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John Edwards and the Politics of Poverty

by John Atlas and Peter Dreier

In a walnut paneled conference room, in Chapel Hill, North Carolina, with Georgian chandeliers, Remington-style bronze reproductions, 17th century Flemish art and Persian carpets, including one woven by servants of the Shah of Iran, John Edwards sat in the same chair at a small round table for two days taking copious notes, as panels of policy wonks expounded on new approaches to fight poverty.

In the age of George W., Wal-mart, and free market ideology, few public officials or candidates for office have much to say about the persistence of poverty in the world's wealthiest nation. Yet here was Edwards, calculating whether and how to run for president, at a two-day seminar on poverty that, while attracting 200 people, really had only one student.

The March conference was sponsored by the Center on Poverty, Work and Opportunity at the University of North Carolina, a research institute Edwards founded last year after his defeat as the Democratic vice presidential candidate in November 2004.

Edwards told the conferees "When I spoke on the campaign trail about the two Americas, people called it a downer." The former Senator from North Carolina had anchored his 2004 presidential campaign with the "two Americas" theme about the nation's widening economic divide. Once Kerry invited him to join his ticket as his running mate, Edwards had to downplay what some pundits called his "class war" rhetoric, but which he insisted was more about reconciliation and reform.

Now Edwards has not only resurrected the rhetoric, but also has pinned his hopes for the White House on a strategy of connecting to the nation's grassroots activists. Since January 2005, he has visited 34 states and three foreign countries talking about the "two Americas." In key swing states like Ohio, Iowa, Arizona, Michigan, and Nevada - where an increase in voter turnout among working class voters could make a big difference in the outcome of races for Congress, Senator, Governor and President -- Edwards has joined Maud Hurd, president of the activist group ACORN, to promote grassroots campaigns to raise the minimum wage. At each stop Edwards said, "I am strongly committed to moving people out of poverty and into the

middle class," and one of most important things we can do is help families earn more money at work."

He has fired up the crowds at union rallies in San Francisco, Los Angeles, Chicago and Boston as part of a campaign to raise wages and benefits for hotel workers. At a union rally in Chicago, he said, "The best anti-poverty strategy is a strong labor movement."

He has joined a campaign by Unite Here, the union of hotel, restaurant and apparel workers, to pressure hotels around the nation to improve wages for not just 90,000 unionized hotel workers, but also for more than a million nonunion hotel workers. . "Can we still really call America the land of opportunity when hotel workers who work full time for profitable hotel companies cannot afford to make ends meet?" Mr. Edwards said. "This is not just unjust. It is immoral, and we need to do something about it."

In a speech in Baton Rouge, La., he said Hurricane Katrina made the poor "impossible to ignore."

A multimillionaire, who as a trial lawyer often represented working-class people in lawsuits against doctors and insurers, Edwards criticized Bush for giving tax breaks to millionaires while ignoring the poor.

As Edward honed his stump speech, a main theme has become, "We must keep America's promise of opportunity for all. We must build a working society -- an America where everyone who works hard finally has the rewards to show for it."

Edward's riff echoes Bill Clinton's campaign theme that "Any American willing to work hard and play by the rules should have a chance to get ahead." But Edward's willingness -- even eagerness -- to work alongside unions and groups like ACORN puts him closer to the progressive wing of the Democratic Party, or perhaps closer to the kind of politics that Bobby Kennedy embraced when he built a campaign coalition that included civil rights groups, labor unions, and the poor, and would have catapulted him to the White House, had he not been killed in 1968.

Work is at the core of Edwards' vision. Work should lead to personal and tangible assets including home ownership, savings for retirement, and a college education for one's children. Work must pay fairly. And it should strengthen families, a proposition that Edwards's hopes will make it harder to label him a knee jerk liberal.

"It is wrong when boys and young men father children, but don't care for them. It is wrong when girls and young women bear children that they aren't ready to care for," Edwards says, "And it is wrong when all Americans see this happening and do nothing to stop it."

"And there are simple things we can do to strengthen families Welfare reform helped millions of poor mothers get jobs, but too many young men were left behind. So we should make sure that young fathers get the same deal as young mothers. You have to work and take responsibility for your children. In return, we'll help you find a job."

Edwards is still figuring out how to frame his poverty message. On the one

hand, he wants to make poverty a moral issue and appeal to the consciences of middle class America.

"Whether it's a poverty event, a political event, a fundraising event, whatever, my purpose for being there is trying to raise awareness and get people engaged in what is a great moral issue," Edwards, 52, says. He observes that poverty has also become a "very personal" issue. "It's what I care most about besides my family." On the other hand, he recognizes that a growing number of middle class Americans face economic security and are worried about their jobs, their pension, and their health insurance. He understands that any road to the White House must address those concerns and fears.

Panelists observed that 45 percent of American workers now earn \$13.25 an hour or less. The fastest growing jobs include janitor, hospital orderly and cashier. A growing number of private employers are dropping health insurance from employee benefit plans or requiring employees to pay premiums they can't afford. The number of Americans in debt is escalating. More than half of all homebuyers last year had risky adjustable rate mortgages (ARMS) that put them at serious risk of losing their homes to foreclosure if their incomes decline.

The first two presentations at the NC conference -- by Yale political scientist Jacob Hacker and Harvard Law School professor Elizabeth Warren -- documented the increasing economic hardships facing middle class families, and criticized the conservatives' efforts to dismantle social insurance programs, what they called the "privatization of risk." Hacker, coauthor of *Off Center: The Republican Revolution and the Erosion of American Democracy* and, more recently, *The Great Risk Shift*, used his power-point presentation to show that same economic trends that hurt the poor, are also creating "a harsh new world of economic insecurity for middle-class families." Hacker described the shredding of such safety nets, like health insurance, that leave more families confronting high medical bills or job losses without unemployment compensation.

Warren, a specialist in bankruptcy law and coauthor of *The Two-Income Trap: Why Middle-Class Mothers and Fathers Are Going Broke*, pointed out that middle class families now spend almost twice as much on housing, child care, and health care as they did a generation ago. In 1973, the typical middle class family worked 20 hours a month to pay the cost of the mortgage, Warren said. Today, they work 34 hours a month for the same size home. She noted that even though more mothers now work outside the home, adding to family incomes, they also have more expenses, accumulated more debt, have fewer savings and less secure jobs than they did three decades ago.

"It used to be that if you worked hard you'd be in the middle class and have a secure retirement," she said, "but the rules have changed." She urged the adoption of universal programs that would improve the security of the middle class and help the poor as well.

The North Carolina conference was not a political event. No one even hinted that the experts assembled for the two-day work-fest were there to help Edwards refine his stump speech or develop a policy agenda for a White House run. Indeed, Edwards peppered the scholars and practitioners with questions that revealed that he was already familiar with most of their

statistics and policy suggestions.

He was looking for ways of communicating those ideas to a broad public and opinion leaders who might be skeptical of his populist platform. At the end of a panel on the privatization of household-level financial risk, for example, Edwards asked, "When you propose broad-based social policy programs, critics say all you're doing is putting a burden on the American economy and making it like Europe's welfare state that is presently having great difficulty. How would you respond to that? On the issue of the privatization of risk, could you comment specifically on the privatization of social security and health savings accounts?"

Edwards clearly believes that America is ready to elect a president who inspires idealism rather than triangulates with caution. He is positioning himself to the left of Hillary, fellow southerner Mark Warner (the former Governor of Virginia), and New Mexico Governor Bill Richardson. The discussions at the Chapel Hill conference reaffirmed that Edwards wants to move away from DLC-style centrism. He wants to position himself and the Democratic Party to advocate for a new New Deal in this era of corporate downsizing and globalization. Edwards differs from the centrist wing of the Democratic party in his strong support for unions, and the importance of reforming labor laws to strength the right to organize.

Edwards shares many qualities with Bill Clinton -- his Southern charm, his firm grasp of policy details, his wide-ranging intellect, his up-from-poverty personal story, and his law degree. But he wants to avoid the political and policy traps that ensnared Clinton from almost the day he entered the White House, and led him at one point to whine to his liberal aides that "I hope you're all aware we're all Eisenhower Republicans."

After the Democratic-controlled Congress failed to support his plan for a major public works plan and universal health insurance, Bill Clinton redefined his party's center by claiming that "the era of big government is over." Clinton presided over an unprecedented period of economic growth, which -- along with policies such as an expanded Earned Income Tax Credit and a raise in the minimum wage -- helped reduce the poverty rate in the 1990s to its lowest in a generation. By the end of the decade, the economy had generated enough jobs to provide work for most women who had been pushed off public assistance by Clinton's controversial welfare reform.

But the Bush era has reversed those positive trends. The hard working families who embraced Clinton's new covenant of "personal opportunity and responsibility," got more responsibility and less opportunity. The Bush recession and the jobless recovery exacerbated poverty and hardship. In 2004, according to the most recent figures, 37 million American lived below the official poverty line, an increase of 5 million since Bush took office. But the new economy has also put a growing number of middle class families, in jeopardy, as workers at Delphi, GM, and other companies are now feeling.

At the Chapel Hill conference, Edwards and the speakers his staff invited explored policy ideas to "make work pay," promote child care, job creation, job training, affordable health care, and decent housing, and repair social insurance that protect people through retirement and sickness. They discussed the impact of increasing the minimum wage and strengthening

union organizing rights. They examined specific policies that would not only increase poor families' incomes, but also their assets and future prospects. They suggested ideas to help low-income people buy homes, and use tax credits to encourage savings accounts.

Edwards heard a number of policy experts note that US poverty definition (currently about \$20,000 for a family of four) does not take into account widely different costs of living in different parts of the US, primarily due to variations in housing costs. A family of four living on that income in Boston is much worse off than a family with the same income living in Boise. One suggestion for addressing these geographic disparities was to add a housing component to the popular Earned Income Tax Credit -- the nation's most effective antipoverty program, which provides an income supplement for working poor families. The housing component would vary based on local housing costs -- higher in Seattle than in St. Louis, for example.

Several scholars bolstered Edward's themes by pointing to racial and class disparities in family assets, including home equity and other savings, a topic that receives less attention than those disparities in income. Several speakers used the phrase, "Income is used to get by, but assets provide the means to climb ahead."

Ronald Mincy, a professor of social work at Columbia University, and Glenn Loury, a Brown University economist, noted that 65 percent of black male high school dropouts in their 20s were jobless -- unable to find work, not seeking it, or in jail. In addition to racism and the decline in blue-collar jobs, these scholars pointed to explanations usually associated with conservative scholars -- bad schools, absent parents, and a subculture that glorifies swagger over work. Full employment at good wages is necessary, but not sufficient, to lift large numbers of people out of poverty. All these issues are intertwined, they said. But rather than "blame the victim," they argued that these forces can be addressed systemically through both public policy and bottom-up organizing, by giving people hope, and providing them with opportunities to learn life skills, like parenting, conflict resolution and character building.

It has always been safe for politicians to care about the poor in America so long they confine it to the noblesse oblige of the George Bushes and the rich who support volunteers at homeless shelters and soup kitchens. Now here comes Edwards, searching to define the next New Deal in an era of globalization. He supports an increase the national minimum wage, local living wage laws that impose even higher wages on companies that receive government subsidies, strong labor laws that level the playing field between business and unions, and protections for middle class families from the insecurities of corporate downsizing and outsourcing. In his stump speech, Edwards lashes out against the greed of big tobacco, big pharmaceutical companies, big insurance companies, big broadcasters and big oil companies.

According to data assembled by the Luxembourg Income Study, an international group of social scientists that defines poverty as half of a nation's median income, the US poverty rate was 17% in 2000, compared with 11.4% in Canada, 8.3% in Germany, 7.3% in the Netherlands, 6.5% in Sweden, and 5.4% in Finland. (Among children, the poverty rate was 21.9%

in the US and 2.8% in Finland). The poverty rate is significantly lower in these other nations because they provide a much wider and generous array of government-sponsored social insurance and safety net provisions to cushion the harshness of poverty, such as universal health insurance, family allowances, housing subsidies, and child care. The US's stingy social programs have only a minor impact in reducing the poverty rate, while programs in other countries have a dramatic impact in lifting children, low-wage workers, and the elderly out of poverty.


Without endorsing any particular set of policies from these countries, Edwards is saying that the US should be embarrassed at being ranked first in poverty. Whether or not Edwards wins his party's nomination, his presence in the campaign will help shift the debate to a stronger focus on social injustice. We might even see the next Democratic candidate adopt the following bold but do-able goal: By 2014 -- the 50th anniversary of LBJ's dramatic declaration of a "war on poverty" -- the US should reduce the nation's poverty rate to Canada's or, to be even bolder, Germany's or Finland's.

No doubt Edwards is already hearing from political consultants, editorial writers, and many of the Democratic Party's corporate funders, that resurrecting the moral idealism of Bobby Kennedy is no way to win the White House.

But with a fire in his belly that seems genuine, Edwards is hoping to prove that promoting an agenda of prosperity, opportunity and compassion can win the hearts and minds of America's affluent, its beleaguered middle class, and the working poor. If he's correct, the son of a mill worker might become the next president of the United States.

John Atlas, a long-term legal services attorney, is president of the National Housing Institute and is writing a book about democracy and poverty through the lens of ACORN. Peter Dreier, professor of politics at Occidental College, is coauthor of [The Next Los Angeles: The Struggle for a Livable City and Place Matters: Metropolitcs for the 21st Century](#).

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