

POLITICAL ECONOMY

The Politics of Reindustrialization

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The fragile consensus that sustained expansion of the American welfare state for forty-five years has now dissolved. Many see the achievements of the welfare state as a nightmare; and no liberal is now prepared to argue that a new version of the New Deal, Fair Deal, New Frontier, or Great Society can be developed and packaged for use during the next presidential campaign. The official debate revolves not around the question of whether to contract the relative size of the welfare state, but rather around where and how to cut the “fat” out of public spending for civilian programs.

The sources of public disaffection from the welfare state are numerous. But one source, coming as a surprise to most liberals, deserves special notice. A variety of recent welfare programs and clients, spawned between 1960 and 1980, pose a threat to the self-identity of traditional welfare-state supporters who are white, earn relatively modest incomes, have fairly steady jobs, and live family-centered lives. While the latter group continued to benefit from a variety of programs, the effect of the new policies on their sense of dignity and self-respect rendered many of them extremely ambivalent about the size of the state, its role in the economy, and its effectiveness in carrying out its ascribed role. These vulnerable constituencies did not need too much political coaxing to bite the hand that had slapped them in the face.

If a person's identity is centered on the relation between work and family; if one believes (or, better, struggles to believe) that one bears a large share of credit or blame for the kind of person one becomes, the character one develops, the income one earns, the values endorsed by one's children, and the opportunities placed

within their reach, then public programs and rhetoric that jeopardize this identity will be construed as attacks on the self one has become. Thus, if school busing for purposes of racial integration disconnects the school from the neighborhood, parents lose the ability to influence through housing decisions and local participation the kind of education their children will receive. The sense of self-reliance on the part of one constituency is sacrificed to the effort to provide equal opportunity for another. If welfare programs are extended to new groups on the grounds that individuals are not personally responsible for their dependency, working men and women can no longer take much personal credit for the independence they have achieved. If women and minorities are given special breaks in landing their small number of good jobs available on the grounds that they have been discriminated against historically, white, male, lower- and middle-class workers are made to feel that they deserve to be stuck in the lowly jobs they now have. Seen from the perspective of these latter constituencies *everyone else* is now treated either as meritorious or as unjustly closed out from the ranks of the meritorious. If ecologists demand policies that appear to threaten the jobs or limit the consumption possibilities of blue-collar workers, environmentalism is likely to be seen as one of the privileges of the privileged classes. If liberals and radicals respond to rising crime rates with rehabilitation proposals for criminals and gun-control legislation for everyone else, the breadwinner's self-restraint in abiding by the law begins to look foolish, and his sense of helplessness in the face of criminal assault is enhanced. And if taxes on working people are increased for the apparent purpose of promoting these policy objectives, they are doubly assaulted: they are asked to pay for programs that invalidate the sense of dignity, self-reliance, and responsibility available to them in the current order.

The perception informing each of these liberal initiatives has of course been correct. Minorities and women do face unwarranted discrimination; unemployment, poverty, and underemployment are rooted in structural defects in the political economy; street crime is bred by the conditions of existence in the underclass; the environment is ravaged by the patterns of production and consumption that prevail in America. But these perceptions, formed within the network of assumptions and priorities that constitute the welfare state, have also filtered out the ways in which the programs selected to redress these evils also demean a large class of citizens who face their own insecurities and anxieties in contemporary America.

The welfare liberalism of the last few decades has been blind to the disjuncture between the sense of injustice many Americans feel when confronted with the plight of excluded minorities and the hostility they feel toward the specific public remedies for that injustice. This blindness has helped to set up the welfare state to be the principal object of public disaffection and to give the New Right a moral advantage in the competition for public support.

The persistence of wide support for Social Security confirms this reading. The Social Security System faces serious problems of equity as well as finance. It takes a large and visible chunk from the weekly paycheck of the worker; it is even possible that those paying into it today will not receive a comparable return tomorrow. But public acceptance is still intact because the program is designed to support all participants and because the participants believe that the current beneficiaries have earned their benefits through a lifetime of work. The fiscal crisis of this system has not produced a political crisis because it coheres the standards of justice and dignity shared by the participants.

Welfare-state liberalism emerged as a series of responses to defects and injustices in the development of capitalism. Inspired by democratic sentiments, it defined itself against certain effects of capitalist development: against its cycles of inflation and unemployment, its ruthless treatment of those who could not fit into its shifting standards of success, its destruction of the natural supports of human life, its tendencies to close many out of effective citizenship. The natural adversary of welfarism is the philosophy of unfettered market competition, a philosophy that minimizes the role of the state except in the areas of military development and internal security.

Welfarists shared with marketeers a commitment to the priority of economic growth. The welfare state cannot accumulate the revenues it needs to redress the adverse effects of private enterprise unless the private system provides it with a large tax dividend; and the tax dividend depends on the success of economic expansion in the private sector. The welfare state is thus deeply dependent on the system it seeks to regulate; it must subsidize and nourish the private economy even while it strives to tame and regulate it. This ambiguous relation goes a long way toward explaining why the attempts of the welfare state to secure justice produced effects that eventually eroded the support of needed constituencies.

This structural ambiguity could go largely unnoticed during an earlier period because the ideal of the universalization of private affluence then seemed inherently more realizable than it seems today. The state did not seem locked into the pursuit of growth; that pursuit seemed to be tied to its effort to support the quest for private affluence and to rectify the accompanying injustices.

These two goals encouraged welfarists to adopt some of the most fundamental assumptions and priorities of their major political adversaries. These were not topics for debate but common premises from which the debate proceeded. The terms of debate that favored welfarism during four decades of state expansion now place it in a defensive posture. Today the connection between liberalism and welfarism threatens to suffocate the most humane commitments that have energized both.

The major threat to welfare liberalism does not now come from its traditional adversary, the marketeers, but from the new ideology of reindustrialization. The doctrine was first outlined in a *Business Week* issue modestly calling for the "reindustrialization of America";¹ it has received more evangelical treatment in George Gilder's *Wealth and Poverty*.² The two statements complement each other, the first developing aspects of the doctrine that will appeal to managerial elites and the second adding those that will mesmerize partisans of the Moral Majority.³ The two texts together avoid many of the pitfalls into which marketeers have repeatedly stumbled in their debates with welfarists. The reindustrialists, for instance, are wary of monetarism because it often works to stifle private investment and industrial expansion. Unlike the marketeers, the new industrialists openly support a positive role for the state in the economy, not in aiding the poor or protecting the natural environment, but in subsidizing the private expansionary process. They demand tax reform, not to redistribute income from the rich to the poor but to free investment by the rich. They acknowledge that the escalating defense budget is inflationary but accept this as a necessary burden to be borne by the leader of the free world. They don't worry too much about deficit spending by the state as long as its predominant purpose is to expand long-term productive capacity in the private sector. They are not concerned about monopolistic or oligopolistic corporations. Even if one unit dominates a product field, the possibility of entry by a new competitor will goad the giant to maintain efficiency and cost effectiveness. And—finally—the point where sibling rivalry between reindustrialists and marketeers becomes most pronounced: the new industrialists do not view inflation as the most fundamental social evil to be avoided; inflation becomes a virtue when it supports a new burst of industrial expansion and the redistribution of income toward the upper levels of the economy.

The reindustrialists outbid the marketeers and welfarists in their devotion to economic growth; they insist that it be given the highest priority. The state must exercise new initiatives (including those opposed by market monetarists) and eliminate unproductive subsidies (primarily those traditionally supported by welfarists) in pursuing this objective.

Reindustrialists are single-minded, and that may eventually be their undoing. They have gained the upper hand today because of the dazzling future they prom-

1 *Business Week*, June 30, 1980.

2 George Gilder, *Wealth and Poverty* (New York: Basic Books, 1980).

3 *Business Week* confirms this connection, saying that "*Wealth and Poverty* is indispensable for anyone who wishes to understand the intellectual basis for widespread changes that have already altered the direction of American politics and will help shape public policy in the 1980s" (December 29, 1980). I suspect that often Gilder supports proposals—especially with respect to the poor—that *Business Week* cannot officially endorse but that cohere with their desire to subordinate all other concerns to the overriding priority of industrial expansion and economic growth.

ise, their ability to shed some of the most obvious liabilities of the traditional market vision of the economy, the failure of welfarists to sustain high rates of growth, and the rancor many people feel toward the most visible programs of the welfare state. The reindustrialists will probably fail in getting large parts of their program through or fail in obtaining the promised results from those parts of the program enacted. But their failure will not suffice to return welfarism to power. Reindustrialization today stands to welfarism as the New Deal did to the laissez-faire perspective in the 1930s. Even its failures will look positive by comparison with the discredited alternatives posed by its demoralized adversaries. Welfarists are today reduced to opposing reindustrialization programs with abstract expressions of "compassion for the poor and the needy." And many old welfarists are eagerly developing their own more modest versions of reindustrialization.

The reindustrialists themselves devote most of their attention to the *incentives* they hope to initiate on the supply side of the economy to spur private investment, work effort, productivity, economic growth, and a more favorable position in the international economy. They would curtail business regulation ("deregulation"), subsidize businesses with a promising future in the international economy, reduce taxes on capital and savings, increase depreciation allowances, decontrol oil and natural gas prices, subsidize a shift from oil to coal, give private management more help in improving worker productivity, and sharply increase military production. The result, it is claimed, will be a more productive economy, eventual improvements in the standard of living for productive Americans, and an expanded military establishment that will assure the flow of essential foreign resources into the American economy. Indeed, what the reindustrialists now say the economy needs to spur growth is approximately what, for decades, a set of neo-Marxists have prophesied would emerge as the new imperatives of advanced capitalism.⁴

Even the incentive side of the program imposes harsh sacrifices on constituencies that have recently gained an insecure foothold within the American system. Merely consider some of the complaints about government regulation advanced by the editors of *Business Week*. The problem with the Foreign Corrupt Practices Act is that it "severely limits corporate payments of fees to obtain contracts abroad." Trade embargoes launched on behalf of human rights "limit sales of grain and high technology equipment to the East bloc." The Nuclear Proliferation Treaty "limits exports of nuclear reactors and materials to countries that might produce a bomb." Human rights policy "limits trade with certain countries that violate human rights cases." Antitrust laws "prohibit U.S. corporations from establishing joint trading companies." Health safety and environmental regula-

⁴ I have in mind primarily the studies by James O'Connor, *The Fiscal Crisis of the State* (New York: St. Martin's Press, 1971), and Jürgen Habermas, *Legitimation Crisis* (Boston: Beacon Press, 1973).

tions increase domestic costs of compliance and "enforce strict U.S. standards for overseas operations of U.S. companies." The incentives devised to reindustrialize thereby insinuate a series of profound moral reversals into the normal operation of the political economy. The old taboos become the new virtues.

But the incentive proposals are matched by a further set of sacrifices and disciplines to be imposed on those who are superfluous to the reindustrialization game plan or without the strategic location needed to resist it effectively. The call for selective sacrifice is now couched within the traditional language of a social contract to which all rational parties ought to consent. We need, they say, a "remodeling . . . of the social contract," one that reflects the "understanding that our common interest in returning the country to a path of strong economic growth overrides other conflicting interests." Some of the signatories are asked to scale down the inflated expectations they have developed over the last two decades. Too much has been expected of the civilization of productivity. It has been asked to "support an ever rising standard of living; create endless jobs; provide education, medical care and housing for everyone; abolish poverty; rebuild the cities; restore the environment; satisfy the demands of blacks, Hispanics, women and other groups."⁵

Some of these demands must be delayed; others must be forgotten. For the next decade or so the whole society must shift its priorities from consumption to investment. Workers must scale their wage demands to the rate of increase in productivity. Welfare recipients, at least in Gilder's version of the doctrine, must receive lower levels of support so that welfare will become "unattractive and even a bit demeaning."⁶ The excessive concern with "quality of life" issues (pollution, toxic wastes, health and safety on the job, the integrity of the natural environment, the safety and quality of products on the market) must be deflated. Rational modes of work organization and control must be extended into the upper reaches of private and public employment so that these tasks emulate "the cognitive style of the industrialist instead of the humanist."⁷ The state must resist the urge to aid old cities and old industries, allowing surplus residents to migrate to more promising areas. Finally, those at the bottom of the income-security hierarchy must give up the dream of a more egalitarian society; able-bodied men and women stuck at the bottom must "work harder than the classes above them" in order for some of them "to move up" into a higher position in a stratification system that itself must be extended rather than contracted. Because the "average worker exerts himself at half-capacity" he must do better than he has in the past, while low-income workers, trying to improve their lot, must do considerably better than the new average.

⁵ *Business Week*, June 30, 1980.

⁶ Gilder, *Wealth and Poverty*, p. 117.

⁷ *Ibid.*, p. 211.

Clearly the new social contract contains a new set of asymmetrical agreements. One set of signatories—such as high-technology industries, the military-industrial complex, workers in growth industries, and residents in western and southern states—are to consent to a new set of incentives; while others—such as low-income workers, urban residents in the frostbelt, minorities, women in lower and middle levels of the work force, environmentalists, liberal-arts educators, public-sector employees in nonmilitary areas, welfare recipients, civilian retirees, the unemployed, the sick, the mentally ill, and the maladjusted—are asked to bear up under new burdens and constraints. Not only will particular constituencies be unimpressed with these contract proposals, but most citizens will be adversely affected by the changes in their daily lives accompanying deregulation.

Surely the reindustrialists suspect that some parties to this contract will sign only under duress. The legitimacy of the civilization of productivity has been based largely on its promise to bring all members of society into the charmed circle of private affluence while preserving democratic citizenship, the quality of the natural environment, the right to a decent education, and a dignified life for old people. We are now informed, and rather casually at that, that growth is still the means and consumption the name of the good life, but that the means necessitate exclusion of many from the rewards. The end of growth is no longer the universalization of affluence, but selective austerity, intensification of social discipline, and a deteriorating natural and social environment. The new captains of industry are relentless.

Do the ideologists of reindustrialization expect those who did not draft this new contract to consent to it voluntarily? Or do they have other ways in mind of converting this contract proposal into an offer the losers can't refuse?

Well, the reindustrialists contend that it is rational for all parties to sign because no alternative scenario can cope with the problems of unemployment, inflation, stagnation, and worker motivation that plague the economy. When one looks closely, though, it becomes clear that the captains of industry expect some constituencies to resist the needed disciplines. They have techniques available to help those who at first do not heed the voice of reason to meet their social responsibilities. Fortunately for the new industrialists, those most in need of disciplinary control are also those who have the least market and political leverage in the American political economy. Several disciplinary techniques can be applied in a setting where the current alternatives to reindustrialization have been discredited by historical experience.

First, tax revolts will work wonders. As citizens react to high taxes, large portions of which are ticketed for business subsidies, highway expenditures, and the military, or are designed to rectify the adverse social effects of private productivity, the state will cut back services and support to those clients with the weakest political leverage. The cutbacks will thus fit broadly into the pattern recom-

mended by the reindustrialists. It will shift resources from unproductive to productive activities.

Second, once the reindustrial agenda is launched, inflation itself can be deployed to redistribute burdens and benefits in the desired directions. Inflation is an acceptable tool to reindustrialists since "most of the greatest episodes of economic history—from the commercial revolution to the industrial revolution—occurred in the midst of rising prices and rising debts."⁸ It is not inflation but the purpose it serves that is crucial to this scenario:

If the United States diverts the proceeds of its inflation tax into the creative core of capitalist growth—the new research and industry of the future—both the problem of inflation and the problem of growth will disappear. If we continue to subsidize the dying parts of the economy and the deadening growth of bureaucracy, inflation, and torpor will persist regardless of all the heroic discipline of debt and money.⁹

When inflation occurs, workers in the more productive industries can be allowed to bargain for higher wages. But those with less leverage in the public sector, in less productive private industries, and in nonunion market firms can be held back. And the state, in the name of efficiency, can refuse to index welfare, retirement, and Medicaid payments to the rate of inflation. Inflation thus contains creative potential for disciplinary control of selected constituencies. Artfully deployed, it can divide people by class, market location, generation, and regional location, and it can redistribute income and wealth from the lower toward the upper end of the continuum. Moreover, because the distributive effects of inflation are not so directly attributable to public decisions, they can to some degree be produced without public identification of political responsibility. Anyway, this, I think, is the hope lurking between the lines of the reindustrialization texts.

Third, the welfare apparatus of the state need not be dismantled completely; that would deprive the state of a depository of disciplinary controls to be employed in the cause of reindustrialization. For the agencies that provide services to clients also provide centers for state surveillance and management of the dependent clientele. It is unlikely that most agencies will meet the fate of those specifically entrusted with the regulation of business (e.g., the Environmental Protection Agency and the Occupational Safety and Health Administration). In other cases, where the primary contact is with welfare recipients, teenagers, delinquents, criminals, and the maladjusted, the police function of the agencies will be extended and tightened, and welfare services will be reduced to the minimum level needed to maintain contact with the client populations.

8 *Ibid.*, p. 229.

9 *Ibid.*, p. 231.

Implicit in the explicit call for a new social contract is the real message of reindustrialization: despite more than a hundred years of capital accumulation, the old promises on behalf of the productive society can no longer be made. The plan to reindustrialize America contains the implicit admission that the effort did not work as expected the first time around. It must be planned both more restrictively and more comprehensively the second time through—restrictively with respect to the beneficiaries to be drawn in by incentives and promises for a better future, comprehensively with respect to the modes of disciplinary control to be imposed on those to whom present incentives cannot be given or promises made with credibility.

If the program for the reindustrialization of America were converted into practice, it would mean the de-democratization of America. For it would place the most crucial economic decisions beyond the reach of public accountability and would shunt constituencies and public needs that do not fit into the reindustrialization syndrome toward the margins of economic life and social legitimacy. If reindustrialization gains hegemony, public elections will persist. But the range of options debated will be narrow, and the state's capacity to discipline those who do not exercise self-discipline will be extended. A number of cautious journalists and social scientists, predictably, will ignore the gap between the production of social evils and the generation of legitimate issues. They will continue to cultivate a studied innocence about the historical course we are on by *equating* democratic politics with electoral competition.

What are the alternative visions to reindustrialization now that welfarism has been pushed into a defensive posture? One is the politics of radical protest spawned during the 1960s and showing signs of revival today. But protest politics flourishes best when it faces a healthy liberal establishment that believes that justice and the good life can be fostered by the welfare state. As long as the liberal doctrine retained a powerful presence in our politics, particularly as long as it celebrated the progressive possibilities within the order, radical protest could hope to mobilize liberal efforts to prove that space for progressive action actually existed. The liberals made promises on behalf of that order; dissident pressures then compelled them to recognize injustices previously hidden and to find ways to live up to the promises they had made. It was a cozy relationship of mutuality and interdependence, even if neither party identified as many virtues in its partner as it found in itself.

If the decline of welfare liberalism proceeds very far, the next wave of radical protests—provoked by foreign adventurism or by the new disciplines imposed by reindustrialization—are likely to provide a pretext for repressive responses by the state and the measures may well be legitimized by the larger populace. If the pro-

tests disturb the progress of reindustrialization in a setting where its premises and priorities have filtered into the old liberal doctrine, the protests will appear to undercut the only rational response available to the issues facing the country. The legitimacy of the protests will be undercut by the weakened credibility of welfare liberalism, and the state will be empowered to put them down in the name of reason. When the liberal host becomes sick the radical parasite is not apt to remain healthy either.

The emergence of reindustrialization thus demands a reconstitution of liberalism and a redefinition of the priorities and strategies of radicalism. The reconstitution must acknowledge the moment of truth in the widespread disaffection from the welfare state; it must reaffirm the respect for political democracy, human dignity, and an inclusive economic life that have animated most radicals and liberals in the modern era; and it must reconsider the fundamental economic premises and priorities that have governed American liberalism, at least from the era of the New Deal to that of the Moral Majority. The comments that follow are designed to contribute some ideas to the dialogue to be pursued.

The commitments welfarists have shared historically with their market adversaries are those most in need of reassessment. The idea that public support of private economic growth would provide the populace with steadily increasing affluence, happiness, freedom, and security now seems questionable in the light of both recent historical experience and mainstream projections concerning the future of the civilization of productivity. More pertinent to liberal welfarism itself, the idea that public support of rapid growth in the privately incorporated economy would generate a tax dividend to be used to rectify the adverse "side effects" (the phrase reveals how marginal these effects were presumed to be) of that growth now needs reconsideration. The agenda has placed welfare liberalism in the defensive posture it now finds itself. For the new captains of industry are more relentlessly committed to the common priority of growth and they can now blame the inflated size of the state budget for the hardships that face the economy. Today, commitment to the priority of growth is commitment to the intensification of discipline and selective austerity; liberals who continue to give primacy to the first end will eventually be drawn into complicity with the means to its realization. The point is, first, to communicate this fact politically to people whose daily experience already validates it, and, second, to show how persisting features of the political economy that now lock the populace into the illusory pursuit of growth can be reconstituted.

There are many sources of the growth imperative, but one of them is particularly important for those who seek to accentuate democratic control over the political economy. For it explains why the populace allows itself to be drawn

into the orbit of the growth syndrome even though its own experience increasingly reveals the illusions inside the pursuit. The patterns of consumption that prevail in the United States establish the appearance of affluence while they increase the difficulties many individuals and families face in making ends meet. People cannot meet the costs of housing, energy, transportation, education, health, insurance, private security, taxation, retirement, cultural life, and recreation without the promise of a steady increase in income levels. They cannot do so because the social infrastructure of consumption in the affluent society progressively converts former luxuries and privileges into imperatives of consumption. Political support for the priority of growth is mobilized by constant pressure on the family budget generated by these changes in the infrastructure of consumption; and the direction in which growth proceeds constantly generates new shifts in the infrastructure of consumption. By "the social infrastructure of consumption" I mean publicly and privately generated rules and effects that, in the strongest sense, allow some forms of consumption and disallow others and, in the weaker sense, encourage some forms while discouraging others. Examples: The publicly instituted highway system, in conjunction with the location of shopping malls, workplaces, and supermarkets, renders the automobile—along with its costs of purchase, fuel, insurance, maintenance, and periodic replacement—a necessity for participation in the common life of the society. Public and private energy policies make oil, natural gas, coal, and nuclear power necessary objects of consumption for most Americans. The organization of advertising makes it impossible to buy goods without paying expensive advertising costs. The shorter life of "durable goods" necessitates more frequent replacements over the life of one individual or family. A health insurance scheme that leaves fee-setting power in the hands of physicians while it partially collectivizes payment helps to generate a medical system that is expensive, dependent on high technology, and curative rather than preventative in its emphasis. Product "improvements" that complicate commodities (the car, household appliances) require special tools and skills for their repair and maintenance, and render more and more "handymen" unhandy. The social processes that generate high rates of crime increase private and public costs of security. Rules governing employment of the elderly increase private and public expenditures for retirement. Industrial production processes and product priorities produce new costs of securing clean air, pure water, fertile soil, and scenic beauty.

These examples merely illustrate ways in which shifts in the social infrastructure of consumption constantly expand the private expenditures and public tax levels required to allow a majority of the populace to participate in the common life available in the society.

The new captains of industry come close to acknowledging the logic of this negative dialectic and perilously close to lifting the cover of legitimacy off the civilization of productivity. For they now contend that the economy that once prom-

ised to bring everyone within its circle of benefits and privileges must now promote growth by freezing large segments of society out of its paradigmatic benefits. One reindustrialist is quite blunt about it:

A decade of public and private belt-tightening is therefore needed if all the obsolescent elements are to be replaced and others adapted to the current environment: otherwise the slow economic growth, decline in productivity, inflationary pressure and other well known signs of the strained economy will persist. . . . If our industrial base is to grow along the lines I have outlined, public and private consumption must be sacrificed to some extent.¹⁰

The word has reached the apologists for the civilization of productivity, though it is still stated timidly and without awareness of its historic implications. The pursuit of private affluence through the expansion of private capital does produce riches, but it also obstructs realization of the good life that was supposed to accompany them. As the pursuit continues, the end recedes; as the end recedes, the disciplines needed to maintain the pursuit intensify. The end of growth is not fulfillment of the dream of affluence. The moment for that dream has passed, though many will strive to hang onto it for an hour or two longer. The old hope can no longer inspire a vision of the common future we are building; it can only inspire a yearning, a nostalgia, for a past condition in which such a belief in that future was possible. And because the old end is drained of its connection to the good life, it will be increasingly difficult to mobilize workers, consumers, and dependents of the welfare state to accept the new disciplines and sacrifices required to sustain it. A web of covert evasions and resistances will continue to unfold—the emergence of the “underground economy” is just one index of this phenomenon—and private and public bureaucracies will try to penetrate more deeply into the fabric of everyday life to contain these movements.

The hegemony of growth, reflected in the obeisance both major political parties give to it, is less and less sustained by popular belief in the future it will foster; it is today sustained more by the social infrastructure of consumption that impels people to support official policies of disciplinary control at the political level while they struggle to evade them in private life. This picture of our condition is forming in the minds of many Americans. But it will neither crystallize into a political doctrine nor foster a progressive social movement until credible proposals to reconstitute this infrastructure are developed.

We can approach this challenge by considering the differences between exclusive and inclusive goods. An exclusive good cannot be extended to the populace as a whole without (1) decreasing the private value of the good to those who

¹⁰ Amitai Etzioni, *New York Times*, June 29, 1980.

have already received it, (2) increasing the private costs of its use, (3) accentuating the adverse social effects of its use, and (4) increasing the costs borne by the state in trying to rectify these adverse effects. Inclusive goods reverse each of these effects. There are, certainly, few goods that fit within either category perfectly, but there are significant differences between alternative forms of transportation, housing, health care, food supply, and insurance. The universalization of the automobile, for instance, receives low grades on this scale by comparison to the universalization of rail, transit, and bus systems. Similarly, a medical system based on high technology and insurance payments to physicians who set their own fees is much more costly to extend to the entire populace than one organized around membership in a prepaid plan, preventive health care, and salaried medical staff. It might be said that the American civilization has been constructed around the illusory hope of universalizing exclusive goods, and that reindustrialization represents an attempt to restore the health of the economy by restricting a larger share of exclusive goods to a smaller proportion of the populace.

Inclusive goods promote an infrastructure of consumption that eases the *public* pressures for constant economic growth and incorporates more members into the good life it makes possible. The shift toward inclusive goods would thus support democratic practice in two ways: by easing the economic pressures that stifle public exploration of alternatives to reindustrialization, and by extending to all members the security and dignity needed for participation as citizens in the common life.

There are certainly other ingredients to be included in a post-welfare-state perspective on the democratic Left. But, I believe, any such perspective must pay close attention to the intimate relations among the prevailing organization of consumption, the difficulties people face in making ends meet, the sources of disaffection from the welfare state, and the political appeal of reindustrialization. Perhaps the serious liabilities of reindustrialization can be exposed most dramatically by a perspective that articulates these connections politically and identifies ways to render our economic life more inclusive.