Let us take off our rose-colored glasses for a moment. When we look into American society what do we see? Falling wages and rising inequality; empty and neglected schools; inner-city neighborhoods, expanding environmental degradation, domestic violence, lack of affordable health care, shallow pro-corporate media, agonized and wasted urban youth, rampant commercialism, increasing intolerance, fewer libraries, more prisons, and worse. The inventory of pain reminds us that current policies don't "promote the general welfare" and can't ensure "liberty and justice for all." We are saddened and outraged by the way we now govern ourselves as a people.

Central to all these problems is the deliberate restructuring of the economy that is under way, promoted chiefly by corporate policies with the acquiescence of government. Corporations are seeking to increase their profits and competitiveness by merging and downsizing (eradicating half a million well-paid jobs each year); replacing permanent full-time workers with temporary part-timers; deliberately destroying job security as a way of imposing discipline on working people, diminishing their power to demand decent wages and benefits such as health care and retirement packages; and degrading the environment (mining natural resources at unsustainable rates worldwide, and using nature as a toilet for unwanted, often toxic, byproducts). Government's most conspicuous role in all this has been to subsidize corporate restructuring; wink at massive white-collar crime (e.g., the $500-billion-plus S&L debacle) and ignore anti-trust laws; cut taxes on those most able to pay; and reduce social spending on public transit, affordable housing, parks, playgrounds, schools, hospitals, libraries, children's nutrition, job training, and so on. This deliberate restructuring of the economy (the low-wage, high-waste option) was well under way before the Republican electoral victory last November, which merely accelerated the process without fundamentally changing it.

As we have discussed previously (REHW #409 and #451), this low-wage, high-waste option is only benefitting the wealthiest 10% of the American people--with the vast bulk of benefits going to the wealthiest 2%--while the remaining 90% of Americans have seen their incomes stagnate or shrink, their opportunities diminish, their sense of security vanish. In the midst of the wealthiest economy the world has ever known, poverty is increasing steadily even among people who are working full-time; the number of working people with health-care benefits and retirement plans is dropping; children, particularly, are being devastated. Clearly we cannot simply "grow" our way out of these problems (as both the so-called "conservatives" and the liberals assure us we can) --we've had more-or-less-steady growth for 30 years, during which time these problems have only worsened.

The political system offers up a brand of so-called "conservatism" guided by the principle, "Winner take all, and let the devil take the hindmost." These "conservatives" insist that unregulated markets should make all important decisions, without control by, or accountability to, those whose needs the economy supposedly serves (the American people).

In contrast the political system offers up "liberals" who increasingly have no clear constituency and no clear program. History has shifted and they have not kept pace. Traditionally, their approach has been to fix problems by creating government programs. But such fixes of cost money and increasingly the white middle class doesn't see the benefits of government programs, and so refuses to pay for them.

The old New Deal style of government promised to counteract the market's worst tendencies with an affirmative state committed to full employment; a fair distribution of income; and an efficient provision of essential public goods (schools, libraries, transit, etc.). In New Deal times, government policy, aided by unions, sought to stabilize mass demand which gave companies markets for sales and thus gave them reason to invest, which raised productivity and lowered the costs of mass consumption goods bought by ever-better-paid workers. The damage to the environment from such mass production-and-consumption was ignored, and so was the fact that women almost exclusively (and without pay) provided all the social glue by raising children, maintaining traditional families and stable communities, and thus conserving culture.

Specifically, we used to have a nation-state capable of managing the economic environment within its territory, a national economy sufficiently insulated from foreign competitors that the benefits of demand-stimulus could be reliably captured by firms within its borders.

Furthermore, the core of the economy used to be organized into a system of mass production dominated by lead stable firms (GM, GE and so on). The size and stability of these firms made them ready targets for worker organization and made them operate like levers, extending the benefits of organization throughout the economy. The organization of production within these firms tended to reinforce class solidarity -- working on the assembly line, it wasn't too hard to figure out which side you were on.

During this period, class concerns (workers vs. owners) dominated the politics of equality. The effects of 400 years of racial exclusion were largely ignored. The fact that women bore the burden of unpaid labor in the home was largely ignored. The environmental effects of a mass consumption society were largely ignored.

Now, however, conditions have changed.

** There are sharper limits on the capacity of the state to promote the general welfare. These limits stem partly from globalization, which allows quick foreign competitors to capture expanding domestic markets, and which makes it easier for firms with international operations to avoid unfavorable tax or regulatory regimes. But to an even larger degree, the new conditions stem from changed demands on the state -- demands that the "all thumbs and no fingers" state is not well-equipped to handle: for example, demands to (a) ease labor market transitions as certain kinds of jobs disappear and others appear; or (b) help firms modernize; or (c) fill social gaps created when women leave the home to work, or when companies abandon communities; or (d) develop common standards which then must be applied in diverse contexts (for example, occupational safety and health); or (e) promote political deliberation when money and sound bites have so completely replaced people and argument that discussion itself seems a waste.

** Traditional mass production, with its core of large firms, has collapsed. As this collapse has occurred, the white male working class has been displaced as the main focus of struggles for equality. The class struggle (workers vs. owners) has shifted to new arenas --race, gender, environmental and economic justice, and so forth. Increased competition among firms has produced many responses (for example, simply paying workers less and demanding more; leaner, more efficient, production; high-skilled strategies aimed at product distinctiveness) -- but all of these responses disrupt the common experiences that formed the basis of traditional industrial unionism. Firms are now more decentralized and varied in the terms and conditions of work they offer. Career paths and rewards are more jumbled, and varying skill--requirements provide further divisions.

The male working class has fragmented at the same time that women have joined the work force in large numbers, complicating the task of workplace organizing, and bringing into focus the costs of raising children, maintaining traditional families and stable communities, and conserving culture --costs that used to be hidden in the home. Now that these costs are explicit, they put new demands on the state (which the state is not adept at handling), and they blur the boundaries between society and household because no one is any longer quite sure which institutions are responsible for what.
Within the group of people who traditionally supported democratic ideals, many new concerns tug and pull, seeking dominance. Issues of gender, race, environment, income and income distribution—all compete for political space. Life used to be much simpler: the working class struggle for material improvement was the dominant theme in politics. But now there is no dominant theme—and consequently no theme that can unify all those who, in their own individual ways, support democratic ideals.

The trend is clear: left to its own devices, this society is headed for truly ruinous division, inequality, and squalor for much of the population. To prevent that, an alternative future needs to be described, its values declared, and sides taken for its advancement.

This will require a sharp break with liberal politics. While liberals often have reasonable views about political outcomes (some equality, some decent living standards, some personal freedom), they are elitist when it comes to making it happen. Liberals don't believe that people of ordinary means and ordinary intelligence are capable of running society themselves. (This is the key difference between the liberal environmentalists [represented by, for example, Environmental Defense Fund, the Environmental Working Group, and the Natural Resources Defense Council] and grass-roots environmental justice activists.) Liberals typically favor the kinder, gentler administration of people (usually by the state), rather than BY people—people taking action themselves through popular organization. Liberals are also deeply accommodating of corporate power, preferring to mop up after the damage is done, rather than averting the damage in the first place.

Liberalism worked for a time because its key assumptions held true: that reasonable progress toward egalitarian ideals could be made without challenging corporate power; that the state sufficed as an agent of the people; that the 'natural' organization of people (into, say, classes, or neighborhoods) assured a multiplier on state efforts. But that world is now gone, and liberalism is defunct. Unless people get much better organized, democratic politics will fail for lack of troops (think of the health care debacle) or lack of administrative capacity (think of what's happening inside workplaces, inside schools, and at Superfund dumps), or for lack of ability to convene discussions that need to occur (about race, public safety, environmental protection, neighborhood revitalization, and so on).

A new democratic politics is needed, and it must do two things: (1) it must articulate a social alternative to the "business as usual" domination of public and everyday life; and (2) it must nurture the democratic practices and organizations required to give that alternative a fighting chance.

[To be continued next week.]

--Peter Montague

[1] These ideas find their roots in the work of Joel Rogers at University of Wisconsin, and Joshua Cohen at Massachusetts Institute of Technology (MIT). Rogers and Cohen deserve credit for these ideas, but not blame for our bastardized version of them. For example, this week we have filched at length, and without attribution, from Joshua Cohen and Joel Rogers, "After Liberalism," BOSTON REVIEW (April/May, 1995), pgs. 20-23.

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