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How the 99% Could Stop the War against the Poor

We desperately need a movement for a new kind of moral economy. Occupy Wall Street may well be its beginning.

By Frances Fox Piven

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We've been at war for decades now—not just in Afghanistan or Iraq, but right here at home. Domestically, it's been a war against the poor, but if you hadn't noticed, that's not surprising. You wouldn't often have found the casualty figures from this particular conflict in your local newspaper or on the nightly TV news. Devastating as it's been, the war against the poor has gone largely unnoticed—until now.

The Occupy Wall Street movement has already made the concentration of wealth at the top of this society a central issue in American politics. Now, it promises to do something similar when it comes to the realities of poverty in this country.

By making Wall Street its symbolic target, and branding itself as a movement of the 99 percent, OWS has redirected public attention to the issue of extreme inequality, which it has recast as, essentially, a moral problem. Only a short time ago, the “morals” issue in politics meant the propriety of sexual preferences, reproductive behavior, or the personal behavior of presidents. Economic policy, including tax cuts for the rich, subsidies and government protection for insurance and pharmaceutical companies, and financial deregulation, was shrouded in clouds of propaganda or simply considered too complex for ordinary Americans to grasp.

Now, in what seems like no time at all, the fog has lifted and the topic on the table everywhere seems to be the morality of contemporary financial capitalism. The protestors have accomplished this mainly through the symbolic power of their actions: by naming Wall Street, the heartland of financial capitalism, as the enemy, and by welcoming the homeless and the down-and-out to their occupation sites. And of course, the slogan “We are the 99 percent” reiterated the message that almost all of us are suffering from the reckless profiteering of a tiny handful. (In fact, they aren’t far off: the increase in income of the top 1 percent over the past three decades about equals the losses of the bottom 80 percent.)

The movement’s moral call is reminiscent of earlier historical moments when popular uprisings invoked ideas of a “moral economy” to justify demands for bread or grain or wages—for, that is, a measure of economic justice. Historians usually attribute popular ideas of a moral economy to custom and tradition, as when the British historian E.P. Thompson traced the idea of a “just price” for basic foodstuffs invoked by eighteenth century English food rioters to then already centuries-old Elizabethan statutes. But the rebellious poor have never simply been traditionalists. In the face of violations of what they considered to be their customary rights, they did not wait for the magistrates to act, but often took it upon themselves to enforce what they considered to be the foundation of a just moral economy.

Being Poor By the Numbers

A moral economy for our own time would certainly take on the unbridled accumulation of wealth at the expense of the majority (and the planet). It would also single out for special condemnation the creation of an ever-larger stratum of people we call “the poor” who struggle to survive in the shadow of the over-consumption and waste of that top 1 percent.

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Some facts: early in 2011, the U.S. Census Bureau reported that 14.3 percent of the population, or 47 million people—one in six Americans—were living below the official poverty threshold, currently set at \$22,400 annually for a family of four. Some 19 million people are living in what is called extreme poverty, which means that their household income falls in the bottom half of those considered to be below the poverty line. More than a third of those extremely poor people are children. Indeed, more than half of all children younger than six living with a single mother are poor. Extrapolating from this data, Emily Monea and Isabel Sawhill of the Brookings Institution estimate that further sharp increases in both poverty and child poverty rates lie in our American future.

Some experts dispute these numbers on the grounds that they neither take account of the assistance that the poor still receive, mainly through the food stamp program, nor of regional variations in the cost of living. In fact, bad as they are, the official numbers don’t tell the full story. The situation of the poor is actually considerably worse. The official poverty line is calculated as simply three times the minimal food budget first introduced in 1959, and then adjusted for inflation in food costs. In other words, the American poverty threshold takes no account of the cost of housing or fuel or transportation or health-care costs, all of which are

rising more rapidly than the cost of basic foods. So the poverty measure grossly understates the real cost of subsistence.

Moreover, in 2006, interest payments on consumer debt had already put more than four million people, not officially in poverty, below the line, making them “debt poor.” Similarly, if childcare costs, estimated at \$5,750 a year in 2006, were deducted from gross income, many more people would be counted as officially poor.

Nor are these catastrophic levels of poverty merely a temporary response to rising unemployment rates or reductions in take-home pay resulting from the great economic meltdown of 2008. The numbers tell the story and it's clear enough: poverty was on the rise before the Great Recession hit. Between 2001 and 2007, poverty actually increased for the first time on record during an economic recovery. It rose from 11.7 percent in 2001 to 12.5 percent in 2007. Poverty rates for single mothers in 2007 were 49 percent higher in the U.S. than in 15 other high-income countries. Similarly, black employment rates and income were declining before the recession struck.

In part, all of this was the inevitable fallout from a decades-long business mobilization to reduce labor costs by weakening unions and changing public policies that protected workers and those same unions. As a result, National Labor Board decisions became far less favorable to both workers and unions, workplace regulations were not enforced, and the minimum wage lagged far behind inflation.

Inevitably, the overall impact of the campaign to reduce labor's share of national earnings meant that a growing number of Americans couldn't earn even a poverty-level livelihood—and even that's not the whole of it. The poor and the programs that assisted them were the objects of a full-bore campaign directed specifically at them.

Campaigning Against the Poor

This attack began even while the Black Freedom Movement of the 1960s was in full throttle. It was already evident in the failed 1964 presidential campaign of Republican Barry Goldwater, as well as in the recurrent campaigns of sometime Democrat and segregationist governor of Alabama George Wallace. Richard Nixon's presidential bid in 1968 picked up on the theme.

As many commentators have pointed out, his triumphant campaign strategy tapped into the rising racial animosities not only of white southerners, but of a white working class in the north that suddenly found itself locked in competition with newly urbanized African-Americans for jobs, public services, and housing, as well as in campaigns for school desegregation. The racial theme quickly melded into political propaganda targeting the poor and contemporary poor-relief programs. Indeed, in American politics “poverty,” along with “welfare,” “unwed mothers,” and “crime,” became code words for blacks.

In the process, resurgent Republicans tried to defeat Democrats at the polls by associating them with blacks and with liberal policies meant to alleviate poverty. One result was the infamous “war on drugs” that largely ignored major traffickers in favor of the lowest level offenders in

inner-city communities. Along with that came a massive program of prison building and incarceration, as well as the wholesale “reform” of the main means-tested cash assistance program, Aid to Families of Dependent Children. This politically driven attack on the poor proved just the opening drama in a decades-long campaign launched by business and the organized right against workers.

This was not only war against the poor, but the very “class war” that Republicans now use to brand just about any action they don’t like. In fact, class war was the overarching goal of the campaign, something that would soon enough become apparent in policies that led to a massive redistribution of the burden of taxation, the cannibalization of government services through privatization, wage cuts and enfeebled unions, and the deregulation of business, banks, and financial institutions.

The poor—and blacks—were an endlessly useful rhetorical foil, a propagandistic distraction used to win elections and make bigger gains. Still, the rhetoric was important. A host of new think tanks, political organizations, and lobbyists in Washington D.C. promoted the message that the country’s problems were caused by the poor whose shiftlessness, criminal inclinations, and sexual promiscuity were being indulged by a too-generous welfare system.

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Genuine suffering followed quickly enough, along with big cuts in the means-tested programs that helped the poor. The staging of the cuts was itself enwreathed in clouds of propaganda, but cumulatively they frayed the safety net that protected both the poor and workers, especially low-wage ones, which meant women and minorities. When Ronald Reagan entered the Oval Office in 1980, the path had been smoothed for huge cuts in programs for poor people, and by the 1990s the Democrats, looking for electoral strategies that would raise campaign dollars from big business and put them back in power, took up the banner. It was Bill Clinton, after all, who campaigned on the slogan “end welfare as we know it.”

A Movement for a Moral Economy

The war against the poor at the federal level was soon matched in state capitols where organizations like the American Federation for Children, the American Legislative Exchange Council, the Institute for Liberty, and the State Policy Network went to work. Their lobbying agenda was ambitious, including the large-scale privatization of public services, business tax cuts, the rollback of environmental regulations and consumer protections, crippling public sector unions, and measures (like requiring photo identification) that would restrict the access students and the poor had to the ballot. But the poor were their main public target and again, there were real life consequences—welfare cutbacks, particularly in the Aid to Families with Dependent Children program, and a law-and-order campaign that resulted in the massive incarceration of black men.

The Great Recession sharply worsened these trends. The Economic Policy Institute reports that the typical working-age household, which had already seen a decline of roughly \$2,300 in income between 2000 and 2006, lost another \$2,700 between 2007 and 2009. And when “recovery” arrived, however uncertainly, it was mainly in low-wage industries, which accounted for nearly half of what growth there was. Manufacturing continued to contract, while the labor market lost 6.1 percent of payroll employment. New investment, when it occurred at all, was more likely to be in machinery than in new workers, so unemployment levels remain alarmingly high. In other words, the recession accelerated ongoing market trends toward lower-wage and ever more insecure employment.

The recession also prompted further cutbacks in welfare programs. Because cash assistance has become so hard to get, thanks to so-called welfare reform, and fallback state-assistance programs have been crippled, the federal food stamp program has come to carry much of the weight in providing assistance to the poor. Renamed the “Supplemental Nutritional Assistance Program,” it was boosted by funds provided in the Recovery Act, and benefits temporarily rose, as did participation. But Congress has repeatedly attempted to slash the program’s funds, and even to divert some of them into farm subsidies, while efforts, not yet successful, have been made to deny food stamps to any family that includes a worker on strike.

The organized right justifies its draconian policies toward the poor with moral arguments. Right-wing think tanks and blogs, for instance, ponder the damaging effect on disabled poor children of becoming “dependent” on government assistance, or they scrutinize government nutritional assistance for poor pregnant women and children in an effort to explain away positive outcomes for infants.

The willful ignorance and cruelty of it all can leave you gasping—and gasp was all we did for decades. This is why we so desperately needed a movement for a new kind of moral economy. Occupy Wall Street, which has already changed the national conversation, may well be its beginning.