Class Politics, American-Style

A Discussion of *Winner-Take-All Politics: How Washington Made the Rich Richer—And Turned its Back on the Middle Class*

Winner-Take-All Politics: How Washington Made the Rich Richer—And Turned its Back on the Middle Class.
By Jacob S. Hacker and Paul Pierson. New York: Simon & Schuster, 2010. 368p. $27.00 cloth, $15.00 paper.

Jacob S. Hacker and Paul Pierson's *Winner-Take-All Politics: How Washington Made the Rich Richer—And Turned Its Back on the Middle Class* is both a work of political science and a contribution to broad public discussion of distributive politics. Its topic could not be more relevant to a US polity wracked by bitter partisan disagreements about taxes, social spending, financial regulation, social insecurity, and inequality. The political power of "the rich" is a theme of widespread public attention. The headline on the cover of the January–February 2011 issue of *The American Interest*—"Inequality and Democracy: Are Plutocrats Drowning Our Republic?"—is indicative. Francis Fukuyama's lead essay, entitled "Left Out," clarifies that by "plutocracy," the journal means "not just rule by the rich, but rule by and for the rich. We mean, in other words, a state of affairs in which the rich influence government in such a way as to protect and expand their own wealth and influence, often at the expense of others." Fukuyama makes clear that he believes that this state of affairs obtains in the United States today.

Readers of *Perspectives on Politics* will know that the topic has garnered increasing attention from political scientists in general and in our journal in particular. In March 2009, we featured a symposium on Larry Bartels's *Unequal Democracy: The Political Economy of the New Gilded Age*. And in December 2009, our lead article, by Jeffrey A. Winters and Benjamin I. Page, starkly posed the question "Oligarchy in the United States?" and answered it with an equally stark "yes." *Winner-Take-All Politics* thus engages a broader scholarly discussion within US political science, at the same time that it both draws upon and echoes many "classic themes" of US political science from the work of Charles Beard and E. E. Schattschneider to Ted Lowi and Charles Lindblom.

In this symposium, we have brought together a group of important scholars and commentators who offer a range of perspectives on the book and on the broader themes it engages. While most of our discussants are specialists on "American politics," we have also sought out scholars beyond this subfield. Our charge to the discussants is to evaluate the book's central claims and evidence, with a focus on three related questions: 1) How compelling is its analysis of the "how" and "why" of recent US public policy and its "turn" in favor of "the rich" and against "the middle class"? 2) How compelling is its critique of the subfield of "American politics" for its focus on the voter–politician linkage and on "politics as spectacle" at the expense of an analysis of "politics as organized combat"? 3) And do you agree with its argument that recent changes in US politics necessitate a different, more comparative, and more political economy–centered approach to the study of US politics?—Jeffrey C. Isaac, Editor

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In this highly readable book, Jacob Hacker and Paul Pierson provide an intellectual counterweight to the arguments of syndicated columnists like Thomas L. Friedman, who often portray recent economic change as monolithic, corporate driven, and painful but beneficial for all.[1] Hacker and Pierson not only want to challenge these notions—particularly the last—but also to connect economic changes to political policies. First, they note that the polarization of incomes and wealth is far greater than the average person may think. In fact, it is the elite of the elites that have their political agendas and needs met, while even the power of the upper middle class is severely undercut, never mind the strength of the working poor. Second, they want to demonstrate that political transformations since the 1970s

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have directly and indirectly contributed to these economic changes, ensuring the continued polarization of wealth, as well as a corresponding political shift in which government is really only responsive to a small sector of privileged individuals. The result is not merely a minor issue that can be reformed but a crisis of democracy.

The relevance of *Winner-Take-All Politics* is illustrated in the recent conflicts unfolding in Wisconsin: On one side, workers fight for very limited collective bargaining rights in an already difficult context, and on the other, Republican politicians argue that they must balance the budget with little proof that limiting workers' rights will do much of anything except to demonstrate government resolve to continue a process of "freeing" the market by "freeing" workers' rights. This attack on workers' rights, with similar assaults happening in other states, is the consequence of much broader dynamics, including a 40-year process of deregulation; increasingly unfair taxation by which the superrich can avoid heavy taxation while the rest of the country (including those normally viewed as well off) are unduly burdened; and political representation, policy drift, and "organized combat" on the right that has led to a sort of fundamentalist version of conservative politics. The crisis in Wisconsin (and neighboring states) illustrates the urgency of what Hacker and Pierson discuss, but also how difficult it will be to dismantle the complex network of political forces that made it possible in the first place.

I will consider the important connection this book makes between policy and the economy as well as what I call an appeal to a golden age and a golden middle.

Putting the Political Back in Political Economy

As a former political theory professor used to state in undergraduate classes, John Locke believed that political equality was possible with economic inequalities. However, he noted that by the time industrial capital became the dominant economic form, inequalities were so stark that the possibility for universal citizenship in a liberal democracy was severely undercut. Part of his message was that we needed Karl Marx's analysis of capital to recuperate Locke's version of liberalism. Nevertheless, Marx's early work shows us another way to see the relationship between the two authors: The liberal state was seemingly neutral, but its neutrality only existed to the degree that it presupposed what it allegedly transcended.[2] Although I do not agree with the sort of basic formulation commonly attributed to Marx—that politics is superstructural to material relations such that material interests should hold a primary analytic focus while politics is only secondary—I think the value of his work is to show how inextricably bound liberalism and capitalism are, even if this relationship is not relevant to all power dynamics.[3]

Today, it seems to be the fashion—not only in American politics but also in human rights theory and political theory—to assume that the economy is not usually linked to politics, except in special and very obvious cases. However, examining this connection is especially important when it is the economy that is being diagnosed. Just as Marx gave us the image of a dancing chair that political economists fetishized, neglecting to analyze the labor that went into the chair, in contemporary analyses the economy is often treated as a self-sustaining and mysterious entity. It is viewed not as the product of human will or intervention but as an alien force. This is not some sort of Weberian response to crude Marxism but a sort of will-to-truth that wants to conceptualize politics in a vacuum. Universal claims, models of justice, and theories of identity are much neater when the economy is ignored. Apparently opposite is the implicit hierarchy of needs in human rights theory and political theory, which holds that economic well-being supersedes political rights. Indeed, as Larry Bartels discusses, one reaction to the American Political Science Association Task Force on Inequality was that increasing political participation for the poor "is likely to be futile . . . for those mired in poverty."[4] Work on immigration, development theory, and mainstream political economy also very often rests on this assumption: Economics first and democratic rights will come later. Though seemingly contradictory, these two views rest on the same conceptual approach: In both instances, economic analyses are conceptually isolated from political ones.

This trend is not only disturbing but dangerous because as these authors demonstrate, too much is at stake. Hacker and Pierson trace their arguments back to the 1970s, a decade that they claim most analysts ignore. This is when several things began to occur, including a major organizational shift in the Republican Party, the greater use of polls to aid campaigns, and the increased use of television ads in campaigning. Combined with changes in raising money, campaign contributions, and a transformation in economic attitudes, a more hospitable environment to business interests was established. Their main arguments are that policy actually helped forge the economic inequities we experience today; that these changes have their origins in the domestic economy and not the global economy; and that any other deficits—like in education—are merely subsidiary to these broad trends. Correspondingly, they dispute the notion that economic forces—like outsourcing or competitive labor conditions abroad, combined with technological changes in manufacturing—somehow neutrally and impersonally have acted upon the US economy, forcing us all to adapt to a new, harsher environment. Challenging this notion, the authors establish a strong link between policies and economic effects, demonstrating exactly *how* what is conceived of as private or natural is in fact generated by a politics of heavy intervention, accompanied by a politics of radical abandonment.

Hacker and Pierson's analyses of the relationships between intervention and abandonment, economic

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well-being and citizenship, and claims of a shrinking state amidst tactical strikes against the ordinary individual connect with important themes in Western political theory. In going beyond "politics as spectacle" and investigating the intricacies of power relationships—including (among other things) the dynamic interaction between the political parties (such that an extreme version of Republicanism now sets the terms of political debate); the linkage between corporations and political appointees; the political and economic effects of changes in taxation and corporate remuneration; and the consequences of increasing administrative steps against union certification—they honor the spirit of authors like Max Weber. Additionally, their debt to Karl Polanyi is to see that an incredible amount of effort and changes in power relationships have established the basis upon which deregulation (and other forms of free market policy) can be implemented.

A third prong of their argument is explaining how these transformations have been misunderstood by the general public: A lack of sufficient information has obscured the fact that the economic transformations benefit only a small group of individuals, leading the public to believe instead that benefits accrue to everyone. That politics has increasingly served an incredibly small group of people—not the top 10% of the nation but a small part of the top 1%—yet people still seem to support or ignore the very measures that hurt them, can be attributed to both ideology (ruling ideas are portrayed as universal claims) and alienation. Hacker and Pierson connect all of these theoretical strands in a compelling manner, showing precisely how heavy politico-economic intervention leads to the undercutting of democratic agency.

To the degree that the literature on globalization also treats the economy as a force of nature, divorced from an increasingly shrinking state, the authors are right to argue that the issue is not globalization per se. But this is a matter of theoretical orientation: There is a wealth of literature that does examine the linkage between politics and the economy. Examples include popular but more "alternative" work—like that of Barbara Ehrenreich and William Adler—as well as work in the fields of American political development, geography, urban planning, sociology, immigration studies, and the literature on globalization. Radical economists (e.g., Robert Brenner, Leo Panitch, and Joseph Schwartz), regular contributors to *Dollars and Sense,* the *Monthly Review,* and the *New Left Review,* and international scholars of political economy (e.g., Saskia Sassen, Antonio Negri, and Slavoj Žižek) also explore this connection. Nearly all of these authors look at how politico-economic policies, dating back to the 1970s, have led to a polarization of politics and a corresponding polarization of incomes. Indeed, the term "Washington Consensus" implies that policies such as deregulation and tax breaks have been promoted across the globe, challenging the notion of a shrinking or disempowered state. Hence, to the degree that these authors see neoliberal policies as shaping economic dynamics and outcomes—rather than viewing policies as merely reactive to impersonal economic forces—their work is complementary to Hacker and Pierson's.

Hacker and Pierson's contribution to this literature is to remind us that the Washington Consensus has been enacted not only abroad but also domestically. But the US version of neoliberalism has been decidedly different and certainly has its own context, which the authors illuminate. The consequences are not just polarized incomes but fractured politics. This picture complicates the notion of the United States as a unitary state that unproblematically asserts its power abroad. Second, they highlight the political in ways the aforementioned authors do not. They explore the intricacies of the presidency, the political parties, and corporate compensation for upper management, as well as their effects: "stagnant social mobility" (p. 28), "broken benefits" (p. 29), and the deep debt that individuals have accrued. These consequences lead to what is essentially government abandonment, as politicians are statistically shown to respond only to the policy preferences of the very rich (pp. 110–4). As other policies undercut the power of unions and, thus, indirectly discouraged broad-based, participatory political participation (see p. 141), American citizens were not just less well-off than in the past but significantly politically disempowered. I do want to complicate this picture a bit, though.

Golden Age, Golden Middle?

Throughout the book, the authors refer to a relatively better time period during which there was a strong commitment to New Deal policies. This commitment was demonstrated, more or less, by both political parties, and its effects allowed a broad part of the American public to enjoy both political and economic stability. While I agree that there has been a significant shift in economic values and policies since the 1970s, the golden age to which they refer was never firmly golden, even for those who were full citizens. Supreme Court decisions from the New Deal era onward often undercut the power of unions, such that their attempts to go beyond serving an instrumental function and truly politicize American workers were frequently challenged.[5] The story of Harry Bridges illustrates the complex power dynamics of this time period: both the attempts of unions to politicize workers on a scale reaching beyond the workplace and also government attempts to constantly neutralize these effects.[6] The result was not exactly a triumph of conservatism but a much more fragmented power dynamic than the authors suggest. And the problem is that this golden era was enmeshed with Jim Crow laws, the marginalization of women, anticommunist immigration policies, the exploitation of guest workers (*braceros*), and so on.[7] The issue is similar to the Locke–Marx relationship: Although one

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hoped that these marginalized groups would eventually obtain the benefits of the labor aristocracy, what if these already fragmented democratic powers were also exclusionary on these multiple levels?

Added to this complication is the authors' tacit belief in the moral superiority of the middle class. While any book-length examination of the topics they cover can only do so much, this sort of bias reinforces a sort of Aristoteleanism—that the poor and rich cannot be trusted, that the middle is somehow more virtuous, and that other distinctions (like gender, sexual orientation, and race) are merely natural or private and, therefore, can be justifiably subsumed under the rubric of class. As the policies that the authors analyze affected most Americans negatively, dramatically punitive policies against the homeless, welfare recipients, and immigrants were implemented in the 1990s. This observation may entail a much deeper analysis not only of the differential economic effects of neoliberal policies on various segments of the population but also of the differential policies that were implemented at a critical time, effectively disenfranchising parts of the population. Nevertheless, their analysis does not preclude these deeper investigations. Thus, the book is open to new theoretical possibilities.

Winner-Take-All Politics is worth reading to remind us that the age-old question about the link between politics and the economy has taken on new relevance, given the increasingly elitist measures taken since the 1970s. As I have suggested, the book fills a substantial gap by examining the political elements of political economic analyses. Importantly, it demonstrates that what is happening in Wisconsin and other states is not an equal contest in which workers may reinstate old rights. The terms of debate and gradual swing to the right has lead to a significant paradigm shift that demands concerted action, new alliances, and the constant vigilance over democratic agency as an ever-shifting and fragile power dynamic.

Notes

1 For example, in Friedman 2000. Radically different from Friedman, Zygmunt Bauman also discusses globalization in the context of a disappearing, impotent state; see Bauman 1998. Since 9/11, American literature on globalization has become more state centered, but it often still relies on a portrait of the economy and particularly the global economy as if it were an impersonal force over which we have little control.
2 Karl Marx, "On the Jewish Question," in Friedrich Engels and Karl Marx, *The Marx-Engels Reader* [1845] 1978, 33.
3 Marx, "The German Ideology," in *The Marx-Engels Reader* [1845] 1978, 163; see also Larrain 1997.
4 Bartels 2006.
5 Supreme Court decisions challenged unions' most radical agendas, often forcing unions into mere "trade unionism." See Forbath 1989.
6 Kanstroom 2007.
7 Arnold 2010.

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