After Liberalism

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Last November and everything that has come since should inspire rethinking — real rethinking — among those committed to democracy in this country. It's not that Contract politics and Republican cyberpunks announce a general collapse of progressive values. They may not even inaugurate a long period of Republican political dominance. But they are very bad news, and no effective response to them will come from the present Democratic leadership. In fact, no effective response can be offered by conventional Democratic liberalism, which now lacks a coherent program and a social base. Democratic renewal will require a different sort of politics.

Where We Are

According to Republicans, insurgent voters sent a "clear understandable message" in November by ratifying the Contract. Not so. The Republicans won with less than 20 percent of the eligible electorate. The Democratic share of the vote dropped just two points from 1992. A vanishingly small share of voters had even heard of the Contract they were allegedly signing; polls since have shown majority opposition to many of its key terms. As usual in American politics, the election was far more an economic referendum than an ideological one, those gaining economically overwhelmingly for the incumbent party and those losing voted them out.

But such observations should provide little comfort, the radical Republicans now in power are out to do some serious damage. They aim to repeal the New Deal along with the Great Society — to disable the affirmative state by mandating cuts in key programs on tax increases; repeal or render toothless virtually all important environmental, consumer, and worker protection; remove through "soft deference" the possibility of direct citizen action against corporate power; reconceptualize vast reaches of the educational system; ensure worsening inequality and squabble among the poor by appointing business-dominated local governments as their lackeys (and increasingly bundled) guardians.

To be sure, the Contract is only the beginning. Beyond it lie social revision, cultural purification, heavenly redemption. But the Contract — described by Bush advisors James Baker as "essentially a pro-business agenda" — needs to be in place before such heavy lifting can get started. The appropriate analogy is not 1954, the last time the Republicans controlled the Senate and the House, but 1896, when the mastery defeat of the populists initiated a period of Republican and business dominance that lasted until the New Deal.

And the Democratic back in the palaces, pre-Constitutional one-party government, the Clinton administration's proud achievements were deficit reduction and reduced domestic investment, two trade bills without worker rights or environmental standards, a punitive crime law, and the promise of truly punitive welfare reform. Now, as Clinton ponders further regressive tax reform and deregulation, he draws the line of military, welfare, and wage national service. If the past is prologue, this immoral response is not even a promising electoral strategy. Democrats may profit from Republican anti-strike-authorization, school prayer, and the virtues of caging, but don't count on it. The Republican victory in November stands at the end of a two-decade-long social decline in the Democratic share of the vote. The roots of this decline, through rift in culture, are fundamentally economic. The Democrats are the party of government; government costs money, and unless the White "middle class" (aka working class) believes government action benefits they are usually unwilling to pay its costs or support the party associated with them. It follows that winning back support from Reagan's America requires more than removing some social "wedge" satirical or maddening Republican policies. The Democrats can build more prisons than Stalin, privatize garbage collection in Little Rock, and moan about the responsibilities of the poor, but if that's all they have to offer it won't be enough. Given a choice between a real Republican and an imitator, voters tend to go for the real thing.

Nor will it help Democrats to court business even more assiduously — to establish more war zones in the Commerce Department to deal close deals for the multinationals or retreat further on labor law reform in the hope of retaining national capital. Given a choice between a real Republican and an imitator, business makes in choices too. It is the economy, stupid, and without a credible economic alternative, it's hello President Gingrich.

That is where we sit. Republicans insist on rolling all of us but business, Democrats standing speeches before their mirrors, the public upset that it alone seems to lose every election. All of which, among those still considered Democratic values, naturally prompts two questions: How did the Democrats get into this mess and how can we get out?

Democratic Decline

Why don't the Democrats do something? After all, problems in American economic and political order are widely recognized and deeply felt. Opinion surveys and election returns show an awesome economic anxiety, profound disdain of business, and sky-high rates of alienation and disgust with government. There is mass discontent with policies usual and evident hazards for an alternative — even with "the alternatives". And just when the government policy sought (within limits) to stabilize mass demand, which gave firms markets for sales and thus reason to invest, which increased productivity and lowered the costs of mass consumption goods bought by ever better-paid workers. The damage such consumption-led productivity and income growth did to the environment was not a major issue. Policy innovation in the costs of "social" reproduction — keeping a culture, raising kids was excused by stable communities and traditional families in which women did most of that work.

More particularly, the politics of the old world relied on:

- A nation-state capable of managing the economic environment within its territory — a national economy sufficiently insulated from foreign competition that the benefits of domestic stimulus could be reliably captured by firms within its borders, and a monetary policy apparatus sufficiently insulated from world-wide financial flows to permit unilateral, easy-money corrective measures.

- The organization of the economic core into a system of mass production-dominated by large,immovable firms. The site and stability of these firms made them ready targets for worker organization as well as levers to extend the benefits of organization throughout the economy. The organization of production within them also enabled to underscore some modicum of class solidarity. Working on the assembly line, it wasn't too hard to figure out which side you were on.

- The dominance of class concerns in the politics of equality. This dominance depended on a more or less deterministic working class (obviously more in Europe than here, but still), whose organizational strength and superiority dwarfed other secular, non-business organizations and conquests. And again it reflected the largely unquestioned acceptance of the division of labor inside the household and an economic organization around readily increasing consumption and energy use. In the United States, it was pronounced as well what European social democrats liked to call the "American dilemma" — a simple denial of the efficacy on equal opportunity of 400 years of racial exclusion.

Today, by contrast, the political economy of the United States and other advanced industrial societies is marked by:

- More sharply delineated limits on the capacity of the state to promote the general welfare. These limits result in part from internationalization — which means that foreign competition can best dominate firms to expand domestic markets, and firms are better able to extract unfavorable tax or regulatory regimes. In larger part they stem from changing demands on the state, which underscore limits on the state's institutional competence. While governments are "all thumbs and no fingers," fingers are now what is commonly in demand — in economic policy, to address the fine issues of labor market transitions and firms modernization; in social policy, to pick up where de-
stayed communities and job-holding women, labor in economic and social regulation, whose common needs need to be applied in diverse contexts or developed through negotiation among affected actors; in political deliberation itself, where money and sound bites have too fully replaced people and argument that "discussion" seems a waste.

The collapse of traditional mass production, and with that collapse, the undermining of the (male) working class as the privileged agents of equality. While increased competition and innovations have occasioned many strategies of response—from simple sweating of labor to lean production to high-skill strategies geared to product distinctiveness—all disrupt the commonalties of experience that provided the foundation of traditional industrial unionism. Few are more decentralized and varied in the terms and conditions of work they offer, career paths and rewards are more jumbled, and the hegemony of skills provides a further source of division. The feminization of the male working class coincided with its changing sexual composition, as women joined men in wage slavery. In addition to complicating the tasks of working-class organization, direct pressure also shrank the costs of social reproduction—once confidently assigned to the private household, outside the bounds of politics. Another source of new demands on the state, these changes make it harder to decide what the economic fight is all about, and—as they blur the boundaries between society and household—which institutions are responsible for what.

Increased political heterogeneity within the broader class of citizens who might support democratic ideals. If the organization of the working class as a determinate class has been qualified, so too has acceptance of its material concerns as universal (something asserted since Marx, but challenged only after Keynes). Indeed, the very idea of universalism is in disarray. As an organizational ideal, no institution but business is sufficiently powerful to impose its interests on the general interest. As a matter of ideology, none but the reactionary are prepared to make any particular sacrifice—whether class or gender or race or the environment or sexual orientation—so to extend itself. And in everyday life and culture, the postindustrial privatization of civic culture makes the idea of a new universal class of other-regarding citizens increasingly barren.

New Deal social democratic politics is in trouble, then, because the economy is no longer under any effective social control, the institutions and institutions that once provided that control are suspect or disappearing: the range of interests and concerns up for discussion is broader than it once was, and the conditions for generating social discussion of these concerns are widely absent. In this world, cooperative social projects are less plausible and appealing than they once were. It makes sense to cut your own deal. Ideology and political projects promoting that are open to market universalism. And ideologies and projects that would recast the values of collective, democratic action need less work.

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But this description of our economy and the possibilities of its social direction is deeply misleading. Internationalization, which promises, has been vastly exaggerated: most US manufacturers (and still overwhelmingly to themselves) have minimal international competition; and the long run trend of the US economy is toward more services, usually not in trade at all. And even within internationalized competitions of profit-taking constraints, alternative strategies with very different social consequences are available. Choices between them can be shaped by factors clearly under our control. Even the diminished state retains a large share of employment and the purchasing power, not to mention the ability to pass on laws that can use that power to establish standards on economic practice, to support some strategies of industrial restructuring over others, limiting public supports to those adhering to public standards. And even a rootless capital relies, in its most advanced productive forms, on immobile public goods — decent school systems, transport systems, safe neighborhoods, clean environemnts — which if provided in place can help most investment there.

Even if such a project were available in theory, however, would it be available in practice? Is there any good reason to think that its potential benefits could actually unite in its advance?

Yes there is. Consider, as a hard case, our nation’s major metropolitan areas — where most people live, where the consequences of an economy unraveled by social control are painfully evident, where those who would benefit from a more humane order are profoundly divided. Even there, a political alliance is waiting to happen among a series of groups that have, for the past 40 years or more, defined themselves as mutual antagonists.

Take the White-dominated labor movement. Because of its declining city membership it cannot present itself against low-wage privatization and the destruction of regional labor market standards. Yet alone assure the public investments needed to support high-wage production and services, without the writing support of central city Black and Latino populations. And those populations know that their economic devatation will not be reversed anytime soon through an increased welfare effort or expanded public sector. They need private sector investment and jobs within their communities — best provided by firms and individuals rooted in those communities themselves — and access to jobs without, and they need those jobs to pay a living wage — all things more likely to be achieved if they were allied with unions.

At the same time, environmentalists and those concerned about organization inside firms may find common ground on the supply-side of production. Just as unions have found that they can only defend member interests by invading what was once taken to be the invisible “core” of entrepreneurial control — decisions about technology, product strategy, investment, work organization, work relocation, and the like — environmentalists recognize that moving from pollution abatement to source-reduction requires a presence inside the firm.

Even inner city suburbs, now suffering from the same low-wage sprawl that helped destroy the cities, have common cause with the cities’ residents which they have so long detested and their politics.

A new democratic politics, emerging at the level of local and recognizing the heterogeneity of the new world, might then dedicate itself to helping those people together -labor, white-collar workers, metropolitan development specialists.

The core of this strategy is straightforward. Instead of using tax abatements and other giveaways to lure firms to our metropolitan cores, such incentives would be coupled with conditions on hiring, training, and compensation. Those that invested and hired and trained in certain areas would be rewarded for that investment. Such a contract did not would not work. Instead of using public monies to subsidize low-wage firms — it is now generally the case in movements to privatize government services — we would have “living wage” (and benefits) standards that guided all government purchases and contracts. Instead of simply encouraging the young and discouraged workers to “get smart” with additional education and training, we would build an inner city labor market based on technical, vocational and employment context, regional “hiring halls” and job location assistance to forge more organic links between training and employment opportunities.

Efforts of this kind would naturally be allied with efforts to diversify the ownership base of the local economy, with support directed not reconstructing market capital but developing firms attached to that economy. Business development assistance would be directed to those investing and employing there. Smaller and start-up firms would be the targets of modernization assistance — from advice on technology applications to intensive assistance to managerial skills, perhaps pooled across clusters of firms. And environmental costs, throughout, would be taken seriously. Also as a source of capital and employment opportunities. Property, energy savings (since cities still import most of their energy) from conservation and local sourcing programs could be used to capitate the uniting and investment needed to move them.

Of course places vary, and countless details of a regionally organized economic project would depend on location. But the common thread uniting the separate efforts would be a democratic economy guided by common discussion among citizens about the terms of their cooperation. The result would be regional economies with higher levels of advanced production, less pollution, more job opportunities, lower paying jobs, in a revised tax base to invest in social and physical infrastructure. We would roll back urban devastation, while declaring democracy to be both an intrinsic good and a new force of production.

Rebuilding the Civic Infrastructure

Again, for any of this to happen people must be organized. When it comes to forms on business, the need for organization is clear.

A disorganized people will always be defeated by private business power, which can be expected to resist standards of accountability. But organization is also essential for economic and social administration, and for the process of alliance-building and shared deliberation about social problems.

For many social problems, the proper answer is to organize. And organize this one to the max, or leave it to private market is a double negative; neither public nor private can regulate market exchange is sufficient to generate the right outcome. That the market fails to respect social norms, again, is obvious; given the opportunity, firms will pollute, pay their workers as little as possible, and otherwise run down social standards. But it should be

clear that the “all thumbs, no

finger” state community lacks the political capacity to specify reasonable standards, the monitoring and enforcement capacities to make standards stick, or the local knowledge to find the best means for achieving them. You just can’t get necessary safety and health unless workers know how to spot problems inside firms; you can’t get suitable intervention in industrial restructuring without the know-how of those involved; you can’t get the necessary watchman inside classrooms unless parents support what’s going on in them; you can’t get public safety without engaging the community, as well as the cops, in upholding standards of behavior. Sometimes it is needed merely to supplement state capacity to monitor or enforce existing standards. Sometimes it’s needed to define and help solve problems that everyone knows are important but that governments cannot legislate away. Either way, citizens organize and keep the public interest.

The problem in America now is that popular organization is widely studied and politically included. But there is a parallel political system, the power of organized money dominates organized groups. In addition, citizens are disabled from organizing themselves as workers, consumers, taxpayers, and shareholders in public and private workplaces.

So what to do?

As regards the formal political system, anyone committed to democracy should also be committed to the democratic financing of elections. Of course, the campaign finance system, such as ours, any democratic financing commitment needs to be realistic. No matter how much private money we get out of politics and how much public money we get in, there with economic and social institutions will find a way to exploit them. But it should certainly be possible to put forth a program of public funding for citizen action — ideally in the form of a universal citizen tax-credit or
special voucher that enables citizens to subscribe their chosen candidates or parties. By permitting those with popular support but little money to mount credible candidates, such a system would make office-holding more widely available and ensure greater equality of opportunity for political influence. And it would — combined perhaps with significant limits on campaign contributions — renew some measure of citizen confidence in government and electoral accountability.

With elections cleaned up in this way, moreover, the road would be cleared for other efforts to build the social infrastructure of democracy. Moving beyond the "free or die" choice between public hierarchies and private markets, democracy should be encouraging the two to co-exist and to facilitate the private deliberations and deals needed to solve social problems. Instead of simply moving up environmental regulations or scaling back on their enforcement, local government might, for example, bring industry, conservation, and social equity together, and communities and labor groups together, and say roughly "these are the general standards the voters have decided they want you to figure out a way to meet and get back to us with your plans." Radical labor law reform could facilitate worker formations of "unions" — not only the sorts of organizations that go by that name now, but various kinds of independent workers organizations rooted in the workplace and those unions could be assigned, at least through their assignment in organizing regional labor market boards, sectoral training consortia, or new hiring halls for youth and low-income workers. Throughout the nation, purchasing power as well as other forms could be used to encourage associative activity that is democratic, sufficiently inclusive of affected interests, and technically informed.

Such moves would produce a government much more genuinely "of the people" and administration and definition of social problems in turn more "by the people." The market certainly not disappeared, but in its proper function as the privileged arena of popular deliberation about social ends, articulation of social standards, would be more prominent than its unceasingly delirious and disquieting administration of problems, it lacks the capacity to solve.

Who, Then?
If the polls and consensus sense are to be believed, a program could reach a huge political market. Still, it will need to be fought for. And that fight requires a political party — an encompassing political organization that exists to articulated programs and to bring them to bear by winning elections.

Is the Democratic Party? At the national level, at least when we need, we seriously doubt it. Notional Democratic Party leadership is almost wholly business-dominated. And for most middle-class liberal Democratic supporters, the thought of turning power over to citizens is horrifying — a world of right-wing talk radio and repressive state initiatives. For both types of activities and controller, a program like this would require a jump out of their skins.

In truth, however, we cannot hope to influence national leadership anytime soon, and don't need to wait on it to get started. At the local level, it is possible to imagine political formations, operating both inside and outside the Democratic Party, that could arise almost overnight to do the necessary work. These would be value-centered organizations (parties) rather than candidate-concerned ones. And they would operate first in the outerworld of non-partisan races and local partisan ones that do not interest the big money or where party label is less important or obscure. Building these organizations — as, for example, the New Party is now doing in several cities — is a natural project for progressives, postponing any final adjudication about relations with national Democratic Party.

Imagine, then, a New Party or New Party-like formations that help catalyze efforts to comprehensively alternative economic development and radical democratic reform — paving the way as they move along it — and recruit average citizens to run for office (often nonpartisan office) on the basis of their commitment to that program. Imagine that these separate efforts share intellectual and financial resources — for example, development, training, media — and think of themselves as united, at least in their effort to bring this kind of alternative to the American people. Imagine this alternative working in major metropolitan areas, in a place where the mix of different social classes and the economic, social, and political landscape is highly diverse. This is the way we think it could work.

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