



WELLSTONE DEMOCRATIC RENEWAL CLUB

RENEWING THE DEMOCRATIC PARTY FROM WITHIN

A Progressive Vision for America

Introduction

Why We Need a New Vision

The catastrophe visited upon New Orleans and the Gulf coast by Hurricane Katrina revealed to all an America that is on the wrong path. Grinding poverty and profound racial disparities, refusal to face the threat of global warming and environmental degradation, tax cuts for the super-rich while disaster relief goes under-funded—a government that yearns for foreign military adventure but that is unprepared to protect its own people from calamity. It doesn't have to be this way.

No country has more resources, energy and potential to build a better life for its people. But we have lost our way. There was a time when we thought of ourselves as the “can do” nation, as a people that looked at problems as challenges and opportunities. That spirit is under attack.

Competition has eclipsed cooperation. We are becoming a winner-take-all country in which our sense of the common good is lost in the daily struggle to make ends meet. As a nation, we have forgotten what we can accomplish when we work together for common goals.

We are being told that government is inherently incompetent and corrupt—that all efforts in the public sphere are doomed to fail. And we are told we must face the travails of this world alone, plac-

ing our fate in the workings of a remote and blind marketplace.

We have to turn things around. The problems we face cannot be solved by each of us pursuing only our own individual ends. If we face our challenges collaboratively and intelligently, we can revive America's dream.

- We can have an economy that has winners without making every one else a loser.
- We can have economic development that heals rather than destroys nature's life sustaining processes
- We can develop a renewable energy capacity that will revitalize our economy and decrease global warming.
- We can have a medical system that is available to all and that will save us billions of dollars annually.
- We can participate in creating a global market place that avoids a “race to the bottom” of the wage scale.
- We can have greater security with less reliance on the immense military burden that weighs upon our domestic agenda.

However, to achieve these goals, we have to break the stranglehold that conservatives have on

our national political life. They have placed our future at risk. Government, our principle tool for planning and acting together, is denigrated and undermined. We have no national strategy, no long-range idea of how to shape our economy and equip our work force to succeed in the rapidly changing world of the 21st century. Our education system is in decay, as is our physical infrastructure—our sewers and water systems, electrical grids, and transportation networks. While our corporate dominated economy produces a few fabulously wealthy individuals, life gets harder for the average citizen. The growing concentration of wealth in the hands of a small minority corrupts and weakens our democracy. War and fear permeate our national life. The American Dream is in jeopardy; our country's soul is at risk.

The Fundamental Framework

A political vision must avoid being a fantasy. It must be based, rather, on an analysis of how American society works. It must be grounded in an understanding of the dynamics that shape the real world. To serve as a guide, a vision must not merely indicate goals, but also illuminate the difficulties that stand in the way of realizing those goals.

Our vision starts from the observation that American society is shaped by two conflicting, yet interdependent dynamics. A healthy and sound America must encompass and find a proper balance between both

First, our society depends upon the functioning of a competitive market economy. Historical experience has shown this to be the most productive form of economic organization. Ambitious attempts to abolish private ownership and do away with the self-regulating mechanisms provided by competitive markets have proved unworkable. This aspect of our society places a premium on individual initiative, personal ambition, and private goals. Here the emphasis is on the self: on

our personal liberties and interests. However, this focus on the self can clash with the requirements of collective life. Capitalism has a harsh side, producing winners and losers. Left to its own survival of the fittest logic, it gives rise to vast disparities of wealth and power and sows the seeds of social conflict.

But **second**, a nation is much more than a mere market. It is an interdependent, organically developed cultural community. Indeed, the market is far from being the foundation of our society; our economy rests upon powerful cultural and social pillars. Our capitalist economy depends upon and is embedded within a set of institutions and social processes that lie outside the workings of the market—government, laws, physical infrastructure, educational system, moral codes, etc. This side of our society operates by different principles than those that govern the market. Community is rooted in values that transcend the self—values that reinforce and enable the ties that bind us together into a whole. It is grounded in interdependence and sustained by mutual aid, cooperation, personal sacrifice, and a sense of social responsibility.

Our society's health depends upon finding a proper balance between these two dynamics—dynamics which are essential but which are in tension. After 25 years of conservative political dominance, the relationship of these two different processes has lost all semblance of balance. Our public sphere has been battered and neglected, and the values that serve to buttress our collective life have been demeaned. National income has been redistributed in favor of the wealthiest top five per cent; the middle class works harder just to stay afloat; and the poor have gotten poorer. Power, wealth, and shortsighted self-interest stride triumphant in an increasingly polarized America. This is not only a moral stain upon our nation; it is a symptom of a country that has lost its sense of common purpose. Any nation that allows the unraveling of the bonds that tie it together as a community is headed for strife and decline.

America, as well as the larger world we inhabit, faces grave challenges. Our future depends upon our capacity to see the larger picture and make far-reaching adjustments in our social and economic policies. It is crucial that we breathe new life into the values of community, for they hold the key to our capacity for collective action. At the same time, however, we must recognize the

place of private initiative and the market in addressing the challenges that face us. While progressives correctly emphasize community as the fundamental foundation of human existence, the vision we propose here encompasses both public and private spheres. Both are essential, and in proper balance, each has a vital role to play.

The Way Forward – How to Put America on the Right Track

We are offering a vision that seeks to move America in a new direction. It is a vision of an America that looks ahead and that mobilizes our vast human energies to meet the challenges we face. It is based on innovative public policies aimed at: 1) strengthening the social foundations of community life: 2) producing a more inclusive and sustainable economic growth: and 3) enabling an emerging global community to peacefully tackle the challenges posed by falling wages, growing poverty, environmental degradation, and epidemic disease.

1. We must mend and renew our social contract.

When we talk of a “social contract,” we have in mind something different than what the great social philosophers of the 17th and 18th centuries meant. We are talking about the social compromise that must be struck between the imperatives of a capitalistic market economy and the requirements of community life.

While competition and the goal of maximizing profits may force businesses to use their assets efficiently, these economic forces can also produce socially destructive consequences. Historically, the pressure to reduce costs led to child labor, 14-hour days, low wages, dangerous working conditions, life-threatening pollution and wholesale destruction of the environment. From the earliest days of

the industrial revolution, reform movements have sought to curb these destructive tendencies, provide safeguards for employees, and bring the drive for personal gain into greater harmony with the requirements of community wellbeing.

Today, America’s social contract is unraveling. Over the past twenty-five years, conservatives have succeeded in weakening many of the laws and regulations that sought to make business practices more compatible with social ends. On top of this, American workers see the export of high paying jobs to countries with low wages, no unions, and no environmental regulations. These factors have worked to redistribute the nation’s wealth in favor of the rich. Life has become more difficult for the average citizen. While wages stagnate or decline, fuel, health care and housing costs skyrocket. Private retirement plans go bankrupt, and the government safety net is under attack. The hard-earned social gains of the past century are at risk.

This increasing polarization of wealth and the growing insecurity of American working people is not something fundamentally new or different. This is what happens when the dynamics of a capitalist economy are not shaped by enlightened and far-seeing social policy.

Renewing and strengthening America’s social contract is in everybody’s interest. The American Dream, the promise that all who work hard and play by the rules can have a decent life and better

themselves, has been an important source of our nation's success. Maintaining those opportunities and guaranteeing a distribution of the national wealth that can insure a decent standard of living for America's wage earners is in everyone's interest. If America's workforce loses faith in the possibility of a good life, there will be no bright future for anyone in America. To renew the Social Contract, we must do the following:

A) STRENGTHEN AND REPAIR RETIREMENT AND HEALTH CARE.

All working Americans must be protected from the effects of disabling injuries and catastrophic illness, and must be secure in their old age. Social Security must be strengthened, broadened, and protected from all attempts to weaken it. Our failing private pension system needs urgent repair. We must establish a nation-wide health care system that will provide universal and affordable access to every American.

B) RENEW THE EFFORT TO ERADICATE POVERTY, GUARANTEE EQUALITY, AND EXPAND PERSONAL OPPORTUNITY.

Tens of millions of Americans are ill-housed, undernourished, and undereducated, lacking the means and opportunities to pull themselves out of poverty and despair. Obstacles to opportunity: the legacy of slavery and the continuing wounds of racial discrimination, the collapse of small farms and the crisis of rural America, the disappearance of decent paying jobs and the spread of low paying service jobs. These are problems that do not solve themselves, but that require a thought-out national program that provides help and real opportunities for those trapped in the cycle of poverty.

This nation must re-commit itself to abolishing the injustices inflicted on people of color. We need to intervene and break the cruel cycle of poverty that holds millions of our fellow citizens in thrall. Racial, gender, and economic justice

have to be central to the decisions and moral choices we make.

We need good and affordable education, open to every age, capable of developing a wide range of talents and skills. Education has always held the key to opportunity. Yet presently, investment in public education declines and the cost of higher education skyrockets. This is not merely a tragedy for America's wage earners and immigrants. It is a policy of national suicide.

C) RE-CREATE A TAX SYSTEM THAT IS FAIR, EQUITABLE, AND GENERATES ENOUGH REVENUE TO SUPPORT NECESSARY SOCIAL PROGRAMS, ADDRESS POVERTY, AND PREPARE AMERICA FOR THE 21ST CENTURY.

Taxes are dues we owe to the community in exchange for the public services that enable our society to flourish. Conservatives, in their battle to cut taxes, seek to belittle or deny the vital role that government and public investment play in every aspect of our lives as well as in buffering the harshness that is a dimension of our market economy.

The conservative anti-tax crusade has succeeded in re-distributing the national wealth in favor of the rich. Taxes on the very wealthy, on corporations, and on capital gains have been drastically cut. Offshore schemes deprive the Treasury of billions each year. Taxes on dividends have been abolished and Congress is poised to do the same with the Estate Tax. Local revenues are increasingly raised by sales taxes, which fall heaviest on working people. Payroll taxes are way up. As a result, poor and middle class Americans are taxed at the same rate, (20%) as the wealthiest. We must restore progressive taxation.

The "trickle-down" approach that bolsters the buying power of the rich through tax cuts is not a moral or even effective way to build the economy.

America is one of the best places in the world to make money, largely due to generations of public investment in education, science and technolo-

gy, transportation and communication infrastructure. It is only right that those who have reaped the greatest benefits should pay the largest share of the costs.

2. We must build a sustainable, fair and dynamic economy.

For too long, progressives have been hostile to economic growth, business,

and market-driven processes. Seeing only the negative side of capitalism, we largely abstained from participating in the debate about the economic direction of the country. As a result, we failed to present a real alternative to corporate America's model of economic development. It is clear we can no longer afford to maintain such a posture.

America's economy—still the largest and most powerful in the world—shows signs of decay and decline. One after another, our industries go out of business or move to lower wage countries. As the purchasing power of the American consumer fails to keep pace with the expansion of goods and services and as our nation continues to buy more than it sells in the world, economic growth is increasingly financed by mounting public and private debt. We are now the greatest debtor nation in the history of the world. Investment in our future—in education, science, research and development, infrastructure—is in sharp decline. Wall Street quarterly reports and short-term profit considerations are driving investment decisions. We are squandering our great productive potential, mortgaging our future, and failing to prepare for the challenges of the 21st century.

The most serious challenges we face have to do with the depletion of nature's resources and our impact upon its vital, life sustaining processes: global warming, exhaustion of fossil fuels, shortages of fresh water and other resources, and general environmental degradation. We also face a

whole set of problems posed by the emergence of a global economy. All of these problems are inter-related and will require major changes in the functioning of our economy.

Presently, our nation is under the spell of a conservative creed about the infallibility of the market and the harmful effects of any attempts to interfere with its workings. We are told that competition, individual initiative, and self-interest generate the best solutions to every problem. Regulations are revoked and anti-trust oversight ignored. But in truth, markets depend upon, and function best in partnership with government. Without oversight, small numbers of huge corporations can consolidate their control over vital sectors of our economy and collude in anti-competitive practices. Fiscal policy and public investment in infrastructure are fundamental to market development. Imagine an auto industry without publicly funded roads and highways, or a pharmaceutical industry that has no access to the basic research carried out in American universities.

While market processes are essential to the efficient functioning of our economy, they do not address the long-term needs of the economy as a whole. Competition forces businesses to focus on their own immediate bottom-line. Only government—which means all of us acting together—is in a position to develop a long-range strategy and invest in developing the infrastructure, science and technology that can put us on the path to a non-destructive growth process. We must use the economic instruments of government to re-shape market mechanisms and move development in a sustainable direction. We must:

- A) INSTITUTE A CRASH PROGRAM OF PUBLIC INVESTMENT TO DEVELOP THE SCIENCE FOR ECO-FRIENDLY TECHNOLOGIES AND A SUSTAINABLE ECONOMIC DEVELOPMENT. FIRST PRIORITY: RENEWABLE AND CLEAN ENERGY TECHNOLOGY.

This is not science fiction. New non-toxic and energy efficient materials, renewable energy

sources, new concepts and technologies for transportation, land and water use, recycling and waste management, construction and urban planning are all opening up vistas of a development process that can heal rather than amplify humanity's rift with nature.

- B) USE THE ECONOMIC INSTRUMENTS OF GOVERNMENT TO RE-SHAPE AND DIRECT MARKET MECHANISMS AND TO MOVE DEVELOPMENT IN A SUSTAINABLE DIRECTION.

Our current infrastructure, tax policies, business subsidies, publicly funded research, science and educational strategies, were developed to support an economy based on smokestack industries, fossil fuels, and large agribusiness—the America of the mid-20th century. These measures reward continuing investment in what is clearly an obsolete and destructive direction for our economy. We must begin shifting our whole growth process towards the production of non-toxic, renewable, and eco-friendly goods and services. We can develop innovative environmental regulatory programs that are compatible with market mechanisms.

- C) FIND A STRATEGY TO GUIDE AMERICA'S PARTICIPATION IN THE DEVELOPING GLOBAL ECONOMY.

We must reverse America's de-industrialization by becoming a leader in the production of new energy efficient, eco-friendly technologies and products. We need to invest heavily in science and education to prepare our workforce for this new direction.

While we need to take actions at home to insure that America can compete in the global economy, we must, at the same time, recognize our stake in the economic, social, and political gains of people in the developing world. As in our domestic society, while we find competing and conflicting interests, the over-riding principle is

one of interdependence. We can never compete with nations whose workers receive less than a dollar a day and where there are no environmental regulations. What good will our eco-friendly reforms accomplish if destructive industrial processes proliferate in the rest of the world?

We must seek fundamental changes in the institutions that manage global economic development. Both the IMF and the WTO impose investment strategies, business practices, and trade strategies that place short-term profitability over the long-term social and environmental needs of individual nations and the world community

3. We must work for a peaceful global community through diplomacy, multi-lateral cooperation and the rule of law

At the end of the Cold War, the USA was left as the only remaining super power. At that point, it was faced with the choice of how to use its great prestige and incomparable resources to shape the emergence of the post-Cold War international order. It could have worked to buttress the fragile foundations of the burgeoning global community—reforming, strengthening, and democratizing the various institutions necessary for decision making, cooperation, and resolving conflicts peacefully. Vital to this process is the establishment of the rule of law, the creation of a legal framework binding all nations to a set of principles defining their rights and establishing mechanisms for resolving conflicts peacefully. This is the path towards a peaceful world, a global community freed from the burden of armaments expenditures and capable of collectively addressing pressing global economic, social and environmental problems.

Tragically, the administration of George W. Bush chose to pursue a very different course. Following a blueprint published in 2000 by the

neo-conservative think tank Project for a New American Century (PNAC), the administration decided to use our nation's great might to seek lasting global supremacy. They proposed greater military expenditures, the creation of a worldwide system of military bases, control of vital natural resources (oil), and the militarization of outer space. They advocated the use of force to block the emergence of any nation or combination of nations that might seek to challenge or restrain US power. In the PNAC document, the neo-conservatives do not mention the United Nations, and oppose the formation of any international institutional framework that could potentially limit US prerogatives. That is the real meaning of "pre-emption" and "unilateralism." Rather than seeking to strengthen the international community, the neo-conservatives wish to weaken it.

The administration used the fear and anger engendered by 9/11 to present its aggressive agenda in the guise of a defensive war against terrorism. The invasion of Iraq had nothing to do with terrorism but everything to do with the PNAC strategy. These imperial designs are not only shameful, but disastrous for our country. Any nation that seeks to dominate this vast and turbulent world will bring about its own undoing. Our true national interests lie in working to create a global community where the rights of all nations and peoples are respected, and conflicts are resolved within the framework of international law. How do we pursue our true national interests?

A) RETURN TO CIVILITY, DIPLOMACY, AND MULTILATERALISM.

It is deeply troubling to watch the Bush Administration break with long-standing American traditions and pursue a foreign policy that is based upon intimidation, wars of choice, and threats of pre-emption—abuse of power and general disregard for the opinions of the international community. We must re-join the family of nations and return to the methods of

dialogue, diplomacy, and mutual respect in our relations with other states.

B) WORK FOR A LAW-GOVERNED WORLD.

Humanity has learned that without law, force is always an option in resolving disputes. With the end of the Cold War and the emergence of a global market place, the world community has set about crafting a set of principles and conventions to serve as a legal framework to govern the relations among states. The Bush Administration, in refusing to be a signatory to many of these conventions and by disregarding the UN Charter in invading Iraq, dealt a serious blow to this momentum towards the rule of law. Its attempts to circumvent the Geneva Convention, its refusal to sign the treaties on war crimes and accept the jurisdiction of the World Court have led to the nightmares of Abu Ghraib and Guantanamo. The USA must work with other nations to strengthen the institutional framework seeking to establish an international rule of law. This is the only path towards a peaceful and stable world.

C) PURSUE REAL DISARMAMENT

Today, the USA spends more on arms than the total spent by the next ten largest military powers—over \$500 billion per year. This is a crushing financial burden that underlies much of our failure to invest adequately in our pressing domestic needs. This over-kill does not contribute to our security, but endangers us. Too many Americans are seduced by aggressive imperial ambitions, setting us against the world on a course of endless conflicts, increasing our isolation and building worldwide enmity. We will attain greater security by furthering the rule of law and establishing cooperation between nations than in seeking to build an imperial fortress America.

D) WORK FOR A SUSTAINABLE GLOBE

We are all becoming aware of the interconnectedness of life on our planet. So many of the

problems we face—global warming, resource depletion, pollution, economic development, immigration, falling wages, and the danger of pandemic disease—can only be solved if we approach them globally.

We desperately need new ways of thinking, new levels of trust and cooperation, and new institutions to enable humanity to find effective responses to these challenges.

We must come to view ourselves as citizens of the world. As one of the world's first melting pots, a pioneer in constitutional and democratic government, and its leading economic power, the US has much to contribute to the emerging international culture. However, if our gifts are to be received, they must be repackaged—shorn of arrogance and greed, and offered in a spirit of common humanity.



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