The Public Eye

Neoliberalism
How the Right is Remaking America
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Neoliberalism and the Right

Why this special issue?

Neoliberalism— with its emphasis on unfettered markets, austerity, eliminating the social safety net, and privatization of government functions— is a right-wing project whose stunning success imperils the prospects for democracy in the U.S. and around the globe. As our diminished liberties and economic opportunities command newspaper headlines and generate widespread dissatisfaction, it’s a critical moment to explore how the right-wing “backlash” movements that have remade U.S. politics and society over the last several decades paved the road to this place.

Readers of The Public Eye and PRA’s other publications have come to expect analysis of White nationalists, libertarians, neoconservatives, Christian nationalists, and other right-wing sectors arrayed against social and economic justice. And neoliberals? If, as we maintain, the Right is comprised of those forces that advance unfair power and privilege for the few against the dignity and equality of the many, we cannot understand and effectively challenge the Right without confronting neoliberalism. The neoliberal project overlaps and intersects with these factions on the Right (including erstwhile liberals), alternately engaging and enraging them. (For example, the Christian Right is largely on board with neoliberal economics, but promotes an interventionist role for government with respect to conservative morality. White nationalists celebrate neoliberal erosion of civil rights legislation but cannot stomach the Chamber of Commerce on immigration.)

Given the scope of our topic, we’ve broken with the The Public Eye’s usual format, opting instead for a collection of short essays. Without pretense of being comprehensive, the writings here (and on our website) offer a variety of perspectives on neoliberalism and the Right. These pieces seek to demystify “neoliberalism,” challenge the logic of neoliberal ideas that have come to take on the ring of common sense, and explore how neoliberalism is shaping civil society, politics, movements, and communities. Think of this issue, then, as a partial portrait of neoliberalism—in mosaic.

When, as Kim Phillips-Fein writes, a shy Austrian economist wrote the neoliberal manifesto The Road to Serfdom in 1944, it resonated with American business leaders angry with the way their power and profits had been limited by Roosevelt and the New Deal. Friedrich von Hayek’s vision of a market unfettered by taxes or regulations has since blossomed darkly into the deregulated global markets, vulture funds, the transfer of public goods and services into private corporate hands, and the near-total domination of workers and unions that Jean Hardisty describes. Hardisty challenges us to consider how right-wing strategy has changed, as an ascendant economic and political oligarchy bypasses and undercuts our imperfect democratic institutions with impunity.

Indeed, the notion of a free-market society has not only exacerbated economic injustice. It has also worked to undercut the power and potential of social movements and demands for systemic change, as Sarah Jaffe discusses in her critique of an elite feminism that pushes individual women to achieve greater success on par with men.

This emphasis on the individual is part of neoliberalism’s trickery; in fact, neoliberalism cares not for the welfare of the individual, as David Bacon powerfully documents in his piece and photographs on the post-NAFTA displacement of people across borders. The pervasive and effective denial of systemic racism has also become a tool for neoliberal policymakers; Howard Winant and Michael Omi describe the co-evolution of neoliberalism and colorblind racial ideology in the United States as mutually dependent and reinforcing ideologies.

Though neoliberals claim to support smaller government, policies such as the privatization (and even closure) of prisons merely redirect public resources and reallocate public costs, as Erica Meiners and Liat Ben-Moshe find. Just as neoliberal politicians try to shed responsibility for marginalized populations in need of basic public services, private employers evade responsibility for adhering to basic workplace fairness laws, as Darlene Lombs, Sarah Leberstein, and Elvis Méndez write. What’s more, in many areas, neoliberalism has come to dominate the agendas of both major political parties. As Frederick Clarkson shows, the “faith-based initiatives” of private religious groups siphoning federal dollars has continued from the Bush years with the full blessing of the current Democratic administration.

And there are even more perspectives for which we didn’t have the space in these pages. Don’t miss the additional essays published at www.politicalresearch.org, by Jane Slaughter, Craig Harshaw, Rich Meagher, and others.

The Right often achieves its peak effectiveness at the convergence point between the potential for private profit and the opportunity to maintain superiority over “others.” Examples include current public policy on immigration, reproductive justice, worker rights, and mass incarceration. PRA situates our work at such crossroads of exploitation and oppression/exclusion, and works with social justice movements to build power in the face of organized opposition. The total picture of where we are is still coming into focus, but these essays help us to see that moving forward from here requires grappling with—and overcoming—the influence of neoliberalism.

-Mariya Strauss and Tarso Luís Ramos
From the New Right to Neoliberalism, the Threat to Democracy Has Grown

The U.S. is in the grip of an unprecedented dominance of right-wing ideologies and policies. Many progressive commentators see that the same band of New Right actors that have long pushed a conservative agenda are up to their old tricks, trying to block any reformist progress under a Democratic president. But what we are experiencing now is not simply “more of the same.” There has been a political shift in the Right’s reigning ideology. The shift is from the Right’s fixation on capturing and consolidating power to establishing rule by the laws of unfettered capitalism.

The Right’s current success owes much to its persistent pursuit of a well-established social agenda and its increased emphasis on existing economic goals. To maintain that we are in the “old” struggle alone is to miss the rise of what we might call the Right’s “Chamber of Commerce” wing. This sector has a storied history that many people, aside from economists, often gloss over. Its current manifestation embraces a far-reaching, effective, and increasingly entrenched ideology: “neoliberalism.”

Political Research Associates and many others have documented the Right—from the 1970s and the rise of the New Right, to the reelection of George W. Bush in 2004, to the present moment. But it is wrong to think that our current condition is simply the triumph of the New Right coalition. The New Right used democratic processes to promote a reactionary, antidemocratic agenda: for example, use of the referendum, partisan redistricting, voter mobilization, new media outlets, and boycotts of companies that support gay rights or reproductive choice. Neoliberal political theory, in contrast, explicitly opposes democratic goals and principles.

WHAT IS NEOLIBERALISM?

Neoliberalism can be a difficult concept for most progressives, who may incorrectly understand it as a watered-down version of New Deal liberalism—in other words, part of the platform of the current Democratic Party. But that is not what neoliberalism is. Because neoliberalism best captures the shift we are seeing in the U.S., it is crucial that we understand its actual meaning.

Neoliberalism is the economic, social, and political analysis that best describes the startlingly unequal distribution of wealth and power in the U.S. today. Neoliberalism, and the policies it undergirds, results from the triumph of capitalism and is sometimes called “late-stage capitalism” or “super-capitalism.”

The roots of neoliberalism lie not primarily with the New Deal but in the years immediately after World War II, when a group of U.S. and European economists met to discuss how to prevent another Holocaust. They concluded that the only protection against dictatorship, fascism, or rule by military junta was individual freedom, which only a weak government and unfettered, free-market capitalism could preserve. As pure theory, this describes “classical liberalism,” best formulated by 17th-century English philosopher John Locke and 19th-century British philosopher John Stuart Mill. But, in practice, neoliberalism takes this theory to extremes. Unlike neoliberalism, classical liberalism neither explicitly opposes
democratic principles nor seeks to replace democracy with oligarchy.

A leading U.S. participant in the post-war economic think tank was University of Chicago economist Milton Friedman, who received intellectual guidance from group members Friedrich von Hayek, of Germany, and Ludwig von Mises, of Austria. They founded the Mont Pèlerin Society, which convened neoliberal leaders to discuss strategy and which continues to meet today. Friedman’s ideas became the guiding principles of U.S. neoconservatives, driving the economic “reforms” of the Reagan administration. These morally conservative former Democrats switched parties and embraced a “new” conservatism that sidelined blatant racism and anti-Semitism, and touted free-market capitalism.

Later in the 20th century, leftist scholars from emerging countries (and some wealthy ones) adopted the term “neoliberalism” as a pejorative to capture the policies of exploitation, privatization, and inequality imposed on them by the U.S. and other economic superpowers. This was done through trade agreements, and by the policies of the International Monetary Fund and the World Bank. Leftist U.S. scholars—perhaps most prominently, Noam Chomsky—adapted the term to describe the co-optation of economic and political institutions of developing nations.

Neoliberalism became characterized by the use of international loans and other mechanisms to suppress unions, squelch

*Hardisty, continued on page 10*
The Shell Game of Contingent Employment

When subcontractors, freelancers, and independent contractors get hurt or abused on the job, these workers are finding it harder to hold employers accountable. This is no accident—it’s a direct result of a neoliberal labor agenda.

In 2011, Host Hotels & Resorts, Inc., a corporate partner of the Marriott hotel chain, used a general contractor that it had hired to renovate guest rooms at the Host-owned Copley Marriott in Boston. A convoluted web of subcontractors emerged, as the general contractor subcontracted the work to several other companies, and some of that subcontracted work was then further subcontracted, with more than a dozen firms working on the same project.

A state-led, multi-agency investigation found that 15 contractors on the project committed a wide array of labor law violations. Workers from a church-sponsored rehabilitation project in Philadelphia were paid only four dollars an hour—just half the state minimum wage—and no overtime, though they were required to work 12-hour days and more than 60 hours per week. All told, contractors failed to report or pay taxes on more than $1 million in wages, and at least one of them failed to maintain workers’ compensation insurance policies for the hazardous work. They misclassified many of the workers as independent contractors, thus evading tens of thousands of dollars more in unemployment insurance taxes, workers’ compensation premiums, and employer-side taxes, while stripping workers of basic workplace rights.

Because so many layers of contractors were involved in the project, investigators had difficulty determining which ones could be held responsible for the violations. Host Hotels, which ultimately benefited from the sub-minimum wages and tax evasion, asserted that it had no legal obligation to the workers and should not be held liable for any of the violations committed by the subcontractors or their subcontractors.

Companies at every possible level of the project avoided accountability for the mistreatment of the workers. Despite having found that 15 companies had broken the law and abused their workers, authorities only held three subcontractors to the most immediate sanction—stop work orders. The general contractor neither faced significant penalties nor admitted wrongdoing. As a summary of the investigation put it, “The issue of which entity was legally the employer and responsible for the wages was never resolved.”

Companies pass on liability to their subcontractors, making it hard to identify the boss. Photo courtesy of Greg Wass.

AN OLD NEOLIBERAL PARADIGM

We increasingly see businesses like the Marriott (and corporate partner Host Hotels) seeking to shed the burden of government regulation by passing off liability to intermediaries such as staffing agencies, or by falsely claiming that no labor laws apply at all because the workers are either independent contractors or corporations in business for themselves. By restructuring work relationships in these ways, some of the nation’s largest corporations aim to shift much of their workforce outside the scope of employment laws and employment taxes that apply to “employees”—as defined by labor laws that still presume a conventional workplace, with one employer and the on-site workers the employer directly hires.

This shift in work structures, combined with increased attacks on the labor movement and the de-funding of the nation’s labor enforcement agencies, has depressed workers’ income and weakened their ability to claim basic workplace rights like overtime pay and health and safety protections. Outsourcing and independent contractor misclassification have also drained millions from local, state, and federal coffers, undermining the social safety net just as workers need its protection even more. The isolation from fellow workers that the “independent contractor” designation engenders cuts against workers’ ability to organize to challenge abuses re-
sulting from subcontracted work structures.

Reorganization of work structures also acts to direct workers’ anger away from the company calling the shots (such as a general contractor) and onto the direct employer, or even to the workers themselves, who may believe their situation stems from their own failings as independent business people. All of these factors undermine workers’ ability to organize into unions and worker collectives, one of the fundamental goals of neoliberalism and its pursuit of an unregulated free market.

FREE MARKETS, UNFREE WORKERS

The rise to power of Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom ushered in a new era of economic policy. Minimal corporate taxation, privatization of public goods, and the deregulation of businesses became the dominant policies promoted for economic growth. The attacks against organized labor, progressive organizations, and community groups that opposed the new regime were brutal. The percentage of workers in unions plummeted.

Across the country, new formations emerged to try to deal with this onslaught of attacks on workers. Coalitions of organized labor, grassroots organizations, and worker centers began fighting back and winning campaigns through a combination of militant rank-and-file membership, intelligent planning, and strategic organizing. The target of these campaigns was often a clearly identifiable owner of the business, and so workers and community allies knew whom to hold responsible for the conditions of work. This, however, is no longer the case, as seen in the Copley Marriott and other examples where companies pass on liability to their subcontractors and outsourced agencies, making it difficult for workers to hold real employers accountable.

Such interruption in the employer-employee relationship is reminiscent of the neoliberal structural adjustment policies the World Bank and International Monetary Fund (IMF) have imposed on so-called developing countries. As the IMF and World Bank required national governments to loosen labor laws and other regulations to promote free trade and supposed foreign investment, corporations have similarly restructured the relationship between employer and employee to avoid government regulation altogether and to create confusion over who is responsible for workers. Ultimately, the result is the same: structural adjustment and debt repayment policies have increased poverty and undermined local governments’ ability to provide basic health care, education, and employment for their citizens, while the restructuring of employer-employee relationships has helped create a shadow (or underground) economy free from regulation and has reduced the government’s ability to provide an adequate safety net for the growing low-wage, contingent workforce.

In Massachusetts, the Joint Task Force on the Underground Economy and Employee Misclassification has collected more than $55 million in the past five years from individuals and businesses that engage in strategies to avoid responsibility for their workers. The Task Force utilizes existing labor laws and regulations to recover nonpayment of wages and payroll taxes, licenses and permit fees, unemployment and workman’s compensation insurance, and other important monies owed to workers and the state. Despite its successes, the Task Force is limited by existing labor law and is unable to broaden its scope of accountability to include companies who surely profit from workers, but may not be legally defined as their direct employer.

TOWARD A NEW LEGAL FRAMEWORK

Extensive use of abusive subcontracting and misclassification schemes and other outsourcing tools are eroding the 80 years of labor protections that many have come to take for granted. Community Labor United and the Immigrant Worker Center Collaborative are working to close that accountability gap in Massachusetts with a new legal framework, being developed by the National Employment Law Project, that holds all entities in the labor supply chain responsible—whether they initiate the demand for the work, orchestrate a project, or directly hire and supervise the workers. We call this the “accountable employer” framework.

Accountable employers know what work is being performed, often control the conditions under which it is performed, and have the power to ensure compliance with labor laws and regulations. All entities and creators of supply chain or outsourced work arrangements would then be held liable for performing these key employer functions.

In the Copley Marriott case, the Accountable Employer framework would hold multiple parties responsible because of the labor violations they perpetrated. The Philadelphia church that supplied 4-an-hour workers would be accountable for creating and ending the employment relationship; the general contractor and its subcontractor would be accountable for managing the enterprise internally and externally; and Host Hotels would be accountable because it received the fruits of the workers’ labor.

Similarly, a new Accountable Employer statute would make a large corporate employer like Wal-Mart responsible for wages and working conditions in its supply chain even if it outsources much of the labor (and even management). Wal-Mart controls the timing and manner of delivery of the goods on its store shelves, decides how goods are handled when they are unloaded and delivered, and uses its market dominance to force contractors to keep costs as low as possible. Wal-Mart engenders labor violations in its supply chain and therefore should be on the hook for these abuses.

As corporations continue to look for ways to skirt government regulations and increase their profit margins, many will continue to hire intermediaries or misclassify workers as a way of outsourcing responsibility and escaping liability. This shift is part of neoliberalism’s broader political realignment towards deregulation of markets and the empowerment of corporations. However, employer accountability can be restored through legislation that holds all entities throughout the web of contractors and subcontractors responsible for their workers.

Darlene Lombos is the Executive Director of Community Labor United. She is also the Vice President of the Greater Boston Labor Council. Sarah Leberstein is a staff attorney at the National Employment Law Project (NELP). She advocates for policy reforms promoting the workplace rights of non-standard workers and enforcement. Elvis Méndez is a coordinator at the Immigrant Worker Center Collaborative in Boston, Mass.
Neoliberal Feminists Don’t Want Women to Organize

Lean any way you want; the view from the bottom of the economic system doesn’t change.

To say that Sheryl Sandberg ruined my life would be to make the same mistake that Sandberg herself makes—it would be to assume that the successes or failures of an individual woman, feminist or no, equal the successes or failures of feminism.

Nevertheless, writing about feminism and the workplace in the shadow of Lean In has been a task in itself. One must, it often seems, either define oneself as for or against Sandberg. Critique of her was critique of feminism, at least for the heady months around her book’s publication when well-known feminists felt compelled to take sides.

Sandberg is not herself the problem, but she exemplifies it in a way that has been instructive. When Jill Abramson was fired from her position as executive editor at the New York Times, she reported after she confronted the paper’s publisher over her discovery that her pay was less than that of her (male) predecessor, among the many outraged reactions from feminists was the response that leaning in doesn’t work after all. Abramson’s experience, similar to that of so many women, seemed a rebuke to the idea, promoted in Sandberg’s book, that individual women were holding themselves back. It reminded us that no matter how hard we try, sexism—sexism in the workplace—cannot be defeated individual success story by individual success story.

One of the insidious things about neoliberalism is how it has managed to absorb our vibrant, multifaceted liberation struggles into itself and spit them back out to us as monotone (dollar-bill-green) self-actualization narratives. The way this has happened to feminism is particularly illuminating. As I wrote in Dissent last winter, the so-called “second wave” of feminism fought for women to gain access to work outside of the home and outside of the “pink-collar” fields. Yet in doing so, as Barbara Ehrenreich has written, some feminists wound up abandoning the fight for better conditions in what had always been considered women’s work—whether that be as teachers and nurses, or the work done in the home for little or no pay.

In fact, the flight of middle-class women into the paid workplace left other women, namely domestic workers, cleaning up the mess left behind, and many of those middle-class women seemed unwilling to deal with the fact that they too, sometimes, could oppress. As Ehrenreich wrote in “Maid to Order,” a piece published in the anthology, Global Woman, which she co-edited with Arlie Russell Hochschild, “To make a mess that another person will have to deal with—the dropped socks, the toothpaste sprayed on the bathroom mirror, the dirty dishes left from a late-night snack—is to exert domination in one of its more silent and intimate forms.”

While some women have experienced the workplace as a site of liberation and increased power, for many others, the workplace was never a choice. Particularly for women of color, whose domestic work was excluded intentionally from New Deal-era labor laws, the workplace was and remains a site of oppression.

And to this day, women remain concentrated in the economy’s lowest-paying jobs—some two-thirds of minimum-wage workers are women, and three of the fastest-growing occupations in the country are retail sales, food service, and home health care, which are both low-wage and female-dominated jobs. Home health care workers, in many ways the face of the new service economy, were just ruled only “partial” public employees by the right-wing Roberts Supreme Court. More than 90 percent of them, according to the Economic Policy Institute, are female.

Those are jobs at which, no matter how hard one leans in, the view doesn’t change.

And these days, the conditions for more and more workers are beginning to resemble those at the bottom; fleeing the female-dominated workplace, rather than improving it, has left middle-class women more, not less, vulnerable. The devaluation of work that involves care, work for which women were assumed to be innately suited, continued apace when feminism turned its back. As other jobs have disappeared, the low wages that were acceptable when women were presumed not to need a “family wage,” because they ought to be married to a man who’d do the breadwinning, became the wages that everyone has to take or leave.

Though the movement for paid sick leave has gained some important wins in recent months and years, alongside a growing movement to raise the minimum wage, an expansive family policy that would actually allow more than a few days’ paid leave or allow workers more control over their own schedules remains a pipe dream.

Equal pay for equal work means little when the wages for all are on the way down. You would be hard pressed to find a self-proclaimed feminist, even of the most neoliberal variety, who doesn’t argue in favor of equal pay, but this fo-
cus has often served to stifle discussion of other concerns in the workplace. As Marilyn Sneiderman, lifelong labor organizer and director of the New Labor Center at Rutgers University, told me, the fight for fair pay might seem an individual struggle for high-end workers like Abramson, but for a hotel housekeeper, a nurse, a janitor, the best way to improve your job isn’t to get promoted through the ranks, but to organize with your fellow workers.

Neoliberal feminism is a feminism that ignores class as a determining issue in women’s lives. It presumes, as Tressie McMillan Cottom pointed out in an article on her personal website, that giving power to some women will automatically wind up trickling if not power, than at least some lifestyle improvements down to women with less power.  

This applies internationally as well as domestically. Nancy Fraser, in her book Fortunes of Feminism: From State-Managed Capitalism to Neoliberal Crisis, cites Hester Eisenstein’s argument that feminism has entered into a “dangerous liaison” with neoliberalism, embracing critiques of the state and men’s economic power that allowed for deregulation. Fraser sees neoliberal feminism embracing a pro-globalization mentality that regards women in the developing world as in need of “saving” by enlightened Western feminists.

Take Somaly Mam, the Cambodian NGO entrepreneur who built her career on her own fraudulent tale of being sex trafficked as a child. Westerners flocked to her story and her cause, joining her on trips to “save” women from brothels. Sheryl Sandberg was on the board of her foundation, alongside Susan Sarandon. Hillary Clinton was a fan. Mam’s rise to fame dovetailed with the rise, across the U.S., of an obsession with “saving” sex workers and increasing criminal penalties for sex trafficking.

Her fame attracted prominent feminists to a cause that continues, as Melissa Gira Grant writes in her book Playing the Whore, to be supported by the Religious Right and to criminalize women who are trying to make ends meet any way they can. Yet the solutions offered to the women saved by Mam’s organization (currently undergoing a name change after Newsweek published its exposé of Mam’s fabrications!) were mostly low-wage sweatshop jobs producing clothing for Western consumption. As Anne Elizabeth Moore, who has spent years working in and reporting on Cambodia, writes in Salon of Mam’s organization and others like hers, “What they do is normalize existent labor opportunities for women, however low the pay, dangerous the conditions, or abusive an environment they may be. And they shame women who reject such jobs.”

This is neoliberal feminism at its finest. As Gira Grant writes, the idea that women in Cambodia—or in the United States—can organize themselves and change their working conditions is almost always absent from the conversation.

Selma James, one of the founders of the 1970s Wages for Housework movement and a leader in the Global Women’s Strike, criticized how some feminists turned grassroots organizing projects into “jobs for the girls” as a way for some women to have power by creating mechanisms to save others. In today’s political climate, we must be wary of claims that feminism is best served by increasing the power of individual (white, middle-class) women, and questions over whom they exercise that power. We must understand the difference between power for a few and a real change in how power affects us all.

Sarah Jaffe is an independent journalist and the co-host of Dissent magazine’s Belabored podcast. Her work has appeared in The Nation, the Washington Post, the Atlantic, In These Times, The Week, and many other publications. You can follow her on Twitter @sarahljaffe and find all her work at adifferentclass.com
Beyond Prisons, Mental Health Clinics: When Austerity Opens Cages, Where Do the Services Go?

Neoliberal policies that result in institutional closures carry a cost, too. Could communities seize the moment to redirect resources toward self-determination and liberation?

In 2012, in a strange moment of jubilation for anti-prison activists, Illinois governor Pat Quinn proposed the closure of two adult prisons, two juvenile detention centers, and six adult transition centers (ATC). Though the decision was met with fierce opposition from labor unions representing prison workers, as well as some surrounding community members, and from the “law enforcement” community, by 2014 Illinois had nevertheless closed seven correctional facilities.

As part of the Quinn administration’s larger policy aim to balance the budget, the state also aimed to close facilities housing people with disabilities and to move people into smaller community-based settings—a process often called deinstitutionalization. By 2014, this “rebalancing initiative” aimed to close four State Operated Developmental centers (SODCs) serving people with intellectual and developmental disabilities and two psychiatric hospitals.

These shifts are partly a result of the cluster of economic and political policy changes—including decentralization, privatization, and free-market reforms—that began in the U.S. in the 1960s and strengthened with the election of Ronald Reagan and are often described as neoliberalism. While these facilities were not closed to advance the people’s well-being, the shuttering of these oppressive structures offers a cause for celebration but also a caution. This is especially true if incarceration is defined more widely to include not only prisons but institutions that house people with disabilities, juvenile detention centers, and more.

While these neoliberal policies may inspire some to celebrate the closure of institutions such as prisons and SODCs, this jubilation is tempered. Prison closure means more resources are needed in public community services. These include: mental health clinics; personal assistance services (for people with disabilities); affordable and accessible housing and meaningful public education as alternative ways of dealing with difference and harm; and increasing the life chances and opportunities of many, particularly the poor, disabled, and/or communities of color. Yet such services are shrinking instead of growing during these times of closure.

The shuttering of public institutions that regulate the lives of the most marginalized communities is an uneven, but strong, nationwide trend. A 2012 report by The Sentencing Project states: “In 2012, at least six states have closed 20 prison institutions or are contemplating doing so, potentially reducing prison capacity by over 14,100 beds and resulting in an estimated $337 million in savings.” Between 2010-2011, 1,069 public schools closed, primarily in urban communities of color across the nation. Public housing vaporized, losing a quarter million housing units over the last decade, according to political scientist Edward G. Goetz, author of New Deal Ruins: Race, Economic Justice, and Public Housing Policy.

ENDING CONFINEMENT—OR JUST CUTTING FUNDS?

Through one lens, today’s closures suggest to some observers that the prison nation is retreating—loosening its grip on those it has historically targeted for surveillance, confinement, and punish-
As people move between different forms and scales of cages, and as patterns of surveillance and punishment morph, new forms of capture do emerge—yet resistance is also possible.

The Land of Lincoln spends $90K to imprison youth Only $6,110 to educate

Photo courtesy of Project NLA, which advocates for community-based justice models in Chicago.

ment. Natasha Frost, Associate Dean at Northeastern University’s School of Criminology and Criminal Justice, even went so far as to state in the New York Times in 2013, “This is the beginning of the end of mass incarceration.”

Yet if imprisonment is understood to include other sites of enclosure like psychiatric hospitals and large state institutions for people with disabilities, then the decline in incarceration began in the 1960s. In 1955, the state mental health population was 559,000, nearly as large (if measured on a per capita basis) as the prison population today. By 2000, it had fallen to below 100,000. In addition, by 2011, eleven states had closed all state-operated institutions for people with intellectual/developmental disabilities.

The earlier exodus of people identified with mental and physical disabilities from state institutions was the result of two things: policy that aimed to cut funding to these public facilities, and massive organizing. Deinstitutionalization of those labeled as mentally ill or intellectually disabled during that era was fueled by grassroots mobilization by those most affected by the problems within institutions, as well as shift in professional opinion, major exposés of abuse, and activism (including in the legal arena) by family members of those with disabilities. For instance, in 1979, self-advocates (people with intellectual disabilities who engage in advocacy) in Nebraska held a press conference stating that all institutions should be closed and that people with disabilities have the right to live freely in communities of their own choosing. Although rationalized by the argument that people with disabilities need not be segregated from their peers in order to have access to the supports they need, these earlier waves of deinstitutionalization coincided with emergent shifts in governance—notably the privatization of public entities—and provided a prototype for future closures of all kinds of state institutions.

Today, states grapple with decarceral—offer an important window into our current political moment. They also offer a warning about the importance of thinking more critically about human capture and confinement and the use of public dollars. Populations in psychiatric hospitals began to plummet in the 1950s; deinstitutionalization in mental health was in full swing by the 1970s, when Reagan became the Governor of California and decided to close down all the state hospitals. Hardly a champion of the oppressed, Reagan referred to institutions housing people with mental disabilities in California as “the biggest hotel chain in the state.”

As political actors like Reagan began to champion closing the “hotels” of the state and argued for the end to “big government”—and indeed public resources for housing, healthcare, and social services shrank—support for policing and prisons grew. The era of the “carceral big government” exploded as the welfare state morphed into a more punitive set of institutions.
It is important to note that big government did not decline as Reagan’s “hotels” shut their doors. The shrinkage of the safety net from the Reagan era to the nineties, coupled with an expansion of corrections, created a trade-off between social services and incarceration. In Punishing the Poor, sociologist Loïc Wacquant documents that in 1980, public housing received federal funding of 27.4 billion dollars, while the federal budget for corrections was 6.9 billion (not including spending on police or courts). By 1990, funds for public housing had been reduced to 10.6 billion dollars, while the corrections budget rose to 26.1 billion (and then almost doubled again by 1995). In essence, by the nineties, resources for jails and prisons exceeded support for public housing programs in the U.S., at a moment when housing assistance was especially needed because of the reduced economic support for poor families.

A CHANCE TO REINVEST

Today, closures of mental health clinics and schools in Chicago are not necessarily leading to the rise of penal “big government,” as rebalancing also includes cuts in prison spending. As with earlier deinstitutionalization movements, this is an opportunity for jubilation but also a time for analysis and radical activism. While the rhetoric of the earlier era was (and for many still is) that “big government” must be dismantled, in reality the government did not shrink—nor did people necessarily become freer. Today, even as prisons are included in these forms of “downsizing,” without public investment in public services—neighborhood schools, housing, and health services—racialized and ableist forms of capture and confinement continue.

In this current moment of state supported institutional closures, learning from earlier organizers’ engagements with the state’s deinstitutionalization initiatives is crucial. As early as the 1970s, disability advocates recognized that the devil was in the details. The closure of an institution did not mean the budget of that institution was then transferred to community services.

Closures didn’t automatically translate into people’s liberation or the end of confinement. Monies that had been utilized for the care of people with disabilities either disappeared from the budget altogether or remained for the upkeep of institutions, even those with a very small number of residents. Former Commissioner of the Massachusetts Department of Youth Services Jerome Miller, who closed down all juvenile detention centers in Massachusetts in the 1970s, observed that when institutions began to close in New York State and Pennsylvania, while thousands of patients were left with little housing or treatment options in the community, the budget for the de-populated hospitals actually increased (at the beginning stages of deinstitutionalization). Miller notes that although most “mental patients” left the institutions in past decades, the staff, resources, and budgets remained tied to the institution and not available for community use.

Alternatives emerge when facilities shut their doors. Closures, as prison justice organizer Angela Davis suggests, provide an opportunity for not only a “radical imagining” of the kind of social landscape desperately needed—but also the moment to build it. As people move between different forms and scales of cages, and as patterns of surveillance and punishment morph, new forms of capture do emerge and yet resistance is also possible. The state often refuses to offer services in place of the ones that were shuttered, leaving the responsibility to the individual (or her family and the market). This is a moment to collectively demand, fund, and build public infrastructure that will move everyone closer towards a world that does not rely on segregation and confinement, or access to private capital, as its mode of dealing with structural inequities.

Erica R. Meiners teaches and organizes in Chicago. A Professor of Gender and Women’s Studies and Education at Northeastern Illinois University, she is author of the forthcoming Intimate Labor (University of Minnesota Press), which explores how ideas of children contributed to the build-up of the U.S. prison nation. Liat Ben-Moshe is an Assistant Professor of Disability Studies at the University of Toledo. Her work examines the connections between prison abolition and deinstitutionalization in the U.S. Ben-Moshe is the co-editor of Disability Incarcerated: Imprisonment and Disability in the United States and Canada (Palgrave McMillan 2014) and an upcoming issue of Women, Gender, and Families of Color.

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regulation, elevate corporate privilege, privatize public services, and protect the holdings of the wealthy. As U.S.-backed policies and puppet politicians were labelled “neoliberal” by scholars, the term became widely-recognized shorthand for rule by the rich and the imposition of limits on democracy. Neoliberalism has now come home to roost, with the people of the U.S. subject to its policies and goals. Here in the United States, we are increasingly not a democracy but a country ruled by an oligarchy. Neoliberals most often exercise power in the U.S. not by working through the International Monetary Fund, the World Trade Organization, or the World Bank, but rather by shifting rule from the people to corporations. Voting rights, reproductive rights, the right to a fair and just legal system, a strong and effective safety net for the poor, and even the right to a secular state are all under attack.

AUSTERITY AT HOME AND ABROAD

Democratic principles are now under attack. Voting rights (an issue that many thought to be settled through Supreme Court decisions and the remarkable organizing of the Civil Rights Movement) are being limited. A constant drumbeat of the message of scarcity and debt helps “smaller government” neoliberals to justify putting additional budgetary restrictions on government agencies and functions. (A recent example of this was the 2012 “sequestration” passed by Congress, which imposed draconian cuts on federal agencies even as private financial service corporations enjoyed record profits.) In its Citizens United decision, the Supreme Court made legal the right of an individual or corporation to exercise disproportinate influence in elections. The “established” right of women to have access to safe and legal abortion is increasingly diminished; moreover, our intelligence services can monitor our most personal movements seemingly without limit or public justification. These trends all point to the Right’s attacks on democracy’s very core.

Today, the neoliberal Right has succeeded in making weak and ineffectual the policies that have long kept the forces of capitalism at least somewhat in balance with commitments to human rights.

Three additional examples illustrate
how neoliberals have, by seizing the policy-making roles normally held by representative government, weakened democracy. We see growing dominance by the captains of capitalism in the Trans-Pacific Partnership (TPP), a trade agreement that elites representing business—including more than 600 from the U.S., and representatives from eleven other “democratic” and “free market” countries—are now negotiating. Excluded from this process are any elected representatives. The U.S. representatives, who are negotiating in secret, are primarily corporate lobbyists, whose job is to oppose regulations and protect the aggregation of profit by their companies, and who are, almost by definition, neoliberals. What the rest of us know of the TPP negotiations comes from leaked documents. This closed decision-making process, which will affect the people of all twelve countries (the U.S., Brunei, Malaysia, Australia, Canada, Chile, Japan, Mexico, New Zealand, Peru, Vietnam, and Singapore) and more, involves only negotiators who support neoliberal principles. TPP’s proposed trade policies, which feature deregulated markets and bans on organizing and safety programs, reveal just how far neoliberals would go to impoverish workers and sideline efforts to promote the general good.

As currently conceptualized, TPP goes beyond North American Free Trade Agreement’s (NAFTA’s) promotion of prominent neoliberal policies through the export of jobs to low-wage countries and the simultaneous repression of union organizing. TPP would also ease restrictions on food safety, drug prices, and financial regulation, allowing corporations even greater freedom to make decisions that could harm consumers. It is possible that TPP, which Congress must ratify, will never be approved, despite President Obama’s commitment to “fast track” the agreement. A coalition of environmental and labor groups and 151 Congressional representatives has formed to oppose it. However, the media, by failing to cover the story, has left the general public uninformed.

Cloaked in even greater secrecy is the Trade in Services Agreement (TISA). This agreement would set the terms for cross-border “services,” from banking and construction to telecommunications and tourism. It would further deregulate the financial sector and prevent countries from imposing restrictions on foreign financial firms. Even as 50 countries have been in talks about TISA since 2012, all we know of TISA’s draft content is through the material that leaker Julian Assange published via WikiLeaks in June 2014.

A third example of neoliberalism’s opportunistic greed is the privatization of financial services, from banking to telecommunications and construction to telecommunications. “Services,” from banking and construction to telecommunications and tourism. It would further deregulate the financial sector and prevent

**CHALLENGING NEOLIBERALISM**

Some have argued that because “everyone was hurt” by the recent recession, it cannot be true that the current system is rigged to benefit the wealthy. Millionaires lost millions as the stock market crashed, businesses went into survival mode, banks had to be bailed out, and huge corporations nearly went under. But, as economist Philip Mirowski points out, “Unaccountably, the political right emerged from the tumult stronger, unapologetic, and even less restrained in its racapacity and credulity than prior to the crash.”

Banks, interest groups, corporations, the financial sector, and wealthy Republicans are still able to block attempts to restructure the economic system that brought us the crash. Even the reforms in the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, which were designed to correct the abuses of power that led to the recent recession, have done little to counter mounting inequality and the disproportionate political influence of the wealthy. The affluent in the U.S., as a recent study by political scientist Martin Gilens has demonstrated, dominate political and economic decision-making. The U.S. is drifting toward oligarchy, while people living here seem to lack the indignation and power to overthrow neoliberalism. Yet there are opportunities for resistance.

Jean Hardisty is the founder and President Emerita of Political Research Associates and a Senior Scholar at the Wellesley Centers for Women at Wellesley College.
T he privatization of public services has long been a feature of neoliberalism. It has also been part of the domestic and global agenda of the Christian Right, and more broadly, of conservative evangelicalism. The free-market agenda of the economic elite and the interests of elite evangelicalism found common cause and a historic opportunity during the Clinton administration. It is a relationship that continues to this day under the rubric of the Faith-Based Initiative.

The forerunner to this groundbreaking notion was injected into policy during the Clinton administration’s efforts to “change welfare as we know it.” Called Charitable Choice, it was the first time Congress gave explicit legislative direction to federal agencies to provide religious institutions with grants and contracts to carry out federal programs on an equal basis with other groups—without requiring that religious groups separate out their religious activities from [federally funded program] activities,” because such funding would violate the Constitution.

Senators John Ashcroft (R-MO) and Dan Coats (R-IN) led the successful effort to insert Charitable Choice into the 1996 welfare reform bill. The intentions of backers varied, as they still do, but the effect has been to begin to privatize government-funded services, and in particular to increase the capacity of conservative Christian institutions to provide such services in the U.S. and around the world. But its birth was a relatively quiet moment in American legislative history. As David Kuo, an aide to Sen. Ashcroft and later the Deputy Director of the original White House office of Faith-Based and Community Initiatives in the Bush administration, recounts, they picked the name “Charitable Choice” because it sounded innocuous. “It didn’t draw attention to anything religious,” he recalled:

Charitable choice was something anyone could support and few people could justify voting against. The name just worked. The bill was drafted within months. Most religious groups loved it. Scarcely a peep came from liberal advocacy groups. The lack of liberal objection likely also came from the perception that it was just a small, relatively insignificant amendment. The greatest pushback came from other compassionate conservatives who wanted the bill to allow for more religious content.

Once the Charitable Choice precedent was set, follow-up efforts to pass more expansive legislation did not succeed. But President George W. Bush was able to implement a more limited program via executive order, which was subsequently continued and expanded under President Obama. This effort created a dozen offices within the White House and a number of federal departments—most prominently, the Department of Health and Human Services (HHS), but also including the Departments of State and Homeland Security, as well as the Environmental Protection Agency and the Agency for International Development. These programs have taken money out of existing, primarily social service programs and redirected the funds to religious agencies. But since many of the conservative Christian bodies that wanted to receive Faith-Based Initiative funds lacked the institutional capacity and experience to be eligible, there was an early emphasis on training, capacity building, and technical assistance so that groups that wanted to become eligible could be shoehorned in.

This redirection of resources also tended to politically empower religious organizations and leaders, such as prominent evangelical pastor Rick Warren, whose economic view tends toward laissez-faire neoliberalism. Warren’s popularity has helped in recent years to strengthen the political constituency for free-market policies.

None of this was a coincidence, since one of the driving forces behind this reorientation of federal policy was a secretive, business-oriented network of conservative Christianity known as The Family. The group made news during the 2008 election campaign when such major figures as Hillary Clinton, Barack Obama, and John McCain were shown to have varying degrees of a relationship with the powerful network. Later, the sex scandal involving Sen. John Ensign (R-NV) was shown to involve a Family-owned condo called the C Street House, which also gained national notoriety.

THE FAMILY
Jeff Sharlet, in his 2008 book The Family: The Secret Fundamentalism at the Heart of American Power, exposed the historic relationship between elements of conservative Christianity and the anti-labor, anti-government deregulation agenda (and other elements) of the business lobby. Founded as a political network of anti-labor Christian businessmen, the organization has vastly expanded into a quiet, behind-the-scenes “old boys” network of people who use their personal relationship with Jesus to facilitate business and political dealings in the U.S. and many other countries.

Sharlet explained that “faith-based initiatives are as liberal as they are fundamentalist, their privatization of social services an exercise of the unstated conviction of classical liberalism that the free market is absolute and yet requires a government subsidy. They are to religion,” Sharlet continued, “what Clinton-era ‘free trade’ deals were to labor: a ‘rationalization’ in the name of ‘efficiency.’”
Indeed, the federal funds redirected to faith-based services have enjoyed a certain *de facto* exemption from standard levels of accountability and transparency. The notion of exemptions for religious organizations from federal laws and policies has been expanded in the wake of the *Hobby Lobby v. Burwell* decision of the U.S. Supreme Court. The *Hobby Lobby* decision likely portends future efforts to widen the range of exemptions along with the range of organizations qualified to claim them.

Just as neoliberals claim that the free market is more “efficient” than government, there has been a similar claim about faith-based social service delivery. But there was little evidence for this. Indeed, John DiIulio Jr, the first director of the faith-based office under President Bush, has said there is no evidence that faith-based agencies perform any better than non-religious providers of social services.

Similarly, David Kuo revealed that there was no evidence to support another of the claims used to justify Charitable Choice, (later renamed the Faith-Based Initiative)—that there was discrimination against religiously based grant applicants, particularly with regard to hiring practices. In many ways, they were proposing a solution in search of a problem. “Alarmed, we looked under every rock and rule and regulation and report. Finding these examples became a huge priority. Without them, the powerful political rhetoric of government discrimination against faith-based groups of religious hiring would have to disappear… If President Bush was making the world a better place for faith-based groups, we had to show it was a really bad place to begin with. But in fact, it really wasn’t that bad at all.”

Kuo later became disaffected, and wrote a book about it. He had hoped that Bush’s campaign promise of “compassionate conservatism”—providing $8 billion new dollars for fighting poverty in the U.S.—would come true. But he found himself helping to fund ineffective, religiously based abstinence and AIDS education programs in the U.S. and in Africa, as well as millions going to religiously based, anti-abortion crisis pregnancy centers in the U.S., also for abstinence education. Millions more have been diverted from Medicaid programs to fund heterosexual marriage promotion via state affiliates of Focus on the Family (FOF) and the Family Research Council (FRC). Kopsa reported, for example, that The Family Leader, a politically important Christian Right organization in Iowa (and the state FOF and FRC affiliate), took $3 million in federal funds to conduct “Healthy Marriage Workshops” while simultaneously waging a campaign to amend the state constitution to ban same-sex marriage. “After being outed in the press as an HHS grantee in 2010,” Kopsa reported, “the group denied using federal money inappropriately but requested to opt out of their last year of funding.”

And all this happened even as the Obama administration strengthened the proscription against federal funding of abortion. The Obama administration, in the course of seeking to pass the Affordable Care Act, declared its intention to make the legislation “abortion neutral.” Yet in a remarkably Orwellian redefinition of “neutral,” it adopted the anti-abortion provisions of the Hyde Amendment, which in the 1970s had proscribed using federal Medicaid funds to provide abortions. As a presidential candidate, Obama promised to clean up the faith-based program and hold federal grantees accountable. “If you get a federal grant, you can’t use that grant money to proselytize to the people you help and you can’t discriminate against them,” Obama said during a July 2008 campaign speech. But a 2014 investigation by Andy Kopsa in *The Nation* magazine found that “little has changed.”

Kopsa writes: “An entire federally funded evangelical economy took root during the Bush years, and under Obama it continues to thrive.” Kopsa documented, for example, tens of millions of dollars going to fund ineffective, religiously based abstinence and AIDS education programs in the U.S. and in Africa, as well as millions going to religiously based, anti-abortion crisis pregnancy centers in the U.S., also for abstinence education. Millions more have been diverted from Medicaid programs to fund heterosexual marriage promotion via state affiliates of Focus on the Family (FOF) and the Family Research Council (FRC). Kopsa reported, for example, that The Family Leader, a politically important Christian Right organization in Iowa (and the state FOF and FRC affiliate), took $3 million in federal funds to conduct “Healthy Marriage Workshops” while simultaneously waging a campaign to amend the state constitution to ban same-sex marriage. “After being outed in the press as an HHS grantee in 2010,” Kopsa reported, “the group denied using federal money inappropriately but requested to opt out of their last year of funding.”

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**TRANSPARTISANSHIP**

Kuo, like Ashcroft and Coats, was a member of The Family (aka The Fellowship), a semi-secret society of what Sharlet calls “elite fundamentalists.” Since its founding as an anti-labor organization of Christian businessmen in the early 20th century, The Family has grown to become a behind-the-scenes network of power and influence extending across party lines. In many ways, it is as transpartisan as neoliberalism itself and an increasingly important transmitter of neoliberal ideology.

The Family’s most public role is as the host and organizer of the National Prayer Breakfast, at which every president since Eisenhower has been a featured speaker. But The Family mostly functions as a quiet broker of conservative Christian ideas, personnel, and relationships. Sharlet describes the morphing of elite business and Christian fundamentalism this way: “[E]lite fundamentalism, certain in its entitlement, responds in this world with a politics of noblesse oblige, the missionary impulse married to military and economic power. The result is empire. Not the old imperialism … Rather the soft empire of America that across the span of the twentieth century recruited fundamentalism to its cause even as it seduced liberalism to its service….”

The use of religious institutions to promote the privatization of a variety of government services has been shrouded in a faith-based fog. As David Kuo observed, it became easier for political appointees to direct federal funds to politically favored groups while resisting press and Congressional scrutiny. And, as Andy Kopsa demonstrated, transparency and accountability are shockingly lacking, even in an administration that has promised both.

It should be a matter for public debate that political appointees in both parties are not only diverting federal funds to pursue political agendas well beyond the intent of Congress but also are deepening the government’s reliance on religious institutions as service providers. These trends do not seem to be aberrations and glitches in a fresh approach to the delivery of government services so much as a transpartisan program of neoliberal transformation of our government’s functions at all levels.

*Frederick Clarkson, a senior fellow at PRA, is co-founder of the group blog Talk To Action and the author of Eternal Hostility: The Struggle Between Theocracy and Democracy (Common Courage Press, 1997).*
We had some happy clients when we found out they wouldn’t have to pay the North Carolina estate tax,” Elizabeth Quick, an estate lawyer in Winston-Salem, North Carolina, told Forbes magazine in July 2013. The state’s Republican governor, Pat McCrory, had just signed a repeal of the estate tax that removed the obligation for one wealthy family to pay more than $2 million, and another family $680,000, into state coffers.

So that those two families (plus around 20 others) could keep the entirety of their estates intact, the governor and state legislature eliminated the Earned Income Tax Credit, depriving 907,000 low-income North Carolinians of state funds that many counted on to pay their utility bills and rent.

Tax cuts for the wealthy are a common Republican tactic, but this wasn’t just a Republican maneuver. McCrory and the GOP-dominated legislature were just getting started on a set of policy changes reflective of a comprehensive and far-reaching neoliberal agenda. Within the first 50 days of the 2013 legislative session, the lawmakers, whose campaigns had been backed by some of the wealthiest families in the state, enacted a string of new laws that transfer wealth from poor to rich.

The state moved to refuse federal dollars for expanding Medicaid to cover 500,000 more people under the Affordable Care Act; suppress the vote with a restrictive voter ID law; cut off unemployment benefits for 170,000 North Carolinians; and slash teacher salaries to bring North Carolina to 46th place nationwide for teacher pay.

These policies were among the wishes of Art Pope, a retail tycoon and former state representative whose interest in politics is so keen that he became McCrory’s state budget director (a position from which Pope just stepped down amid controversy over how concentrated his power had become). Pope—a long with organizations such as the (billionaires and political allies of Pope) Koch brothers’ Americans for Prosperity—exerts such influence on Gov. McCrory and state legislators that even some Republicans in the state have suggested it is too much. In one egregious example, in 2013, Pope entered the statehouse during debate on a bill that would have allowed public funding of campaigns for judgeships and collared a GOP lawmaker who was considering a compromise, reminding the lawmaker of Pope’s past contribution to his campaign and thus personally ensuring the bill’s death.

Pope also funds NC-based think tanks—such as the Civitas Institute and the John Locke Foundation—that generate research to support the neoliberal agenda that has, in two short years, come to dominate the political process in North Carolina. “He drives the budgetary policy goals of this administration,” complained one anonymous North Carolina Republican lobbyist to the Washington Post in July 2014.

But a grassroots movement is underway to fight back against Pope and the free-market incursions he and other neoliberals are making against the state's hard-won policies for racial and economic justice. Tapping into the same religious core that fueled the Civil Rights Movement, state NAACP President Rev. Dr. William Barber II has energized a broad swath of people in the state to take to the streets at least 70 times since 2012 to say that enough is enough. Rallying thousands of North Carolinians around a 14-Point People’s Agenda, the Moral Marches (or Moral Mondays, as they were first popularly dubbed) have come to be seen as a touchstone for a renewed social justice movement across the South. As Barber prepared to spread a message of hope and democracy through a week of actions that took place Aug. 22-28 in Raleigh and other Southern state capitals, he talked with me about North Carolina’s free-market ideology and how it has already affected the people who live there. Barber, referring to the billionaire-backed Tea Party, the national group that pushes free-market policies at the local and state level, says these past two legislative sessions have been a “coordinated,
premeditated attempt to undermine progress and engage in regressive Tea Party policies.”

“This is really Robin Hood in reverse,” Barber told me. “It is government of business, bought by business, for business. And not just business—because lots of business leaders disagree with them—but this is Tea Party greed. This is Koch brother-type greed.”

Barber bristles, though, at the notion that conservatism or partisan politics are at the root of the problem. “I fuss against these terms ‘liberal’ versus ‘conservative,’” he says, “because I want to conserve the essence of our Constitution and then liberally make sure everybody has access to them. What we’re dealing with is extremism, and you can’t just define it as ‘conservative.’”

At the local level, says Barber, the state legislature’s extreme adherence to free-market neoliberal policy is gutting the state’s public school system. “Five thousand teachers being fired, being removed, and local school boards decrying [this] because of the impact that it was having on classroom sizes and students,” he says.

Barber adds that, because of the salary cuts, he sees teachers actively leaving North Carolina. “In fact,” he said, “one state, Texas, sent memos out and said if you’re in North Carolina, come to Texas. And you know that’s kind of sad, considering Texas’s regressiveness, when they actually can offer teachers more than North Carolina.”

Barber also described the legislature’s attempt to shift $10 million earmarked for public schools to voucher programs that could only be used to pay for private schools. In shifting these public funds into private hands, says Barber, the legislature refused to require that private schools benefiting from the vouchers maintain the same non-discrimination standards that public schools must uphold, meaning that private schools receiving voucher funds would have been allowed to restrict enrollment however they chose. A Superior Court judge declared on Aug. 21 that the state’s school voucher program is unconstitutional, citing the lack of accountability inherent in the program, and issued a permanent injunction stopping the voucher program from going forward.

Art Pope and the Tea Party aren’t just alienating teachers and progressives, says Barber. They are also alienating Republicans across the state. Barber says that the legislature and McCrory never made clear, even to their own constituents, what they were planning to do once they achieved a supermajority in the statehouse and won the governorship. “They did not run say, ‘Elect me, I’m going to take your health care, cut your public education; access to healthcare for all; fairness in the criminal justice system; and protection and expansion of the right to vote and attempt to use your power to stay in office. And then, after you’ve done all of that to create all this tension, ensure that everyone has access to guns easier than they have access to the polls. Now, that sounds crude and sinister, but those are their policies.”

Having set this grim scene, Barber continued with a surprisingly upbeat message: “Whatever we’re facing now, it’s not greater than slavery, it’s not greater than Jim Crow, it’s not greater than women being denied the right to vote. We won those battles. But we did not win those battles by merely engaging in political arguments. We had to tap into the moral and social consciousness of the nation.”

“I am hopeful,” he went on, “because I believe in the deep moral consciousness at the heart of America. Those of us who believe in justice and who believe in freedom, we are the heartbeat of this nation. Our role now is to be like a social defibrillator, to shock the heart of the nation, to cause it to revive and to remember what the real enemy is: regressive extremism. And it’s not just about winning all the elections, but changing the context in which our politicians have to operate.”

Barber said he hopes that the momentum of the Forward Together Moral Movement (as one of the core groups organizing Moral Marches is currently called) will spread. He sees it moving across the South from North Carolina to help change the political context and create the possibility for the state NAACP’s 14-Point People’s Agenda to be written into legislation both in North Carolina and beyond. The Agenda includes anti-poverty, pro-labor policies; equality and equitable distribution of resources in public education; access to healthcare for all; fairness in the criminal justice system; and protection and expansion of the right to vote and the rights of immigrants.

Barber acknowledges that the neoliberal forces in his state—and across the country—remain powerful. “We’ve got to fight in the courts, we’ve got to fight the legislative halls, we’ve got to fight in the streets, we’ve got to push at the pulpit, and we have to work at the ballot box,” he says. “If we do all of this with what I call a moral critique, so we’re not trapped with the language of Republican versus Democrat, I believe we can continue to work towards the reconstruction of this nation.”

Mariya Strauss is a Maryland-based writer and editor. You can follow Mariya on Twitter at @mariyastrauss.
How Colorblindness Co-Evolved with Free-Market Thinking

As White supremacists shifted tactics in response to mass social movements, they needed a mass electoral base. Neoliberals helped build it for them—and colorblindness helped wipe out some inconvenient historical truths.

The hegemony of neoliberal economics is matched and underwritten by the racial hegemony of colorblindness. In the U.S., neoliberalism is as much a racial project as a class project. Although it was developed by big capital, it owes its ascent to the mass electoral base that only right-wing racial ideology could provide. It is the convergence of neoliberalism with colorblindness—the right-wing racial ideology of the post-civil rights era—that accounts for the success of neoliberalism.

In order to acquire a mass base, neoliberalism had to undo the New Deal coalition, which had held power—under both Democratic and Republican administrations—from the 1930s to the 1970s. The New Deal had been politically and morally complicit with Jim Crow and indeed could not have been implemented without deference to the “solid South.” But in the post-World War II period, and in many ways because of the war itself, that complicity was no longer politically viable. The Black Movement challenged it and ultimately overthrew it, splitting the Democratic Party in the process and transferring the South, as Lyndon Johnson lamented, to the Republican column. The rise of neoliberalism in the United States depended on the containment of the political challenge of the Black Movement and other social justice movements: other movements of people of color, the Feminist Movement, and eventually the environmental and LGBTQ movements, as well.

Containment meant more than restricting the reach of demands for greater racial equality and for a vastly expanded democracy. It also meant resisting the demands of the 1960s movements for the redistribution of wealth and power. The threat that the Black Movement and its allies posed to the New Deal coalition was quite severe. It involved the prospect of a full-fledged social democratic system in the United States, serious commitments to full employment, substantial curtailment of U.S. imperial adventures, and recognition of race- and gender-based demands for full-scale social equality and inclusion.

Capital, the Republican Party, and the Right Wing of the Democratic Party all united against those demands. Colorblind politics were developed from about 1970 as the post-civil rights racial ideology of this new coalition, this new power-bloc. As colorblindness became hegemonic, this new racial ideology incubated and buttressed neoliberalism, as well.

GENEALOGY OF COLORBLIND POLITICS

During the 1970s, neoliberal politics was invented through a series of experiments with racial reaction. These experiments took form as “massive resistance,” the rise of the “New Right,” and neoconservatism. Nothing in the early phases of racial reaction pointed toward what would become “colorblind” racial ideology. The initial response to civil rights demands had been driven by racist rage and full-throated rejectionism in the form of massive resistance. After segregation was ruled illegal by the Supreme Court, southern states and local governments sought to outflank Brown and the decisions that followed it through a strategy of education privatization. (Incidentally, massive resistance anticipated many of today’s battles over public education, engineering closures of public school systems and establishing private, largely White, schools.)

But the massive resistance approach, for the most part, collapsed quickly. It was opposed by the majority of Americans; private segregationist groups, it turned out, could not afford to dispense with public education; and the federal government acted to undo massive resistance, albeit unevenly. In response to this failure, the organized opposition to civil rights reform had to regroup.
White supremacists had to make strategic concessions to win allies outside the South and to operate effectively within the national party system (both parties). The core task they faced was developing a New Right. This required what we call rearticulation. This concept refers to the ideological appropriation of elements of an opposing position.

In the early post-civil rights years, the New Right learned to make use of the deep-seated racism of the White working and middle classes, without explicitly advocating racial “backlash.” The rise of code words strategies was the first attempt at this. It was an effort to race-bait less explicitly, while making full use of the traditional stereotypes. Code words like “get tough on crime” and “welfare handouts” reasserted racist tropes of Black violence and laziness, often without having to refer to race at all.

But the use of code words was ultimately inadequate. Code words could not mobilize a mass base for racial reaction, especially one that would incorporate not only Whites of the Jim Crow South but also centrist Whites across the nation.

In order to reach out further, the New Right developed the ideologically grounded reverse racism (or reverse discrimination) framework. This took shape over the 1970s. Reverse racism had several advantages over code words. The most important of these was the claim that racially inclusive reform policies—notably affirmative action—were unfair to Whites: they were portrayed as “punishing” Whites who were merely seeking a job, admission to a university, or a federal contract. In seeking to overcome the legacy of past racism, it was charged, Whites needed protection from “unfair” claims on the part of Blacks or other people of color. The agenda was to consolidate and expand the New Right’s mass base among Whites without appealing to racist tropes as the code words approach had done. Attacking affirmative action and other civil rights reforms as unfair to Whites (as “racial quotas” and supposedly “preferential treatment” of non-Whites, etc.) worked to defend existing systems of racial inequality and domination much more effectively than use of code words.

Reverse racism and Colorblindness

The concept of “reverse racism” was presented to Whites as an effort to protect them from “unfair” claims on the part of Blacks or other people of color. The agenda was to consolidate and expand the New Right’s mass base among Whites without appealing to racist tropes as the code words approach had done. Attacks on racial reform efforts were crucial. His iconic comment in his first inaugural address—“In this present crisis, government is not the solution to our problem; government is the problem”—distilled a political orientation that was hostile to civil rights, the welfare state, taxation (though Reagan did raise taxes several times), and unions.

George H. W. Bush maintained this approach, balancing the “mainstream” Republicanism of Wall Street with the New Right ferocity of his political gunslinger, Lee Atwater. Atwater became famous for the Willie Horton political ads (on behalf of Bush) and the “White hands” ads (on behalf of reactionary North Carolina Senator Jesse Helms). These attacks on presidential candidate Michael Dukakis and on North Carolina senatorial candidate Harvey Gantt invoked centuries-old racist themes: the criminal Black predator and the unqualified (presumably “lazy” and undeserving) Black worker, respectively. Without explicitly stating it, Republicans were coming out in opposition to civil rights and to racial equality while reframing themselves as the White people’s party.
Bill Clinton brought a more Democratic version of neoliberalism to the political arena. He campaigned for reelection in 1996 on a promise to “end welfare as we know it.” Propelled by the Civil Rights Movement in the 1960s, Lyndon Johnson had expanded the Aid to Families with Dependent Children (AFDC) program. Thus the Great Society had partially undone the New Deal’s exclusion of Blacks and Latinos from the welfare system. Commonly known as “welfare,” AFDC was the principal source of federal aid for poor people. It was the only federal program that directly provided cash entitlement valued by Whites that Clinton had successfully applied to a program associated with Blacks.

Obama has also been under constant pressure to restrict entitlements, and he has sometimes capitulated to this pressure. Well-aware of the cauldron of racist animus that bubbles beneath the hegemonic racial ideology of colorblindness, Obama has avoided racial politics as far as possible. And like Clinton, he has deployed a more liberal version of neoliberalism, so to speak. We can question his judgment, but like him, we must recognize both the hegemony of colorblindness and the hegemony of neoliberalism—in other words, the combined power of structural racism and capital.

In its abandonment of all egalitarian social policy commitments in favor of a “free market” ideology (which was anything but free in practice), in its repudiation of the welfare state, in its passionate embrace of market fundamentalism, neoliberalism struck at the heart of the Black Movement’s demands for economic redistribution and political inclusion. Adopting the evolving racial “common sense” of colorblindness, neoliberalism was able to build a mass base composed of working- and middle-class Whites who were threatened by racial equality and racial democracy.

These Whites, or their parents and grandparents, had benefited from the welfare state under the New Deal when it was a Whites-only affair (and when it was quite anti-immigrant as well). But when the Black Movement and its allies sought to extend the welfare state to communities of color—when in the mid-1960s they sought to lift New Deal restrictions on social investment in those communities—many Whites got off the freedom train.

Neoliberalism gave its adherents permission to ignore the “others”: the darker nations, the poor, both of the United States and the entire planet. It required colorblind racial ideology for this purpose.

PRIVATIZING WELFARE

Although it assisted many Whites as well, AFDC was seen as a Black program. It had always been means-tested, unlike Social Security itself and Medicare, which were “entitlements.” It was punitive and was subject to constant right-wing stigma, but it stood in sharp contrast to the 1935 law, which had been crafted by Dixiecrats and western Republicans to exclude Black and Brown recipients, in provisions FDR had never questioned.

Clinton’s proposal substituted for AFDC the much more punitive Personal Responsibility and Work Opportunity Act (PWORA), which effectively privatized the welfare system. This was neoliberalism with a Democratic face.

George W. Bush implemented a hard-core neoliberal agenda that outdid Reagan on several fronts. He attempted to privatize Social Security. His effort failed, but only because it sought to apply the same rough treatment to an entitlement valued by Whites that Clinton had successfully applied to a program associated with Blacks.

Michael Omi is Associate Professor of Ethnic Studies and the Associate Director of the Haas Institute for a Fair and Inclusive Society (HIFIS) at the University of California, Berkeley. Howard Winant is Professor of Sociology at the University of California, Santa Barbara, where he is also affiliated with the Black Studies, Chicana/o Studies, and Asian American Studies departments. Winant is the founding director of the University of California Center for New Racial Studies (UCCNRS), and the author of a number of books, including The New Politics of Race: Globalism, Difference, Justice (UMinn Press, 2004).
Globalization and NAFTA Caused Migration from Mexico

When NAFTA was passed two decades ago, its boosters promised it would bring “First World” status for the Mexican people. Instead, it prompted a great migration north.

Rufino Domínguez, the former coordinator of the Binational Front of Indigenous Organizations, who now heads the Oaxacan Institute for Attention to Migrants, estimates that there are about 500,000 indigenous people from Oaxaca living in the U.S., 300,000 in California alone.¹

In Oaxaca, some towns have become depopulated, or are now made up of only communities of the very old and very young, where most working-age people have left to work in the north. Economic crises provoked by the North American Free Trade Agreement (NAFTA) and other economic reforms are now uprooting and displacing these Mexicans in the country’s most remote areas, where people still speak languages (such as Mixteco, Zapoteco and Triqui) that were old when Columbus arrived from Spain.² “There are no jobs, and NAFTA forced the price of corn so low that it’s not economically possible to plant a crop anymore,” Domínguez says. “We come to the U.S. to work because we can’t get a price for our product at home. There’s no alternative.”

According to Rick Mines, author of the 2010 Indigenous Farm Worker Study,
“the total population of California’s indigenous Mexican farm workers is about 120,000. A total of 165,000 indigenous farm workers and family members in California.” Counting the many indigenous people living and working in urban areas, the total is considerably higher. Indigenous people made up 7% of Mexican migrants in 1991-3, the years just before the passage of the North American Free Trade Agreement. In 2006-8, they made up 29%—four times more.

California has a farm labor force of about 700,000 workers, so the day is not far off when indigenous Oaxacan migrants may make up a majority. They are the workforce that has been produced by NAFTA and the changes in the global economy driven by free-market policies. Further, “the U.S. food system has long been dependent on the influx of an ever-changing, newly-arrived group of workers that sets the wages and working conditions at the entry level in the farm labor market,” Mines says.

The rock-bottom wages paid to this most recent wave of migrants—Oaxaca’s indigenous people—set the wage floor for all the other workers in California farm labor, keeping the labor cost of California growers low, and their profits high.

**LINKING TRADE AND IMMIGRATION**

U.S. trade and immigration policy are linked. They are part of a single system, not separate and independent policies. Since NAFTA’s passage in 1993, the U.S. Congress has debated and passed several new trade agreements—with Peru, Jordan, Chile, and the Central American Free Trade Agreement. At the same time, Congress has debated immigration policy as though those trade agreements bore no relationship to the waves of displaced people migrating to the U.S., looking for work. Meanwhile, heightened anti-immigrant hysteria has increasingly demonized those migrants, leading to measures to deny them jobs, rights, or any equality with people living in the communities around them.

To resolve any of these dilemmas, from adopting rational and humane immigration policies to reducing the fear and hostility towards migrants, the starting point must be an examination of the way U.S. policies have produced migration—and criminalized migrants.

Trade negotiations and immigration policy were formally joined together by the Immigration Reform and Control Act (IRCA) of 1986. Immigrants’ rights activists campaigned against the law because it contained employer sanctions, prohibiting employers for the first time on a federal level from hiring undocumented workers and effectively criminalizing work for the undocumented. IRCA’s liberal defenders argued its amnesty provision justified sanctions and militarizing the border, as well as new guest worker programs. The bill eventually did enable more than 4 million people living in the U.S. without immigration documents to gain permanent residence. Underscoring the broad bipartisan consensus supporting it, the bill was signed into law by Ronald Reagan.

Few noted one other provision of the law. IRCA set up a Commission for the Study of International Migration and Cooperative Economic Development to study the causes of immigration to the United States. The commission held hearings after the U.S. and Canada signed a bilateral free trade agreement, and made a report to President George H.W. Bush and Congress in 1990. It found that the main motivation for coming to the U.S. was poverty. To slow or halt the flow of migrants, it recommended that “U.S. economic policy should promote a system of open trade … the development of a U.S.-Mexico free trade area and its incorporation with Canada.” But, it warned, “It takes many years—even generations—for sustained growth to achieve the desired effect.”

The negotiations that led to NAFTA started within months. As Congress debated the treaty, then-Mexican President Carlos Salinas de Gortari toured the United States, telling audiences unhappy at high levels of immigration that passing NAFTA would reduce it by providing employment for Mexicans in Mexico. Back home, he made the same argument. NAFTA, he claimed, would set Mexico on a course to become a first-world nation.

“We did become part of the first world,” says Juan Manuel Sandoval of Mexico’s National Institute of Anthropology and History. “The back yard.”

**INCREASING PRESSURE**

NAFTA, however, did not lead to rising incomes and employment in Mexico, and did not decrease the flow of migrants. Instead, it became a source of pressure on Mexicans to migrate. The treaty forced corn grown by Mexican farmers without subsidies to compete in Mexico’s own market with corn from huge U.S. producers, who had been subsidized by the U.S. Agricultural exports to Mexico more than doubled during the NAFTA years, from $4.6 to $9.8 billion annually. Corn imports rose from 2,014,000 to 10,330,000 tons from 1992 to 2008. Mexico imported 30,000 tons of pork in 1995, the year NAFTA took effect. By 2010, pork imports, almost all from the U.S., had grown over 25 times, to 811,000 tons. As a result, pork prices received by Mexican producers dropped 56%.

According to Alejandro Ramírez, general director of the Confederation of Mexican Pork Producers, “We lost 4,000 pig farms. Each 100 animals produce 5 jobs, so we lost 20,000 farm jobs directly from imports. Counting the 5 indirect jobs dependent on each direct job, we lost over 120,000 jobs in total. This produces migration to the U.S. or to Mexican cities—a big problem for our country.”

Once Mexican meat and corn producers were driven from the market by imports, the Mexican economy was left vulnerable to price changes dictated by U.S. agribusiness or U.S. policy. “When the U.S. modified its corn policy to encourage ethanol production,” he charges, “corn prices jumped 100% in one year.”

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**“We come to the U.S. to work because we can’t get a price for our product at home. There’s no alternative.”**

—Rufino Domínguez, director of the Oaxacan Institute for Attention to Migrants
NAFTA then prohibited price supports, without which hundreds of thousands of small farmers found it impossible to sell corn or other farm products for what it cost to produce them. Mexico couldn’t protect its own agriculture from the fluctuations of the world market. A global coffee glut in the 1990s plunged prices below the cost of production. A less entangled government might have bought the crops of Veracruz farmers to keep them afloat, or provided subsidies for other crops.

But once free-market structures were in place prohibiting government intervention to help them, those farmers paid the price. Campesinos from Veracruz, as well as Oaxaca and other major corn-producing states, joined the stream of workers headed north.11 There, they became an important part of the workforce in U.S. slaughterhouses and other industries.

U.S. companies were allowed to own land and factories, eventually anywhere in Mexico. U.S.-based Union Pacific, in partnership with the Larrea family, one of Mexico’s wealthiest, became the owner of the country’s main north-south rail line and immediately discontinued virtually all passenger service.12 Mexican rail employment dropped from more than 90,000 to 36,000. Railroad workers mounted a wildcat strike to try to save their jobs, but they lost and their union became a shadow of its former self.

According to Garrett Brown, head of the Maquiladora Health and Safety Network, the average Mexican wage was 23% of the U.S. manufacturing wage in 1975. By 2002, it was less than an eighth. Brown says that after NAFTA, real Mexican wages dropped by 22%, while worker productivity increased 45%.13

ATTRACTING INVESTORS, REPELLING WORKERS

Low wages are the magnet used to attract U.S. and other foreign investors. In mid-June, 2006, Ford Corporation, already one of Mexico’s largest employers, announced it would invest $9 billion more in building new factories.14 Meanwhile, Ford closed 14 U.S. plants, eliminating the jobs of tens of thousands of U.S. workers. Both moves were part of the company’s strategic plan to cut labor costs and move production. When General Motors was bailed out by the U.S. government in 2008, it closed a dozen U.S. plants, while its plans for building new plants in Mexico went forward without hindrance.15 These policies displaced people, who could no longer make a living as they’d done before. The rosy predictions of NAFTA’s boosters that it would raise income and slow migration proved false. The World Bank, in a 2005 study made for the Mexican government, found that the extreme rural poverty rate of around 37% in 1992-4, prior to NAFTA, jumped to about 52% in 1996-8, after NAFTA took effect. This could be explained, the report said, “mainly by the 1995 economic crisis, the sluggish performance of agriculture, stagnant rural wages, and falling real agricultural prices.”16

By 2010, 53 million Mexicans were living in poverty, according to the Monterrey Institute of Technology—half the country’s population.17 The growth of poverty, in turn, fueled migration. In 1990, 4.5 million Mexican-born people lived in the U.S. A decade later, that population more than doubled to 9.75 million, and in 2008 it peaked at 12.67 million. Approximately 9.4% of all Mexicans now live in the U.S., based on numbers from Pew Hispanic. About 5.7 million were able to get some kind of visa; but another 7 million couldn’t, and came nevertheless.18

From 1982 through the NAFTA era, successive economic reforms produced migrants. The displacement had already grown so large by 1986 that the commission established by IRCA was charged with recommending measures to halt or slow it. Its report urged that “migrant-sending countries should encourage technological modernization by strengthening and assuring intellectual property protection and by removing existing impediments to investment” and recommended that “the United States should condition bilateral aid to sending countries on their taking the necessary steps toward structural adjustment.” The IRCA commission report acknowledged the potential for harm, noting “in the mildest, most ineffecual language possible” that “efforts should be made to ease transitional costs in human suffering.”19

In 1994, however, the year the North American Free Trade Agreement took effect, U.S. speculators began selling off Mexican government bonds. According to Jeff Faux, founding director the Economic Policy Institute, a Washington, DC-based progressive think tank, “NAFTA had created a speculative bubble for Mexican assets that then collapsed when the speculators cashed in.”20 In NAFTA’s first year, 1994, one million Mexicans lost their jobs when the peso was devalued. To avert a flood of capital to the north, then-U.S. Treasury Secretary Robert Rubin engineered a $20 billion loan to Mexico, which was paid to bondholders, mostly U.S. banks. In return, U.S. and British banks gained control of the country’s financial system. Mexico had to pledge its oil revenue to pay off foreign debt, making the country’s primary source of income unavailable for the needs of its people.

As the Mexican economy, especially the border maquiladora industry, became increasingly tied to the U.S. market, tens of thousands of Mexican workers lost jobs when the market shrank during U.S. recessions in 2001 and 2008. “It is the financial crashes and the economic disasters that drive people to work for dollars in the U.S., to replace life savings, or just to earn enough to keep their family at home together,” says Harvard historian John Womack.21

IMMIGRANTS, MIGRANTS, OR DISPLACED PEOPLE?

In the U.S. political debate, Veracruz’ uprooted coffee pickers or unemployed workers from Mexico City are called immigrants, because that debate doesn’t recognize their existence before they leave Mexico. It is more accurate to call them migrants, and the process migration, since that takes into account both people’s communities of origin and those where they travel to find work. But displacement is an unmentionable word in the Washington discourse. Not one immigration proposal in Congress in the quarter century since IRCA was passed has tried to come to grips with the policies that uprooted miners, teachers, tree planters, and farmers. In fact, while debating bills to criminalize undocumented migrants and set up huge guest worker programs, four new trade agreements were introduced, each of which has caused more displacement and more migration.20

David Bacon is a California writer and photographer. His latest book is The Right to Stay Home (Beacon Press, 2013).
BY KIM PHILLIPS-FEIN

Friedrich von Hayek, Thomas Piketty, and the Search for Political Economy

Seventy years after the Right embraced von Hayek’s manifesto, does Piketty’s rock-star reception portend a new revolution?

A European economist travels to America to give a few lectures on his new book, recently published by a university press. Although a successful scholar, he is hardly a celebrity, especially in the United States. Yet almost as soon as he arrives, this economist is swept into a book tour exceeding any author’s wildest dreams—crowds of thousands at his public talks, generous offers from wealthy donors to continue and expand the work, and reprints in popular magazines.

The story is drawn from the life of Austrian economist Friedrich von Hayek, who visited the United States in 1945 to publicize his book *The Road to Serfdom*, considered today as one of the foundational texts of neoliberalism. But it also resonates with the more recent example of Thomas Piketty, the French academic whose 577-page *Capital in the Twenty-First Century* has been on the New York Times bestseller list for 16 weeks (as of this writing) following its publication in April 2014. Piketty’s American tour this past spring became a news story as much as his book: he met with Treasury Secretary Jacob Lew and the Council of Economic Advisers and appeared on Stephen Colbert, and *Business Week* ran a cover feature on “Pikettymania.”

At first glance, Hayek and Piketty seem to have nothing in common. Writing in the wake of the Great Depression and in the middle of World War II, Hayek argued that even as the United States, United Kingdom, and the USSR were allies in a fight against Nazi Germany, the real threat to civilization was the move toward economic planning and regulation embodied by the New Deal. “We have progressively abandoned that freedom in economic affairs without which personal and political freedom has never existed in the past,” he wrote. Piketty’s project is entirely different: it is to document the history of inequality over the course of the 20th century; to show that the gap between rich and poor (and especially between the very rich and the rest of the society) has been widening rapidly, especially in recent years; and to argue that the general tendency of capitalism itself may be to generate ever-higher levels of inequality unless political institutions and taxes exist to counteract this. Hayek hardly saw economic inequality as a problem; for Piketty, it is the primary threat to social cohesion and democracy.

Yet the two actually have more in common than might appear, for both books suggest the deeply political nature of economic life.

Hayek’s American journey followed several years of frustration for the Austrian economist. As chronicled by historian Angus Burgin in his study *The Great Persuasion*, Hayek found himself outmatched in the early 1930s by John Maynard Keynes (his academic rival), as Hayek’s criticism of government involvement in the economy became increasingly out of place in the context of the Great Depression. He began to search for a way to update the old liberal creed of economic liberalism and opposition to the power of the state. As hard as it may be to believe today (as neoliberalism occupies a dominant place in American policy circles), neoliberal thought was born out of a sense that the earlier wave of economic liberalism had collapsed in the Depression years.

Instead of rigidly insisting on economic individualism, Hayek tried to reframe the issues in terms of the need to protect the fragile, creative spontaneity of the marketplace. The real danger of the welfare state and economic planning, according to Hayek, was that no matter how well-intentioned its advocates (the “totalitarians in our midst,” as he put it) might be, they would lead Britain and the United States down a path ending in political disaster.

His book had some difficulty finding an American publisher but was eventually taken on by the University of Chicago Press, which planned an initial print run of 2,000 for release in September, 1944. Front-page reviews in the *New York Times Book Review* and other publications boosted interest—and only a few weeks after publication, the Press had to scramble to get out a second, then a third, edition.

Imagine the shy Austrian’s surprise when he arrived in the United States for a five-week book tour in April, 1945, and was met by a crowd of 3,000 at an early speaking engagement at New York’s Town Hall, also broadcast over the radio. Conservative businessmen who had been deeply frustrated by the rise of labor unions and expansion of government regulation during the New Deal had been eager to find what one referred to as a “‘bible’ of free enterprise,” a book that could articulate the underlying principles of capitalism in the rhetoric of freedom, giving them a way of opposing the new order without appearing motivated solely by self-interest. Hoping to find ways to limit labor’s reach and undermine the welfare state, these businessmen were thrilled to discover *The Road to Serfdom*.

The book also owed much of its success to *Reader’s Digest*, which published a condensed version for its readership of 8 million people; *Look* magazine printed a handy cartoon version, which was then
Hayek was a little chagrined by this success; he worried that he would no longer be taken seriously by scholars, that his admirers in the business community had discarded the subtlety of his arguments. But he was also happy to accept a position—financed by one of the early conservative foundations—at the Committee of Social Thought at the University of Chicago. While a bit wary of his business supporters, he was also aware of the potential for an alliance with them. As he wrote in the preface to *The Road to Serfdom*, “When a professional student of social affairs writes a political book, his first duty is to say so. This is a political book.”

It might have been hard for Hayek, writing in 1944, to imagine the world of 2014 into which Piketty's book appeared. One of Piketty's major claims is that the level of inequality in a society is determined by politics and social norms—the deregulation of finance, the political mobilization of the wealthy, and even the dominance of the free-market ideas that Hayek once championed—all of which have given rise to the ascendance of the super-elite.

The differences between the two books are not just about their arguments, or even their politics. They’re also methodological: Piketty is an empiricist, whose major contribution lies in his assembling of massive quantities of statistical information about economic inequality. Like Hayek, he was at odds with the economics profession even before his book was published, alienated even as a young assistant professor at the Massachusetts Institute of Technology by its retreat into mathematics and avoidance of history and politics.

Hayek became a theorist, even a polemicist, eschewing narrow mathematical arguments but also by and large avoiding data altogether. Overlooking any possibility that corporations or inequality might limit freedom, Hayek argued that the heavy hand of the state was all that people had to fear.

However, Piketty's success, like that of Hayek, comes in part because of his willingness to write about the economy as a political space. As he suggests, economic inequality is a topic far too important to be left to economists. It's a subject with which everyone is intimately familiar, affecting our most basic choices about work, consumption, family, and identity.

At first glance, Hayek and Piketty seem to have nothing in common. However, Piketty's success, like that of Hayek, comes in part because of his willingness to write about the economy as a political space. As he suggests, economic inequality is a topic far too important to be left to economists. It’s a subject with which everyone is intimately familiar, affecting our most basic choices about work, consumption, family, and identity.
2. David Harvey, A Brief History of Neoliberalism (Oxford University Press, 2005), 19-38.  
9. The Dodd-Frank Act was designed to rein in the financial sector that has been made dangerously unfettered by the defanging and ultimate abolishment of the Glass-Steagall Act in 1999. Lobbyists for the financial industry have largely succeeded in getting Dodd-Frank watered down, especially targeting the powers of the Consumer Financial Protection Bureau, the brainchild of now-Senator Elizabeth Warren. See Bob Irvine, The Seven Sins of Wall Street: Big Banks, Their Washington Lackeys, and the Next Financial Crisis (Washington, DC: Public Affairs, 2014).  

Lombos, Leberstein, and Méndez, p.4  

Jaffe, p.6  

Ben-Moshe and Meiners, p.8  
4. “Fiscal Year 2013 Budget.”  
6. Governor Quinn’s Rebalancing Initiative.”

Clarkson, p.12  
3. The Family.  
15. Kuo, Tempting Faith.


Strauss, p.14


Bacon, p.19


12. Bacon, Illegal People, 58.


21. Bacon, Illegal People, 64.

Phillips-Fein, p.22


3. Hayek, Road to Serfdom, 199.


8. Burgin, Great Persuasion, 100-1.

9. Hayek, Road to Serfdom, xiv.


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The Art of Activism

Spotlighting the efforts of artists and organizations who are engaged in the struggle for social justice and are helping build the movement through their work.

For more than 30 years, David Bacon has been writing about and photographing people who are displaced by poverty in Mexico and choose to cross into the United States in search of a better life. David writes:

"For me, photography is a cooperative project. For over a decade, I’ve worked with the Binational Front of Indigenous Organizations, a Mexican migrant organization, and California Rural Legal Assistance to document this contradiction. The photographs shown on the border wall, ‘En los Campos del Norte (In the Fields of the North),’ are drawn from this long-term project. They show poverty, the lack of housing for many people, and the systematic exploitation of immigrant labor in the fields. But through the photographs and accompanying oral histories, migrants also analyze their situation. They demand respect for their culture, basic rights, and greater social equality. People in Tijuana are pretty familiar with working conditions in California, and most people I met looking at the show had actually been there, many as workers. The images, therefore, underline the need to change reality, and appreciate our mutual humanity and the importance of our labor.

For three decades, I’ve used a method that combines photographs with interviews and personal histories. Part of the purpose is the “reality check”—the documentation of social reality, including poverty, homelessness, migration, and displacement. But this documentation, carried out over a long period of time, also presents some of the political and economic alternatives proposed by people who are often shut out of public debate. It examines their efforts to win the power to put some of these alternatives into practice. I believe documentary photographers stand on the side of social justice—we should be involved in the world and unafraid to try to change it.”

"En los Campos del Norte (In the Fields of the North)" is an exhibition of photographs of farm workers in the U.S., almost all migrants from Mexico, taken by David Bacon (shown here). The photographs are hung on the iron bars of the border wall between Mexico and the U.S., in Playas de Tijuana on the Mexican side.