

Stanley Aronowitz

The Democrats: Desperately Seeking Defeat?

by
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There is an old saw of political forecasting: “it’s the economy, stupid.” Bill Clinton popularized it in his campaign to unseat George H. W. Bush and it seemed to work, despite Bush’s swift and apparently painless victory in the Gulf War (in retrospect it was not nearly as smooth as was initially reported). According to most assessments, the senior Bush was defeated by his failure to address the 1991-93 recession with bold interventions that appeared to recognize the issue, let alone make a real difference. A decade later the incumbent national administration led by senior Bush’s son, George, is presiding over a stubbornly flagging economy. Unemployment and underemployment stay high despite reports of economic growth, which in any case is fueled by vast inputs of fictitious capital: the government has issued more than \$150 billion in unsupported cash; and the credit system has generated a huge consumer debt. More particularly, if many Americans are experiencing declining living standards—whether they have a full-time job or not—according to conventional wisdom the prospects for returning the president to a second term are said to be grim. If people don’t buy expensive consumer products such as autos, computers, electronic equipment, appliances and furniture it’s a sure sign they either don’t have the income (or the credit lines), or have lost confidence they can repay their accumulated loans so they stay put. Meanwhile they look to the government to help get them out of their binds. If they perceive that the government is indifferent to their plight, they surely will not support another four years of pain and suffering.

Upon taking office the second Bush administration was confronted with a largely inherited incipient recession. True to the neo-liberal, supply side tradition its chief strategy was to take trickle down measures to stimulate private investment: first, to lower interest rates on loan capital and then to cut taxes, primarily for those who could be expected to spend in job-creating activities and high levels of personal consumption. At the same time, after September 11, 2001, military spending soared, largely on the

basis of borrowed money, even as the economy stagnated. Despite enacting two huge tax cuts, mostly for the very wealthy, and reducing the prime interest rate to almost the vanishing point—one percent—George W. Bush's first term has been marked by job losses due to falling industrial production amid technological displacement, income stagnation and overproduction. The situation remains dire even after the official end of the recession in late 2002, prompting car corporations, for example, to offer zero percent interest on many of their models in order to slim down their bulging inventories; banks offered credit cards to bad-risk consumers; and, against his principles, in 2002 Bush offered a single extension to millions who had exhausted their 26 weeks of jobless benefits.

The Bush strategy mostly backfired: many corporations and venture capitalists took advantage of the tax bonanza by investing in job destroying technological innovations and in offshore industrial and knowledge production. During its first three years in office, the US economy lost almost three million jobs, most of them in manufacturing, but also in managerial, professional and technical categories. After the impact of technology, and the black cloud of simple overproduction of goods and services the most important reason for the losses was offshore outsourcing. Many jobs in goods and knowledge production have migrated overseas to Latin America and East Asia where wages are a fifth or a tenth of those in the United States. During the outsourcing crisis, professional and technical workers as well as industrial workers became aware that in the new global economic environment nothing is pinned down. Computer and engineering jobs followed the paths paved by industrial production corporations. In the end, what Americans had been taught never to fear, that so-called third world countries could acquire the capacity to produce highly skilled, well-trained knowledge and service workers, came to pass.

The airline industry is experiencing a meltdown of unprecedented proportions: all of the major airlines are in a profits crisis; two of America's six largest carriers, US Air and United, have filed for bankruptcy protection; Delta recently announced it would cut 10 percent of its labor force over the next few years and is poised to file for bankruptcy as well; and nearly all major airline corporations have demanded pay and benefits cuts from their workers. US Air and United have gone so far as to suggest that their obligation to provide employees with contractually-

negotiated benefits packages be eliminated or the costs be substantially shifted to workers.

George W. Bush has trumpeted himself as a “wartime president,” owing to the self-imposed burdens imposed on his administration by the Afghanistan and Iraq wars, a title that presumably relieves the administration of most of its domestic obligations. Make no mistake: this is no fiscally conservative government. Indeed, the Bush administration has proven to be one of the biggest spenders of the post-World War Two era. In a matter of two years its military Keynesian policies obliterated the carefully crafted Clinton trillion dollar surpluses, adding more than a trillion dollars in debt. And when, as the 2004 election approached, Bush rediscovered some social programs, together with the Republican-controlled Congress and some leading Democrats like Ted Kennedy, his administration sponsored a Medicare reform that rewards the drug companies with a gift of super profits and for millions of medicare recipients very little in the way of reduced prescription drug costs.

But, even if Bush thought he could elide responsibility for economic woes by focusing on the “war on terror,” the wars are going badly. Almost ignored by the media, Afghanistan is no peaceful pasture but almost three years after the US invasion, it remains turbulent and insecure, for its own population as well as the sharply thinned-out American military. Slowly the Taliban which, after all, were the target of the American occupation, have recouped and asserted their power to disrupt and otherwise unsettle the country. And, instead of being able to smoke Osama bin Laden out from his hole, the Bush administration finds itself unexpectedly bogged down in Iraq. Seventeen months after president Bush stood on an aircraft carrier and proclaimed the end of the military phase of the Iraq war, the war’s pace and intensity have increased and American soldiers as well as Iraqis are suffering the consequences. Since May 2003 a full fledged insurgency has emerged among both the Shia and Sunni, and they have successfully prevented US forces from entering some key regions of the country. In early September the US military announced that it had sustained more than 1000 deaths and nearly five thousand wounded, figures that remain in dispute. Unofficial estimates of Iraqi deaths range from 37,000 to more than 50,000, with many more maimed and wounded. According to official sources significant portions of Iraq are under insurgent control, which has prompted the US military high command to

announce, on September 18, a late autumn offensive to drive the insurgents from their strongholds so that elections, planned for January 2005, can go forward, a plan that has been received with considerable skepticism.

THE COMBINATION OF ECONOMIC DISTRESS AT HOME AND seemingly endless wars which, according to many mainstream observers, are the result of poor planning by an administration that, notwithstanding its possession of technological superiority in weapons of destruction, seems unable to win the “peace,” should have inspired the Democratic party. Certainly, under pressure from its still potent liberal wing—notably Howard Dean’s early challenge to the center-right neo-liberal establishment—the spring primaries temporarily emboldened most of those who aspired to the presidential nomination to roundly condemn the Bush administration on both the war and economic fronts. By the Democratic Party convention at the end of July, terrified at the prospect of a Bush victory, Democratic Party activists and its erswhile left critics ignored John Kerry’s heavy baggage, notably his support of the enabling war resolution, and were united in the belief that they had victory within their grasp. Thousands of intellectuals and activists who had supported Ralph Nader in the ill-fated 2000 presidential elections declared hat this time the important thing was to defeat Bush, to turn his ultra-right inner circle—notably Dick Cheney, John Ashcroft and Donald Rumsfeld—out of office and Kerry was the best hope.

Yet, Kerry’s campaign has failed to catch fire; instead he has been lifted on his own petard more than once. For example, even as he assails the administration’s handling of the peace, especially its unilateralism and many failures to assuage the Iraqi people from hating America and Americans, his position on the Iraq war remains ambiguously favorable to the Bush policy. After intensifying his attack on Bush’s Iraq policies for their recklessness, he pledged to withdraw US troops from Iraq in four years without detailing what he would do during this period, except train Iraqis to deal with their own security, advance reconstruction efforts, and hold elections, all of which are in the Bush playbook. Kerry has called attention to the fact that the administration’s declarations of a recovery after 2002 have, at best, produced low-wage jobs, and then not enough of

them. But like his opponent, he has offered a supply-side solution to the jobless recovery: reward corporations who create new jobs instead of outsourcing with substantial tax credits. Consistent with his neo-liberal premises which focus on what has proven to be ephemeral private sector job creation, fearing charges that he is, after all, a tax and spend liberal, he has refused to suggest that the government could create millions of public service jobs to expand education, health care, public transportation, environmental protection, day care and recreation. He has refrained from attacking one of the administration's most egregious civil liberties disasters, The Patriot Act, for which he voted, which gives the Attorney General almost unlimited powers to detain suspected "terrorists," US citizens or not, engage in widespread surveillance, especially of opponents, and suspend constitutional protections on security grounds. Even as the Bush campaign calls attention to its socially conservative agenda of abrogating abortion rights and promotes an anti-gay marriage amendment to the constitution, Kerry remains strangely silent except to affirm that he, too, is opposed to gay marriage.

Believing, with some justice, it has the liberals and the left in his pocket, the Kerry campaign has decided to direct much of its appeal to voters in the so-called battleground states (Ohio, Missouri, Colorado, Florida, New Mexico Wisconsin, Michigan and New Hampshire), but even more specifically it is contesting allegedly swing voters who it believes are more moderate than the Democrats' core constituency. Moderate on what? Economic policy? Do swing voters want to reward the very same corporations who are responsible for outsourcing? Health care? (in a recent survey 78 percent of the American public is in favor of a government-sponsored "guarantee" of health care). Is Kerry silent on social issues because he is courting social conservatives?

Some on Kerry's left flank have suggested that the way out of the conundrum is to dramatically expand the electorate from its current 50-55 percent of eligible votes, most of whom are, in income and class terms, in the upper half of the population and are over 35 years of age. They advise the Democratic Party and the Kerry campaign to register and bring to the polls the vast legions of the disenfranchised working poor, the unemployed, youth and women. While there is some evidence that in states like Florida, the Democrats are working to swell the participation of blacks, and may go after the youth vote in several other states, this

campaign resembles tweedly dum to Bush's tweedly dee more than a crusade.

In order to mobilize and expand the disaffected:

- ?? Kerry would have to go beyond his late September declaration that if he knew what he knows now—that Iraq did not possess weapons of mass destruction—he would not have voted for the war resolution. (Of course this is a reversal of his earlier position that he still would have cast a yes vote.)
- ?? declare that the job crisis can be solved chiefly by policies of job creation because he understands that in more than thirty years the private sector has not delivered many jobs outside of the military and the short-lived dot.com boom.
- ?? offer a serious solution to outsourcing: tie international trade to raising living standards in developing countries and prohibiting corporations to export jobs in order to avoid wage and benefits protections currently enjoyed by US workers.
- ?? speak out against the announcement by some airline companies that they intend to abrogate pension and health care benefits negotiated through the union contract and attack Bush's plan to cut housing subsidies.
- ?? support the reinstatement of guaranteed income (rescinded by the 1996 Welfare Reform Act) for those who have few or no alternatives and support a dramatic increase in the minimum wage to European levels of about \$9 an hour.
- ?? And, he would have to state, flatly, that he favors a program of universal health care, some of which would be financed by the Federal government through the social security system by or general revenues, as in other advanced capitalist countries.

But with mere weeks left in the campaign Kerry has shown no signs of heeding this advice. Instead, fearing that the Nader campaign will siphon

votes from Kerry, the Democratic Party has worked furiously to deny him ballot access. Apart from the undemocratic character of this effort, it must be read as a sign that Kerry does not intend to expand his left and popular base but will confine his efforts to the current crop of “likely” voters.” Among these are a small, but perhaps critical fragment of potential Kerry voters.

And Nader has been able to attract some youth backing. One reason for this strategic choice must be that the party establishment, of which Kerry is an integral part, does not intend to offer redistributive, anti-corporate programs to address America’s festering economic and social problems. In line with the drumbeat of the center/right Democratic Leadership Council, Kerry’s strategy is to convince conservatives that he, not Bush, is their candidate. After all, in line with the Cold War policy he has come down solidly in favor of placing warmaking the traditional Western alliance. With his message of fiscal responsibility and bi-partisan multilateralism Kerry has argued that Bush is, in many ways, out of the mainstream of public opinion. But now voters are looking for concrete plans for America’s future, plans that Kerry simply has not offered. As a result his once commanding lead in most battleground states has disappeared and he is even losing some ground in some of his own “blue” territory.

Is it simply that the party establishment would rather lose and hold on to the machinery than win by making promises that would transform the existing corporate domination of national politics and government policy? Is the prospect of a class-based campaign—the only condition under which Kerry could hope to attract new constituents—so repugnant to his handlers and to the candidate himself that they are willing to grasp defeat from the jaws of victory? These are rational explanations for the foot-dragging that has marked Kerry’s performance since August 1. And they are certainly necessary to understand why he has hesitated to mount an all-out effort to win. But I want to suggest that they tell only part of the story.

IN 1986 I PUBLISHED A COVER STORY IN *The Progressive* titled “The Party’s Over.” Then I argued that since 1976 when the Democrats elected its first neo-liberal president, Jimmy Carter, the party had transformed itself into a socially liberal, politically centrist and economically

conservative organization. While retaining the organizational support of trade unions, feminist organizations, civil rights and a considerable fraction of urban intellectuals and members of the professional/managerial strata, the party had effectively shed its welfare state legacy, its commitment to labor, especially the working poor, and abandoned the cities to the banks and real estate interests. In short, the judgement that the Democratic party retained its earlier commitment to some redistributive policies was mistaken, and the support awarded to its candidates at the national level by organized labor and social movements was ill-deserved.

In the subsequent eighteen years the old Roosevelt coalition has hung together, sort of. The 1980s was an era of the so-called “Reagan” Democrats; the Democratic Party retained control over the two houses of Congress but lost three successive presidential elections, largely because a considerable chunk of its traditional working class base defected and the vaunted weight of the unions to deliver overwhelming majorities in the cities was undercut by rampant suburbanization, and deindustrialization. Women stayed the course, a mark of their loyalty to *Roe v Wade* and the Democrats’ reluctant but reliable support and blacks and Latinos were still attached to the party for its willingness to scuttle its historic Southern powerhouse when president Johnson signed the Voting and Civil Rights Acts in 1964 and 1965. As it turned out Barry Goldwater’s crushing 1964 defeat was the beginning, as Kevin Phillips argued, of the emergence of a new conservative Republican majority.

In the wake of the dramatic shift in the political temper of the country the Democrats, believing that if they clung to the “old ideas” they would certainly be consigned to a permanent minority, rather swiftly became the less odious neo-liberal wing of the new arrangements. Bill Clinton who learned his lesson when, after one term, he was defeated for reelection in the 1980 Arkansas gubernatorial race, climbed off the floor became a born—again centrist, and went on to win five terms of office, beginning in 1982. In 1988 he organized the Democratic Leadership Council which brought his centrist, neo-liberal politics on to the national stage. Indeed, his 1992 presidential race was conducted, almost entirely, on the fears of a broad swath of the electorate that the arch-reactionary George H. W. Bush would bring America down. Given general perception that the Bush presidency was both insensitive to the economic recession and objectionable in many other respects, Clinton got away with saying very

little except to promise that his administration would deliver universal health care, the struggle for which, in 1993, turned out to be an unmitigated disaster mainly because it perpetuated the myth that the private sector could do it better. Even so, the big drug companies never saw a capitulation it would not trample. The Clintons mishandled the legislative and public relations effort because they were unwilling to fight the drug companies who mounted a huge campaign against their plan. The health care fiasco brought the Democrats down in both houses in 1994.

Once more, Clinton learned to incorporate conservative fiscal policy into his program; like FDR he became the most fervent salesperson for the doctrine of the balanced budget and may have been the best conservative president of the 20th century. Against a surprisingly strong campaign by Organized Labor to sink the treaty in 1993 he signed NAFTA which, in retrospect was the first major official recognition that the American government supported outsourcing to developing countries, even if it has resulted in the loss of hundreds of thousands of jobs to Mexico, China, India and other countries. To add insult to injury, in the runup to the 1996 election, Clinton signed one of the most important innovations of the Right, the Welfare Reform Act, giving away the most durable guaranteed income program of the New Deal legacy. Al Gore was busy as well. In 1996 the Clinton administration promised not only to end “welfare as we know it” but to end the era of big government. Under the vice-president’s direction the Federal Government cut 200,000 or 10 percent of its jobs, a bold stroke which became a model of many states who gladly followed suit.

The Clinton legacy is this: holding its coalition together largely by fear. The Democratic Party is openly aligned with some fractions of the commanding heights of economic power—the financial services sector. Its position on the global front is to defend the traditional bonds of transnational empire, to oppose unilateralism if our imperial partners, France, Germany and Japan are prepared to negotiate responsibility. At the same time it is a free trade party and has made no moves to assure workers in steel, textiles and garments and other production sectors that a Kerry administration, no more than Clinton himself, would hold up trade agreements that did not protect the jobs and living standards of US workers and those in the developing world.

But the preponderant liberal and labor leadership seems content to tail the Democrats rather than challenge the party's commitments and priorities. When Andy Stern, the president of the SEIU, with a million and a quarter members, dares utter words of criticism, a chorus mobilizes against him on the ground that as House Speaker Thomas O'Neill said on the eve of the Panama invasion, "this is no time for complicated debate." If the lib-labs are working behind the scenes to change Kerry's open-throated support for neo-liberal economic policies and in behalf of the interests of empire, so far the results have been meager. Instead, even as a dozen AFL-CIO unions have condemned the Iraq war and workers strive to keep their collective heads above water in the face of unrelenting corporate attacks against their working conditions and living standards, in fear the unions pour millions into the Kerry campaign coffers. Even Sterns says his union will contribute \$65 millions. Kerry did not attend the huge abortion rights march mounted by feminist organizations but enjoys their uncritical backing, and has said not one word to reassure millions of blacks and Latinos that his administration would take bold steps to address the mounting poverty and joblessness in their communities. Still NAACP and the leaders of the black churches are solidly in his corner.

Thus it cannot even be said that labor and liberal formations are "coalition partners." Rather they have become supplicants of power and can arouse themselves only in the wake of the most right wing assaults on past gains such as abortion. Ignoring New York Giants football coach Steve Owen's statement that the "best defense is a good offense," it may be that Kerry may win the 2004 elections because as recent polls have indicated anti-Bush sentiment motivates 61 percent of his voters. But he will enter the White House without a mandate for change. Like Clinton, labor can expect only marginal gains from a Kerry administration which, if it maintains its stance of free trade, may prove as detrimental to its interests as did the Clinton's reign. Yet, as if to vindicate the most basic precept of sado-masochistic relationships, the more they are ignored or beaten, the more they crave another lashing from the whip of the authoritarian father.

Underlying these puzzling signs that the left and the liberals are prepared to do next to nothing to force Kerry to make commitments to their agenda that would guide his administration is a pervasive reality: the center-right that leads the Democratic Party will choose not to win if it means disrupting their long march, if the price of victory is that it must take a left

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turn, even tactically; and the party's left—principally the constituent organizations and the intellectuals—do not believe they have the legitimacy to govern. For more than a quarter century they have submitted their fate to a centrism that boldly declares their interests secondary to the so-called “national” interest and subject to being sacrificed, if corporate America refuses to entertain or negotiate around their agendas. Still having the largest organizations of the liberal wing—as C. Wright Mills once observed—the unions have become a “dependent variable” in the political economy, their unease is not sufficient to stir them into opposition or even dissent. Disempowered and bereft of vision, the farthest horizon of the liberals is to gain some time and space to go back to business as usual. It is not a formula for the approach of a new day.

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