The segmented approach outlined in chapter 1 assumes that most types of social organization that exist today can also be found in the past. The number of these is actually quite small. The most important forms of political organization are the authoritarian, feudal, and liberal capitalist models, which roughly overlap with the famous Aristotelian typology: the rule of one (authoritarian), the few (oligarchic or feudal), and the many (liberal).

The liberal capitalist model supposes a division of power, political freedoms, free elections, perfect market competition, and a state that has the power to enforce the rule of law. The authoritarian model comprises hierarchical management, highly concentrated decision making, strong police forces (conventional and political), and state-controlled social and economic institutions. The feudal model, as discussed, consists of a weak state and multiple centers of power. Other types of social organization include the criminal layer, where violence is the major governing instrument, and the theocratic model, with the church serving as the basis of social organization.

The segmented character of most societies, past and present, demands the use of multiple models simultaneously. Social outcomes are determined by the relative role of each pure type and by the nature of their interactions. Similar patterns of behavior can be found across history, which explains in part why the great texts of the remote past, such as Thucydides’ *History of the Peloponnesian War* and Machiavelli’s *The Prince*, continue to interest contemporary readers. In medieval societies, with their aristocratic pluralism, many key developments, such as the election of kings and popes, can be best understood
through the prism of the liberal model, while other aspects require the authoritarian model.

Although this book as a whole is devoted to applying the segmented approach (with an emphasis on the feudal model) to contemporary American society, we begin this chapter by demonstrating how the same approach can be used for analyzing medieval societies. Our second objective is to show how this approach is not only useful for describing diverse societies, but also for explaining how societies change. The use of ideal types or models does not imply that societies are static or rigid. On the contrary, models should be seen as analytical tools for describing societies, as well as for illustrating the dynamic interaction between its different parts, and identifying where and under what conditions societies transform. The segmented approach and the use of multiple models, far from encouraging determinism, help identify social transformation without buying into simplified notions of historical progression or one-system functional analysis.

The Liberal Model and the Internal Dynamics of Medieval Societies

The idea that medieval society is antithetical to liberalism and democracy stands as a problematic simplification of history. The political pluralism of the “few”—the existence of multiple centers of power in the same society—should be seen as a liberal element, and one that led to further liberal processes in society. The major social actors of the time (lords, universities, churches, guilds, cities, and others) often challenged the king and each other as they struggled for autonomy. One outcome of these conflicts was the establishment of numerous official documents and practices that protected their rights. Among these documents, the Magna Carta (1215), with its sixty-three clauses, was used by British barons to force King John to respect the law, the rights of his subjects, and the “liberties and free customs” of London. This document would become a symbol of civil rights and play an important role in the building of democracy in England and other countries (Ehrlich 1982). Also important was an article in the Treaty of Leek (1312), between the king and lords, which established a Council of Lords to advise the monarch (Neillands 2001).

The fight for political freedom was a typical element of medieval life. Cities such as Bruges in the Netherlands, Lübeck in Germany, or even Novgorod in Russia advanced the concept of freedom through their conflicts with kings and each other. The famous medieval aphorism “the city air makes people
“free” epitomized this struggle. Graf von Kleve recognized the special rights of the city of Kleve (now the Netherlands) for the first time in 1232. In spite of an intervening period of absolutism, the cities transferred their democratic ideas to the nascent democracies of later periods.

The medieval Catholic and Protestant Churches also contributed to the development of democracy. Some popes resisted the arbitrariness of the king and supported the idea of limiting royal power. The famous struggle between the German King Henry IV and Pope Gregory VII, in “the investiture conflict” of the late eleventh century, over who should appoint bishops (the pope or king) was one striking example of a political conflict in the Middle Ages that restrained the power of the king. The duel between the pope and the king was viewed with great delight by the German aristocracy, which wanted to limit royal power (Duffy 1997; Rosenwein 2005). On the other hand, the struggle between the popes and the French kings resulted in victory for the royals. The fight against Church intervention in the lives of individuals, a postulate of Protestantism, also helped forge the premises for liberalism and democracy in medieval times. The Church’s strong dependence on the central authority helps to explain why democracy did not develop in Russia and other countries (Eagles, Johnston, and Holoman 2004).

Even though a caste system existed in medieval society, ordinary people still had certain rights. The Middle Ages also bequeathed lessons on elections, which bridged Athenian democracy and the modern state. Even though elections were controlled by “the few,” they can be seen as liberal elements that played an important role in medieval societies. In several cases, lords even elected kings. In France, Pepin the Short was elected as the founder of the new Carolingian dynasty by an assembly of magnates, and was consecrated by the bishops in 754. The same thing happened in 834 when feudal magnates, rejecting the will of Louis the Pious (Charlemagne’s son), did not give Aquitaine, a subordinate kingdom of the empire, to Charles’s preferred heir, but to another son, Pepin.

The election of Polish kings was another example of medieval pluralism. The Polish king Władysław Jagiello was elected for the first time in 1386. Between 1572 and 1791, the election of Polish kings by the nobles (sometimes forty thousand to fifty thousand of them) was the norm. The elected king was forced to accept pacta conventa (an agreed-upon contract), which hashed out the king’s obligations to the nobles. The power of elected kings also restrained the

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1. See the conference devoted to this aphorism in the Institute of Sociology in Linz, Austria, in 2002, www.ni.tuwien.ac.at/nt/htf/temp/oe2felt/veranstaltungen/stadtluft.pdf; see http://www.heimat-kleve.de/geschichte/chronik/05_08.htm.
parliament (*sejm*), which convened regularly in medieval Poland. It was divided into two chambers—the senate (mostly bishops) and the chamber of envoys (the representatives of landed nobility). The power of the great lords was so strong that in the late Middle Ages each member of the *sejm* had the right to veto any proposal advanced by members of the parliament (*liberum veto*).

There were other divisions of power in medieval society. The judicial system enjoyed some autonomy. The Magna Carta placed the law above royal power. Even such an aggressive and cruel English king as Edward the First, who was described by his contemporaries as “inconstant and treacherous,” respected the will of his great council and parliament. His compliance with the law earned him the title of the English Justinian (Fraser 2000, 82).

According to some scholars, such as Ganshof (1964) and Duby (1998), the medieval legal system was quite sophisticated and functioned well under most circumstances. The social actors of the time, they suggest, followed a strict code of conduct in their everyday lives. In our view, they exaggerate, to some extent, the level of order and the degree to which laws were observed. They give the impression that medieval France, around the year 1000, was an orderly society. In a large volume by Duby, little is said about the banditry and violence in France during this period. The twelve-page table of contents contains sections about numerous religious and intellectual phenomena of the time, but never mentions the level of order in society. Another group of historians embrace the opposing perspective, suggesting that a general disrespect for law characterized much of the Middle Ages (Janin 2004; Hanawalt and Wallace 1999; Gauvard 1999; Davis 2000). These conflicting perspectives can be resolved, at least in part, by adopting a segmented approach, which anticipates the real-life manifestations of multiple models (liberal, feudal, and authoritarian) in any society or large social unit.

**Private Interests in Medieval Society**

Feudal political pluralism encouraged the role of private interests in the Middle Ages, which led to the strengthening of liberal tendencies. Some authors have suggested—wrongly by our estimation—that a distinction between public and private interests was not made until the eighteenth century (Sennett 1992, 17–18; Johnson 1995, 216; Outhwaite 1994, 531; Sales 1991). In fact, the public-private distinction, a liberal element, can be seen, if to varying degrees, in any society—medieval France, the Soviet Union, and twenty-first-century America.
The task is to ascertain the extent to which this distinction functioned in a given time period and regime. The collapse of Roman society, along with the sophisticated laws that coordinated private and public interests, had a lasting impact on social relations in early medieval Europe. The barbaric societies that emerged from the ruins of the Roman Empire mostly ignored individual private interests. Ordinary people were given no option but to obey the king or ruler. Until the ninth century, in fact, French kings did not make a distinction between their own property and the property of “others.” For a long time there was no such thing as “public finance,” and the king was not held accountable for the public’s needs. The king was allowed to collect taxes only when “the nation” was at war, and he often used his own wealth to finance the government (Cantor 1993, 487; Wolfe 1966; Henneman 1971).

The tendency of the ruler to see the country as his own property was typical for almost all despotic, totalitarian regimes. For instance, the Russian tsars, almost up until the nineteenth century, considered themselves the owners of everything in the country (Braudel 1992). This particularity of Russian society, as suggested by some scholars such as Richard Pipes, postponed the development of private property and liberalism for centuries (Pipes 1999).

In the case of ninth-century France, however, the decline of royal power and the emergence of autonomous social actors (lords, bishops, guilds, and universities, among others) led to the development of private property, and clarified the distinction between public and private interests. Subsequent to the ninth century, the king’s property was strictly separated from the public wealth in all new post-Roman states. As suggested by the contemporary British historian Antonia Fraser, following Edward I’s ascension to the throne in 1274, his first task was “to determine more clearly the boundaries between royal and private power” (Fraser 2000, 82).

Officials of the royal administration considered their jobs to be a sort of private fief, which could be used for extracting income in addition to their official salaries (Aries and Dubuis 1985). The division between private and public life in the Middle Ages became so strong that, as Webb (2007) showed, privacy was an important phenomenon in this era, even if “constant company was the general rule.”

Of course, the private interests of individuals in medieval society were restricted by feudal contracts, laws, customs, and the interests of “others.” However, these restraints were not sufficient for protecting national interests. Indeed, with the dominance of private interests, permanent wars raged. The confiscation of private property was a fixture in social life. As suggested by Cantor (1993,
The barons paid little attention to the necessary details of government, and their constant inighting for personal advantages made the failure of baronial government inevitable. Ultimately, feudal private interests had a devastating impact on society, the economy, and, of course, the country’s ability to defend itself against foreign invasions.

During the Hundred Years’ War, France suffered one defeat after another, as the lords “were intent in following their own policies and whims” and did not obey the king in his fight against the English invaders (Neillands 2001, 49). No less suffering fell upon medieval Germany, where thirty years of war against foreign armies (Swedish and French, among others) stood as a remarkable example of the indifference of German princes to the well-being of their country. The story was similar in medieval Poland, where the lords refused to give up their private interests for the sake of the nation, which suffered three partitions in the eighteenth century, and finally ceased to exist in 1795.

The importance of private interests in medieval times can also be seen in the marketplace. Market transactions supposed the existence of two individual partners who acted with their own interests in mind. Those authors who ignore the distinction between “private” and “public” also tend to ignore the importance of the market in medieval society. Such was the position of many Marxists (McNally 1993) and several other contemporary authors, such as Karl Polanyi (1944). In fact, feudal relations coexisted with imperfect markets and with money playing an essential role. The royal administration and regional lords needed money to buy land and arms, pay soldiers, and purchase entertainment and luxury items. Kings and lords received money from taxes and customs, the sale of privileges and offices, and the illegal extortion of money from cities and individual merchants (Spufford 1988).

The subsistence economy, which many scholars treated as a central characteristic of the Middle Ages, was mostly related to the activities of peasants and was only partially relevant to the upper class, considering its consumption of luxury foreign goods. In general, as suggested by the well-known economic historian Michael Postan (1944), “economies wholly natural never existed and money always played an important role in Middle Ages life.”

Medieval Contracts as the Basis for Liberal Institutions

The importance of private interests made contracts necessary, which further encouraged the development of liberal elements in medieval society (Gordley
While the influence of Roman law on medieval contracts should not be disregarded, it was a particular medieval practice to focus on trust as the basis of agreements. Several contemporary authors have suggested that the roots of contracts as an institution lie in medieval society (Mayhew 1984). Some authors have even suggested, referring to the role of contracts in the Middle Ages, that nineteenth-century liberalism and twentieth-century libertarianism owed their basic premises to feudalism (Painter 1961; Benton 1962). Cantor (1993, 318) insisted that the “effect of the heritage of 12th century law is felt to the present times.” As underscored by other authors, the spread of contractual practices in the Middle Ages led to freedom, free choices, and bourgeois property, even if this practice benefited only a small minority of the population (Scheiber 1998; Nörr 2000). Summarizing the history of British law, Maine offered the pithy expression “from status to contract,” which referred to the move from the constraints of social status, which limited the conduct of individuals, to contracts, which offered them freedom (Kahn 2004).

By the twelfth century, the institution of contracts permitted an enhancement of the rights of vassals at the expense of their lords (Simpson 1998). Later, contracts were extended to ordinary people, and respect for the participants of contracts spread throughout society. The important task of hiring mercenary troops would have been impossible without contractual deals (Neillands 2001). Bloch (1961) interpreted feudalism as a set of relations between a vassal and his lord, as if those relations assumed equality between the agents. Contractual relations were also typically found between landlords and free tenants. Following Bloch, Simpson underscored that contractual relations were “the basis of the system of social organization which has come to be called feudalism” (Simpson 1998, 20). The same line was supported by Douglas, with his focus on contractual military service as the major feature of feudalism (at least in its Norman version) (Douglas 1969), and to some degree by Ganshof, given his emphasis on the legalistic elements of feudalism (Ganshof 1964). Contemporary historians of law also supported the view that feudal relations were inherently contractual (Carson 2006).

Well-known thinkers such as Hobbes and Locke were inspired by medieval practices (Buckle 1991; Gordley 1991). While Hobbes is correctly seen as the apologist of Leviathan, which he treated as the antidote to feudal fragmentation, he “liberalized” the totalitarian monster by suggesting that ordinary people contracted with the absolutist state in order to protect peace. This circumstance persuaded some scholars to see Hobbes as “a contractual political scientist,” and to refer to him as the founder of liberal thought (Hampton 1986).
It was not Hobbes, however, but two other thinkers who made the feudal institution of contracts a main postulate in their vision of a “good society.” One was Locke, who insisted that the state yield to civil society and function only on the basis of contracts with free people. In his treatise on government, Locke suggested the idea of extending the feudal contract to everybody (Cazel 1961). The second author to connect his name indelibly to the idea of contracts was Jean-Jacques Rousseau, in his important book *The Social Contract* ([1762] 2006). More than any other publication, it turned the medieval contract into the symbol of democracy, because contracts between a sovereign and ordinary people, or between individuals, supposed equality. Several twentieth-century authors, such as Parsons (1967), Hayek (1973, 35–46), and Oliver Williamson (1985), with their Lockean, utilitarian approach to human relations, identified contracts as a key element of free society (Ellickson 1991).

The Authoritarian Model and Medieval Societies

While the liberal elements were quite important in medieval society, authoritarian elements were much more pronounced. This was obvious even before absolutism took hold in France, Russia, Austria, Sweden, and Prussia (Moore 1966). Even a weak royal power still had an extensive bureaucracy, which operated like a typical authoritarian organization, with the king or his proxy making final decisions.

It goes without saying that the Carolingian monarchy of the ninth century was a typical authoritarian entity, with a well-developed bureaucratic machine. Its capitularies (edicts of the head of state) dealt with various issues of the country, and were addressed to, among others, the Church, the stewards of the royal manors, and the villages, which were obliged to send knights to the army. The royal administration sent emissaries, the *missi*, to supervise the provinces and guarantee the efficiency of local administrations. After Charlemagne’s death and until the triumph of absolutism, most French kings were much weaker than the Carolingian emperor. However, many of them, such as Louis IX and Louis XI, headed a bureaucracy that was an important factor in a feudal country such as medieval France, which collected taxes, supervised the police and court systems, and took care of the army (Cantor 1999, 289–91).

The state created by William the Conqueror in England was another example of a combination of authoritarian and feudal elements in medieval society. First, the king obliged the lords to provide his army with knights. The
lords were also obliged to make an appearance three times a year in order to be familiar with the king’s plans, and to advise him on domestic and foreign policy. The king had a staff of nobles and clerks that ran everyday business. The local agents of the king (sheriffs) represented the central government in the provinces and did not tolerate disobedience of the royal will, even from the lords. The king (and not only William the Conqueror, but also the kings that followed) taxed the population, even if the major source of income was the royal estates (Cantor 1999, 277–84).

Each feudal lord, within the context of his estate or manor, was an absolute ruler whose power was not restrained much by the king or the Church. With his staff, the owner of a manor oversaw the economic, political, and spiritual life of the people who lived in his territory. The police and courts were under his control. The village community enjoyed some autonomy, but ultimately control was superimposed by the manorial administration. The lord formally owned the forests and pastures, even if they were used by peasants, according to custom. The peasants, whatever their status, were obliged to deliver their rents—in kind or in money—to the lord, as well as perform some labor within the lord’s demesne (Vinogradoff 1924).

The Catholic Church in medieval society was, of course, a strongly authoritarian organization. The Church was governed by a multirung hierarchy, from the pope to the common monk, and everybody had to obey the priests of a higher rung. The Church issued its own rules, which regulated property relations inside the Church. It was the Reformation that challenged the hierarchy inside the Church and demanded that ecclesiastic people be subordinate to the government (Cantor 1999, 38; Guenée 1991; Beard 1968).

**Feudal Tendencies in American Society**

We have enumerated the liberal and authoritarian elements in medieval society and discussed how the social significance of these elements changed over time. Now we apply the same segmented approach to an analysis of American society, with an emphasis placed on feudal tendencies.

**Private Interests in American Society**

Capitalism, as described by Locke and Smith, supposes that the private interests and activities of individuals in a free market economy produce prosperity
and ultimately contribute to the general welfare of the nation. The importance of private interests has been highlighted throughout American history by a variety of leaders and luminaries, including the framers of the U.S. Constitution. *The Federalist*, for instance, uses the term *private* no less than thirty times (Hamilton, Madison, and Jay 1788).

The liberal capitalist model, however, supposes that restraints should be placed on private interests. Two instruments are crucial for this purpose: perfect competition and the government, both of which should guarantee the equality of each actor in pursuing his or her interests. These instruments supposedly prevent the emergence of monopolies—political and economic, material and nonmaterial. Yet, as soon as the private interests of one prevails over others, that is, as soon as one person or group benefits from a monopoly of any sort, temporary or permanent, feudal elements enter society and undermine liberal principles. When the private interests and greed of elites are let loose, liberal societies suffer and the role of feudal elements in life increases (Phillips 2003).

*American Representative Democracy*

Feudal tendencies in democratic societies, however, emerge not simply due to an unequal distribution of resources and the accumulation of wealth in the hands of the “few.” Almost all so-called democracies in the world function not as “direct” but as “representative” democracies. The closest representative of ideal-typical democracy (the liberal model) is Athenian or Jeffersonian democracy. Representative democracies are, in comparison, more prone to feudal tendencies. Even reasonably well-functioning representative democracies with strong market mechanisms generate very large political and economic actors who, under some circumstances, pursue their own interests and policies without regard to the public or the market, resulting in weakened political equality and imperfect competition. The executive power and state apparatus, despite the congressional and judicial restraints, has a great deal of autonomy, as well as the ability to influence elections and sell its services to corporations and other major social actors.

The predisposition of democratic institutions to generate feudal elements was analyzed by Robert Michels in his studies of democratic parties in the early twentieth century. He discovered the “iron law of oligarchy,” which suggests that even democratic organizations tend to develop into oligarchies. Michels contends that “the leaders” are “technically indispensable” to society,
while the masses are “immobile and passive” and have a tendency to “organize themselves and consolidate their interests.” Discussing the degeneration of democratic principles by the “few,” or by “oligarchs,” Michels, with some exaggeration, suggested that “the power of elected leaders over electing masses is almost unlimited.” He continues, “The formation of oligarchs within the various forms of democracy is the outcome of organic necessity, and consequently affects every organization.” And he claims that “when democracies have gained a certain stage of development, they undergo a gradual transformation, adopting an aristocratic spirit, and in many cases also the aristocratic forms, against which at the outset they struggle so fiercely” (Michels 1915, 400–401, 408).

A typical feature in many democratic countries is the very limited involvement of ordinary people in the political process, elections in particular. This passivity increases the political role of big organizations. With their money and political connections, they influence the outcomes of elections and gain other advantages that would not be possible if the system was close to the liberal model (Berelson, Lazarsfeld, and McPhee 1954; Donovan et al. 1993).

The Case of Privatization

The nature of privatization, and the extent to which the liberal, feudal, and authoritarian models can explain it, depends on who or what controls the process (the market, government, a small group of powerful social actors) and whether or not bureaucrats use it for their own interests. Whatever the political, social, and economic consequences of privatization, the process itself shrinks state power. From the 1980s to the early 2000s, privatization was seen by many as the best solution to many economic and social problems. During this period, state power in several countries declined, reversing the growth trend of the 1930s through the 1950s (Feigenbaum, Henig, and Hamnett 1999; Bushnell et al. 1991). A detailed consideration of the changing role of the state in American history, though an important topic, goes beyond the scope of this text.

The reduction of state power through privatization leads to two different results. If a privatized company becomes part of a well-functioning competitive market, the society moves toward the liberal capitalist model. During the euphoria of the Reagan-Thatcher revolution in the 1980s and 1990s, many observers believed that privatization expanded the role of the market, enhanced the efficiency of the economy, diminished bureaucratic intervention in economic processes, and promoted “shareholder democracy.”
One of the strong advocates of privatization during this period was Lawrence Summers, treasury secretary during the Clinton administration. Later, as the president of Harvard, he proclaimed at a World Bank conference in 1992 the merits of privatization and practically refused to cite any of its negative consequences (Galal and Shirley 1994). In 1996, another Harvard economist, Andrei Shleifer, along with his coauthors, said that “corruption generally raises efficiency, in that it allows private investors to buy their way out of some of the inefficiencies demanded by politicians, but it does not always lead to first best,” and that corruption is an efficient way to “renegotiate to a more efficient resource allocation” (Boycko, Shleifer, and Vishny 1996, 313).

A belief in privatization as a panacea to all social problems was typical in the first years after the collapse of the Soviet Union, particularly among Western analysts. It took several years for some economists, such as Joseph Stiglitz (2002) and Jeffrey Sachs (2003, 2008), to understand that privatization, under some circumstances, results in unwanted outcomes: low efficiency and an increase in corruption.

Capitalist privatization should be distinguished from feudal privatization, which leads to the transformation of a state company into an organization that operates outside both market competition and state control. The feudal character of privatization is particularly strong when privatization leads to the concentration of economic power and to the monopoly of resources, which makes owners into feudal actors who mostly ignore the market and even challenge the state and law (Feigenbaum, Henig, and Hamnett 1999, 23). The official agencies that supposedly supervise privatized companies sometimes are co-opted in the process of feudal privatization (ibid., 21). This form of privatization bolsters monopolistic tendencies in the economy and leads to the deterioration of services.

Recently, some authors, discussing the political aspects of privatization, have observed that it can produce negative results for society. Vickers and Yarrow named seven reasons that state organizations are privatized, and while most of them are economic, the authors also noted the government and its interest in “gaining political advantage” (Hodge 2000). Adding to the list of political motives behind privatization, Feigenbaum and his coauthors (1999, 154) pointed to legislators who help sell public utilities and various lucrative contracts to “friends” in exchange for contributions to election campaigns. As suggested

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2. For more about the feudal character of privatization in Russia, see Shlapentokh (1996a, 1996b, 2004); Clarke and Pitelis (1993).
by several researchers, political considerations, corruption, and personal relations play important roles in the decision-making process of privatization in developing capitalist countries (Weizsäcker, Young, and Finger 2005; Parker and Saal 2003).

Public choice theory contributes to the analysis of different types of privatization and the role of politics in this process. As one public choice theorist wrote, bureaucrats seek to maximize “salary, perquisites of the office, public reputation, power, patronage, output of the bureau, ease of making changes, and ease in managing the bureau” (Niskanen 1971, 108). However, most researchers of privatization largely ignore the public choice approach. As Feigenbaum and his coauthors (1999, 2) wrote, “privatization is typically portrayed in narrow, almost apolitical terms, as little more than a vehicle for helping government balance their budgets, or, at best, improving the overall performance of the economy.”

The Case of Privatizing Public Services

The privatization of public services became a hot topic in the 1980s and 1990s when the President’s Commission on Privatization was created (Linowes 1988). A considerable number of authors praised the privatization of public services for increasing efficiency and reducing the cost of services (Savas 1990). In the last decades, federal and local governments have transferred many of their functions to private organizations; such areas of responsibility include public safety, prisons, education, judicial services, health issues and programs, environmental protection, and garbage collection (Auger 1999; Dilger, Moffett, and Struyk 1997; Metzger 2003; Finn, Manno, and Vanourek 2000; Dunham 1986; Harding 2001; Provine and Seron 1991).

We do not wish to judge these developments from a normative perspective, but rather to delineate their feudal and liberal elements. The delegation of state functions to private companies fits the liberal model if several firms bid for state contracts and the winning company is controlled by free market relations. In other cases, privatization leads to a situation in which a company is not effectively controlled by the market or the state (Sullivan 1987; Donahue 1989).

As the trend of privatization took root, ordinary people became concerned about the accountability of the privatized firms. In a nationwide survey by the U.S. Advisory Commission of Intergovernmental Relations (ACIR) in 1986, a majority of people preferred local governments to private companies in the delivery of many services, including ambulance services, garbage collection,
and others. A survey conducted by PEW in 1998 brought similar results about the importance of the role of federal and local governments in delivering many services. A study of the attitudes of Michigan residents in 1996 yielded similar results: among fourteen services, the respondents gave preference to private contractors in only five cases (cleaning streets, performing clerical services in governmental buildings, providing emergency medical services, performing janitorial services in the same buildings, and collecting garbage).

The privatization of services, according to Michigan residents, increases “political corruption or favoritism” from 2.52 to 3.12; each item was measured based on a five-point scale ranging from 5 (strongly agree) to 1 (strongly disagree) (Thompson and Elling 2000). This survey confirmed the conclusion that Ronald Moe made in 1987 when he contended, “Possibly the most potent of the actors limiting the spread of privatization in the American context is the specter of corruption” (Moe 1987, 458).

The analysis of specific cases of privatization in America is beyond the goal of this chapter. The real character of privatization can be established only in the process of empirical analysis that shows what sort of privatization is taking place (capitalist or feudal). It depends on various factors, including the impact of corruption and the existence of competition (Hart, Shleifer, and Vishny 1997).

The Authoritarian Model in the Analysis of Contemporary American Society

The authoritarian model is also important for the study of contemporary society. Labor is largely based on relations between superiors and subordinates. The hierarchical principle dominates the relations between managers and employees in America factories, offices, and shopping malls; between doctors and nurses; between teachers and students. Several leading organizations, including the army and the Catholic Church, are also based on hierarchical principles. The same is true of most corporations and midsize businesses. The American government bureaucracy at the national and local level is strongly influenced by elected officials and the right of legislators to control its activity. Most of the everyday activities of the executive branch of government follow the principles of hierarchical organizations. The same is true of trade unions, which combine democratic and authoritarian rules in their activities. American universities are complicated organizations in which liberal rules play an
important role (for instance, the election of several categories of officials and voting procedure in the tenure process), but the hierarchical principle still shapes the relations between the provost’s office and the deans, and between deans and departments.

The hierarchical principle supposes the pivotal role of sanctions and punishment for rule violation, as well as the fear of superiors. Many authors in the last decades showed their disgust for the spread of fear in American society, including Garland (1990), Shklar (1998), Ryan and Oestreich (1998), and Robin (2004). However, they do not consider the role of fear in the authoritarian organizations of American society and do not recognize that, so long as this type of social organization exists in society, fear will remain an organic instrument for running these organizations (Shlapentokh 2006). More consistent are those writers who propose the elimination of authoritarian principles in the functioning of any unit of society, from the factory to the classroom, and the replacement of them with democratic rules (Busch 2000).

Conclusions

This chapter showed how the analysis of any society, past or present, requires a segmented approach and the use of at least three models (liberal, authoritarian, and feudal). Contrary to conventional wisdom, some liberal tendencies existed in medieval societies. The political competition of the “few” made the emergence of liberal elements inevitable. Private interests and contracts also played important roles in medieval society and laid the groundwork for the liberal institutions of a later age. No less important were authoritarian tendencies, as seen in the development of absolute monarchy in the late Middle Ages. The conflict between these tendencies reflected the essence of historical processes until the bourgeois revolution.

The segmented approach also fits contemporary American society. Unrestrained private interests generate monopolistic tendencies, and big corporations emerge as feudal social actors. Representative democracies often fail, in some respects, to bar corporations from using their resources to influence elections and diminish political equality. Authoritarian elements can also be found in contemporary America, particularly in organizations that are structured by hierarchical or command principles. All three models are needed for the analysis of privatization. Depending on various circumstances, privatization can enhance the market or increase feudal or authoritarian elements in society.