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## UNIT 6 CAPITALISM AND THE IDEA OF LIBERAL DEMOCRACY\*

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### 6.0 OBJECTIVES

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Democracy and Capitalism have been the thriving ideas of modern times. This unit aims to familiarise you with the idea of democracy, the idea of capitalism and the inter-relationship between these two ideas. After going through this unit, you should be able to:

- Explain the idea of liberal democracy and capitalism
- Explicate their changing nature and the interrelationship between these two ideas
- Discuss the challenges these two ideas face in contemporary times

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### 6.1 INTRODUCTION

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Liberal democracy and capitalism have proved to be the most successful political and economic systems despite intermittent challenges. This unit discusses

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different dimensions of liberal democracy and capitalism and encapsulates the meaning both lend to each other. Fundamentally, democracy celebrates the common good and capitalism rejoices the personal good. Capitalism follows the logic of unequal property rights whereas democracy aims at giving equal civic and political rights. Democratic politics is embedded in consent and compromise and Capitalism is all about hierarchical decision making. Wolfgang Merkel, a well-known authority on democratisation, has therefore said, Capitalism is not democratic, democracy is not capitalist.

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## 6.2 HISTORICAL MOORINGS OF CAPITALISM AND LIBERAL DEMOCRACY

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It is difficult to point to the first traces of capitalism since capitalism as an idea or as an attitude must have always existed probably in its primitive avatar. The evolutionary journey of man signifies that natural man was occupied with satisfying his basic needs and gradually learnt to amass capital/resources and understood the significance of the art of enterprise and speculation to transform the capital into unapologetic wealth. However, the development of capitalism as a system began in the 16<sup>th</sup> century. The industrial form of capitalism with which we are familiar first developed in England in the 18<sup>th</sup> century and spread to other parts of Europe, North America, Australia, New Zealand, and South Africa. By the end of the 19<sup>th</sup> century, with the expansion of European colonial rule, capitalism came to dominate the entire world.

It has been pointed out that rise of capitalism is associated with three main features: (1) the growth of the capitalist spirit i.e., the desire for profits, (2) the accumulation of capital, and (3) the development of capitalist techniques. Max Weber believed that capitalism was the product of rationalisation and rationality which was a significant characteristic of modernity. Capitalism was thus a rational organisation of the productive enterprise. The concept of a waged worker which emerged in the aftermath of the industrial revolution signalled a crucial stage in the development of capitalism. A brief look at the history of the economic and social conditions that pre-dated the industrial revolution shows that capitalism did not arise from the efforts of a few inventors causing an industrial revolution, nor because British capitalists had some special 'enterprising spirit'. It arose from the systematic breakdown of feudalism as a social and economic system and the imposition of a wage-labour system in its place. Karl Marx did a historical and dialectic analysis of the evolution of the capitalist system and considered it to be the product of contradictions found within the earlier feudalistic order. He opined that capitalism was a stage in history which replaced feudalism thus ending the control of the feudal lords over the serfs. The serfs were absorbed as factory workers, that is, wage labourers in the new system of mass production thus fully establishing the hold of the capitalist system. Marx maintained that as capitalism reaches its advanced stage it will breakdown because of its inherent contradictions and will be overthrown by a proletarian revolution. However, such a working-class revolution only took place in

underdeveloped Russia to establish what later came to be criticised as state capitalism. When the communist bloc disintegrated and collapsed, Francis Fukuyama, an American political theorist, declared in his, *The End of History and the Last Man*, that mankind has reached the endpoint of ideological evolution. The collapse of communism in Soviet Russia signalled the triumph of liberal democracy and capitalism. In the subsequent years, aided by international financial institutions that were infused with neoliberal ideas, liberal markets paved the way for global capitalism. However, the recent global financial crisis of 2008 has regenerated momentum in favour of contained markets, pulling back globalisation and promoting redistributive policies. Fukuyama chose to revisit his proposition and called for redistributive programmes to address the huge imbalances in income and wealth.

Democracy today is celebrated as one of the most successful political systems that practically don't have any competition. Its rudimentary meaning implies a form of government in which decision-making is by the people, for the people and of the people. Nonetheless, there are myriad forms and types of democracy. Generally, the historical roots of democracy are traced to the ancient Greek cities of Athens and Sparta where direct participation of people in city assembly was encouraged. At the same time, Greek democracy was problematically exclusivist in design. It did not recognise women, metics (foreign residents) and slaves as legitimate participants of the system. In recent years, the idea that democracy is essentially a system which originated in the Western world is being contested as references to the practice of Sabha and Samiti in Vedic literature where people used to participate in the decision-making process, point to the existence of such a system in the non-Western world too.

Liberal Democracy is particularly considered as a product and characteristic feature of modernity. It came into existence as a result of civil war against royal absolutism and paved the way for the transfer of powers from the Crown to the Parliament. Since then, liberal democracy has expanded not only in physical terms but also has matured in terms of meaning ascribed to it. The American and French Revolutions coupled with the growth of industrial capitalism since the late 18<sup>th</sup> century has deepened the roots of democracy. *The French Declaration of the Rights of Man (1789)*, and the *American Declaration of Independence (1776)*, the political ideas of John Locke who invoked the idea of inalienable rights of man, Bentham's defence of representative politics, J S Mill's championing of suffrage for women have greatly contributed to the development of democracy particularly in a liberal sense. Democracy made considerable progress not only as an idea but also as a political system with gradual enfranchisement of the population belonging to different socio-economic strata, public education, and electoral reforms. Decolonisation of the world and claims for the right of self-determination by newly independent countries in the post-World War II years also contributed to further democratisation of the world.

However, it must be noted that the adjective 'liberal' before the word democracy denotes a specific meaning and definition of individual freedom, the role of the state and role of the market. The liberal understanding of democracy has been in

favour of greater individual rights and lesser interference of the state. The term liberal may denote two diametrically opposing meanings, for instance, it can simply mean the absence of restraints (negative liberty) or it can mean individual's capability to engage in the process of governance and decision making. Thus, there are different versions of democracy depending on the meaning and definition adopted for the idea of liberty/personal freedom and role of the state. For instance, liberal democracies which prioritise the interests of the working class and exercise limits over individual/private ownership can be considered as socialist democracy while the ones which give precedence to duties, responsibilities and obligations towards society over the enjoyment of individual liberties can be considered communitarian democracy. And, if a political system chooses to prioritise environmental concerns or concerns related to women/gender then such systems have environmental and feminist orientations.

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### 6.3 WHAT IS CAPITALISM AND LIBERAL DEMOCRACY?

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The *Macmillan Dictionary of Modern Economics* defines capitalism as a political, social, and economic system in which property, including capital assets, is owned and controlled for the most part by private persons. Capitalism is necessarily an economic system which is driven by the individual enterprise to earn profits. It demands greater space for private ownership, unencumbered freedom, contractual transactions, and economic competition. In other words, capitalism is a system in which the allocation of resources in a society is based on the price mechanism. The extent to which the price mechanism is used, the degree of competitiveness in markets, and the level of government intervention distinguish exact forms of capitalism. In its extreme form, the Laissez Faire (literally meaning leave us alone) model, capitalism despises any form of governmental control and regulation. Such a free market system, if not controlled and monitored, can be perverted into one of the most ruthless and unscrupulous systems.

Capitalism is also a system of indirect governance for economic relationships, where all markets exist within institutional frameworks that are provided by political authorities, i.e. governments (Scott, 2006). From this perspective, capitalism is a three-level system much like any organized sports. Markets occupy the first level, where the competition takes place; the institutional foundations (administrative and regulatory infrastructure) that underpin those markets are the second, and the political authority that frames the rules of the game and administers the system is the third. In other words, a capitalist system to evolve in an effective developmental sense through time must have two hands and not one: an invisible hand that is implicit in the pricing mechanism and a visible hand that is explicitly managed by government through a legislature and a bureaucracy.

According to Max Weber, capitalism is simply an attitude of earning profit rationally and systematically. Therefore, this form of economic system thrives on

private ownership of resources, rational techniques of production and distribution, free market, free labour force, commercialisation of economy and rational legislation. On the other hand, Karl Marx sees capitalism as a progressive historical stage that is bound to collapse under the weight of its internal contradictions. For Marx, capitalism is a system of acute exploitation, class divide, inequality, and oppression. Capitalism thrives on private property, mass production of commodities under the factory system for profit and the existence of a working class. This working class is forced to sell its labour power in the market and eventually, this leads to polarisation between the haves (owners of the means of production or bourgeoisie) and the have not's (the wage workers or the proletariat). Marx maintained that government in a liberal democracy is the executive agency of the capitalist class. This fusion of economic and political power in the hands of the propertied class leads to exploitation of the have nots. He believed, when the working class unites to fight back, both liberal democracy and capitalism will be overthrown to establish a communist society. Thus, according to Marx, Capitalism and Democracy are prime factors behind the exploitation of the working class.

Capitalism can thus be defined as a spirit of enterprise, as a particular mode of production and as a commercial system. For capitalism to work, it requires a rule-bound economic policy; constitutionally enshrined protection of markets and property rights from discretionary political interference; independent regulatory authorities; central banks firmly protected from electoral pressures; and international institutions. (Streeck, 2011). Yamamura and Streeck talk about two types of capitalism; the non-liberal and liberal capitalism. They use these terms to connote the extent of social and political regulation in particular economies and, more fundamentally, 'the ways in which national societies organize their economies and indeed the extent to which they do so'.

Democracy is basically a government by consent in which periodic, competitive, free, and fair elections are mandatory. The election is the key institutional process through which democracy functions. The opinion of the citizens/governed is of paramount significance in a democratic system. The process of consensus-building is at the heart of the liberal democratic process. Such a consensus needs to be achieved at three levels according to David Easton: (a) consensus at the community level (basic consensus); (b) consensus at the regime level (procedural consensus), and (c) consensus at the policy level (policy consensus) Sartori maintains, in democracy, no one enjoys unconditional and unlimited power. Limited exercise of power and accountability are the key elements of democracy. In other words, individualism, popular sovereignty and limited government are the foundation of liberal democracy.

In order to explicate democracy further, it is necessary to understand the procedural as well as substantive aspects of democracy. While the procedural aspect focuses on the constitutional framework, the substantive aspect of democracy reminds us to strive for the equitable distribution of fruits of growth and development. The claim of the liberal democracies to be liberal democracies rests on the claim that they have both well-established and accessible procedures

for protecting the liberties of individual citizens (Ware, 1992). The liberal democratic trajectory also reveals that values such as liberty, equality and fraternity are its building blocks. These values only make the procedural aspect of democracy stronger and contribute to the regimented control over the markets thereby ensuring efforts for equitable redistribution of resources. Liberal democracy has two significant components within it- the liberal component which talks about limits on political power and the democratic component which deals with people's rule, participation and representative institutions. Liberalism intends to free the people and democracy stands for 'empowering people'. It also means safeguarding people from tyranny and arbitrariness. This is achieved through ensuring political representation to people. Political parties are important mediums to provide this representation to people in a democratic society. The form of representation can be direct, indirect, proportional etc. Each society, depending on the nature and composition of its population, will have different types of party systems. For example, a more homogeneous society tends to have two party-systems and a heterogeneous society tends to have a multi-party system. Values such as liberty, equality and fraternity are considered as the core values of a liberal democratic society. On the other hand, liberal democracy is also inseparable from free market and property rights. The Marxist critique of liberal democracy is therefore that political equality is farcical in the absence of economic equality. The class divide which is an inherent feature of capitalism has to be overcome by abolishing private property. Socialist democracy is essentially aimed at overthrowing capitalism that gets strength from liberal democracy. Liberal democracy is also criticised by the Elite theorists such as Gaetano Mosca, Wilfredo Pareto and Robert Michel who point out that in any given society it the few elites who tend to rule rather than the people at large.

### Check Your Progress Exercise 1

- Note:** i) Use the space given below for your answer.  
ii) See the end of the unit for tips for your answer.

1) What, according to Max Weber, are the conditions necessary for capitalism?

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2) Which one of the following is NOT a necessary condition for a liberal democracy?

- a) Individualism, b) Popular sovereignty, c) Laissez faire and d) Limited government.

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## 6.4 INTERRELATIONSHIP BETWEEN LIBERAL DEMOCRACY AND CAPITALISM

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The economy and polity are the main problem-solving mechanisms of human society. They each have their distinctive means, and they each have their "goods" or ends. They necessarily interact with each other and transform each other in the process. (Almond, 1991). One question that muddles us is how capitalism and democracy which are in many ways opposite ideas are complementing each other across the world. The former produces stark inequalities and the latter aims to craft an egalitarian society through distribution of equal political rights. On one hand, there is a system that pushes for the free hand of the market and on the other is a system that longs for a redistributive welfare state. The rising inflation since the 1970s, increasing private indebtedness, financial crisis has exposed the struggle between growing demands for security (socially funded programmes by government, redistribution of income and wealth through progressive taxation) which is fundamentally incompatible with the market. A detailed probe into the historical evolution of these two ideas and its practice reveals that they both have managed to respond to their contradictory nature. The post-World War II welfare state compromise tried to reduce the growing inequalities as a result of an unregulated capitalist market. Later, the onset of the financial (the Bretton Woods) crisis in the 1970s led to an expanding horizon of globalisation, neo-liberal reforms since the 1980s. This created a dent in the idea of the welfare state. While the state did not wither away, it did make enough space for the globalisation of capitalism. What is interesting here is that the amount and nature of 'liberal' in democratic politics in a way determines the space and structure of capitalism in a given system/society. For instance, governments that fail to attend to democratic claims for protection and redistribution risk losing their majority while governments that disregard the claims for compensation from the owners of productive resources, as expressed in the language of marginal productivity, cause economic dysfunctions and distortions that will be increasingly unsustainable and will thereby also undermine political support. (Streeck, 2011)

Marx believed that capitalism thrived because proletariat class is repressed and kept misinformed. His notion of collapse of the capitalist system under the weight of its inner contradictions no longer holds as capitalism has survived these challenges by adapting and accommodating itself within the liberal democratic setting. In fact, the capitalist class today consents to democracy and redistribution for the cost of repression and the consequent threat of revolution may be higher.

There are various assumptions, theories, and approaches to look at the interrelationship between capitalism and democracy. For example, greater democratisation results in greater redistribution (Meltzer and Richard model 1981) since the median voter belongs to the lower income group. However, they do not provide much leverage on explaining the observed variance in redistributive politics in different countries. The other main approach to the study of capitalism and democracy focuses on the role of political power, especially the

organizational and political strength of labour. If capitalism is about class conflict, then the organization and relative political strength of classes should affect policies and economic outcomes. There are two variants of this approach. The power resource theory focuses on the size and structure of the welfare state, explaining it as a function of the historical strength of the political left, mediated by alliances with the middle classes. The second variant is called the Neo Corporatist theory which focuses on the organization of labour and its relationship to the state - especially the degree of centralization of unions and their incorporation into public decision-making processes. (Iversen, 2006)

Joseph Schumpeter opined that democracy was a part of civilization story of capitalism thus making the point that democracy was historically supported by capitalism. In *Capitalism, Socialism, and Democracy* (1942) he states flatly, "History clearly confirms that modern democracy rose along with capitalism, and in causal connection with it. Modern democracy is a product of the capitalist process." The evolution of capitalism and liberal democracy though remained conflictual, it has found a strong ground especially since the end of World War II and the birth of welfare state (which was inspired by Keynesian economics). In the three decades following the adoption of the welfare state policies, the Western world experienced phenomenal economic growth where liberal democratic politics and the capitalist market grew simultaneously. There has been always scepticism about the harmonious co-existence of liberal democracy and capitalism. According to Barrington Moore, there have been three historical routes to industrial modernization. The first was followed in Britain and France where democratic capitalism rose to prominence by promoting bourgeois mercantilism. Japan and Germany, adopted the second route with the help of landed aristocracy producing a system of capitalism that was encased in feudal authoritarian framework dominated by the military aristocracy. Russia chose to be an authoritarian communist regime along with state controlled industrial economy. Moore, therefore, concludes that capitalism has remained a constant feature of emerging democracies in the nineteenth century. Robert Dahl too maintained that "It is an historical fact that modern democratic institutions have existed only in countries with predominantly privately owned, market-oriented economies or capitalism if you prefer that name." Peter Berger in his book *The Capitalist Revolution* (1986) discusses four propositions on the relations between capitalism and democracy which primarily explain a positive nature of the relationship between the two. On the other hand, there are those conflictual relationship between the two. For instance, Friedrich von Hayek in his later years advocated abolishing democracy in defence of economic freedom and civil liberty. John Stuart Mill had taken a similar position and maintained that capitalism subverts democracy. Therefore, he imagined a less competitive and eventually a socialist society. Mill wanted to control the excesses of both the market economy and the majoritarian polity, by the education of consumers and producers, citizens, and politicians, in the interest of producing morally improved free market and democratic orders. Thomas Jefferson did not object to significant inequalities in wealth but he believed an economically independent citizenry was



essential for liberty and democracy. Marx similarly explains how access to free land/resources serves as an impediment to capitalist dominance over and exploitation of labour. In other words, when economic resources/power is equally distributed and also controlled by the government it acts as a check on capitalism. Gabriel Almond discusses at length various dimensions of the interaction between democracy and capitalism. He identifies four broad types of inter-relationships: 1) Capitalism supports democracy, 2) Capitalism subverts democracy 3) Democracy subverts capitalism and 4) Democracy fosters capitalism (Almond, 1991). It is important to recognise that democracy and capitalism are both positively and negatively related, that they both support and subvert each other.

## Check Your Progress Exercise 2

**Note:** i) Use the space given below for your answer.  
ii) See the end of the unit for tips for your answer.

1) Explain how democracy and capitalism interact with each other.

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## 6.5 CONTESTATIONS, DEBATE AROUND AND FUTURE OF CAPITALISM AND LIBERAL DEMOCRACY

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The birth of liberal democracy in the shadow of modernity and growing industrial capitalism in the nineteenth century later became a global phenomenon and was taken as historically established and socially given. The key questions that are asked today, retrospectively as well as prospectively, are a) Is a liberal society (a society which guarantees civil, political, and economic freedoms, expansion of the franchise, periodic elections) a pre-condition for the sustenance and protection of capitalism? and b) Does this kind of liberal democratic expansion cohere with capitalist interests, institutions, and property relations? Alternatively, to put in the words of Elliot, would greater participation by the working masses in democratic politics be the potential undoing of the market capitalist system of economy? (1987).

The growth of liberal democracy and capitalism globally today is being revisited and questioned for the world is trapped in unimaginable problems and issues. The unprecedented technological and material progress is an outcome of the capitalist system but it also has created an unimaginable gulf between the haves and have nots, climate change, growing tensions among communities on account of pressing economic conditions, rising terrorism, increasing unemployment and

most importantly growth of the self-interested and atomistic individual. In the face of these contemporary challenges, Fukuyama's 'End of History' thesis that liberal democracy has won is now quaint. There has been rather an acceleration of history. Robert D Kaplan's apocalyptic article *The Coming Anarchy* points out that scarcity, crime, overpopulation, tribalism, and disease are rapidly destroying the social fabric of our planet. The fundamental issue that lies at the heart of human suffering today is exclusion and extreme inequalities. Isabel V. Sawhill in her article *Capitalism and the Future of Democracy* makes a compelling opening remark, "America is a mess. So are many other Western nations. Populism is on the rise because our existing system of a market-based liberal democracy is falling short of producing what citizens need and want." She discusses the interrelated problem in the context of American society but her argument has global relevance. For instance, some of the global problems are economic in nature such as rising inequality, stagnant wages, lack of employment, lower intergenerational mobility, disappointing levels of health and education, rising levels of public and private debt, growing place-based disparities. Some other problems are political in nature such as hyper-partisanship, influence-buying and corruption at the highest levels, paralysis, and declining trust in government. And finally, some issues are cultural such as resentment of migrants and growing tensions over race/ethnic identities and gender. These problems cannot be addressed in silos.

What has contributed to these impending issues globally is the mindset that markets work and governments don't and that governments must create an environment for markets to work. Most modern societies are made up of three sectors: the state, the market, and civil society. Most political philosophies contain an implicit bias toward one of these three sectors. While the Socialists tilt toward the state, the Capitalists repose faith in free markets. A softer version of capitalism, that we might call liberal democracy or the mixed-economy model, accepts the importance of markets but recognizes the need for government to correct market failures and address distributional questions. This type of a 'mixed economy' prevailed in the three decades following World War II in the U.S. and has been championed by many world leaders (Sawhill, 2020). Harvard professor Michael Sandel maintains that the US has drifted from a market economy to a market society; it's fair to say that an American's experience of shared civic life depends on how much money they have. Market economy and market societies have transformed everything into saleable things. (See Michael Sandel's book *What Money Can't Buy?*) The triumphant march of liberal democratic capitalism has significantly raised a breed of politicians (such as Bernie Sanders etc) across the globe who today have called into question the practice and intensions of this system. There seems to be a revived interest in socialism to fight and address issues of unimaginable and growing inequalities across the world. Thomas Piketty in his book *Capital in the Twenty-first Century* (2013) argues that rate of capital return in developed countries is persistently greater than the rate of economic growth and that this will cause wealth inequality to increase in the future. To address this problem, Piketty proposes redistribution through a

progressive global tax on wealth. While the political feasibility of such proposals is slim, the fact that they are even being discussed makes the point that we may be near a tipping point in the battle between market capitalism as philosophy and its alternatives.

The liberal democratic and capitalist world system need to revisit the proposition that market functions best when they are complemented by government/political system. The growing inequalities warrant urgent attention from the political system to curtail the spread of the market. More than ever, economic power seems today to have become political power while citizens appear to be almost entirely stripped of their democratic defences and their capacity to impress on the political economy interests and demands incommensurable with those of capital owners. In fact, looking back at the democratic-capitalist crisis sequence since the 1970s, one cannot but be afraid of the possibility of a new, however temporary, settlement of the social conflict in advanced capitalism, this time entirely in favour of the propertied classes that is now firmly entrenched in their politically unconquerable institutional stronghold, the international financial industry (Streeck, 2011). It will be too optimistic and farcical to believe that liberal democracy creates space for people's voices to be heard. Martin Gilens and Benjamin Page's empirical study suggests that economic elites and organized business interests have a large influence while the average citizen has virtually no impact. The median voter has a very little impact on legislative decisions in a democratic system. This is a very castigatory critique of liberal democracy as it fails to ensure individual liberty and the democratic space ultimately is hijacked by private/business interest.

On the other hand, it is also necessary to mull over the fact that this very liberal democratic space has allowed alternative politics to come to the forefront. Around the world, we see a rise in mobilisation of masses against inequality, racial/ethnic discrimination, gender-based oppression etc. This is a ray of hope that democracy still can offer a thriving space for alternative politics as well economics. Isabel earnestly discusses three possible alternatives to rescue the world from liberal democracies being hijacked by market capitalism. They are democratic socialism (government intervention in the economy), democratic liberalism (mixed-economy), and social capitalism (renewal of social capital and trust). These alternatives can offer effective solutions to an impending problem that is at the root of all other interrelated problems, that is, inequality. In the words of William Galston: "it is unarguable that beyond a certain point economic inequality is a threat to liberal democracy" (2018, p135).

### Check Your Progress Exercise 3

**Note:** i) Use the space given below for your answer.

ii) See the end of the unit for tips for your answer.

1) List some of the important problems and issues arising from capitalist development in contemporary times.

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## 6.6 LET US SUM UP

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As we saw in this unit, the two thriving ideas of modern times, liberal democracy and capitalism, have consolidated their position worldwide. Since the inception of democracy in ancient Greece, the idea of people's participation in political affairs has flourished with expanding meaning attached to the idea of rights of people. The beginning of the industrial revolution in the eighteenth century contributed to the growth of liberal democracy or it can be also said that both complemented each other. The emergence of the welfare state in the post-War years was a compromise between liberal democracy and contained capitalism. However, the financial crisis since the 1970's has greatly contributed to a paradigm shift in the economic sphere and the political sphere. The growing influence of global financial capitalism eschewed the liberal democratic spirit and has caused unimaginable inequalities. Therefore, a revisit of these ideas is impending to prevent the transformation from a market economy to becoming a market society. People, academics and activists have faith in the democratic spirit that with the expansion of people's voice the capitalist tendencies can be put under veritable check.

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## 6.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress Exercise 1

1) Conditions for capitalism to flourish are private ownership of resources, rational techniques of production and distribution, free market, free labour force, commercialisation of economy and rational legislation.

2) c

### Check Your Progress Exercise 2

1) Your answer should include three aspects: i) liberal democracy a pre-condition for capitalism, ii) impact of capitalist intent and institutions on liberal democracy, and space for democratic spirit to make a dent in capitalist system.

### Check Your Progress Exercise 3

1) Capitalism has led to unprecedented technological and material progress, but it has also created an unimaginable gulf between the haves and have nots, climate change, tensions among communities, terrorism, unemployment and growth of the self-interested and atomistic individual.