After Eden
Margaret Levi

in Anxieties of Democracy: Tocquevillean Reflections on India and the United States

This chapter examines the transformation of the landscape of political power in the United States and reflects on the current state of American democracy by looking at the democratizing synergy between political associations and governmental institutions. The emphasis is on labour unions, whose decline in power can be attributed in part to their increasing inability—or perhaps simply lack of commitment—to transform the narrow material interests of members into an aggregate preference for the general weal. This has implications for domestic policies and international trade policy, which the chapter discusses by analysing the politics surrounding outsourcing from the United States to India. The chapter also explores the opposition of many American labour unions and workers to outsourcing, and considers fair trade.

Compensating the Losers
Johannes Lindvall

in Reform Capacity

This chapter develops the book's central argument about political institutions, compensation, and reform. It begins by analyzing the term “compensation,” as well as related terms such as “side payments” and “logrolling.” It then shows how compensation facilitates policy reforms in power-sharing systems, where side payments are often used to overcome the opposition of politically powerful losers from reform.
Following the discussion of these conceptual and theoretical problems, the chapter demonstrates empirically that compensation has, in fact, been used to bring about important reforms: in the area of trade policy, social policy programs have been used to compensate losers from trade; in the area of labor market policy, governments in power-sharing systems have adopted reforms that combine cuts in benefit provision with positive steps to improve training for the unemployed.