

## DeVane Lecture Discussion – 2-22-01

AK Good afternoon and welcome. I am here this afternoon with my colleague and friend, Bruce Ackerman, Sterling Professor of Law and Political Science. In his very provocative lecture on Tuesday, Professor Ackerman put before us three modest proposals, which he described as “realistically utopian.” Each of the three is intended, in a different way, to revitalize and rejuvenate the experience of citizenship in 21<sup>st</sup> century America, to give citizenship new meaning and content. Professor Ackerman began with the strong claim that citizenship is dying in this country today, and his three modest proposals are meant, in different ways, to help bring it back to life. In two of the three cases—Voting with Dollars and Deliberation Day—it’s not all that difficult to see how, if they were implemented, a revival of citizenship, citizen participation and citizen experience would be likely to follow. Each of these two proposals is directly connected to the act of political engagement itself, to the exercise of citizenship as we normally understand it—voting and thinking about how one should cast one’s vote. But the third proposal—the most ambitious and certainly the most costly of the three—the Stakeholder Society—is more ambiguously, less clearly, perhaps more indirectly connected to the experience and the exercise of citizenship. I thought I would begin by inviting Bruce to elaborate a bit on the relationship between the third of these three proposals—the Stakeholder Society—and his conception of citizenship and how the two are linked.

BA So it all depends on what you mean by citizenship. I’m a liberal and I’m looking for ways of enacting the idea of liberal citizenship. What is liberal citizenship? It’s at least a two-sided affair. On the one hand, American citizens think—and correctly so—that they have a right to define the shape of their own life. That’s the liberal part. You take responsibility for your own life, liberty and the pursuit of happiness. And then the other part is the republican part, meaning that one has a special obligation to look to the public good and participate as a free and equal citizen. So liberal citizenship is different from classical citizenship on the one hand, in which you repress the private side of you and, in the manner of Greece and Rome, simply direct yourself to the forum. And it’s different from social democratic citizenship in which, rather than emphasizing your right to define your own destiny, it is rather your community with your fellow workers which is the way of thickening a very thin idea of citizenship that we have today. So, as a liberal citizen, [in the stakeholder society] you’re getting property and in your capacity as an American you have a birthright not of fictive life, liberty and the pursuit of happiness, but real capacity as a young adult to be moderately independent rather than being thrown from a high school into the job market. And [now], if you are at a moment of misfortune—the market’s going down rather than up—you get thrown onto the streets and you don’t have this experience of liberal citizenship, effective autonomy. Now, you know, \$80,000 isn’t a hell of a lot of money, but it is a substantial cushion, a capacity to imagine that Jefferson’s declaration of life, liberty and property is not just a piece of paper, but a real prospect in your own life. So that, in a fundamental way, is how the property part fits into the more classical part of citizenship.

But it’s important in another way, too. That is to say—a little bit less airy fairy about it, as I suggested on Tuesday—everybody will be talking about it. From the age of three, your mother and father will be telling you, “You don’t blow your stake, and it’s yours as an American.” And that process of socialization will be constructing the very kind of liberal citizen that I’m concerned about. And then, when you get to 15 to 25, people will be constantly talking about each other, how they pass or fail the test of responsible liberal citizenship by saying, “Charlie did one of the stupidest things I’ve ever heard of. Certainly I’m not going to do that when I get my stake in America.” So in their own socialization and conversation, people will be talking to one another through this property grant as American citizens, and treating each other in the way that the liberal republican tradition in America suggests. And then, finally (and I don’t think it’s a pious hope, I think it’s a real fact) that this grant will be a source of reflection for your whole life. So somebody who gets his \$80,000 and, when he’s 45, is running a good travel agency somewhere and making \$75,000 a year will recognize that it was because of his American-ness that he got a head start in life and will be inclined therefore to give back to the country in one or another way.

AK If I could press on this point, just for a bit, isn’t there a risk—if you’ll indulge the pun—that the grant will come in time to be taken for granted? That is to say, it’s an expected piece of the furniture of

life, it's an entitlement. You don't really think so much about where it comes from. If it were taken away, you'd scream and holler. But it's like Social Security and the welfare safety net and lots of other things. And the effect will be not so much to remind people forcefully of their citizenship and their responsibilities and obligations as citizens, but to cause them to turn inwardly and to focus on their private concerns and needs, on their lives as individuals, their interests, pursuits, and so on, and actually to turn away from public things. Wouldn't the link to citizenship be strengthened—this is a suggestion that was made in a conversation about Professor Ackerman's lecture that several of us were having yesterday—wouldn't the link to citizenship be strengthened if the grant were tied to, for example, an obligation to spend a year or a summer or two summers in public service?

BA Sure. There is a basic line in the liberal tradition that I mean to affirm. It is John Locke's notion of property and citizenship. John Locke says, of course, that the state is just fundamentally a way of protecting property. Well, I think that's too narrow a notion. But I think we've lost the notion that through property we have an angle into citizenship. And that's what I'm trying to capture. First of all, one has to take into account what this program responds to. . . There's this odd imbalance in our present social policy. We give, as a matter of right, education to kids. And we give cash to old people. Interesting, right? We don't give old people, really, as much of the community environment as we give kids. We have nursing homes—the medical model. And one of our weaknesses, in social policy, is that there are a lot of alone, solitary, alienated old people who don't have context for development, although the kids have context for development called "education" as a matter of right. On the other hand, the old people get cash. But the young adults don't. Now, the fact that the cash is coming, in my idea, to young adults who have 50-60 years before them, well, you know, this is a very shaping experience. And I'm for it, you see. For me, this liberal citizenship is a complex idea which empowers, both for the public and for self definition. And the property part is for self definition and the Voting with Dollars and Deliberation Day is for the public part. And I'm trying to put them together. But I must say, of course, there are some people who are obtuse and callous. They'll say, "Oh, well, I just got my \$80,000 and so what?" But they'll notice that there are a lot of people around who have blown their stakes. It isn't something that you can just sort of sit on. And, of course, if 40% of the population have a sort of gratitude and feeling of reciprocity. . . I mean, what's the percentage of people who give to Yale who have graduated from Yale? I don't know. It certainly isn't 100%, but it certainly isn't 6% either. And this kind of reciprocation is a fundamental human instinct and it's distributed in the normal ways. And I would see no reason why, simply because it's a birthright,. . . Any sensitive or even moderately thoughtful person looks around and notices that it's not to be taken for granted, and, indeed, Joe Schmo to his left has just blown it, that he'll reflect many times in his life as to how it came to be that he got it and Mexicans didn't.

AK Let me shift the conversation, just for a minute, before we open it up to the audience. You describe all three of these proposals as realistically utopian, and by that, I take it, you mean utopian in the sense of at the furthestmost edge of what seems politically possible today, but realistic in the sense that there really are no obstacles that stand in our way of implementing any or all of them if we could summon the political will to do so. I'm curious as to what you think it is that blocks us, at the moment, from embracing these proposals. And I'd like to focus on the two less costly ones because, in the case of the stakeholder society, the blockage seems to me to be pretty obvious. Well, there are many points of blockage but one very large one is the cost would fall on the very rich and they're reluctant to foot the bill and will do all they can to prevent the proposal from being implemented. But the other two—Deliberation Day and Voting with Dollars are much less expensive. Why do you think we resist? Where do you think the resistance to these proposals comes from?

BA I'll first talk about all three and then go back to the two. I mean, in a simple-minded but absolutely accurate, I think, dichotomy, the left believes in the bureaucratic state and regulation and control; the right believes in property and transferring things—free exchange of existing property rights. Now, what I'm trying to do is to do neither of those things. What I'm trying to do is not build up the bureaucracy, nor endorse the existing set of property entitlements. What I'm trying to do is to use markets and property in ways that will further a sense of citizenship, which is not the same thing as enhancing the bureaucratic state. And that's the sort of leitmotiv of all three of these suggestions and that's why, from a certain angle, you see, I look like a right winger. That is to say, this is pro-market, pro-property, pro-freedom. The thing I don't like about the normal campaign finance reform is that it's

bureaucratic, repressive of liberty in the name of a false kind of equality. And you can have freedom and more equality together with Voting with Dollars. Similarly, with the Stake idea. So the people who have believed in the redistribution of property have taxed the rich. We tax the rich a lot, actually, to give to the state to have bureaucratic programs. \$250 billion a year we spend on bureaucratically financed programs for social improvements in the United States. It's rather that to tax the rich and give it in the form of private property to normal people, that is the link, you see. So I think that this is fundamentally an effort to move beyond the classical dichotomy of libertarianism and socialism of the 20<sup>th</sup> century into some other form of having equality and liberty within a market oriented democratic society.

AK I want to make sure I understand. The blockage results because this funny combination of elements, which is a composite hybrid made up of pieces drawn from different traditions, doesn't fit any of the established political pigeon holes.

BA Right. Because it isn't the case that the rich aren't taxed in America. Take the Stakeholder program—that's the big ticket item. No, it's nothing compared to Medicare. So I don't think it's that dimension so much as redefining. . . But, of course, Medicare is a program of bureaucratically provided benefits for certain special purposes. Another anxiety, which I actually [encounter] often when I give these talks, is an anxiety about the libertarian aspect of the program expressed amusingly from Republicans. That is to say, somehow or other, they trust their kids or they don't trust their kids . . . "I would never give my kids \$80,000. So you're saying that everybody should get \$80,000?" Now, this goes to this very fascinating sub-theme—and then I'll call it a day—of inheritance. You see, it used to be, with short life expectancies and where people lived on the farm, that the institution of private inheritance often worked to give 25-year olds independence because of mortality at 50 or 55. Now, the institution of private inheritance is, more and more in the 21<sup>st</sup> century, becoming increasingly this: a practice of 90-year olds giving money to 60-year olds, with a little bit for the grandchildren. So the institution of private inheritance is losing the stake-holding function of giving young adults actual economic power and we're losing a lot of dynamism in the society as a result. Young adults get their educations and some of them are Internet billionaires. But most of them are really property-less, while the property is in ever increasingly aged groups. As I mentioned, 75% of our wealth is owned by people over 55. But I don't have accurate numbers for the percentage that's owned by people over 75.

AK I would be happy to continue talking to Bruce all afternoon, but that would be wrong. We have ample opportunity to talk to one another. Could I invite those who have questions or points to please come to the microphone?

Q Professor, I enjoyed your presentation twice. The Clinton impeachment, I watched your presentation—sorry you weren't successful-- in your presentation last week.

BA You'll be happy to know that I also was unsuccessful in Florida.

Q Too bad. The issues that you raised about citizen participation, voter participation, I think there are a couple of reasons . . . Then I want to ask your opinion on a couple of issues that are out there. In terms of voter participation, I've seen trends over the past few years where economics are now playing a role in citizen voter participation. Not necessarily that citizen who is out of the middle class, but that citizen who is in the middle class—who's made it and will find 100 excuses not to vote. So there's economic reasons why people don't vote anymore. Secondly, there's a media bashing that's going on to a degree that's unparalleled in this country. We know more about the private lives of our political candidates than ever before and, in fact, with the past president, private parts. It's become unbelievable. Can you imagine the Fox channel when Roosevelt was President? That would have presented a number of interesting programs. So I think the media has made a negative impression of political candidates. A third reason, I think, why citizens don't participate to any great degree is the way elections are run. My first was 1952 as a volunteer for Adlai Stevenson, making phone calls to every democrat, every independent. And I followed it up in '56 and '60. Those elections began with 88% to 94% turn-out, and the Democrats, by the way, lost all three in my home town. Today, we're ID voters. We concentrate only on those voters who have been previously identified as for your guy or leaning for your guy. Everybody else gets ignored. When you put those things together, we're going to get a lower voter turn-out and my

first question is: There are a couple of states now that are using not election day but election week, and getting voter turn-outs in the high 80s. Your opinion on that. When coupled with your other issue, which I disagree with in terms of campaign finance reform. I think, to paraphrase John Dean, it's a cancer. And I think one way we have to do is reduce expenditures where the visual media would be required to give ten hours of free time to each candidate during the months of September and October, which would eliminate some of the media bashing and give "the public" a chance to hear the issues. So, your opinion on both of those—election week and the idea of the media being required to give free time to candidates so we can get more people involved. Thank you.

BA I think that a holiday on election day would be a good idea. I do believe that we're probably the only country in the west that doesn't have a holiday on election day. I'm almost positive of that. The election week idea—I'm not opposed to that either. In Oregon, which has this. . . They associate it with absentee ballots and I do think that there's a lot of problems with fraud associated with a total absentee ballot system. And there's also a lot of problems, I suspect—we'll find out, it will be an interesting experiment—with coercion. That is to say, basically, people in Oregon are voting now, for the last two elections, over the dinner table and you lose the secret ballot feature and the bossier of the people say, "What? You're voting for X?" So there are possibilities of coercion involved in that and so voting week, then, becomes a question of, are you going to keep the polls open for a whole week? But I certainly think it's a thought worth considering. I would prefer, I think, beginning with an election day holiday which is an amazing fact that we don't have one and does have very substantial effects.

Now, as to your 10 hours. Gee, 10 hours isn't enough. But you see, there is a problem that Ian Ayres and myself talk about a good deal—about the threshold problem involved in bureaucratic grants of time. If you say every candidate can get 10 free hours during the months of October—on prime time, of course—everybody becomes a candidate. I'll become a candidate if you'll give me a free 10 hours of time. So that means that, in order to ration this, you have to jack up the threshold. So then the question is going to become: How cool are the 2 or 3 people who will get this 10 free hours? The answer is: You give a monopoly to a party system. Now, I think that Patriot Dollars is better, of course. What is the Patriot Dollars buying? Time. The principal thing—this \$5 billion that I've imagined, \$50 times 100 million voters -- is buying us access to mass media. But rather than solve the threshold problem bureaucratically, we solve it by having candidates and parties appeal to the voters. Just consider a number of pathologies in the recent last election that arose as a result of this weird kind of threshold problem. We don't give free TV time but we do give presidential candidates access to subsidized funds. So let's take Ross Perot's party. We have the very typical thing. Ross Perot in 1996 got more than 5% of the vote so that means his political party got \$12 million, but there was no Ross Perot. That \$12 million was a magnet. Pat Buchanan would never have tried to take over the party without that \$12 million. This is the first time in American history where the subsidy structure actually destroyed a political party. Of course, the party would have had a tremendous difficulty. It was a right of center party, a moderate right of center party—that's what Ross Perot was. And, of course, whenever the founder of a party leaves the scene, that party would have had a lot of difficulty anyway. But Buchanan would have never invaded that party but for the \$12 million. He did and destroyed the party. Maybe the party would have been destroyed anyway. Ralph Nader was under tremendous pressure to get 5% of the vote so that he could qualify for subsidy the next time around—because of the threshold. The way we solve it is, there's 5% threshold. We could do it in your terms. Whoever gets 5% in the last election gets 10 free hours in the next election. That would be a natural thing to say. So Ralph Nader was under tremendous pressure to get that 5%. He didn't do it. He decided the election. But he didn't do that. But that was significant in his party's calculus. In contrast, under a Patriot proposal, Buchanan would have gotten his \$12 million but without having to seize control of Ross Perot's party. He would just have said, "People who believe in me, send me your \$50," and they would have. That's good. And Ralph Nader wouldn't have been under this pressure to get his minimum 5% for next time. So the bureaucratic structure of the provision of these subsidies, these goods—whether it's free time or something like that—really does have a perverse effect on the character of American politics; while voting with dollars would be a way of responsively measuring instantaneous citizens' preference. So, for example, as I suggested, McCain would have beaten George W. Bush under my scenario because George W. Bush comes in for the first primary... (This is all intended in the spirit of neutral political analysis. I just want to suggest that it's consequential. Some people might think it would have been worse if McCain became President, but he would have been the Republican nominee. ) George W. Bush comes in before the first primary with something like \$75 million.

Don't take that number seriously—but it's that order of magnitude. McCain has \$20 million. During the month of February, McCain out-dollars Bush, I think, by 10-4 or some number like that. He would have gotten a lot more with Patriot dollars. But Bush, because he has the \$75 million, has Super Tuesday and he really has a big advantage. He beats McCain that time. If McCain had gotten a lot more money, he would have been a much more credible candidate on the ground. So this instantaneous response feature of Patriot Dollars is a tremendous asset, in my thinking, about giving both candidates and citizens a sense of efficacy, which is lost nowadays, with this new idea—really, in the last ten years of American politics. If you went back to 1980 and talked about the “money primary,” nobody would know what you were talking about. But now we appreciate that. Fundraising the year before the first person casts his vote is really as important as anything else. And my mechanism will solve it. I also don't really like governments ordering TV networks around for any reason. This is my libertarian liberal feature. I just don't like the idea of it being a legitimate thing . . . I think it's a desirable thing to have a lot of access of candidates to the media in the month of October. I would much prefer candidates buying their time on an equal basis with others—and the networks give you plenty—than some centralized operation in Washington, D.C. saying, “NBC, give ten hours to x, y and z.” Even though it's legitimate, it's a bad precedent.

Q I'm kind of skeptical of the idea that the personal stake would increase the feeling of citizenship. I know, for whatever government programs there are now—I mean, giving out Social Security money and Medicare money and whatever, and it doesn't seem like people feel especially indebted to the government and that they should give something back somehow. It would foster equality along the lines of meritocracy but your analogy to Yale—we don't just come to Yale and give \$120,000 and then, for the rest of our lives, we make more money than if we had a less prestigious degree. It's not just, “Here's some cash.” Whereas, for many countries—I suppose fewer now than it used to be—there's a draft and you have to give national service. Now, of course, there's not a need for every 18-21 year old male to serve in the army. But do you think that a program where every young person had to spend a couple of years in national service would be more effective in actually forming a bond, I suppose, between the young person and the government?

BA I'm glad you asked that last one because Tony asked it also before and I didn't really answer him. First let me go to the analogy with Social Security. We have a welfare state. I believe in a liberal state. There's a difference. I believe in helping out people who are old and weak and vulnerable. But, of course, people who are old and weak and vulnerable aren't the people you're looking for to give a lot to the country. They feel, correctly, that they've already given a lot to the country, before they were 65 or 75, and that they're getting something in recognition of their contribution. When you talk to people, you'll hear that a lot and I think that's right, actually. It's a very different thing to imagine a program in which young people had a birthright which really was meaningful to them and they got as Americans and how they would give back. That's the question. I don't have an answer. But that's the sort of speculative question. So I would reject the analogy to Social Security. I also caution against too ready an extrapolation from the experience of Yale . . . The principal beneficiaries of this program are not the people who go to Yale University. It's normal people. Really! Because we have a new class society in which the central question is: How good are you at manipulating the computer screen? If you're really good at that, you're going to make a lot. That's what Yalies . . . And then we select people for that basic ability, and maybe a few people for the ability to play football or something like that. But it's basically that. Now, there's a big population out there—like 70% of the population that's not that good at that, but perfectly good at living lives. For them, \$80,000 means a lot. It means some kind of practical autonomy. A few of them will blow it, to be sure. But for normal people, this is a big change in their lives. And I believe that they will recognize that and respond to that fact in lots of complicated ways, indicating that they should give something back. Now, as to national service, I'm against it. But in the spirit that I was giving you at the talk, on Thursday, you can disagree with me. We put things together. You know, this is the idea that I mentioned last time of modularity. There are a lot of ideas and we'll see which ones . . . Obviously, it looks good to say, “Look, you do national service for 12 months, then we give you \$80,000.” That's sort of more like the spirit of the GI Bill. You fought in the Second World War and then, as a reward, we gave you a four year college education. Actually, there was a housing component in the GI Bill. There were a lot of other components that people forgot by now. But I think it's an administrative nightmare to run a 12-month national service. Just think about at least 3 points: first, labor unions. It means that national service will be organized so as not to endanger paying jobs. Second, mothers. It

means that they will be pushing the national service to get their kid in a good cushy job. Three, kids, most of whom don't want to do it just then. They're interested in something else, like girls. And they're being forced, in the bad Rousseau sense, to be citizens. So they're going to screw up. So put those three together . . . And then, the fourth one is, every 12 months they have a whole new thing, you know. . . And who's in charge of this administrative nightmare? Not highly paid guys from the Harvard Business School, but \$50,000 a year good-soldier bureaucrats. This is a recipe for a disaster. So I'm against it on administrative grounds. And that it would be a parody rather than a redemption. So I prefer to just give it. But I could be wrong about this. Like Bill Clinton's—what's the program? The National Volunteers for America. Of course, that's fine, but that's only like 15,000 people a year. Well, that we can do. But there are 4 million people each year who will become 21 in this country. Just think of what that really means administratively, and I shudder. An excellent book which disagrees with me, which I teach when I teach a course exploring these kinds of themes is a book mentioned last week. It's by Mickey Kaus. Does anyone know the title of it? *The End of Equality*, or something like that. For people who are interested in that, that's by far the best book. I would recommend it to you.

Q I was wondering if you thought voting should be mandatory and, if people don't vote there should be some sort of fine that could maybe be put in your citizen dollar account?

BA This is what they do in Australia. And there is a fellow I know, who's Australian, who thinks this is great. For a sort of class line sort of thing, it forces poor people to vote because voting is, as the gentleman previously suggests, a function of education and income in the United States and in Europe. I, as you might have noticed, am against coercion. So I'm against it. I'm just against forcing people to do things. I'm for giving people incentives to do things. And so I oppose it on that ground. Simple minded.

Q I was struck in your lecture . . . I think there was one point early, when you listed some fundamental values: freedom, the pursuit of happiness, and citizenship. And I was struck because never in my life had I counted citizenship as a fundamental value. And it raised for me an issue, that you were representing a certain strain of American thought and libertarian thought, that we should have a loyalty and an interest in our government and in our political scene. But there's another strain in our tradition, which I'm pretty attracted to, which says, "Leave me alone," to the government. And programs to increase people's feelings of connection and talk about politics and think about politics—well, they may not be bad, but they're not particularly good. I remember, I sometimes feel like people on the East Coast become a little desensitized to this strain of American thought. I remember when I came down here from my hometown of Fairbanks, Alaska. I bought a 1982 car. And my girlfriend and I were going on a road trip and I was on the highway. And there was this little booth and they made me stop and they made me pay taxes right there in the middle of the street. If I'd had my gun, I would have taken a shot. So anyway, I had to pay the taxes and then I drove on. But I just don't think government should have that kind of obtrusive presence in our life. Toll booth, stake, voting with dollars, you name it. Just leave me alone.

BA And what do you do with your income that you get each year from Alaska and from the Permanent Fund?

Q I use it for Yale.

BA So you don't give it back.

Q To Alaska? No.

BA Why do you take it?

Q It's useful for paying Yale.

BA So you do have a connection to Alaska. Of course, Alaska is a special state. They don't pay any taxes at all on anything and they get a stake. And maybe this is evidence on the other side that getting a stake doesn't generate any notion of reciprocation. But when you go to the Gulag, because nobody is caring about the government, you should remember your words. Benjamin Franklin said, "It's a republic for as long as you can keep it." And the idea that the American system of government just is a machine

that will go of itself is false. And I consider you just a moral free rider on citizenship efforts. And God help you.

Q I read a book by Elizabeth Drew some years ago called *Money and Politics* which left me with an extremely strong respect for the endless creativity of people in this country who undermine the best intentioned reforms that anyone can possibly dream up when it comes to campaign finance reform. I, therefore, am interested in another question which is . . . I'd be interested to have you speculate on why it is that we do so little to teach the very young people with whom you are concerned, for one thing, about practical skills of citizenship. There is a very interesting study which will be published shortly by a group of researchers who have been hired by something called the Interfaith Funders Group and they have looked at faith based community organizing and the introduction to the study talks about the fact that that kind of organization and the union movement are two places in this society where practical skills for democracy are actually taught. There is very little of that in formal education in this country at any level. And yet, a great deal is known about leadership and what it takes to be an effective leader and certainly much is known about what it takes to run for elective office and run an effective political campaign. It seems to me that, if we kept all of that less secret, there would be, perhaps, a much greater sense of optimism and possibility in some of the quarters where you see hopelessness, as do I. I'd be interested to have you comment.

BA That's very thoughtful. I agree with the main point but I'll emphasize my disagreement with three points. First of all, I think that American history is a history of governmental success and in the better mousetrap tradition, of course. So, for example, the separation of powers, that's a mousetrap—nothing more. A couple of guys saying, "Let's split up the power one way or another." Social Security—that's a success. The National Labor Relations Act is a success. The highway program is a success within its own terms—tremendous success. We could go on with a long list of government successes in this country, which we take for granted, of course. But the notion of ingenuity, can-do practical solutions, if we don't have that, then this is not America. So I disagree with this. I think that campaign finance is, actually, a pretty new issue. It is associated with the decline of political parties and the rise of television. And money wasn't that important. It was always important but it wasn't that important when you had real political parties on the ground with lots of people. There's a wonderful book—I forget the name again—of what a political campaign in New Haven in 1880 looked like. There were big marches. There were Republicans, Democrats, etc. This was a social event, much more than we appreciate. So money's rise is associated with this disintegration of the political party as a real institution—the rise of Madison Avenue, etc. and so forth, leading to new challenges for institutional design like many that we have confronted in the past. And, of course, we fail sometimes. But we can succeed as well. So I'm not as fatalistic on that side. On the other side, I think that John Dewey—what you are saying is very resonant (and I agree) with John Dewey's aspirations for the public schools and, in fact, viewed from a comparative point of view, the public schools are great training grounds for leadership. We always look at these cross cultural tests of how much math we know in the tenth grade compared to the Japanese—something like that—and we don't look too good. This is true. There is another test. How many races for class president of your little class do you remember? How many times do you remember running for Junior High School Vice President? We add that up, then we go to Japan. They don't know about this. a wonderful study that I really admire is one which asks American high school students how much they think they know and compare it to . . . Same question to German students. These kids in high school, completely ignorant, they say, "I know everything." You go to Germany, they say, "I don't know anything." It is sort of weird but there is a kind of glad-handing, the whole notion of a cheer leader *leader*, a football player *leader*. This is part of high school. So leadership is an important component of ye old American high school. Now, I quite agree that we have labor unions, a declining institution, church organizations, not as dynamic as people say they are, and that we need to do just what you're saying. I would love to find out more about it because it's obviously a source of a certain degree of despair, that these gimmicks that I'm offering up are only meaningful as supplements to the kind of thing that you're talking about.

AK I'd like to ask you, just for a moment, to back up to the question that was put a few moments ago, put in a provocative way which received an equally provocative comment from you, about state intrusion and the value of citizenship. Let me try to rephrase it because I don't think that you've been entirely fair to the doubt which the question was intended to express. I would put it something like this: Yes, of

course, we ought to accept and respect the fact that the state does some valuable, necessary things for us. We have a duty to pay our taxes in the form of tolls on the highway, and income tax, and so on and so forth. And a world without some significant state involvement, intervention in our lives, is really undesirable, perhaps unthinkable. But you are arguing for a much more robust conception and experience of citizenship than merely recognizing those things and accepting them as a normal and desirable part of life. You want people to be more actively engaged as citizens than they are now. And if I get the idea right, it's that, unless we keep that spirit of active concern and involvement and attention alive and strong, in some dark hour when we will desperately need it, it will have flickered out and we'll have lost it and not be able to recover it in time. Why should one be so anxious about that? In fact, someone skeptical about your proposals might very well say, "Over the long course of American history, there have been periods of remarkable disengagement from civic life in which men and women withdrew and followed their own individual stars and did with their lives as they wished, and then there was a crisis and they were called back, literally, on a moment's notice, into the public square and acted with attention and concern as citizens." This isn't a seed which, unless it's brought to bloom periodically and forced into, in a hot house way, forced into life, will eventually wither and die. It's there and it's ready to be recovered at a moment's notice. But we ought, most of the time, and in the absence of any really pressing need for engagement as citizens, we should be left alone, to do as we wish.

BA Well, we shouldn't exaggerate my proposals; that is to say, Voting with Dollars and Deliberating one day every two or four years are not absolutely the most Herculean activities that one could imagine. I view the American state as very strong, not very weak. Our state is . . . At present, we have 2 million people behind bars. That's an indication of a strong state, not a weak state. We have the greatest standing army and most powerful military in the world. That's an indication of a strong state, not a weak state, and a dangerous state. This is not America of before 1945 when we had . . . You know, if you read the *Federalist Papers*, one of the things that is most obvious to the authors of the *Federalists Papers* is that a system like the one in contemporary America could not survive as a free society. The standing army . . . Hamilton—not Madison—says is completely incompatible with a free society. We have the biggest and most powerful standing army in the world. And we manage. He's wrong, at the moment. Then we have these 2 million people in jail, which is a blinding—I think a barbaric but blinding fact of power. So we have a machine out there which is a dangerous machine. And somebody's going to run it. Now, there are a couple of solutions. One is the Yale Law School solution which is the French Grand Ecole solution. That is to say, "Let's train an elite that's humane, enlightened, and run the country for us."

AK Translation: The Yale Law School solution is "The Yale Law School runs the machine."

BA That's right. There's Bill Clinton, a spotless Yale Law School graduate, right? But this is a tough one for France which is a much more hierarchical, elitist society than we are. But it's not going to work in America. America is too big. We don't have this kind of best and brightest elite. Maybe we will in 100 years—I don't know—this kind of deference to a well schooled elite, but we don't have it. So somebody's going to run this big, violent machine that we have in the United States right now. And the question is, what to do about that? I also think that it's nonsense to think that citizen virtue just springs up when we need it. Just look at the Congo, right? They need it. Look at Slovakia. There are plenty of places that need it that don't have it. This is a precious tradition which will die.

Q I guess a number of people might be a little bit skeptical about the Stakeholder Society proposal, not just in terms of its political feasibility but even if accomplished, whether it really would bring about a more civic minded and productive society. And it occurred to me in thinking of a way to have a pilot program for this. . . First, I'm an empiricist and I'm all in favor of Britain adopting it so it would be really great to see how another country did it. Then, if it looked like a good idea, I'd drop my opposition. But it occurred to me, in thinking of a pilot project, that we actually do have sort of a weird parallel in which we do have a pilot project we've had for about 20 years in which there is a state program, in almost all states, that gives a substantial stake to randomly selected people and not just college graduates or any sort of elite. And I'm thinking of the state lottery. I've actually never known a lottery winner but when I think of various articles I've read that followed up on lottery winners, I'm not sure that that has had any positive impact on the civic mindedness or productive nature of the lottery winners, most of whom quit their jobs. But, moreover, it's interesting, just as you were saying, that people are going to be talking about what to

do with their stake. An amazing number of people who will never win the lottery talk about what they're going to do with their lottery winnings, because people have convinced themselves that they will, indeed, win the lottery. And when you listen to these conversations, many of which are reported on the 6:00 news when the Power Ball lottery gets to \$100 million, none of these fantasies that are expressed have anything to do with increasing the civic mindedness or the productivity of the winners. So I don't know if this kind of little, empirical basis would give any insight that might give you second thoughts.

BA Anne Alstott and I have been . . . There are a few studies, actually, on what lottery winners do. And they aren't too conclusive. However, \$80,000 isn't \$100 million. Of course, if someone asked me, what would I do with \$100 million, I wouldn't even know how to begin.

Q I'm just going to interrupt to say that most lottery winnings are something like \$20,000 a year for a number of years.

BA Let me just tick off the distinctions. There's a fundamental difference between knowing that you're going to get something as a matter of right at the age of 21 so that parents . . . It's a feature of one's life pattern, just as parents are saying, "Now, you graduate from high school," and they're saying, "You have to orient yourself to this \$80,000," rather than money from heaven, which is the structure of the lottery. Second, on work incentives, one has to keep in mind that the \$80,000 grant is far superior in my judgment to many other programs of income assistance because there's no marginal incentive. That is to say that you get your capital stock and then, at the margin, you still are saying, "Is the extra dollar worth it or not?" while most forms of subsidy and most forms of taxation fool around with the marginal incentives rather than the fixed quantity, and that's something very much to be taken into account. The feature of the lottery emphasizes the random big change which invites fantasy.. What \$80,000 invites is, if you get married, you have \$160,000, you can buy a house. And, moreover, since your role definition is going to be . . . You're going to be looking at 25-year olds and what they're doing with things. So it will be a much more real world thing. We have been searching for just these kinds of things. We've been trying, for example, to find out what people who get tort recoveries do with their money. Another one, on the Alaska mode, several native corporations have struck it rich. It's a very fascinating process, what the Alaskan natives do, and they're just given a cash dividend of \$50,000 and we're trying right now to find out what native Alaskans will do with it, because I quite agree, I would love to have [more information], but I don't think that the lottery, for the features that I've mentioned, really are as good as [other examples]. I appreciate the instinct though.

Q I have a question about how you think the Stakeholder Society proposal might affect immigration policies. You said that \$80,000 is not a huge amount of money and compared to the total advantages that you get being a U.S. citizen, it's not that great an increase. But I think it's something that seems like a lot and because it's just straight \$80,000 cash, you're going to have a lot more people desperate to get American citizenship and a lot more people who want to put huge restrictions on it. And I can almost imagine us creating almost a caste society of citizen and non-citizen where, perhaps, you still have immigrants who are coming over here, willing to take a minimum wage job with no hope of advancement, simply to have a child here so that child can be an American citizen. And what effect this might have on the traditional American notion, however true it is, that we are a land of immigrants where an immigrant can have the opportunity to come over here and advance as far as anyone else.

BA Well, these are great questions. If you look in Chapter 3, I think, of the book, or some chapter around there, any proposal to make citizenship more important means that the line between citizenship and non-citizens becomes more important. There is obvious inequality in the total wealth of the United States of America vis a vis the rest of the world. So every time we achieve some more justice in our country, we are actually creating a larger gap between the bottom in our country and the rest of the world. Is that a reason not to achieve social justice in our country? No. But this is the agonizing point. So I think there is no honest answer other than an unrealistic utopian projection of world federalism down a century or two. But on the nitty gritty of your question, there are many little holes in the proposal that I haven't been able to wheel out for you. But the real proposal, as opposed to the one that I have been proceeding with so far, says that, "If you're a citizen, you have to live nine years in this country." So, for example, if someone is born in the United States and then, at the age of 2 months, goes to Paris and then

takes a jet plane over to the United States at 21 and says, "Here I am, a citizen—birthright citizen. Where is my \$80,000 so I can go back to Paris?" that isn't sufficient. So we have a joint condition of citizenship plus, let's say, 9 years or 11 years, depending on how you cut the cake, of actual residence, subject, of course, if you're a member of the armed forces or diplomatic corps or some other [official] reason to be abroad. So there is this notion that it isn't only formal legal citizenship but actual cultural connection, which is the foundation of citizenship rights. So the way we treat immigrants goes something like this. If someone comes to this country as a teenager, he or she is profoundly aware of how much better it is for her in America than her existentially remembered homeland. While it's cruel not to give her the \$80,000, at least she understands that she's been made better off as a result of becoming an American citizen, let's say at the age of 17. However, someone who came to America at the age of 3 and for whom this country is really the only country that she knows, she should get the \$80,000. And that's the thought. But there's no answer to your question. It's the way we've compromised it out.

Q My question is about historical precedents for the Stakeholder Society. You mentioned the GI Bill and the Homestead Act in your lecture and you sort of dismissed recreating the GI Bill today as coercive. But I wanted to ask about the Homestead Act because I take it that you would draw an analogy between your plan and the Homestead Act by saying, "Well, the government gave people land and they felt they had more of a stake in the government as a result." But is it possible that the Homestead Act had that effect, if indeed it did have that effect, because it prolonged the sort of Jeffersonian yeoman farmer society in which your idea and our idea of American citizenship was formed and in which the Athenian idea of citizenship was formed. I'm not saying I believe this, but is it conceivable that, if that is so, there is no way to replicate the yeoman farmer society? And is it possible that the original idea of American citizenship as a mass phenomenon was a function of its time and place?

BA I think these are deep questions. You're absolutely right to think of this. You could think of the Stakeholder Society as a way of achieving something like land reform in a post-agrarian society. If 1% of the population owned 40% of the land of the United States and land were the principal source of wealth, there would be agitation for land reform. And so, since 1% of the population does own 40% of the disposable wealth of the United States, except a small fraction is in land, what I'm doing is orienting to that and saying cash rather than land. Let's consider the plus side. Certainly, there is some truth to the Jeffersonian thought that a farmer, by virtue of his multifaceted task, gained a kind of practical independence which suits him for this kind of spontaneous citizenship or not so spontaneous citizenship that Tony and you are referring to. However, these farmers couldn't read very well, were not connected to the world the way we are. We are a very literate population. Education is a breeder of self confidence and autonomy which the 19<sup>th</sup> century didn't have nearly as much as we—this notion of mobility and independence that we have from the automobile and the fact that we can quit jobs and move on, that we're trained in all sorts of ways to expect 6 or 7 jobs in our lives and all this. There are other forms of practical autonomy that have been developed. It's a deep question and one which I, frankly, ought to think more about the pluses and minuses. But I've emphasized the better mousetrap feature of my thinking in this lecture because I think that, actually, progressive Americans have no ideas. And that it's one of my jobs, as a lucky guy with a big salary and they let me write books and things like this (and Tony does not ask me . . . He asks me, "What am I teaching next year?" I just make it up and he doesn't ask me, "Do I know anything about it?") That kind of thing. This is great. I'm a lucky guy. So my job is to think of progressive ideas because I think that people who want to make our society more humane really don't have too many new ones. But there are these deeper questions which I'm presupposing. I mean, I have a general presupposition that this shift from the Jeffersonian past to the sort of human capital present is not impossible soil for citizenship but needs adaptations and one thing that I'm good at is to provide relatively superficial but nontrivial forms of amelioration. But presuppositions of the kind that you are talking about are really very fundamental and necessary.

Q I'm skeptical of your liberalism for a few reasons. You say you don't like coercion except when it comes to your own ideas. So that wealthy people who renounce their citizenship because they don't want to pay this 2% tax on their wealth should be barred from the country for life.

BA Absolutely. They don't want to pay taxes—no one is forcing them to pay taxes, but they don't have to be in the country.

Q You say that you are against a paternalistic welfare state but you make the distinction between Joe College and Joe Six Pack and say that a high school student who does not choose to go to college has to wait until their 20s to receive their stake. So how are they going to feel about being treated as an infant by the government whereas their friends, who decide to go to college, are given a stake? Because I don't know that it's true that people who decide not to go to college are any more financially incompetent than people who do. Third point is, more generally, how is the Stakeholder Society anything other than redistribution under another name anyway? With a goal of equal opportunity, if you really want equal opportunity, you're going to have to go a lot further than stakes of \$80,000 because it's pretty clear that taller, thinner and more attractive people have better opportunities. So if you don't like to use force, how do you intend to remedy those inequalities of opportunity?

BA Well, of course, you're right, I believe in one form of coercion—people have to pay taxes. That's the most humane form of coercion. Rather than, in kind forcing people to do particular things, taxes—if you're going to have some form of coercion—is the best because you can do whatever you want to make money. You pay some of it, rather than having the government coerce you to do particular things. But, of course, coercion is a necessary feature of any government. It's just minimize it and so forth. And, of course, people who refuse to fulfill—you're referring to my saying my point that it's possible to get out of these obligations by renouncing your citizenship. And I say, you're a free person. If you're a billionaire, you can go and renounce your citizenship. You just can't expect to come back to the United States. You've renounced your citizenship. So that seems to me a fair point. If you don't want to renounce your citizenship, then you have to take your obligation to pay taxes. The second point was Joe College. I imagine that the people who are going to college are not going to get the money. It's just going to go right to the college of their choice in tuition payments. It's a matter of judgment and not at all essential. The question is, at what point do people get enough experience of the world so that giving them the \$80,000 isn't an invitation to massive fraud and selling people the Brooklyn Bridge? And whatever age that is, that's when people who don't go to college, which is, the money isn't coming to them, it's going to the college of their choice. So I don't think that the point of this program is to equalize normal people with college graduates and right now college graduates are massively subsidized, even though they're going to be the richest portion of the population while normal people don't get the \$80,000 at any time. But I would be happy to put it at 18. It's just that I don't really think that people have enough experience just to get \$80,000 at 18.

And redistribution—yes, this is redistribution. That is to say, this is a proposal based on the principle of equal opportunity. But I refer you to my real serious book which is *Social Justice and the Liberal State* where I talk about the problem of genetics at very substantial length. I believe in giving people resources, not equalizing people's welfare. And we give people a certain kind of resources—material, cultural—and then it's up to them to make meaning of their lives. And if, as a result of these efforts to make meaning, they interact in markets and certain features of some people are valued more than others, that's a consequence, in my view of free choice and affirmation of values and not to be redistributed again in the way that you're suggesting. So, for example, it seems to me highly contingent and not obvious that tall blonde people necessarily are going to get greater advantages than short stocky people who are good at football or something like that. You're asking a fundamental question, you know. Ronnie Dworkin has a couple of articles, I have this book. Should we be equalizing resources or should we be equalizing outcomes? And I'm a person who wants to equalize starting points and then let people trade and evaluate each other as they see fit. It's not an adequate answer but at least it's a step.

AK I'm afraid we have to stop. I want to thank you, Bruce. This has been great and I will see all of you back on Tuesday when Professor Joan Steitz of the Molecular Biophysics and Biochemistry Department will be lecturing on Science and Democracy in America.