

Socialist Incubators

by Peter Dreier

Few people are aware of the relative merits of the nation's 1,775 municipally owned utilities that operate more efficiently, and with more accountability, than the large IOUs (investor-owned utilities).

At the present time, the "objective conditions" in the United States seem to give socialists and progressives cause for optimism. For most working-class and middle-class Americans, postwar hopes of prosperity and security are now being dashed. The country's global power began to erode in the last decade, and the repercussions are now being felt. Inflation weakens people's purchasing power, while gnawing underemployment undermines their security. For the vast majority, the American dream of a single-family home is an unrealizable fantasy, while fears of cancer, nuclear plant disaster, and a cold winter without heating fuel are nightmares that are all too real. Powerful institutions don't seem to know how to help. As a result, public-opinion surveys reveal a dramatic decline in confidence in business, local government, the Presiden-

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cy and Congress, labor unions, doctors, and the news media.

Many observers have been proclaiming that the nation is "drifting to the right." But nations do not "drift," like a rudderless boat on a windy sea. They are led—pushed and pulled—by specific social groups with special interests at stake. The question is, Who will control the rudder?

During the 1960s, progressive forces had one hand on the rudder—though without full control—and managed to steer the ship of state leftward. Big business was on the defensive and was forced to make important concessions to reform groups. It is now aggressively attempting to regain full control of the rudder and is engaging in a full-speed-ahead ideological and political attack to turn back or slow down many of the gains made during the sixties. Massive efforts are being made to make public opinion—and government action—more favorable to big business.

The nation's largest corporations are asking people, as *Business Week* candidly observed, to "do with less so that big business can have more." Groups such as the Business Roundtable, the Conference Board, and corpo-

rate-sponsored political action committees are lobbying heavily for legislation on taxes, labor, and the environment that will create a more favorable "business climate." In their corporate advertising, business is now trying to sell the system, rather than simply sell products. Attacks on "overregulation" and "big government" are frequent messages. Business leaders and corporations are donating money to establish chairs and programs of "free enterprise" on campuses to offset what they perceive as a threatening assault on business-oriented values.

To this end, the "New Right," more extreme than big-business conservatism, is useful. Such figures as Howard Jarvis, Richard Vigurrie, and Phyllis Schlafly play an important part in making big business's priorities seem moderate and reasonable, even though New Right issues such as abortion, antibusing, and school prayers are marginal to business's central concerns.

At the same time, however, these financial and industrial giants are quite wary of the activities of the New Right (such as Proposition 13 and its counterparts), which would use a meat-ax

approach to social programs, public services, and government employment, since they threaten the stability and predictability that makes investment possible. Similarly, in foreign affairs, the jingoism of the American Security Council, the Committee on the Present Danger, and other right-wing groups encourages drastic defense increases, military intervention, and a refusal to make concessions to new global realities. Nonetheless, while things could go too far with too many New Rightists in positions of influence, they do make a useful contribution by running interference with the programs and policies of John Connolly, Jimmy Carter, and their counterparts on the state and local level.

Meanwhile, public opinion—if we use the opinion polls, election results, and union drives as evidence—is uncertain, angry, confused, or indifferent. Most Americans are disinterested in political issues, including those of the New Right. The prevailing mood is one of cynicism. People generally believe that their leaders are corrupt, that you can't fight City Hall—or Mobil Oil. The popularity of personal solutions and coping mechanisms—self-help psychology, disco narcissism, off-beat religions, drugs (Valium is the nation's best seller), and family violence—reflects a mood of fatalism and frustration about the possibilities of organized social change.

It is not enough, however, that Americans are "turned off." For progressive social protest and change to emerge, they must also get "turned on"—they must believe that things *should* and *can* be different. For the American left to be at all successful, it must present the American people with a *vision*, a *program*, and a *movement*—much of which, I contend, already exists, albeit in small, isolated, ambiguous, and distorted ways. I call these ways "socialist incubators."

Such a *vision* would include cooperatively and publicly owned and controlled institutions. The *program* would call for a wide variety of concrete radical reform measures to democratize control of major social, economic, and political institutions. And the *movement* would consist of a diversity of grass-roots organizations that

have spent the late 1970s mobilizing people around many issues but have lacked the coherence to effect national public policy based on a common agenda.

In my view, the major problem facing democratic socialists in the 1980s is not one of creating a vision or of formulating a winnable program of radical reforms. I believe that the principal aim of the left will be to create out of the fragmented and fragile movements of the seventies a coherent political organization—or alliance—to turn the program of radical reforms into political issues that contend for power and legitimacy.

THE VISION

Socialists must overcome people's criticism of the possibility of cooperative or public enterprise as either "contrary to human nature" or as inevitably bureaucratic and mismanaged. Such phrases as "workers' control" and "public ownership" typically call up images of Cuba, Yugoslavia, China, or the Soviet Union.

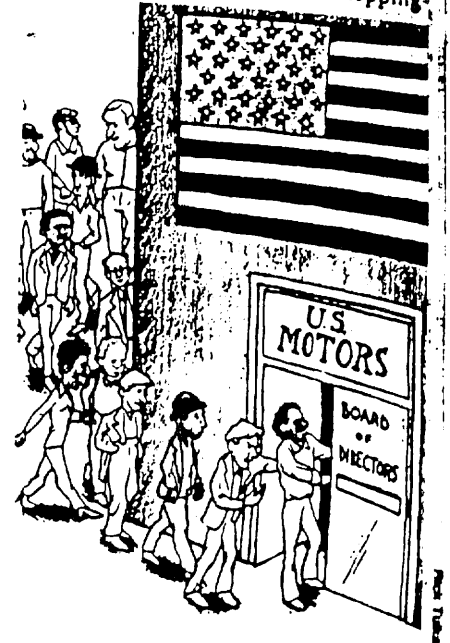
Similarly, the notion of employee- or consumer-controlled firms raises the specter of too many chefs making decisions, or faces the common belief that management decisions of complex organizations should be left to "experts" with "know-how," something that is presumably beyond the reach of the majority of employees.

There is, of course, a long and viable tradition of consumer- and producer-owned cooperatives in both the American and European experience. Yet these activities are part of the hidden history that keeps the political imagination of most citizens within "acceptable" limits. For example, few students in my courses at the University of Oregon four years ago were aware of the 16 worker-owned plywood mills that have existed for over a generation in the Northwest. Equally unknown is the legacy of Populism as seen in a variety of consumer and producer cooperatives (brilliantly discussed in Lawrence Goodwyn's recent book, *The Democratic Promise*).

Probably the most publicized cooperatives are the various "alternative" institutions that developed in the 1960s to provide a variety of services (medical care, housing, legal assistance,

food, underground news, printing, and psychological counseling) in a more egalitarian, democratic setting. While many of these efforts were short-lived, others have survived through the current period, facing and overcoming crises, growing, changing, adapting.

More recent examples of these phenomena can be seen in the efforts of workers faced with plant shutdowns to buy the plants and run them. For workers in these situations, worker ownership is, most frequently, a last-ditch step to save their jobs, not a stepping-



stone to political change, as capital retreats from the older, industrial, and often union-regulated regions. Examples of these efforts include the Vermont Asbestos Group, the Clinton Cooperative Press in Clinton, Massachusetts, and the steelworkers at Lykes Corporation's Youngstown mill. Likewise, tenants have made good use of "sweat equity" and community block grants to take over rundown or abandoned buildings and turn them into tenant-owned cooperatives, usually on a nonprofit basis. (New York's Co-op City, on the other hand, was built intentionally as a nonprofit venture for middle-class tenants.)

In some instances, public funds (risk capital) have been available for worker or community ownership—EDA's loan to Youngstown, for instance—to save a declining regional economy. And in some exceptional cases, such as the International Group

Plans Insurance Company in Washington, D. C., employees have been given some part of ownership or management of a company.

For most Americans, the idea of government ownership evokes images of the post office or the railroads—operations that taxpayers consider wasteful, bureaucratic, and inefficient. As a result, many Americans who distrust big business distrust big government even more. Few people are aware, however, of the relative merits of the nation's 1,775 municipally owned utilities that operate more efficiently, and with more accountability, than the large IOUs (investor-owned utilities). Nor are most people aware of North Dakota's state-owned bank, a legacy of prairie Populism, that has been providing low-interest loans to farmers. Liquor in state-owned liquor stores, such as those in New Hampshire, is often cheaper than what can be bought in private stores elsewhere, even though the government is only involved at the tail end of the liquor production, distribution, and sales process.

None of these examples is meant to imply a wholesale endorsement of cooperatives and public ownership as presently constituted. There are the inherent enormous problems and limitations of such activities operating within a capitalist society. Cooperatives must compete in the same marketplace as much larger and more powerful institutions. In the case of last-ditch take-overs, workers are buying a firm or building that has already been abandoned by another, larger company or landlord. In some cases the plant was profitable, though not profitable enough for a multinational firm that can take its capital elsewhere, and the workers can continue operating it profitably. In other cases, workers face the same problems as the former owners—old and deteriorating equipment, environmental regulations that require costly improvements, competition from overseas—and will find themselves in an economic cul-de-sac. Cooperatives, whether run as profit or nonprofit enterprises, have less access to credit and capital with which to expand and develop the economies of scale necessary for survival. Some states, such as Massachusetts, have set

up state agencies to loan money to risky nonprofit enterprises, but the track record so far is too limited to assess. Cooperatives also have less access to raw materials because they are rarely vertically integrated. The cooperative plywood mills of the Northwest, for example, have to pay more for timber than Weyerhaeuser or Crown-Zellerbach, which own their own forests.

Those cooperative "alternative" institutions that are self-consciously political face the dilemma of trying to do three, often incompatible things simultaneously: they must provide a service at reasonable cost and quality; operate democratically with attention to internal process; and challenge the dominant institutions as part of a large political movement. Efforts to do all three have been the downfall of many counterinstitutions. In any kind of cooperative institutions, employees often lack the know-how, or the confidence, to manage enterprises. Few Americans have been socialized to take responsibility in that way. Smaller firms cannot risk making mistakes the way more stable corporations can. Workers in cooperatively owned firms have even handed over management to "professionals" who may or may not be accountable to the employees. We need studies to analyze the conditions that facilitate success of worker or consumer cooperatives.

Finally, the existence of these cooperatives, even on a wide scale, does not address the need for some mechanism to plan and coordinate between different units of production. If workers or consumers become capitalists, they still operate in a marketplace, competing against other firms, with no overall coordination to determine what products and services are necessary.

A similar list of dilemmas faces government ownership in a capitalist political economy. Government tends to be left with the "leftovers," the enterprises and industries that the private corporations cannot run profitably, but which are essential to the society. Cities and counties run hospitals for the poor, but pharmaceuticals and hospital supplies are left to the private sector. The government takes over the passenger railroads after they have been run down by the private compa-

nies, but leaves the freight rails to these same corporations. The post office, low-income housing projects, and public hospitals are other examples of the dilemmas of "lemon socialism."

But the few examples of effective state-run enterprises that do exist, and the widespread success of state-run activities like Canada's national health insurance, England's nonprofit housing system, and Sweden's mass transit system, suggest that there is considerable room in which to maneuver even within the capitalist state. There is no reason why the American state can't do likewise, as well as own insurance, energy, drug, and other profitable industries. (The issue is not only one of public ownership, of course, but of democratic control—as the problems of the TVA, or the image of Exxon executives running a federally owned energy corporation, suggest.)

Despite their localist and particular circumstances, these public and cooperative alternatives have great significance in the larger political context because some of the very same ideas, paraded under such titles as "state planning" and "job enrichment," are now on the agenda of major corporations as strategies to deal with shrinking productivity and resource allocation.

For example, the inability of the private sector to provide adequate health care or housing for the poor and many working-class families has led to a number of proposals to have the government actually run or simply subsidize these activities. A number of corporate policy groups have been pushing national health insurance, loans to tenants who take over abandoned buildings through "sweat equity," consumer-run health maintenance organizations (HMOs), and even a federally owned and run oil company to provide a "yardstick" against which to judge the activities of the private energy industry.

Further, faced with such problems as absenteeism, alcoholism, high turnover rates, and other obstacles to productivity (outlined in the HEW report *Work in America*), large corporations are beginning to experiment with a variety of "job enrichment" plans. These efforts, of course, are simply

new technical devices to pacify and reduce, rather than an attempt to confront the problems of alienating work and powerlessness. Socialists should neither reject all these efforts out-of-hand (they are potential openings in which to expand the realm of worker, consumer, and public control) nor defend them uncritically. It is important to expose the weaknesses and potentially co-optive aspects of these efforts. But we should also recognize that capitalist attempts at reform usually come about when the "social wage" (the costs to business of reproducing and housing its labor force) gets too high. These high costs are the result of previous struggles—union demands that employers provide health insurance to employees, for example—that shifted the terrain for the next stage of struggle.

THE PROGRAM

The American left has often been criticized for its lack of specific, concrete, and positive solutions to immediate problems. If this was true in the 1960s—when radicals forfeited considerable credibility by attacking most progressive programs as "reformist"—it is no longer the case. Radicals who were often challenged with "We know what you're against, what are you for?" now have some answers.

Left activists and intellectuals spent much of the late 1970s developing programmatic and practical alternatives to policy quagmires that neither liberal nor conservative answers could resolve. In almost every conceivable policy area—health care, housing and neighborhoods, food and agriculture, work and unions, energy and the environment, education, transportation, women's issues, militarism, runaway unemployment, and other issues—the left has developed its own network of well-trained and practical experts who wish to use their expertise in the service of progressive movements.

Basic to any left program, of course, is an understanding of the *systemic* nature of any problem or policy. Housing, for example, cannot be isolated from problems of job location, energy use, transportation, environment, and health care. The cost, availability, and nutritional value of food, to take an-

other example, is intimately related to the power of large, vertically integrated, multinational agribusiness corporations, capital- and chemical-intensive agriculture, U.S. support for military regimes in the Third World, and the enormous influence of advertising, particularly on children, that shapes consumer food habits.

Central to the left's analysis is the role of monopoly business in generating stagflation—high levels of unemployment and inflation—and the role of the government in accommodating itself to private-sector priorities. Thus, a left program must emphasize the democratization of both private- and public-sector institutions and decisions to deal with stagflation.

Broadly speaking, a progressive program would include: full employment; major cutbacks in defense spending and in aid to repressive regimes; national health care; subsidized nonprofit housing; development of solar energy and mass transportation; childbearing rights; limits to large land ownership by (and federal subsidies to) large agribusiness firms and encouragement of medium-size family farms; progressive tax reform at the federal, state, and local levels; restrictions on capital flows within the boundaries of the U.S.; and federal risk capital for consumer- and employee-owned enterprises.

More narrowly, there are progressive approaches to specific immediate problems. In the area of housing, for example, the issues include redlining, rent control, condominium conversion, control of public housing, mortgage interest rates, taxes on real-estate speculation, community-based low- and moderate-income housing corporations, federal tax laws that favor better-off homeowners, and so on.

This is no place to catalog the left's program in each area. It is sufficient to point out that the left has developed enormous resources for putting forth positive and attractive solutions to immediate problems. These programs have emerged from activist organizations dealing in each area, university-based scholars, progressive think tanks, and government-based decision makers who have become disillusioned with the alternatives offered by their liberal and conservative counter-

parts.

One could conceivably develop a left "shadow cabinet" from among the individuals and institutions who have devoted thought and energy to each policy area. This might include Barry Commoner as Secretary of Energy; Frances Moore Lappe, Secretary of Agriculture; Chester Hartman, Secretary of Housing and Urban Development; Marcus Raskin, Secretary of State; Richard Barnet, Secretary of Defense; Carol Greenwald (if she were not already head of the Consumer Cooperative Bank), Secretary of the Treasury; Bradford Snell, Secretary of Transportation; William Winpisinger, Secretary of Labor; Ron Dellums, Secretary of Health and Welfare; George Ballis, Secretary of the Interior; and Gar Alperovitz or Derek Shearer, Secretary of Commerce.

THE MOVEMENT

Still, as we know, being right is not enough. The left's vision and program can provide inspiration and direction only to the extent that there is a popular movement to turn such ideas into political issues.

The mass media would have us believe that the 1970s was a decade of political quiescence, that the activists of the 1960s have "grown up" and joined the "me decade." But we must look below the surface of news headlines. In fact, there is an enormous amount of political activity now directed at challenging the repression of human potential, the structure of political and economic inequality, and the devastation of the environment. In the last several years, radical reform movements have been gaining momentum, consolidating, evaluating strategies, and maneuvering for position. The news media pay slight attention to these activities because they are more complex, less dramatic, and thus less "newsworthy" than the violent, confrontational, generation-gap (or race-gap) stories of the 1960s. But the politics of these contemporary movements are more mature, the constituencies considerably broader, and the promise of long-term success much greater than those of the previous decade.

The citizen action campaigns of ACORN, Massachusetts Fair Share,



the Campaign for Economic Democracy, the Ohio Public Interest Campaign, the Illinois Public Action Council, the New Jersey Tenants Organization, and similar groups have organized mass-based citizen groups among constituents who might otherwise be mobilized by the New Right. Their issues include tax reform, redlining, solar energy development, plant shutdowns, rent control, and "gentrification" utility rates and public services. They have become effective at lobbying and mobilizing citizens. The consumer and environmental movement—the Clamshell Alliance and its counterparts across the country, the network of Nader organizations (Public Citizen, Center for Science in the Public Interest, Tax Reform Research Group), the Brown Lung Association, and a number of local Committees for Occupational Safety and Health—has challenged corporate policies on industrial pollution, workplace health conditions, the quality and cost of the American diet, and (most successfully) the development of nuclear energy.

There is some evidence that the defeat of labor law reform in the last Congress and the growing size and sophistication of "union-busting" firms, shook both union leaders and rank-and-file groups into a growing awareness that labor cannot continue to lose members (and political clout) in light of the growing corporate offensive. Rank-and-file union insurgencies and progressive new leadership in a number of unions (including the steelworkers, machinists, teamsters, AFSCME, and others) indicate a

growing restlessness with "business unionism." High on labor's agenda is a renewed effort to pass labor law reform and combat the right wing's "right-to-work" offensive, legislation restricting corporate mergers and plant closings, and tax laws that favor investment overseas and in nonunion areas within the U.S. The struggle over control of employee pension funds looms as a particularly critical issue for the eighties—and a potential source of capital for new housing, alternative energy, and other job-creating programs. And the J. P. Stevens boycott, labor's role in the Progressive Alliance and the Citizen/Labor Energy Coalition, and its support for the Equal Rights Amendment indicate a slow but gradual awareness of the need to build bridges with other progressive movements.

The failure, so far, of the ERA, however, indicates that another important movement has a long way to go. Nevertheless, the women's movement has won the right to extend the ERA deadline, it has established shelters for battered women, organized women office workers in groups such as Nine-to-Five and Women Employed, fought cutbacks for abortions, and created numerous institutions to promote women's culture—slowly moving issues from the private sphere of recognition to the public sphere of movement building.

Although the movement against the Vietnam war has ended, the fight against militarism has not. The American Friends Service Committee; the broad Coalition for a New Foreign and Military Policy; ad hoc groups to support liberation struggles in Chile, Nicaragua, Angola, and elsewhere; and other organizations (particularly churches) are actively engaged in efforts to reduce defense spending and build social programs, end arms sales to dictatorships, and challenge Congress's recent effort to reintroduce the draft.

Even the campuses, which have been characterized as quiet and passive by the news media, have come alive on such issues as corporate complicity in South Africa's apartheid, opposition to the draft, and public-interest research, in addition to student support of antinuclear campaigning. And (un-

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like the 1960s) campuses provide staff and volunteers for a range of off-campus movements, particularly citizen action organizations like Fair Share and ACORN.

Finally, radicals have begun developing a more assertive strategy toward the electoral process itself. Congressman Ron Dellums (D-Calif.), Ken Cockrell (city councillor from Detroit), Ruth Messinger (city councillor from New York City), and dozens of other progressive politicians are winning elections and seeking to find ways to use the power of elected office to support the efforts of the groups mentioned above. Explicitly socialist groups, such as the Democratic Socialist Organizing Committee and the New American Movement, occasionally play an important part in these electoral campaigns. New constituents are mobilized even out of unsuccessful campaigns, such as Tom Hayden's run for the U.S. Senate in California in 1976 and Mel King's campaign for the Boston mayoralty in September 1979, and radicals learn the mechanics of electoral work, which can be used for other issues and campaigns. The value of these activities is greater than whatever short-term reforms they manage to achieve, since they mobilize people who might otherwise become attracted to right-wing appeals.

In addition, we should view these reform activities as training grounds—literally, schools—for the development of grass-roots leaders, for political education, for combatting the passive "you can't fight City Hall" attitude prevalent among the vast majority of Americans. They are providing large numbers of people with the self esteem, self-confidence, and opportunity to "make history"—to wrest some control over their lives in a concrete, strategic, collective, and

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confrontational way. In their attempt to build a broad base for a left movement in the eighties and nineties, organizations such as the Institute for Policy Studies, the Conference on Alternative State and Local Public Policy, the National Project for Economic Alternatives, the School for Democratic Management, and similar groups are developing strategies and case studies that will bring cooperative and public enterprise and the potential strength of people’s mobilization around issues to the attention of more Americans.

By no means an exhaustive catalogue (I have not, for example, discussed activities among senior citizens; gays; Hispanics, Blacks, and other minorities; and the handicapped), the above simply provides a broad outline of the kinds of work that have developed during the past decade and gives some hope for the 1980s.

However, there is a critical weakness hampering these activities, namely, the fragmentation of efforts that often finds groups either at odds or ignoring each other—usually for reasons of organizational self-interest, rather than explicit political differences. For example, the mainstream women’s movement spent much of its energy during the past decade fighting for the Equal Rights Amendment to improve the civil status of women, but virtually ignored the fight for labor law reform that, if passed, would have

unquestionably improved the rights, wages, and working conditions of working women—the least unionized sector of the population. Among the citizen action organizations, fights over “turf” and so-called “organizing models” have uselessly pitted groups like Fair Share and ACORN against each other for the same neighborhoods, foundation grants, and staff members. Similarly, the antinuclear (or “safe energy”) movement has, until recently, ignored the potential impact of shutdowns on jobs and shown little concern for the workers who will be laid off or for environmental conditions *inside* the workplace. Enthusiasm for the job-creating potential of solar development is a step in the right direction, but there is so far little concern shown for the technical and political problems of job retraining, income maintenance, and other transitional issues. At a somewhat more mundane level, the simultaneous appearance of both *In These Times* and *Seven Days* three years ago—competing for the same readers, donors, and supporters—could have been avoided if the common concern for a decent socialist weekly were given higher priority than the minor personal and political differences used to justify such mutually destructive competition.

Of course, one cannot wish away the sometimes ample reasons why progressive groups pursue their own immediate agendas. But it is obvious that as separate (often locally based) reform movements, they lack a common agenda that would turn them into a coordinated, effective mass movement that can contend for legitimacy and power at the crucial national levels of decision making. Coalitions, where they exist at all, are extremely fragile. The narrow tunnel-vision of single-issue and single-constituency politics is a perpetual nightmare reminder that a strategy of continually broadening issues is needed to avoid interconstituency battles over crumbs. A common program that includes winnable reforms must be a major priority.

Ultimately, the socialist incubators must lead to the electoral arena. By the end of the 1980s, it should be possible to elect a critical number of left-lean-

ing Congresspersons—say, 50 members—to the House of Representatives and at least five U.S. Senators. To do so, it is necessary to target specific states and congressional districts, four and eight years ahead of the groundwork, and learn the details of electoral politics. These candidates and office holders could do more than simply raise issues through their campaigns, speeches, hearings, and reports. They could provide the legitimacy and staff resources to give national coherence to an otherwise fragmented movement. They could develop legislation around which to organize pressure groups and, critically, to make further organizing easier. The successes at the state and local level so far are impressive, but the movement must shift from fight-by-brushfire battles to engaging in long-term planning at the national level. It must be willing to pool resources, to sidestep some potential local successes, in order to hold its own in the centers of national power and defend them. The goal must be to build an effective national movement around a progressive agenda. ■