
proposed defense budget indicates his determination to restore U.S. pre-eminence, but high U.S. interest rates and high U.S. deficits have hurt the economies of both Western Europe and America. Calleo believes America faces an unavoidable choice: either "sacrifice more at home to pay for its international position, or . . . scale down its world commitments."

**DILEMMAS OF
PLURALIST
DEMOCRACY: Autonomy
vs. Control**
by Robert A. Dahl
Yale, 1982
229 pp. \$18.50

Continuing his career-long exploration of modern democracy, Dahl, a Yale political scientist, addresses a question that has long vexed students of political theory: the place of independent organizations, associations, or special interest groups within the democratic state. In any democracy larger than the ancient Greek city-state, groups with some degree of autonomy are inevitable. History shows, furthermore, that the more independent organizations a nation has, the more democratic it tends to be. The recent dismantling of Poland's independent union, Solidarity, provides a corollary to this historical axiom: Without independent groups, democracy cannot exist. A "rich organizational life" also brings other benefits: It provides a sense of community identity, preserves ethnic and minority cultures, and prevents any one group in a society from dominating others. But Dahl also finds pluralism "implicated" in a number of problems. Championing single causes (e.g., environmentalism, deregulation), powerful groups may distort the public agenda, limiting the range of possible political and social goals. Organizations may gain control over matters that should be left to the determination of the large populace (Dahl points to the inordinate economic power of the British labor unions). But most dangerous, argues Dahl, pluralism tends to perpetuate inequalities. Focusing on this problem as it appears in several nations, Dahl finds that the degree of *economic* inequality largely depends on the extent to which labor and social democratic parties play a role in government (the greater the role, the less inequality). He also raises the disturbing notion that a

powerful, authoritarian central government (such as Yugoslavia's) may be required to oversee a "decentralized" economy. Looking at the United States, Dahl discovers that America is unique in its sharp division of "public" and "private" spheres (a division which is far less clear elsewhere). For the American version of the pluralist dilemma, Dahl suggests two controversial remedies: a more egalitarian distribution of wealth, "democratization" (not nationalization) of major corporations.

**IN SEARCH OF
EXCELLENCE: Lessons
from America's Best-Run
Companies**

by Thomas J. Peters and
Robert H. Waterman, Jr.
Harper, 1982
360 pp. \$19.95

Worried about declining profits, many American corporate leaders have recently taken to watching Japanese or German industry for clues to business success. They might better take a lesson from America's own "star performers" and put short-term profits farther down on their list of priorities, suggest business consultants Peters and Waterman. The consistent U.S. money-makers are charged with purpose. Service is the word at McDonald's, Delta, and IBM. Frito-Lay will spend hundreds of dollars "sending a truck to restock a store with a couple of \$30 cartons of potato chips." Innovation drives other companies: Hewlett-Packard and 3M give their employees freedom to experiment and to write off their mistakes. Still others such as Johnson & Johnson and Procter & Gamble stick to basic products but emphasize quality. Hefty profits result from all these strategies, none of which would earn an A in business school. And that may be what is wrong with much of corporate America, say the authors. The average MBA organizes his company according to the latest blueprint for efficiency. But enduringly successful companies are chaotic but committed collections of "task forces" that shift and regroup to tackle new problems. If America had more leaders—more Tom Watsons or William Hewletts—to give companies a sense of purpose, say the authors, America could pull out of its managerial muddle.