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Criticizing Economic Democracy [1980]

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CRITICIZING ECONOMIC DEMOCRACY

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"The Vietnam War Is Not a Mistake! Bring the War in Vietnam Home !" These two clarion calls of the 1960s are on my mind, as I sit among 2,000 to 3,000 students. Tom Hayden and Jane Fonda are barnstorming this fall with their Campaign for Economic Democracy (CED). Today it's at Fordham College amidst a lot of hoopla, controversy, and stirrings of the mixture that was so explosive ten years ago: student idealism and discontent (though this time the mixture is tempered with what some call "maturity" and others call self-centered passivity and cynicism)

"The next great reform on history's agenda is the achievement of Economic Democracy." The economy is governed by concentrated corporate power; our democratic political system is supposedly governed by popular will. The two principles are not compatible — one principle will gradually absorb the other (or has it already?). It's corporate freedom *versus* democracy. Now, the two phrases about Vietnam seem relevant here. First, *Vietnam was not a mistake.* No, then and now, America's problems are systemic — problems generated by a structure of power. Wars like Vietnam (or the development of nuclear power) are not mistakes, but are conscious policies, and typical consequences of a late capitalist system. A tight alliance between government and business exists. We don't just see corporate pressures on government; there's also a *structural delimiting* of the way the public interest is defined. Corporate priorities set the agenda of policy. And also: *bring the war home.* Didn't this imply, stop avoiding these structural problems by focusing obsessively on foreign adventures (the great escape, the frontier)? Don't let the energies needed for social transformation at home be siphoned off abroad. Don't let patriotism or knee-jerk anti-communism be used as an excuse for the

status quo or as an anesthetic. Awake from this terrible sleep.

Certain Fordham students would have none of it. They were bringing the war home another way — seemingly more intent on rewriting the history of the Vietnam war (to justify their patriotism? their insecurity?) than on hearing about our domestic troubles. The speakers were heckled and booed (visibly by young whites, wearing their uniforms of either military or athletic masculinity). A big "Go Home, Hanoi Jane" sign in evidence — and typically played up by the media. A barrage of questions about torture of U.S. POWs and the current policies of Vietnam — a continuing obsession. *Even at home*, the wounds of the war have not healed. Fonda finally had to interrupt a succession of anti-anti-war questions with "Don't you care about America? Let's concentrate on our own problems."

At the end, many more-sympathetic students said it was all impractical—or asked, plaintively, What can we do?, complaining that Hayden and Fonda had given them no practical routes for political practice. These students had perhaps accepted the boundaries of the system under attack, so that "impractical" meant impossible, the way things worked now. The boundaries Hayden and Fonda were trying to alter had become taken-for-granted, accepted as fate, as natural phenomena. This is reification; it is also how mythology works. It helps our students look ahead to their individually styled careers, strutting with superiority in the face of such structural criticism. They can call it mere idealism, rhetoric, pie-in-the-sky, "not relevant."

Such students are "going with the flow." Today, conservative criticism of the very idea of structural change is fashionable. So is criticism of the liberal strategies and welfare-state measures derived from the New Deal. The political coalition which supported those strategies, as well as the Democratic Party which represents that coalition, is on the defensive. The recent period is characterized by a resurgence of corporate power and intolerance. The "principles" of corporate freedom are undermining the success of democracy. We see an active campaign by business (and conservative intellectuals) to demobilize an active public, to weaken any faith in the conscious political direction of society, and to roll back the hard-won gains of (in particular) the 1960s — for example, to value privatized, self-seeking behavior over community con-

trol or political mobilization; to reduce the power of the working class, the poor, minorities, and women; to end the reluctance of the educated public to tolerate a costly interventionist foreign policy; and, business's greatest coup, to lay the blame for inflation at the door of government spending (thus immunizing oligopoly capitalism).

A campaign for economic democracy provides sharp contrast — calling as it does for a program of renewable energy, control over inflation, and regulation of the corporate world. Hayden and Fonda's analysis was structural. It centered on the task of freeing Americans from the exploitation of giant corporations. *Energy* and *public impotence* were keynotes. Nuclear power is at the target's center — a typical example of unbridled corporate power and profit-seeking at odds with the public interest and threatening an "Age of Total Catastrophe." It illustrates the larger problems: the government defends the priorities of big business almost like a reflex; it is impotent when it comes to directing a social system which is privately owned. At the heart of all the nostalgic references to competitive enterprise — the dictates of the market, the reality of individual freedom, and other blinding myths — is the fact that private ownership has become concentrated corporate power beyond the capacity of public or politicians to control. By determining prices, employment, and the flow of capital, it dwarfs even Presidential power (that tarnished liberal dream). It was indicted on these counts: centralized power, income inequality, loss of jobs, discrimination, pollution, cancer and other health hazards, product safety, consumer manipulation, decline of community, and inflation.

To combat this condition, a mass movement is needed — dedicated to gaining the power over the economic decision-process that we claim over the political one: hence, the pleasing tag, "Economic Democracy" (which they capitalize). It is designed to carry us into the "Age of Renewable Resources," to return a sense of purpose to public participation, and to give a shared vision and meaning to personal life. This is good old-fashioned anti-corporate sentiment and populist analysis. As one student said: "Sure, economic democracy sounds good — we all hate the corporations; but at the same time we're told to go out and get good jobs in them."

The fatal flaw is not so obvious, and it may just be a predictable feature of political rhetoric (and here, the notion of many on the left that Hayden is on a self-aggrandizing ego trip or is playing stalking horse for Jerry Brown might account for their pulling punches, right and left). The flaw I'm talking about is *the gap between the explanation and the prescription.* Point blank, if the CED's analysis makes sense, their proposed remedies are hopelessly (helplessly) inadequate; and therefore, from the standpoint of education, misleading. As a coalition-building strategy for radical activists trying to build a majoritarian movement under the comforting banner of democracy, this gap between theory and practice might be a blessing. But for someone actually trying to grasp the structured complexity of the system we live under, and to draw from the analysis a clear idea about the changes that would be needed to transform it, the program of the Campaign for Economic Democracy is a tease.

On energy, they would promote alternative sources and conservation technologies, price controls, and divestiture. Yet the present condition may express a more basic (and intransigent) logic. Nuclear power, for instance, was developed because it fit, structurally, with the overall system that has come to depend on it; it promised profits, expansion, centralization, and a way of reducing competition. The growth of multinational corporate activity abroad (which they talk about restricting) makes sense in the same way. The *fundamental* qualities of both seem to call for more fundamental solutions than CED's ideas about price regulation or increasing participation by workers and consumers. Without a change of systems, wouldn't the broad horizons of decision be *roughly* the same? Would consumers or workers demand policies that cut dangerously against the grain of the system's principles? Wouldn't they become persuaded, as politicians have been, that these would lead to recession, inflation, and speedier economic decline?

When it comes to government, "accountability" becomes their criterion for change. As if the government's main problems lay in the *process* of policy-making and not in the limits which are placed on the *content* of policy by the need to reproduce the essential features of the. status quo (such as corporate freedom). Opening government up to middle-class reformers may be

mere cosmetic capitulation. After all, in the absence of a new logic, wouldn't the "people" be just as dependent on the success of the system as the government is today? Isn't that dependence the Achilles heel of liberalism? "Accountability" as a panacea ignores this. Fetishizing process may help us forget the limits of the system itself. Personalizing things runs the same risks — like the CED's vague talk about the role of "rugged individualism," of how "we can be brave" and "thrust toward a larger victory" (quoting Vince Lombardi!). "One can be a pioneer — by bringing the new energy age into one's life" As if solar energy or "taking the people into consideration" would erase the uncomfortable fact that our society is divided into classes and that class interests conflict. Taking collective control over more and more areas of your social life means more than being taken into consideration.

The situation they draw attention to is not some separable sideshow: it seems intrinsic to a system of private ownership and control over investment and production. If they're serious in their analysis, some way of placing investments completely under social control would be required — to direct them away from the maximizing of private profits. For example, it's misleadingly superficial to talk like Hayden about the oil companies: "We want them to be in business to make a profit; O.K., but their primary function is to deliver gas and oil at prices we can afford." False. Profit and expansion is their primary function — and if that function is harder and harder to carry out, even reform politicians may cave in. Unless someone is willing to contemplate more drastic changes, they can be blackmailed by corporate warnings of "capital shortage," "stagnation," and the loss of "our competitive position" abroad. The result of this may be a new New Deal: a reformed private economy with a modernizing style of administration, this time requiring certain prerogatives of certain firms to be curtailed (for instance, the energy industry) so that the *national* interest of capitalism can be satisfied. This looks like an attack on big business, as the New Deal of the 1930s did, and it helps channel anti-business sentiment into less dangerous paths. In the end, it can bring about a systemic "tune-up" with a few particularist interests forced to curb their predatory instincts. With the current fiscal crisis, however, only the harsh curtailment of the government's social spending seems persuasive as a "solution" *within the*

system's limits. And this can take place under the counter-cultureish "small-is-beautiful" auspices of a post-1960s white middle class as well as under the more militarized dictates of the (current) older patriarchs.

O.K., but they might create a mass movement. Maybe any popular outburst demanding control over social life is to be welcomed — even if it's pragmatic and narrowly issue-oriented. The implications of what looks like a new political culture may be far-reaching enough to necessitate more dramatic change later. Nevertheless, misleading analysis breeds false hopes. Beyond electing a few progressives and speeding the demise of nuclear power, does the mass movement have any place to go? After all, throughout U.S. history waves of popular mobilization tend to be "solved" with newer forms of what we could call prophylactic institutionalization. As Hayden admits: "If the Establishment reluctantly accepts the basic minimum demands of the movement, it will mean a setback for certain privileged groups, but the general status quo is maintained. The movement subsides with the coming of victory, the moderate wing of leadership is brought into the system and the more radical leadership is isolated, discredited, or destroyed."

A clearer-headed movement might be smaller, but it wouldn't burn its members out or be absorbed so easily if its prescriptions fit its analysis. The maintenance of "the general status quo" may well be the source of the discontent: discontent which allows the movement's leaders to enter the system and then defend its institutions. And if the problem is the *principles* by which a privately-owned economy operates, then wouldn't those principles have to be changed? Capitalism itself and the corporate control over society would have to be transcended; a true economic democracy would be a radically democratic form of socialism. A real across-the-board democratization would require such an economic system. Otherwise, faced with the trade-off between public control over politics and corporate control over the economy, the former will give way to protect the latter.

For logic's sake, the CED's rejection of "socialism" makes little sense. What can it mean? They talk as if socialism meant "equality" and as if this required a giant bureaucratic albatross around our necks (both notions designed to put off the middle class). Either they think a slightly different

form of capitalism will not keep generating the same problems they've built their campaign around (in which case their efforts are relatively trivial), or they don't understand that the real implications of the needed reforms are incompatible with the nature of capitalism itself (in which case their analysis is naive). Maybe they understand this, but are simply trying to test the limits and mobilize discontent. But then, how to explain their embrace of that perennially complacent view that criticizes bureaucracy and politicians and thinks the system can solve problems intrinsic to its nature? Their disavowal of socialism helps reinforce the conservative cliché that since state socialisms abroad are unresponsive to popular action, an American version could be no different. You would expect socialism to be the logical prescription, given their own analysis of the inherently undemocratic nature of a capitalist economy. Is the medicine too frightening? Is an overall vision being reduced to the few components that can be easily marketed? As Freud once said, "I like to avoid concessions to faint heartedness. One gives way first in words, and then little by little in substance too."