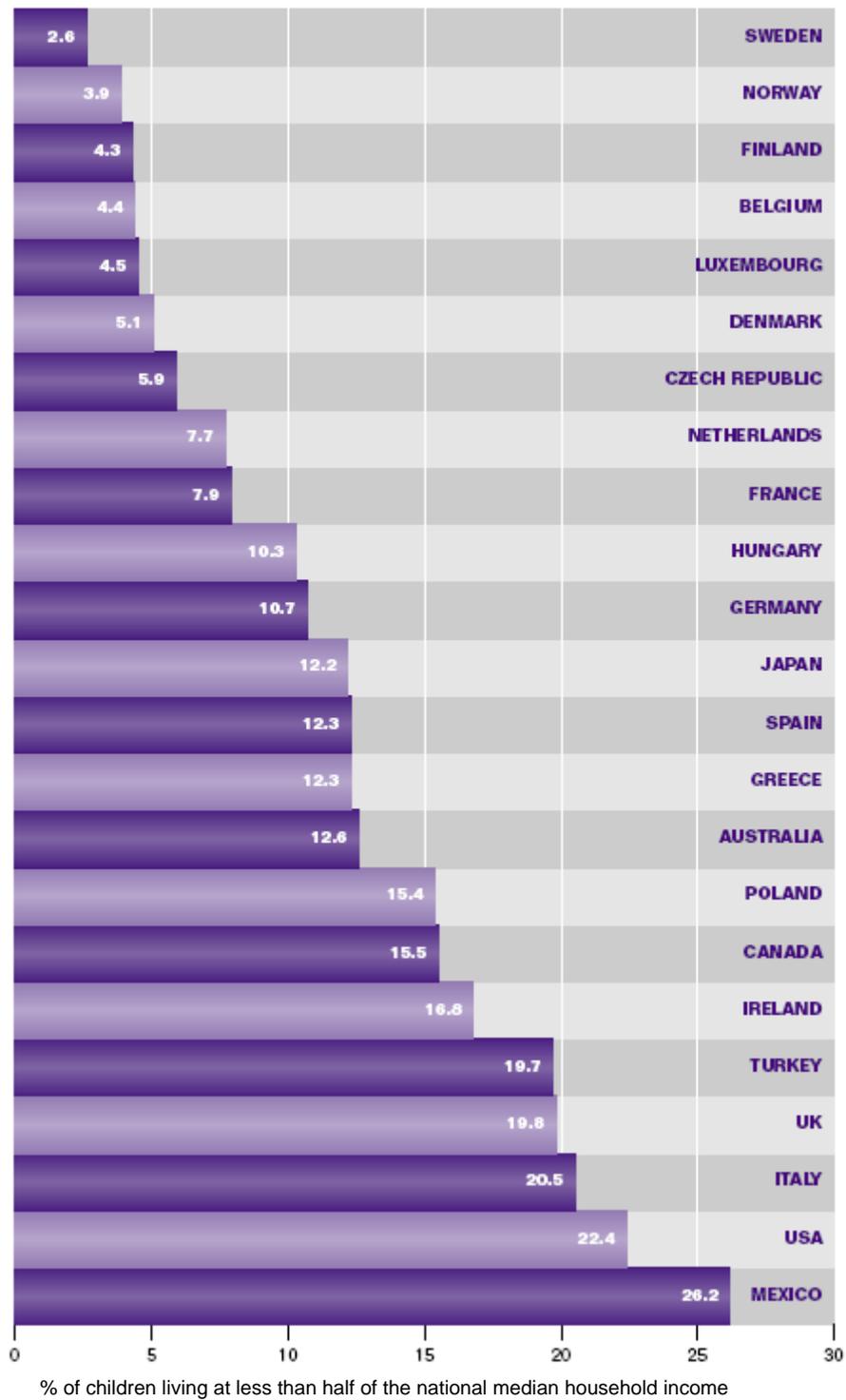
Source: Pilichowski, E. and E. Turkisch (2008), "Employment in Government in the Perspective of the Production Costs of Goods and Services in the Public Domain", *OECD Working Papers on Public Governance*, No. 8, OECD Publishing. Figure 10, p.23

Figure 2.2
Public employment in selected economically developed countries



Source: U.S. Census Bureau, 2007 Census of Government Employment, Table 2.

Figure 2.3
Employment in Federal State and Local Governments, 1950-2007



Source: *The league table of child poverty in rich nations*, (Florence, Italy: UNICEF Research Center, 2000, p.4

Figure 2.4
Percent of children living in Poverty in 23 countries