

Economic Demands, Political Rights

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The key question, Walter Dean Burnham rightly concludes, concerns the prospects for a turn to the left in American politics. Burnham thinks it not impossible, but the entire thrust of his analysis is to say why it is unlikely. We are far more hopeful, and that is because we interpret the developments he recounts differently. In order to mark out that difference, we need to restate the main line of his argument as we understand it.

Burnham sets out to explain the remarkable events of 1980. He does not say, as a good many popular commentators did at first, that 1980 signals a deep ideological shift in the electorate. Rather he thinks it reveals the increasing volatility of voter preferences, providing further evidence of the progressive decomposition of the American party system. But while 1980 did not reflect an ideological shift among the electorate, it brought to power a very ideological regime, and that in turn may have major consequences for our political future, or in Burnham's words, may "create political facts *en masse*." Thus far we agree.

Burnham goes on to attribute the electoral volatility and party decomposition that made the ascendance of the Republican right possible to a concatenation of crises in the American regime; crises compounded of developments in the economy, in culture, and in politics. He thinks these developments in turn have deep roots in the contradiction between consumption and accumulation embedded in the organization of American capitalism. Burnham concludes, and here we again agree, that the United States is at a turning point in its political development, that the "political capitalism" that characterized the post-World War II period can no longer be sustained and the American polity must either follow the path to the right that is being marked out by this regime, or opt for the path toward some form of democratic socialism.

But the deep contradiction of American capitalism did not erupt in crisis—and this is the crux of Burnham's argument—until after the 1960s when the economy could not sustain the demands emanating from the multiple claimants generated by a fragmented and increasingly conflictual American politics and an increasingly hedonistic culture. Burnham describes this period with the metaphors of dissolution: the American consensus unraveled, conflict increased, and a plethora of organized interests began to make demands on government. He is right to

cite Daniel Bell in confirmation of this characterization, and he might also have cited such "crisis of democracy" theorists as Samuel Huntington and Michael Crozier, for his argument is similar to theirs as well. The common theme is that the broadening of participation and the escalation of demands that began in the 1960s exceeded the limits of the possible and thus threatened to overload the system.

None of this is unreasonable as far as it goes. There is no question that the 1960s saw a surge in popular political activism and popular economic demands, no question that government responded, as Burnham points out, with a proliferation of income-transfer and regulatory programs, and no question that this occurred at a juncture when the fabulous spiral of post-World War II economic growth had begun to wind down. Burnham and others look upon the rise of new claims and the eruption of new conflicts as symptoms of crisis and decomposition. But the character of this development deserves closer scrutiny, for it bears closely on the question of our prospects for the future.

First, we need to consider the significance of the expansion of transfer and regulatory programs in terms of their overall impact on the American political economy. As these government responses to popular demands accumulated, the programs came to have measurable effects in shifting the distribution of economic power in the United States. In 1982, according to the Congressional Budget Office, \$373 billion was spent on income-transfer programs by the federal government. Such sums cannot flow through the economy without consequence, and the significant consequence is this. A large number of people in the United States now depend as much on government as on the market for their income, and because they do, they have some protection not only from the vagaries of the marketplace, but from the power which employers have always exerted on workers by virtue of economic insecurity.

Economists have noticed this development. They point to the surprising immunity of wage rates to rising unemployment in the 1970s, and attribute this to the expansion of the income transfer programs. What they are saying, in effect, is that when the unemployed and the poor are provided with income supports, labor markets do not soften despite higher unemployment. Or, to put the matter more forthrightly, transfer programs increase the power of workers in labor market relations, simply because working people with unemployment benefits and food stamp benefits are a little less insecure, and therefore a little less vulnerable to the terms set by employers.

In a similar vein, the escalation of popular demands for government regulation of business and industry—for environmental, workplace, and product safety controls, and affirmative action guidelines—also altered economic power rela-

tions. Popular pressures forced government to intervene in production, distribution, and hiring decisions that had heretofore been deemed to be within the untrammelled province of private enterprise. On the one side, these regulations encumbered industry, and cost it money besides. But on the other side they measurably improved the air we breathe and the water we use; they limited consumer hazards; they protected the lungs and limbs of workers; and they even helped some minorities and some women (although not many) get jobs.

There is another dimension of these developments that needs to be highlighted. The explosion of popular activism and popular demands that began in the 1960s was important not only because of its effects on economic relations, but because those effects were initiated in response to the political demands of groups representing a broad stratum of the American population. Something like this had happened before, during the Great Depression. But that was a period of transparent system crisis and breakdown. In the 1960s, popular demands arose and were effective during a period of apparent prosperity and stability.

That political power was used to gain economic advantage was itself clearly not new. Organized groups have always made economic claims on the American state, but these were usually business groups. Indeed, American political history can fairly be recounted as the history of business interests using government to improve their opportunities and profits. This time, however, it was ordinary Americans who used political power to gain a measure of economic power. The spread of economic demands to a broad stratum of the population may have strained the system, but it also democratized it, in the sense that the transfer and regulatory programs moderated concentrations of market power, and in the sense that the escalation of participation and the broadening of demands brought new groups and new issues into the political arena. A major shift in the range and content of political participation had occurred, even if much of it took social movement form instead of electoral form. How then did these remarkable changes come about?

Burnham agrees that the expansion of popular demands over economic issues requires explanation. In part he thinks these events can be understood as a continuation of the feudal political tendencies that have always run rampant in an American system that lacks constitutional centralization, strong parties or collective purpose, and is dominated instead by a cacophony of interests and multiple "iron triangles." This is a fair characterization. But the 1960s were not merely an extension of these tendencies, although the politics of the period were clearly marked by all of them. True, a cacophony of interests made demands on a fragmented government, and this after all is what business domination of government in the United States has always looked like. What was different was that entirely new groups entered the fray with entirely new demands. And for this to occur, changes of great moment must have been at work.

Burnham names some of those changes: politicians, he says, discovered poverty and promoted "a dense network of transfer-payment and regulatory programs." The failure of the Vietnam War ruptured the consensus in public opinion that had prevailed. Meanwhile the cultural system unraveled, and as it did "militant group consciousness" arose among blacks, feminists, youth, and homosexuals. In response to these developments, the American state, and especially the Democratic Party, responded as it always has by giving in to the demands of many of these groups.

All of this happened. But these are more descriptions than explanations. Politicians being politicians, why did they "discover" poverty if not in response to pressures from the poor, and in this instance, the black poor? And why is the rise of militant group-consciousness to be attributed to an amorphous "cultural unraveling"? We propose another explanation. The rise of popular economic demands in the last two decades is an expression of a deep ideological transformation in the United States.

Burnham's treatment of popular American political ideology does not permit the possibility that changing ideas were an important factor in accounting for the developments of the 1960s. That is because he thinks of ideology as something of a first principle, as a feature of social life that is relatively impervious to other influences. This way of thinking about popular ideas helps explain not only his rather sour depiction of the recent past, but his gloomy prognosis for the future as well. Burnham says "organizable political consciousness in the United States is dominated by a single liberal-individualist tradition," whose premises were laid down by John Locke. Perhaps so, in the nineteenth century. And perhaps it was the singular domination in the United States of a view of the world that treated private property as a first premise, and restricted the realm of politics and government from interference with this premise, that barred popular economic demands from politics. But ideologies are not writ in stone. They are writ and constantly rewrite in the minds of people who appraise and change the ideas they inherit to reflect their changing experience.

If Lockean ideas took deep root in nineteenth-century America, it was because the organization of American institutions made these ideas seem credible. Economic life was dominated by the propertied but, under nineteenth-century institutional conditions, the ownership and free use of property appeared as a fact of nature rather than as a fact of politics. Of course, property is always a political fact, for property does not exist apart from the legal authority and armed force of the state. More than that, American governments on all levels supported the propertied in crucial ways, ranging from the development of the legal framework of the corporation, to profitable contracts and franchises, to the use of

militia to break strikes. However, like the underlying protection of the right of private property itself, much of this was not easily visible as politics. Moreover, a good deal of the day-to-day economic activity of most ordinary people proceeded without any apparent governmental intervention. Under these conditions, Lockean ideas were not accurate descriptions of social reality, but they were at least tenable descriptions.

The development of American capitalism in the twentieth century made Lockean ideas untenable, simply because the role of government in the economy enlarged and became increasingly transparent, largely in consequence of pressures from business interests in a dynamic and changing capitalist economy. And as government intervention on behalf of business increased and became more obvious, popular economic demands began to emerge too, although not all at once. The 1930s was an important period, because it saw the escalation of claims on the state from all sides, from bankers, industrialists, and agricultural interests, and from the unemployed, the aged, and industrial workers. These demands and the conflicts they generated anticipated the pervasive politicization of economic life that was to surge again in the 1960s.

Political action, including the political action of ordinary people, is always framed by ideas and interpretation. People think about what they want and about what they can do to get it. They think about whether their aspirations are right or wrong, about whether their actions make sense given the world as they understand it. This is only to say that political action is shaped by ideology. And if that is so, then how could popular economic demands have exploded into politics except as a consequence of the fading of Lockean influence and the emergence of new ideas?

These new ideas reflected the large changes that had been taking place over the course of a century, changes that enlarged the economic activities of government on behalf of business and thus made government's role in the economy more visible. In reflection of these changes, popular politics came more and more to reflect the idea that economic and political life were intertwined, as indeed they are. And if government activities shaped economic life, if politics and economics were fused, then economic issues and economic grievances belonged in politics. These were not such complicated ideas perhaps. They were not a complete analysis of how our society was organized or how it should be organized, and perhaps they do not even deserve the accolade of the term ideology. But they were nevertheless ideas, and crucial ones at that, for they brought democratic rights and democratic influence to bear on the economic conditions of ordinary people.

The insurgent movements of the 1930s and the 1960s made government the target of their economic grievances, and they could do so because the growing interdependence of state and economy had led to an expansion of the democratic idea. People had come to believe that popular political action to redress economic

grievances was both legitimate and possible. Just as significant, popular economic grievances became the focus of presidential campaigns. After 1932, each election generated a parade of promises designed to appease popular economic discontent. And, as Edward R. Tufte has pointed out,¹ incumbent presidents exerted themselves to coordinate the electoral cycle with the political cycle in the effort to get reelected. Note, for example, the contorted economic policies of Richard Nixon anticipating the 1972 election. Or note the consequences of the failure of Jimmy Carter to reverse the recession of 1980.

Of course, there is a problem, and this brings us to another part of Burnham's argument. The problem is that the expansion of democratic politics and democratic gains was concurrent with the contraction of the great post-World War II boom. The horizons of American capitalism were narrowed by the rise of competitor economies in Western Europe and Japan, and by the rise of resistance movements in the Third World. They were narrowed also by popular demands in the United States, for the programs inaugurated in response to those demands were shifting, if only slightly, the balance of power between capital and labor, between producers and consumers. During the 1970s, capital coped with these problems in its characteristically anarchic way: by shifting investment overseas, and from productive enterprises to speculation. Domestic capital flowed into real estate, commodity markets, and mergers, all of which worsened the problems of the American economy as a whole.

But that was not all. A counterattack was brewing as American corporate leaders became increasingly enamored of the view that the rising expectations of Americans, their growing sense of entitlement, was weakening the viability of American capitalism. The counterattack took form in 1980 in the singleminded effort of the Republican right to dismantle the transfer and regulatory programs that are the fruits of the democratic politics of the last two decades. With this much, Burnham would agree.

We disagree, however, with his characterization of the program of the right, and on almost all counts. The right is neither coherent nor informed by a sense of collective purpose, as he suggests. Rather it is intellectually incoherent, compounded of bits of inconsistent economic theories and bizarre calls to return to the past. Nor does this witches' brew appear to work; there is no reason to think that the Reagan administration planned its huge deficits, or a deep recession, or that it knows when or whether the recession will end. As for collective purpose, Stockman spoke definitively of its absence when he characterized Reagan's greatest political achievement, the omnibus tax act of 1981: "the hogs were really feeding." If anything, political feudalism has been thriving since the Reagan administration's ascension, but it is a feudalism of business, not popular, interests.

1 *Political Control of the Economy* (Princeton: Princeton University Press, 1978).

Nor is it true that the intellectual outlook—if that is what it should be called—of the Republican right, which boldly calls for the revitalization of capitalism and invokes the residual slogans of the nineteenth century in justification, will find a following among a majority of the American public. True, there are segments of the American population that respond to the nostalgic calls of the right to return to the past, to an imagined past when men were men and women were women, when family, village, and church organized the world. Perhaps these segments are well-characterized by Burnham's analogy to the popular base of the Central Powers in Europe in World War I as ethically and economically cohesive. Certainly they have proved easy prey for a resurgent radical right. But while this popular movement has provided support for the Republican right, its agenda is not the revitalization of capitalism but the revitalization of the social institutions of the past. In any case, it remains a distinct minority and its agenda of social issues has in fact hobbled the attempts of the Republican leadership to build broad support.

The resurgence of the radical right alarms us, for it raises an old specter that haunts the left, the fear that most Americans would support fascist solutions. But little in our recent experience confirms such a fear. On the contrary, the popular ideas that underlie the rise of new claims and claimants in the 1960s testify to the broadening of democratic aspirations, not their narrowing. Moreover, the large role played by economic discontent in 1980 shows that the election was not a deviation but a continuation of this development.

Not surprisingly, the best analysis of that election was provided by Burnham himself in another recently published essay. Burnham points out that for the first time in memory, a Republican presidential candidate conducted a campaign focused on the bread and butter issues, on the eroding real income of many Americans, and persisting unemployment. Post-election exit-poll data show that it was these appeals that gave Reagan the election, and we quote Burnham:

Of all the 1976–1980 shifts recorded, the most massive were those associated with respondents' judgments as to whether over the past year their family finances had become better, were about the same, or had grown worse. . . . The large minority who believes themselves worse off gave nearly a 3-to-1 lead to Ronald Reagan (28 percent Carter, 72 percent Reagan).²

² Walter Dean Burnham, "The 1980 Earthquake: Realignment, Reaction, or What?" *The Hidden Election*, edited by Thomas Ferguson and Joel Rogers (New York: Pantheon Books, 1981), pp. 107–108.

In other words, the election of 1980, like every election since the 1930s, confirmed the centrality of the idea that economic rights are also political rights. Even barring the disaster its programs are likely to wreak, it is an idea that will ultimately defeat the program of the Republican right.

Indeed, the polls already reveal the extent of popular disapproval of an administration that appealed to the idea of economic rights, only then to betray it. Disapproval ratings one year after the election were higher than for any previous president for whom poll data are available. "Poll after poll in 1981," concludes Seymour Martin Lipset, "indicated that . . . majorities opposed reductions in most social programs." Consistently, the pollsters report that overwhelming majorities think the Reagan tax program is unfair; perhaps because the polls suggest they believe that government should work to substantially reduce the income gap between the rich and the poor. And a March 1981 *New York Times*/CBS program found that "The most decisive answer . . . came to this question 'To reduce the size of the Federal deficit, would you be willing or not willing to have the Government reduce proposed spending on programs for the poor?' Just 29 percent said they would be willing, while 63 percent said they would not." Even the most maligned of the transfer programs, AFDC and foodstamps, were supported by 57 percent of the respondents. The point is that these beliefs could not exist, and surely could not persist in the face of vigorous Republican-right propaganda, in a Lockean political culture.

As we said, like Burnham, we think we are at a major turning point in American political development, although we are more hopeful about the outcome. The Republican right seized power by appealing to the new sense of economic and democratic entitlement that has become an American idea. And then it flouted that idea. Its policies thus far are not revitalizing capitalism, but worsening the crisis by generating increasingly dangerous financial instabilities, and the most serious recession since the 1930s. More than that, it set out to revitalize capitalism by reducing the living standards of most Americans, by attacking their unions, by scorning the aspirations of women and minorities, by dismantling the regulations that protected environments and workplaces, and by slashing the programs that provided the unemployed, the infirm, the aged, and the poor with a small measure of economic security. And it justified this assault by invoking the familiar slogans of nineteenth-century *laissez-faire*, by attacking big government and offering up hossanas to the free market.

The results are disastrous. But the disaster is likely to teach Americans a good deal. It is likely to purge from American political culture the confusing residues of nineteenth-century *laissez-faire* ideology. More than that, it is likely to purge nationalistic and imperial slogans as well, for never before have the domestic costs of empire been so clearly demonstrated as by the Reagan administration's rhetoric and action.

As the fog of Republican-right propaganda dissipates, the alternatives become clearer. On the one side, there is the incoherence, the hardship, and the insult of what Burnham calls neo-laissez faire. On the other side, there is the large opportunity for articulating the convictions already implicit in American political culture, and for strengthening those convictions and giving them programmatic form. On the other side, in short, there is the large opportunity for an American social democratic movement.