Somehow, during the last quarter of the twentieth century in the United States, conservatives stole the high ground of public debate and were able to depict liberalism as tantamount to a sin, a diabolical philosophy whose unchecked expression during the 1960s led the country to the verge of ruin. If something was wrong anywhere in the world, conservative politicians and pundits were successful in portraying it as the fault of devious liberals and their malevolent policies. Daunting social problems such as joblessness, poverty, crime, delinquency, addiction, family dissolution, and terrorism were laid at the feet of liberals. People who subscribed to a “liberal agenda” were depicted as wasteful, weak, unpatriotic, and self-indulgent—hand-wringing whiners who “blamed America first” and despised working people, viewing them only as little more than a source of tax revenue to support their privileged class position as advocates for the undeserving poor.¹

That conservatives sought to paint the political opposition in this unfavorable light is hardly surprising. What is truly amazing is their spectacular success at doing so during a period of apparent liberal triumph. As a result of liberal reforms enacted over the course of the twentieth century, Americans in 1970 were freer, healthier, richer, and more equal than ever before in U.S. history. Yet at the moment of liberalism’s seeming zenith, conservatives were successful in turning voters away from policies that had brought social and economic well-being to an unprecedented number of Americans. Over the next three decades, an increasingly
radical conservative movement took control of the Republican party and sent liberals into full ideological retreat.

With the exception of the anomalous interregnum of Jimmy Carter (notably, a Southern Democrat), the Republican party captured and held the presidency during the 1970s and 1980s; and despite losing it during the 1990s to Bill Clinton (again, a Southern Democrat), conservative Republicans captured the House and Senate in 1994, and by the end of the decade they had achieved de facto control over the Supreme Court and the federal judiciary as well. Even more remarkably, despite the remarkable peace and prosperity of the Clinton years, in 2000 Republicans once again took the White House. With the restoration of the House of Bush, conservative Republicans controlled all three branches of government, a political realignment that appeared to be ratified decisively by voters in the 2002 elections. As President Bush headed into the second half of his first term, liberalism’s demise seemed all but complete.

This dark night of the liberal soul, however, sets the stage for an unexpected rekindling of progressive politics, for the setbacks of 2002 finally demonstrated, once and for all, the futility of conservative accommodation. The movement of the Democratic party away from real opposition and its adoption of a strategy of appeasement alienated the party’s core constituencies while doing little to appeal to reluctant voters in the political center. In the ideological vacuum that followed the 2002 electoral meltdown, Howard Dean shocked the Democratic establishment by mounting an unexpectedly successful insurgency based on a forceful and unapologetic politics of opposition, vigorously challenging the Republicans and their Democratic imitators at every political turn—social, economic, and diplomatic.

Although he ultimately did not secure the Democratic nomination, Dean’s campaign re-energized the party faithful, mobilized new voters, and made a vigorous politics of opposition not only possible, but respectable, thereby opening a new path for Democrats to follow. As a result, from the ashes of the 2002 elections the phoenix of a liberal alignment is poised to arise. Like so many radical political movements, American conservatism has overextended
itself. Its takeover of the Republican party has moved federal poli-
cies far to the right of the electorate. Conservatives now seek to
impose a narrow, fundamentalist morality that is quite out of step
with the relatively open and tolerant social position of most Amer-
icans. Conservatives also support a retrograde retrenchment on
civil rights and social entitlements that is wildly out of touch with
the social, economic, and demographic realities of the twenty-first
century.

Not only do the radical conservatives who run the country in
2004 diverge socially from the values and sentiments of main-
stream Americans, they also have little to offer the country in prac-
tical terms. In the United States, the last quarter of the twentieth
century was one of unparalleled economic polarization. The un-
deniable fact is that since 1975, four-fifths of American house-
holds have seen their social and economic well-being stagnate or
even decline. While those in the top 20 percent of the income dis-
tribution have gotten richer and more affluent, the rest of the
country is working harder for less money and fewer benefits while
critical services, such as public health and education, continue to
deteriorate.

Although the economic boom engineered by President Clinton
was able to moderate these inequalities somewhat during the late
1990s, forward progress was rapidly and abruptly reversed with
the restoration of the House of Bush. Within a few months of his
inauguration, the boom ended, joblessness returned, deficits in-
creased, inequalities widened, and the tax burden shifted deci-
sively away from the wealthy and onto the middle and working
classes. In material terms, as well as in terms of their social philos-
ophy, the radical conservatives of the Republican party have done
and are doing little for the vast majority of Americans.

Although these facts suggest a historic opportunity for a politi-
cal realignment, a liberal resurgence is by no means assured or
even likely. The confluence of opportunities won’t last long, and a
reconfiguration won’t happen without dedication, engagement,
and serious soul-searching by liberals themselves, who face many
serious obstacles on the road to political power. First, liberals
must come to terms with the fact that the mass of voters did turn
against them and their policies after 1970. They need to understand how this reversal happened and why so many people voted against their own material interests in favor of a party openly dedicated to dismantling the system of government that had brought so many benefits to so many people during the postwar period. Liberals need to look inward to recognize and acknowledge their own part in alienating America’s middle and working classes and accept their responsibility for bringing about the resurgence of plutocracy.

To date, liberals have sought to externalize the blame for their political demise during the last quarter of the twentieth century. This all-too-human but ultimately destructive reaction to bad news serves only to exacerbate the alienation of liberals from the voters they need to attract in order to return to power—for externalizing the blame inevitably casts it on the people themselves, accusing them of racism, sexism, homophobia, social conservatism, and, perhaps worse, stupidity in not recognizing their own material interests. But voters are neither stupid nor inveterately conservative. While people may resist change in policies and attitudes toward minorities, women, and gays, liberals must recognize that deeply rooted values change slowly and that persuasion, patient argument, and sympathetic understanding are more effective than strident sermonizing in bringing about political realignments. The public shaming and humiliation of people for holding “politically incorrect” views only foments reactionary anger and deepens resistance to progressive change, allowing people’s emotional reactions to override their rational economic calculations.

The first step toward recovery, then, is an acceptance of past mistakes, and this is the subject of chapter 2, which examines U.S. history to discern the reasons for liberalism’s triumph during the first six decades of the twentieth century and its collapse thereafter. To put it bluntly, in the years after 1965 liberals badly mishandled conflicts surrounding race, class, war, peace, and ideology. As long as civil rights meant ending the legal foundations of segregation in the South, liberalism surged ahead; but once the movement’s agenda focused on subtler processes of racial discrimination that were well-entrenched in the North as
well as the South, progress was no longer easy and the movement faltered.

In the end, liberal elites failed to appreciate the sacrifices being asked of middle- and working-class Americans to remedy the nation’s sorry legacy of racial inequality; and rather than reaching a political accommodation to offset the real costs with concrete benefits, they sought to use executive and judicial power to force change upon an apprehensive and fearful public while decrying all opponents as narrow-minded bigots. As a result, the segregation of schools and neighborhoods has continued despite successive civil rights acts, and conservatives were able to use the issue of race to break apart the New Deal coalition.

The liberals who sought to use executive and judicial power to extend civil rights were generally affluent, well-educated, and effectively insulated from the consequences of social change by their privileged class position. In contrast, the people affected by their policies had less education and income, thus opening a class divide into which Republicans quickly plunged a dagger. Rather than recognizing the tenuousness of working-class achievements, liberals more often looked with contempt upon middlebrow Americans who were threatened by change and resisted the liberal policies of the 1960s and 1970s.

This latent class antagonism was exacerbated by the systematic failure of liberals to deal with the real economic burdens imposed by bracket creep and spiraling housing prices during the 1970s. As inflation rose after 1973, middle-class Americans were pushed into tax brackets originally meant for people with much higher incomes, and homeowners of modest means faced real estate taxes well beyond their ability to pay. Rather than dealing with these issues politically, liberals ignored them and gratuitously used the ever-rising tax revenue to expand programs that had by then become quite unpopular, leading to the famous middle-class tax revolt symbolized by California’s Proposition 13. Animosity toward affluent liberals was further heightened by the Vietnam War, which was devised in secret by the very same liberal architects of the Great Society, whose own sons and daughters were rarely called upon to sacrifice their lives and bodies.
After steadily losing ground in elections after 1980, liberals compounded their political problems ideologically by retreating to academia to launch a rearguard cultural insurgency under the banner of postmodernism, which came to be known publicly as the doctrine of “political correctness.” The arcane language of the movement and its politics of guilt and victimization further divided liberals from the masses and handed conservative writers a propaganda bonanza that they eagerly exploited. Rather than recruit new troops to liberal side, the intolerance, moralism, and self-righteousness of campus radicals more often turned otherwise open-minded and well-meaning, if somewhat innocent, students into rabid, vengeful conservatives.

Although liberals must recognize their own complicity in the conservative resurgence of the late twentieth century and learn from their past mistakes, mea culpas will not win elections or convince voters to return liberal politicians to power. A second reason for the demise of liberalism over the past thirty years was the lack of a coherent program to offer voters. Until liberals can unite around a sensible political philosophy that can be explained to voters in straightforward terms, they cannot expect to win elections. In addition to opposing the radical conservative policies of today’s Republicans, liberals must themselves stand for something—a set of consistent principles that can be communicated widely and translated into concrete public policies.

In chapter 3, I draw upon insights from the new field of economic sociology to derive a principled vision for a liberal society, and in chapters 4 and 5, I apply this liberal vision to outline a practical approach to policies for the domestic and international spheres. Economic sociology studies how interpersonal exchanges are embedded within larger social institutions and how such social embeddedness influences and constrains economic relations. The key insight of economic sociology is that markets are not “free” states of nature, but human-created social systems that citizens of a democratic republic have a duty to supervise and manage in the public interest. Through their democratic decisions, citizens constitute necessary markets and ensure that they are well functioning. To assure the effective operation of markets, citizens
build a supporting infrastructure, establish a medium of exchange, enforce equal access and fair competition, and insure citizens from potential market failures.

The recognition that markets are constructed by human beings and that their operation is determined not by nature but by deliberate political decisions leads naturally to a set of domestic policies designed to cultivate the capabilities of citizens and ensure their autonomy as political and economic actors. The cultivation of capabilities boils down to promoting, through whatever combination of public and private means proves to be most effective, the health, education, and independence of citizens. Funds spent on the health and education of citizens are properly viewed as essential investments in human capital formation rather than optional expenditures that detract from economic growth. In a postindustrial global economy where the creation of wealth is based on the application of knowledge and the manipulation of information, the cultivation of the capabilities of citizens is one of the most important things a government can do to ensure its future power, influence, and prosperity. People are truly “the ultimate resource” and failure to make full productive use of their capacities constitutes a serious drag on progress. For this reason, liberal governments must assure that society’s markets are open and accessible to all regardless of background, and that they offer citizens equal returns to equal inputs.

Although it has become popular in some liberal political circles to view globalization as the great Satan of our era, a truly liberal viewpoint recognizes that the expansion of markets through international trade and global finance are essential to world peace and prosperity. The negative results of globalization to date have come less from the expansion of trade and markets per se than from the rules and conditions under which this expansion has occurred. Rather than being structured for the benefit of the world’s citizens generally, the rules of global competition have been coopted, rewritten and reinterpreted by a small number of corporate and financial actors to serve their narrow economic interests. The solution is not to abandon multilateral institutions and treaties that undergird the global economy, but to embrace them and open
up the process by which the rules of global competition are created and enforced to wider democratic participation and greater transparency.

The present era is by no means the first period of economic globalization. An earlier age of global trade and market development evolved from 1800 to 1914. Ultimately, however, the reach of globalism outstripped the ability of extant multilateral institutions to support it, and the world devolved into a World War that was followed by protectionist withdrawal, economic collapse, worldwide depression, and eventually an even larger and more deadly round of global armed conflict. In the ashes of World War II, enlightened liberals managed to create a stronger and more effective set of multilateral institutions to solve the problems inherent to the first era of globalization, leading ultimately to the triumph of market economics in the last decade of the twentieth century and a full return to the globalism of the past.

We now stand at a unique historical crossroads where we can choose either to move the global market economy forward under more democratic and transparent auspices, or retreat from the promise of global capitalism into self-defeating cycles of nationalism, protectionism, and poverty. A retreat from global trade will inevitably have the same disastrous consequences as it did before, only this time the death toll will be higher and the scale of destruction more immense. It is to avoid this frightening scenario that chapter 5 offers a principled defense of globalism and outlines a liberal agenda for reform of the global market economy and the multinational organizations that sustain it.

In addition to admitting past mistakes, setting forth a defensible political philosophy, and translating this philosophy into a practical agenda for domestic and international politics, liberals must accurately appraise the formidable array of conservative forces lined up against them. Based on this knowledge, they must work to develop effective political strategies to counter conservative influence. To date, liberals have been outclassed by the ideological ingenuity and organization capabilities of the conservative right. Chapter 6 analyzes the nature of the radical conservative response to liberalism and surveys the strategy and tactics by which
conservatives have come to exercise unprecedented influence on all three branches of the U.S. government. As always, before one enters a campaign it is essential to know the enemy. The time has come for liberals to stop dismissing conservative opponents as be-nighted ignoramuses on the verge of consignment to the dustbin of history and to appreciate them for the principled, driven, and effective organizational actors that they are. Underestimating one’s opponents can lead only to defeat.

Having laid bare the motivations, tactics, and organizational strategies employed by the opponents of liberalism, in the final chapter, I call for a return to a true politics of principled, liberal opposition. Rather than running from the label “liberal,” as politicians have done for the past three decades, Democrats and even some Republicans must embrace it and proudly assert, “Yes we are liberals; these are principles we stand for; and this is our program.” In advancing their own political program, liberals also need to expose the radical conservative position for what it is: an attempt to dismantle the social achievements of the New Deal and Great Society, roll back the tide of civil rights, erase the wall between fundamentalist Christianity and the state, and ultimately to impose on Americans a restrictive morality that controls their sexual behavior and family formation by institutionalizing gross invasions of privacy and new constraints on civil liberties.

The fight will not be easy, but it must be principled. Attempts by Democrats to win elections by presenting themselves as “Republicans Lite” (as advocated by the Democratic Leadership Committee) or as more competent bureaucratic administrators than their Republican challengers (the appeal made by Democrats from Michael Dukakis to Al Gore) have proven to be ineffective in the past and are doomed to fail in the future. Americans don’t like phonies and they disdain bureaucrats. If liberals are to win, they must cease internecine bickering over identity politics and stop looking down on working-class Americans, embrace a liberal vision and present it forcefully and unashamedly to the American public—while working hard to anticipate and neutralize the tactics sure to be employed by organizations and individuals on the conservative right.
In moving toward a liberal alignment, two notable practical problems must be addressed: a self-serving media that is itself out of touch with the public and increasingly unanswerable either to government or the people, and a system of campaign finance that borders on legalized bribery. Not only does current campaign funding perpetuate the status quo and skew the operation of the American political economy away from the interests of the people and toward those with money, but it ultimately undermines the effective operation of markets and pushes the nation toward ever higher levels of economic inequality.

Overcoming these barriers requires developing and implementing a concrete plan to assemble a winning electoral coalition. Opinion poll and survey research data suggest that a working electoral majority can indeed be assembled by appealing to four distinct groups: professionals, women, minorities, and workers. The way to create this new coalition is to return to a materialist politics that builds on the fact that 80 percent of Americans have not benefited from the political and economic policies of the past three decades, and that they are working harder for lower wages and more limited public services. The real political puzzle is not why radical Republicans have been able to restructure the American political economy to benefit the few rather than the many, but why liberals have allowed them to get away with it. It is time for liberals to acknowledge their past mistakes, take destiny into their own hands, and move forward with a positive political philosophy and a practical program of action that will ensure peace and prosperity not only for Americans but for the world. Rather than running from the “L word,” liberals must recapture the high ideological ground, define the terms of the debate, embrace the banner of liberalism proudly, and ultimately turn the tables on conservatives to make them run from the “C word.” This book offers a blueprint for accomplishing these goals.