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# EDITORIAL

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**W**hat democratic radicals decide they should do over the next few years could have real importance. The Reagan administration is foundering and along with it the ideal of a free economy undistorted by governmental intervention, powerful trade union pressures, or subversive ideologies. If it should go down, as a result either of electoral defeat or of embarrassing compromises with the Keynesian devil, it would mean more than another typical chapter of American political history in which the bright promise of a new beginning soon crumbles in the face of political realities. It would signify that there are no longer any meaningful alternatives; that between liberal solutions of centralized state planning, regulation, and welfare programs on the one hand, and Friedman-Kemp-Laffer solutions of the free market, deregulation, tight monetary controls, and the drastic reduction of all social programs on the other, the major possibilities of the system have been exhausted. All that remains are variations on a theme, either by Keynes or Adam Smith.

This bleak prospect is beginning to be glimpsed and to produce desperation on both sides. Liberals have not forgotten that during the last half of the Carter presidency it was evident that liberalism was a spent force, that the stagflation Keynesian analysis could not explain, Keynesian policies could not cure. Liberals also know that whatever else the Reagan election might have meant, it was unequivocally a repudiation of the nostrums of liberal political economy that had guided the destinies of the nation for nearly a half-century.

The Democrats in Congress promptly acknowledged bankruptcy, and during the first eighteen months of Reagan's tenure they stumbled over each other in a frantic effort to imitate, sometimes even to outdo, the Reaganites in inventing tax breaks, giving away pipelines, reducing social services, and raising defense spending. That the Democrats had not the suspicion of a program became painfully clear after the November 1982 elections when they were forced to produce a jobs bill that turned out to be a caricature of past liberal policies: spending millions and creating very few new jobs.

Edward Kennedy's decision not to contest the presidential primaries snapped the last link between the present party and its liberal past. Coming in the aftermath of the midterm elections, the decision was an epitaph for a missed opportunity. The evidence suggests that the voters were in a more rebellious mood than the party, that they were prepared to follow a bolder lead, and that the Democratic gains were a modest token of what might have been had the party managed to muster a convincing alternative. Democrats are now in the undignified position of having more to fear from Reagan's failure than from his successes.

The situation is not much better for the ideology that crystallized behind Reagan and inspired the reactionary program whose early success in Congress brought admiring comparisons with the Roosevelt Hundred Days when many of the fundamental New Deal reforms were enacted. The Reagan counterrevolution has ground to a halt because it could not deliver on its economic promises without further destroying the living standards and future expectations of millions of Americans. The nature of that failure cannot be overemphasized because it is the measure of the harsh, authoritarian, and inegalitarian future we have, for the moment, avoided. This was primarily because of rising discontent over proposed increases in defense expenditures and the spread of unemployment, not because of deep anger about the rest of the agenda of the counterrevolution. What failed was a set of policies that had been inspired, handwritten, and hand-delivered by the most powerful representatives of corporate capitalism. Big business has never had a more pliant administration, a more sympathetic president, more of its hirelings in high office, or more academic intellectuals and media experts ready to advise, justify, and, above all, excuse. Not since the turn of the century has there been an administration so opposed to the economic and educational aspirations of ordinary men and women or to the promise of social, racial, and sexual equality.

Disenchantment with Ronald Reagan can be expected to intensify but only to the point where liberals and conservatives come to realize that the failure of their rival is not a matter for rejoicing because the shared assumptions between both sides have always been greater than the differences. Which is why the system has run out of alternatives.

**T**he temptation that faces the democratic radical in this situation is to labor to produce new policies for everything from defense to social security. This would be a mistake. The main lesson from the failure, first of the liberals and now of the conservatives, is that there can be no solutions to the problems of the economic system. The reason for this is simple. If by a problem we mean some state of affairs, such as unemployment, the flight of capital, or widening disparities in income, that is unprecedented in capitalist history, or inconsistent with it, then the harsh fact is that these problems are not problems within that system. However regrettable they may seem, they are not obstacles that have to be overcome if the system is to continue. They are inherent, or "structural," that is, part of the continuing and necessary price of the unprecedented wealth that the system is said to create.

The problems, then, are consistent with the system, even inevitable. Unemployment is a recurrent condition produced by the need of capitalists to adjust the labor force to market conditions and changing technology. Already there is widespread talk in the higher circles that 7 percent unemployment will have to be

accepted as the average likely under conditions of economic recovery. Capitalism likewise never promises a wise use of natural resources, a concern for natural environments or human communities, a solicitude for the health, safety, or old age of its work force, or the likelihood of meaningful work except for the executive class. Only the possibility of social unrest brings these problems to the attention of business leaders; otherwise they are nonproblems.

These considerations define the social tasks of government in the political economy of corporate capitalism. Government is deeply into the business of damage control. It devises and administers programs to tend the casualties of business cycles, assembly line conditions, industrial pollution, and urban decay or city blights. By definition, welfare and health programs do not reform the basic structure of power, production, or ownership: they treat its victims.

The system cannot be challenged or changed so long as citizens accept the terms of understanding inculcated by politicians, the media, and all of the foundations, think tanks, and independent experts subsidized by corporate money. The ideology that now blankets public discourse asserts that there is some reified, free floating, independent entity—"the economy"—whose needs and whims decree that every citizen below a certain income bracket shall passively submit to whatever elected officials, bureaucrats, corporate executives, and experts determine is necessary to enable the economy to "recover." The result is a crazy upside-down world: human lives and aspirations are adjusted, even subordinated, to the system, while no one in public life ventures to suggest that maybe the first question is what our needs and aspirations are as a people and where should we try and formulate them. That question turns things right side up: it is the system that should be adjusted and subordinated.

The reason why the world remains inverted is because the dominant ideology teaches that the economy is a special world that must not be treated in a political way. Of course at this moment politics is an enormous and shaping factor in the economic decisions actually being taken. But it is a politics that is largely hidden, conducted in private, and shaped by managerial and corporate values. It is politics played out primarily on the terrain of the interests of the major corporate institutions. It is essentially a politics of intramural negotiation.

A political approach to the economy would insist that what is at stake is the well-being of the collectivity, of a society that seeks to order its common life by certain defining values of justice, democratic citizenship, and a commitment to reducing disparities of power, wealth, education, and life-prospects.

A political approach would reject the claim that the economy is autonomous. What it is and what it should be have to be considered in the light of consequences for a wide variety of common purposes. We need to ask how we as a people want to be in the world with other peoples—as economic rivals? as an imperial power frozen into hostility with communism? as making a new beginning in a long process toward developing democratic relationships among different

peoples instead of relying almost entirely on communications between a handful of leaders and their deputies? We need to think of an economy as something more than decisions about alternative allocations of scarce resources, their production and distribution within the context of an international system of economy—as economies rather than *the* economy so that productive activity will no longer be directed or conceived as though it did not have profound implications for the possibilities of civic activity. Citizens cannot be expected to measure up to the demands of democratic political life if their formative experience in the workplace teaches hierarchy, subordination, discipline, and a fragmented experience. We need, above all, to consider the economy as a legitimate object of citizen action, legitimate because in shaping the economy to common needs we are, in effect, reclaiming our own powers—our skills, our bodies—shaping them to our purposes rather than allowing them to be extracted from us like raw materials, then processed and transformed into money and commodities that become the means of tying us to a system of necessity and desire.

This would mean going beyond a simple demand for worker participation in the workplace or representation of workers and consumers on the boards of corporations, or any other proposal that infuses a bit of democracy into economic relationships. A truly democratic approach would judge these by the criteria of a society that is historically committed to the proposition that members own their powers, that collectively they have a right to decide how those powers shall be organized so as to be consistent with the terms of democratic association—terms that include equality, justice, and freedom but require the widest participation in and diffusion of power.

—Sheldon S. Wolin  
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