

**On the Condition of Democracy in America:  
A pragmatic critique of liberalism and neoliberalism in the United  
States**

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**Abstract:**

Income inequality has become a prominent topic of discussion and investigation over the last few years. This can be attributed to the fact that income disparities between the extreme rich and the others have become more salient than ever. Social movements such as Occupy Wall Street have expressed vocal opposition to this development through their slogan “We are the 99%”. Comprehensive criticism towards neoliberalism as an ideology that influences public policy has also gained ground during this period. This paper aims to develop an understanding of how neoliberal ideology has been central to the increase in economic inequality and how this inequality has translated itself into problems such as the hollowing out of democratic citizenship and political cynicism. The paper will look at the issues at hand through John Dewey’s social and political thought in order to provide a tentative outline for a new politics that avoids the pitfalls of liberalism.

**Keywords:**

Income Inequality, Neoliberalism, United States, John Dewey, Political Economy

Alexis De Tocqueville’s *Democracy in America* was published in 1835, in an era of change and contradiction in the United States. Tocqueville’s work provides important insight into the inner workings of the American political experiment. One of the most interesting parts of the book is about the rise of the industrial aristocracy in the

United States (Tocqueville 237-38). In this part Tocqueville observes the formation of the new kinds of inequalities brought on by the industrialization process. He expresses concern about how these inequalities would reflect on the republican democratic ideal. He predicts that this transformation would undermine it: “The friends of democracy ought constantly to turn their regard with anxiety in this direction; for if ever permanent inequality of conditions and aristocracy are introduced anew into the world, one can predict that they will enter by this door(238).”

Looking at the United States today, it seems Tocqueville’s concerns were well placed. Democracy in the United States has become profoundly dysfunctional, mainly due to the vast and growing economic inequality that has translated into a crippling disproportionality in political power.

In this paper I will make use of philosophical pragmatism, mainly John Dewey’s social and political thought, to shine a new critical light on liberalism<sup>1</sup> and neoliberalism in the United States by tapping into their intellectual foundations. My critique will revolve around the issue of income inequality and its detrimental effects on democracy.

I will first present an overview of Dewey’s ideas and explain the strengths of philosophical pragmatism as a tool for critique. I will then provide a critique of liberalism by drawing parallels with Dewey’s criticism of traditional philosophy. Following this I will investigate the rise of neoliberalism and evaluate liberalism’s response to it. I will argue that romanticization of a bygone era on one hand, and concession to neoliberalism on the other has prevented liberalism from providing a meaningful opposition to neoliberalism in the United States. I will highlight the need for liberalism to be re-structured both in terms of its content and the way this content is communicated to the public. Furthermore I will argue that as part of this restructuring process liberals need to adopt a critical stance towards mainstream economics, which provides the intellectual foundation of neoliberalism.

## **John Dewey and Philosophical Pragmatism**

John Dewey’s views on society provide profound insight into the social and political problems that the United States faces today. But why

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<sup>1</sup> This paper will refer to liberalism in terms of the United States context which is somewhat to the left of center in the political spectrum. European style center right liberalism will be referred to as classical liberalism.

does a pragmatic critique hold more promise than others? The difference partly arises from the very conditions that generated philosophical pragmatism. The pragmatists, especially Dewey (1859-1952), aspired to reconstruct philosophy in the light of new developments in science and society. Some of these developments were the advances in communication and transportation alongside the shift from agrarian to industrial society. Dewey thought that these new conditions had to be taken into account if philosophy was going to offer valuable solutions. In accordance with this, Dewey's pragmatism has certain advantages over other schools of thought.

The first advantage lies in pragmatism being a method, not an ideology that is fixated around absolutist claims. The pragmatic method compels the inquirer to take into account the novelty of the present circumstances, and appreciate the forces of change. It also abandons what Dewey calls "The Quest for Certainty" in philosophy. This abandonment opens up new space for revitalizing worn concepts like power and democracy, and mobilizing them in new ways.

The second advantage lies in the anti-dualistic element of pragmatism. For Dewey the dualisms such as mind/body, subject/object and theory/practice limit the scope of inquiry (Ansell 10). Dualistic thinking leads to an agency hampering epistemology exemplified by the spectator theory of knowledge which Dewey famously challenged. Dewey aspired to deconstruct these dualisms and reconstruct philosophy in a way that it is better equipped to scan the contours of social and political life. One of the critical dualisms that will be deconstructed in this paper is the dualism between equality and liberty.

These qualities of pragmatism will prove useful for investigating liberalism and neoliberalism in the United States. Both of these contain problematic dualisms and elements of absolutism that need to be tackled in order to produce a meaningful critique. I will begin by reviewing some of the major problems with liberalism and I will relate some of these problems to the ones that Dewey identified regarding classical liberalism.

### **Liberal Concessions and Anachronisms**

After the end of the Cold War the Democratic Party drifted away from cold war liberalism. After three terms of republican presidency, Bill Clinton took the stage in 1992 and coined the term New Democrat

(Henretta 958-59). The New Democrat aspired to adapt to the new political conditions of the post-cold war era, but instead of adapting through novelty it has adapted through concession. Financial deregulation has been the hallmark of this concession process (Madrick 12, 14).

It is important to note that there are certain individuals in the liberal camp, such as Robert Reich, who diverge from the trend of concession to neoliberalism but nevertheless use a discourse that somewhat romanticizes cold war liberalism. I find this approach also problematic. Romanticization is an obstacle not only for winning elections but also for establishing a new democracy that is fit to handle the radical changes that the world has gone through over the last few decades. This would be in keeping with Dewey's vision of democracy as not just a form of government, but as a constantly evolving way of life that is generative of its own ethos ("Democracy" 296-299).

The liberal argument today, glorifying the period of 1945 to the 1970s and proposing to replicate its policies, is problematic in two respects. First it implies that cold war liberalism had succeeded, which is not true. Second, even if it did succeed more than half a decade ago, this does not mean it will succeed now. In order to illustrate the problem with the line of reasoning that promotes the replication of government policies of the so-called Golden Age, it is useful to look at the problems that plagued 19<sup>th</sup> century philosophy.

The world had started to go through a period of radical change towards the end of the 19<sup>th</sup> century. During this era major advances in transportation and communication technology signified the beginning of globalization as we know it today. These developments also had profound social impacts. John Dewey, who lived through this era of radical change, describes them:

Social change is here as a fact, a fact having multifarious forms and marked in intensity. Changes that are revolutionary in effect are in process in every phase of life. Transformations in the family, the church, the school, the science and art, and in political and economic relations, are occurring so swiftly that imagination is baffled in attempt to lay hold of them. ("Liberalism" 41)

Dewey found the classical liberal framework inadequate to evaluate the changes in the political economy. He thought that the idea of freedom produced by classical liberalism was not robust enough and had to be deepened and broadened in order to adapt to the new conditions brought about by industrialization (“Freedom” 249-52). Furthermore he criticized classical liberalism for not having a sense of historicity, which is reflected in his discussion of natural rights (“Future” 290-92). Many of the ideas that classical liberalism took for granted were particular historical products.

Today’s liberalism has inherited the shortcomings of classical liberalism. It also suffers from being outdated and not having a sense of historicity. The unique position that the United States had enjoyed after World War 2 was gone by the time Clinton took office 1992. The Bretton Woods system had collapsed, the oil embargo had taken a huge toll on the U.S economy and new rivals like Japan and Germany were challenging the United States’s economic dominance in the world (Henretta 944). Manufacturing was moving out, multinational corporations and the financial industry were rising to the top (Ibid. 946-47). Therefore the circumstances that contributed to the relative prosperity of the post-war era had mostly ceased to exist; conditions had changed rapidly and relentlessly. These developments render the emulation of post-war policies quite problematic.

Now that we have established some of the general shortcomings of liberalism in the United States today, we can move on to investigating the neoliberal phenomenon. This investigation will be accompanied by further examination of liberalism’s problems in light of Dewey’s thought.

### **The Rise of Neoliberalism**

The rise of the neoliberal movement is a multidimensional phenomenon, for it contains an elaborate history of social and psychological turbulence. It is important to note that the rise of the neoliberal movement cannot be reduced to the actions of individuals, and that any meaningful explanation of the neoliberal phenomenon requires a diverse set of approaches ranging from discourse analysis to political psychology.

It is a common conception that the neoliberal era in the United States started with Ronald Reagan moving into the White House, but

before Reagan came to office neoliberalism had already positioned itself conveniently in universities, think tanks, the media, the chamber of commerce, and the business schools (Harvey 43). The memorandum that Lewis Powell wrote in 1971, presents the blueprint for the rise of neoliberal dominance in the coming decades (Powell). Lewis Powell was a very influential corporate lawyer at the time, and two months after he wrote this memorandum he was nominated by President Nixon to the Supreme Court. The Powell Memorandum presents an elaborate strategy for the safety of capitalism, which he claims is under attack. The strategy is to challenge cold war liberalism at every front possible, from the campus to the judicial arena. Powell calls upon every available resource for the business interests to be protected, whether it is for campaign finance or media coverage.

Today it can be said that the strategy put forward by the Powell Memorandum has been executed successfully. For example on the education front the neoliberal mindset has been planted well in the business schools. Starting from the 1970s business schools shifted from the stakeholder mindset to the shareholder mindset, which had profound consequences for workers, financial markets, and society as a whole (Styhre 111-113). The idea of everyone being on the same boat became increasingly divorced from reality.

These developments took place in an environment in which cold war liberalism was failing. Carter's "malaise speech" (PBS) was the ultimate illustration of the collapse of the system that generated the relative prosperity of the post-war period. Disillusionment grew with cold war liberalism for reasons such as record high inflation and the Vietnam War.

Overall cold war liberalism had failed to adapt to both internal and external changes. The neoliberal movement exploited the psychological vulnerability of the public by putting forward a candidate, namely Ronald Reagan, who projected confidence and reassurance in the midst of all the malaise. This was accompanied by developments in neoclassical economics which would provide the intellectual foundation of the policies that followed. Figures such as Milton Friedman, and conceptions such as self-regulating markets became popular during this era.

The neoliberal movement adopted many discourses and annexed many ideologies in its process of development. For example neoliberalism in the 1990s made use of the modernization discourse to justify the de-regulation of the financial industry. This can be seen

in the Financial Services Modernization Act (1999) and Commodities and Futures Modernization Act (2000). These acts would pave the way to the financial crisis of 2008. In terms of ideologies, religious conservatism was the last the join, and perhaps the most unlikely. The economic dimension of neoliberalism was quite distant from religious thought. Milton Friedman for example was far from being religious. Therefore one must tread carefully when characterizing the neoliberal movement. Ultimately it can be recognized as a patchwork mindset rather than a uniform ideology.

The alliance of religious conservatism with neoliberalism built in the Reagan years is actually quite a loose one, and already establishment Republicans face serious threats from periphery groups like the Tea Party movement. The way that the financial crisis was handled has caused beliefs to shake within certain groups, although not in a uniform way. The Occupy movement and the Tea Party actually share some characteristics. Both of these groups were against the bail out of the banks, and both are against the financial sector's risky actions and predatory practices. Where they differ is the ideological battle of big government versus a small one, which in turn results in some form of demonization, whether it is government or corporations. But as Robert Reich points out, the crucial question is not "Should government be small or big". The meaningful question is "Who should government work for?" (Reich). The former question resembles the outdated questions of traditional metaphysics, such as: Is the universe made of fire or water? Developments in science have rendered this question meaningless. We are still interested in cosmology but science has provided us with better, more intelligent questions to ask. For example: What are the qualities of dark energy and dark matter which make up 96% of the universe? (Panek).

Dewey had a profoundly revolutionary view of the old kinds of philosophical questions; he thought sticking to the old questions was a futile effort since they were naturally becoming outdated and devoid of practical value. But this process was slow and frustrating:

Old ideas give way slowly; for they are more than abstract logical forms and categories. They are habits, predispositions, deeply engrained attitudes of aversion and preference. . . Moreover, the conviction persists—though history shows it to be a hallucination—that all

the questions that the human mind has asked are questions that can be answered in terms of the alternatives that the questions themselves present. But in fact intellectual progress usually occurs through sheer abandonment of questions together with both alternatives they assume—an abandonment that results from their decreasing vitality and a change of urgent interest. We do not *solve* them: we *get over* them.)[Emphasis Added] (“Influence” 19)

The outdated question of the proper size of government is such a question that does not provide a fertile ground for the cultivation of any meaningful critique. Since the question itself has little practical significance, the answers that the question assumes are also isolated from possible intelligent action. But as Dewey points out, these questions are engrained attitudes that are hard for one to get away from. Heading Dewey’s call, liberals must get over such questions and ask more intelligent ones instead. Questions that are well informed, that have answers rooted in actual experience.

The liberal ideology has problems with its conceptual toolbox as well. Concepts are important tools for inquiry and the pragmatic approach compels one to engage in conceptual innovation to make sure these tools retain their practical value. This does not mean one can’t use old concepts, it just means there is a demand for refinement due to the fact that the concept’s nexus of relations have changed.

Power for instance, is as old as concepts get. But evaluating the power relations within the twenty first century market economy requires a refined understanding of power. Although the Marxist categories of the proletariat and the capitalist are not wrong, they are incomplete and ill equipped to scan the contours of the complex global economy. Numerous new economic classes have formed, and they are not entirely distinct from each other and they are hard to define. To illustrate this point about power, it is useful to look at the discussion over income inequality in the United States, an issue which stands out as one the main characteristics of the neoliberal transformation. Few other issues deserve more attention than the vast and rising income inequality because its consequences include, but are not limited to, dysfunctional democracy, declining opportunity, and environmental destruction.

## **Power Relations and Rent Seeking in an Unequal Economy**

One of classical liberalism's flaws is its tendency to naturalize power relations within spheres that it considers to be outside politics. The family and the market are two such spheres. What neoliberalism does is to expand these out of bounds zones for politics into all spheres of human activity. In the case of income inequality, a meaningful critique of neoliberalism needs to shine a critical light into the economic sphere, especially at the micro level, in which power relations have been naturalized.

In *Inequality and Power*, Schutz challenges many of the neoliberal economist's assumptions and descriptions by focusing on the internal power structures of the firms themselves. For example mainstream economics has focused mainly on skill biased technological change and globalization as the cause of rising inequality. Classical well-paying manufacturing jobs were shipped overseas and low paying service sector jobs took their place. Schutz points out that although this might explain growing inequality between certain groups, it does not explain the rising inequality within a professional group (Schutz 141). Furthermore it does not explain why the one tenth of one percent in the income ladder has detached itself radically from the rest of the one percent, while sharing similar educational backgrounds (Saez, Piketty). Schutz's explains this by examining the changes in the balance of power.

Schutz interprets technological change in terms of power relations between the managerial class and the employees, and he claims the managerial class increased their power due to information asymmetry. This situation is most salient in the financial industry. Schutz also states that globalization has magnified the employer's already advantageous position, mainly through the de-unionization process (Schutz 146), another consequence of neoliberal economic policy in the United States.

There is further evidence against the technological change argument that highlights its inadequacy to explain race and gender wage disparities (Card, DiNardo 733,774). In order to determine the reasons for these disparities one has to look beyond economic models and cast a critical gaze towards institutional sexism and racism. These problems also generate a particular constellation of power relations that are generative of the inequalities in question.

Joseph Stiglitz also has important arguments to offer concerning income inequality. In his book *The Price of Inequality*, Stiglitz points out that rent seeking behavior has been an important factor concerning the

growing income inequality in the United States. He defines rent seeking as increasing one's share of the economic pie without growing it. This can involve a range of activities although spending wealth on political lobbying is the one that stands out the most (Stiglitz 35-39).

It is important to note that rent seeking is not a new phenomenon, but rent seeking behavior has diversified and intensified in the last century. Moreover, professions such as the hedge fund manager and, the CEO, have become well compensated career options. These professions seem to hold little social value but high market value (Graeber). This situation raises questions about letting the market decide what is best for society.

### **Income Inequality and Taxation**

The issue of income inequality is almost always accompanied by arguments of taxation. The liberal argument tends to focus on the redistributive side of the issue, as exemplified by John Rawls' *A Theory of Justice*(1971), rather than focusing on the process that leads to inequality. However, redistribution is indeed a significant tool for combatting inequality. But the arguments revolving around marginal tax rates are usually quite divisive. Here I think a more broad and pragmatic approach can be quite useful.

Pragmatic inquiry recognizes the value of utilizing consensus as a good starting point for progress. Therefore reform proponents should focus on the tax code itself since people from across the political spectrum agree that it is too complex, and that it is being exploited. Simplifying the tax code will be a delicate task. Forces such as corporate interest will resist the elimination of the loopholes which they worked hard to put in the tax code. Nevertheless it is a good place to start.

Focusing on the simplification of the tax code is important, but it is also important to note that regressive tax policies are also problematic. Although emulating the 91% marginal tax rate on top incomes of the 1950s is not an effective method for solving inequality (Pethokoukis), neither is a regressive tax policy. For example in 2012, Kansas enacted a series of policies (House Bill 2117) that radically cut taxes on top income individuals and discarded tax credits for the lower income individuals. Furthermore public policy has since been designed to significantly reduce investments in education and infrastructure as well (Dickinson). The result has been detrimental for Kansas; in fact it

became the worst performing state during the recovery after the financial crisis of 2008 (Peters). States that have increased public investment and taxes on higher incomes have actually done much better.

One of the clear implications of House Bill 2117 is that lower income individuals pay taxes as a higher percentage of their income compared to higher income individuals (Dickinson). Once again injustice has taken hold due to unintelligent public policy, driven by ideology rather than empirical fact. Here it is important to distinguish between different types of experimentalism. Although the pragmatic method does place value on experiment, it does not assert that all experiments are equally valuable (“Metaphysics”). Oklahoma treasurer Ken Miller, a Republican, points out that sometimes ideological experiments bring unintended outcomes and that Kansas is experiencing this. In light of this the reformer should not aspire to make some theory practical, but rather should aspire to make practice intelligent (Stuhr 49).

### **Income Inequality Undermines Democracy**

It is also important to note that the economic power of the managerial class has translated into political power which further modified the corporate governance structures in the managerial class’ favor. It is interesting to see that neoliberal thought has somewhat espoused the discourse of democracy, although this vicious cycle has undermined and crippled democracy in the United States. The argument that democracy and capitalism are naturally compatible is a quite disputable one. Dewey describes this issue clearly:

“The idea of a pre-established harmony between the existing so-called capitalistic regime and democracy is as absurd a piece of metaphysical speculation as human history has ever evolved.” (“Freedom” 114). Liberals should look this metaphysical speculation right in the eye and point out the distortion in the political system produced by today’s economic forces. This distortion is most clearly seen in the relationship between public preference and public policy making.

Democracy as a form of government is supposed to reflect public preference to a certain extent. But Martin Gilens’ extensive study on the relationship between public preference and public policy demonstrates

that the average citizen's opinion does not matter at all, while the economic elite's matter a lot (Gilens).

Voter turnout studies are also disturbing because they show significant disparities between different income groups. Studies identify a significant gap in turnout when it comes to income ("America Goes to the Polls"). Although voting policy in general is depicted as the main culprit, it is also acknowledged that electoral cynicism has also played a role. Most of the poor and a significant portion of the middle class just don't vote. This is possibly because they don't believe their opinions are taken into account during the policy making process, as shown by Gilens.

### **Conveying the Message**

So far we have diagnosed the disease of income inequality in the United States with most of its causal properties and its relations to some of society's ills, although it can be discussed in more detail. But the liberal faces yet another challenge, the content of possible reform concerning income inequality might be ready but there remains the problem of conveying this content to the public and stimulating a political response. Furthermore this task will have to be undertaken against a backdrop of record low confidence of government (Gallup).

There are two issues with the discussion of income inequality in the U.S. Firstly the consequences of income inequality have not been depicted comprehensively enough. When there are deficiencies in the descriptive side of inquiry and critique, there are deficiencies in the prescriptive side as well. Secondly the technical side of income inequality has crowded out the moral element, which has resulted in a lack of political resonance with some audiences.

Philosophical pragmatism demands that all objects of inquiry be taken with its nexus of relations. It is therefore useful to establish the relations of income inequality with a politically loaded issue, for example social mobility. Social mobility is a good choice because it is connected with the so-called American Dream, a central element of the American mythology. It has the potential for political resonance because it is a pressure point for many Americans. But the link between income inequality and social mobility is not being discussed in the right way. The Intelligence Squared debate, where the motion was "Does income inequality impair upward mobility", is a good illustration of this problem.

The debaters for the motion attempted to establish a direct causal link, instead of exposing all the relations that growing income inequality has on numerous dimensions of economic and social life. The link between growing income inequality and upward mobility can be subtle and indirect. Education for example was scarcely mentioned despite the fact that the sting of inequality is felt the most in this area. Quality of K-12 education in the U.S is largely determined by the economic status of the neighborhood. When wages stagnate or decline in a particular community, this reflects on the quality of the education of the young. And since quality education is the best tool for social mobility, a fact acknowledged by almost everyone on the political spectrum, increasing income disparities impair social mobility.

The second problem concerning the discussion of income inequality is the absence of moral resonance. Isolated cases of injustice, when transformed into a meaningful narrative have a potential to be emotionally moving, but they usually fail to generate large scale political resonance. For example President Obama organizes joint press appearances with people who have benefited from his policies, but the effects of these activities are quite limited. Therefore cases of injustice have to be brought into a network of relations, highlighting intersections with other narratives of injustice. The use of the corresponding moral vocabulary is an important element for achieving this.

The technical vocabulary of income inequality needs to be supported by the moral vocabulary of income injustice. Income inequality is not a problem by itself, it is expected that people will earn different incomes in a capitalist economy. The issue is about radically growing income disparities between the extreme rich and the others, which is resulting from certain undesired behavior such as rent seeking. This kind of behavior actually channels income from the bottom to the top. Therefore the issue is about justice, and if one is talk in a basic Aristotelian sense, justice is about giving someone their due (Aristotle 70-74). Productivity has more than doubled in the last few decades but compensation, reflected as the median income, has not gone up (Feldstein 6-7). These people are not getting their due, while some people are getting what they are not due. This is textbook injustice. Therefore the discussion calls for a robust moral argument. If one accepts this need for a moral vocabulary, the following question arises: Which moral vocabulary should be preferred?

It is important to recognize that different audiences will have to be approached differently. For example business leaders should be engaged with a utilitarian argument. Executives of large corporations are usually separated from other classes of people, both in terms of physical space and in terms of psychology. For them, there is little personal relevance when growing income disparities are discussed. Based on neuroimaging evidence, Greene argues that when the moral case gets impersonal, than the utilitarian response prevails over the Kantian one (Greene 363-365). In other words if the moral agent is personally detached from the case, it is usually the case that consequences of actions matter more than ideas like rights and duties.

Haidt provides a blueprint about how people from different political views respond to different values (Haidt 183-85). One of the interesting observations he makes is the fact that while liberals respond to fairness in terms of equality, conservatives respond to fairness as reciprocity (Ibid. 195-96). The current mainstream arguments are based on the liberal conception of fairness, which seems to explain why the issue of growing income inequality is not morally resonating with the conservatives.

Another possible moral pressure point for the discussion of income inequality would be the personal moral exploits of the financial sector, such as drug use and prostitution which have been illustrated well by documentaries such as *The Inside Job*.

Before I move on to the conclusion concerning the conundrum that liberalism finds itself in, I will shine a critical light on one of the critical intellectual building blocks of neoliberalism which is neoliberal economics. It is also the case that liberalism shares to a large extent the same economic principles, which I think is inhibitive of any progressive transformation.

### **Neoliberal Economics**

The pragmatic critique of neoliberal economics starts at one end from the issue of socially detached expertise, and stretches to the other end where market reasoning invades all spheres of human life. On one end, modern economics is too distant to our lives and on another it is too invasive. In terms of the latter problem, Michael Sandel points that United States has gone from having a market economy as a tool,

towards becoming a market society where everything is up for sale (Sandel 8-9). In this paper I focus on the detachment of neoliberal economics from society and its needs, but the other end of the problem deserves attention as well.

It can be observed that the economics profession has established intimate ties with the institutions that benefited most from the neoliberal transformation, such as credit rating agencies. In the period leading up to the financial crisis of 2008, the credit rating agencies gave the highest possible scores to the riskiest financial instruments in the market, because of the revolving door (Calomiris, Haber 268). Certain economists had motive to defend the mythologies of neoliberal economics because they were actually invested in them. Many economists received compensation for writing papers that endorse neoliberal policies (*Inside Job*). Dewey's description fits the current situation well: "A class of experts is inevitably so removed from common interests as to become a class with private interests and private knowledge, which in social matters is not knowledge at all" (*Public* 207).

Putting aside the personal exploits of the economics profession, there is a more systematic problem with the economics discipline. Neoliberal economics has become a dangerous justification tool that naturalizes existing inequalities. Therefore neoliberal economics as such requires critique as well.

A valuable characteristic of Dewey's thought is the critical stance towards a-priori systems of thought. Neoliberal economics is built on models and presumptions that reflect a-priori approaches. Here the critique is not towards having models, rather it is towards naturalizing these models and not fine tuning them in light of actual social experience.

It is also important to highlight that neoliberal economics has been used to ideologically justify many of the malignancies brought upon by neoliberal policies. Until recently income inequality was not a discussion topic among mainstream economics mainly because inequality cannot exist in the neoclassical models that are being used (Varoufakis). Moreover these models are accompanied by a series of presumptions, such as the market naturally rewarding an individual's contribution to the economy, which justify existing socio-economic arrangements. As long as these models and presumptions continue to dominate economic discourse at the expense of looking at the power

relations within the political economy, then policy prescriptions will not change for the better. Since the same economic models are being used across the political spectrum, the policy responses to the Great Recession have been weak both in the United States and Europe.

## **Conclusion**

If the neoliberal trends of the last few decades are to be challenged, liberals or more explicitly the Democratic Party, have to undergo a major restructuring effort. There are ideological and practical dimensions of this restructuring process. In terms of ideology liberals need to discard the New Democrat identity that concedes to the neoliberal positions, which has proven costly for the United States. Most recently the concessions made to the neoliberal stance have been demonstrated by the weakening of the Affordable Care Act (Potter). Hospitals and drug companies are making more money than ever while the burden has shifted from individuals to the tax payers (Brill). This stance of concession does not excite the party of non-voters. Therefore a certain amount of ideological consistency is needed for a liberal reform movement to succeed.

The practical dimension of the restructuring effort should be based on revitalizing democracy starting from the communities and achieving change starting from the local. The social movements that have achieved in securing a higher minimum wage in cities like Seattle and San Francisco are good examples of change at the local level which impacts people's lives in a meaningful way (Jacobs, 7-10). In an environment where common sense is monopolized by the ruling ideology, a radical reform movement's first task is to break this monopoly by targeting specific issues and providing practical solutions. But this can only be done by building and mobilizing communities of inquiry and action. Dewey's emphasis on community as part of his vision of radical democracy is illustrated in the following:

The clear consciousness of a communal life, in all its implications, constitutes the idea of democracy. Only when we start from a community as a fact, can we reach an idea of democracy which is not utopian . . .Fraternity, liberty and equality isolated from communal

life are hopeless abstractions. Their separate assertion leads to mushy sentimentalism or else to extravagant and fanatical violence which in the end defeats its own aims (*Public* 149).

In light of this, liberals should not base their politics on ideology alone, but also in intelligent social action that starts from the community. They should also maintain the unity of means and ends.

Romanticizing the post-war era by referring to it as the Golden Age, does not provide either a good diagnosis for today's problems or a meaningful prognosis concerning future conduct. Liberals should not try to glorify and replicate the post-war era policies but they should rather draw upon practical lessons from the Progressive Era, in terms of building and mobilizing social movements. There are important individuals as well as critical grassroots movements in this era of major reform that begins in the late 19th century and continues until the 1920s. John Dewey for example influenced the Progressive Movement in the United States, and got involved with some of the social movements personally. He worked with Jane Addams in the Hull House, where immigrants were helped to settle down. Jane Addams herself became a very influential figure in the pragmatist tradition.

Here I think it is important to highlight Jane Addams' role as a public philosopher, a role that is indispensable for a democratic society. Jane Addams was always engaged with many of the civil society groups she helped to found, such as the NAACP (Knight 152-53). She was also a key figure in the women's suffrage movement (Ibid. 149). Her role in the building of the progressive civil society around social action is remarkable. Today the absence of public philosophers such as Addams have combined with the disengagement of overly professionalized scholars to result in the impoverishment of public debate in the United States, illustrated by the debates on Cable Television or CSPAN.

Michael Sandel's TED talk "The Lost Art of Democratic Debate" points to the impoverishment of public debate in the United States (Sandel). The problem is magnified by the fact that today's technology enables people to hear and see exactly what they want. People can choose to be exposed only to a certain viewpoint, and interact mostly with people who share their opinions. Cass Sunstein points out that groups which

contain only like-minded people, tend to become more radical after they discuss issues like climate change and same sex marriage (Sunstein). Considering this, it is clear that part of the task of reinvigorating meaningful public debate involves the diversification of discourses.

The challenges facing liberals today are not trivial. But an axiomatic optimism should be maintained by those who aspire to break the chains of habit and realize a progressive alternative to establishment politics. Dewey's ideas on democracy as a way of life and collective intelligent action are important towards this end. Avoiding romanticization and demonization is a critical lesson of philosophical pragmatism that liberals should embrace. Furthermore Dewey's critical stance towards eternal truths, dualisms and a-priori systems of thought is valuable at a time when these elements plague the epistemological landscape of liberal inquiry. Considering these I think the study of Dewey's social and political thought holds significant promise for guiding the emancipatory potential of reform movements and fueling the popular imaginary of a different future.

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