

# **Can Corporate Power Be Controlled? Steps Toward A Constructive Liberal-Left Alliance**

G. William Domhoff  
Department of Sociology  
University of California, Santa Cruz

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## **ABSTRACT**

This document suggests possible steps that might make it possible for liberals and leftists to work together on economic programs and thereby have more success. However, the most immediate goal would be to reach out to more centrists and moderate conservatives in order to halt the ongoing move to the right. There are three basic issues — electoral strategy, the role of social movements, and the need for a new model for a future economy. The discussion starts with an argument as to why leftists should proudly adopt the identity of “Democrat” and organize themselves into clubs within the Democratic Party, which could present new programs and run candidates in primaries when and where it seems appropriate. An analysis of social movements then explains why they can be more valuable than many liberals have acknowledged, but only when they embrace strategic nonviolence as their only method of social disruption. Finally, a new framework for thinking about an egalitarian economy is presented, one that would allow liberals and leftists to work together even while disagreeing for the time being about just how egalitarian and cooperative that economy could become. The difficulty of creating such an alliance after decades of failure cannot be minimized or underestimated. These suggestions draw upon, update, and somewhat modify the views presented in two previous commentaries on social change that were written in the context of events and circumstances at earlier major junctures in the twenty-first century (Domhoff, 2003, 2009).

## INTRODUCTION

Based in good part on findings within the subfield of sociology known as power structure research, it is my conclusion that the United States is dominated by a corporate-based power elite that work through an armada of lobbyists, a policy-planning network of foundations think tanks, and policy-discussion groups, and financial involvement in the moderate and conservative wings of both major political parties (Domhoff, 2014, for a summary of the evidence and argument). This does not mean the power elite have control of what everyday people think, say, and do, or that they win on each and every issue. Instead, it means that they have been able to shape the general economic and political framework in such a way that they benefit far beyond their contribution to the collective good, and that they win far more often than they lose on most of the issues that could make life so much better for the everyday people they defeat. Dominance also means that rules and regulations favoring the corporate rich are carried out by most people, if not always believed in, with relatively little resistance.

It is also highly likely that corporate dominance is greater in the United States than in most democratic countries for a variety of historical reasons. They start with the original division of the country into Northern and Southern political economies and the creation of a set of electoral rules that unexpectedly led to a near-inevitable two-party political system, with the Northern rich originally dominating one party and the Southern rich having at the least veto power in the other party until the civil rights revolution gradually undermined their position. The exceptional power of American corporate owners and managers is best shown in a shorthand way with “who benefits?” indicators of power, such as the income and wealth distributions. Both have become increasingly concentrated in the top 5%, 1%, and .05% since at least the late 1970s, and wages have been flat for at least half of wage-earners since that time (e.g., Domhoff, 2017; Piketty, Saez, & Zucman, 2016; Wolff, 2017, Chapters 2 and 15)

Due to this mix of structural and historical forces, along with the racial and ethnic divisions among workers due to the legacy of slavery and immigration patterns, it has been difficult for those who work with their hands in fields, factories, and service occupations, or do white-collar work such as sales and office work, to create organizations of their own, such as unions and political parties, which have had a major impact in some Western European countries. Given all these obstacles, it is not easy to challenge the power elite in the United States in the name of greater economic equality and opportunity under the best of circumstances.

Nonetheless, liberals and leftists have been doing battle with the power elite since at least the late nineteenth century, nipping away at corporate dominance and trying to expand opportunity and inclusion in a variety of ways. By liberals I mean those people who are for gradual changes (usually through education, lobbying, and elections), which would lead to rules and regulations that would curb the worst excesses of the corporations and

provide much greater social benefits, such as health care and social security, through government regulation or direct government delivery of services. The people I am calling liberals are almost entirely within the Democratic Party, although in the past they have sometimes strayed temporarily to a protest-type third party. Leftists, on the other hand, are strong egalitarians who want to go beyond what liberals advocate to dismantle corporate power and facilitate the creation of far more power and social cooperation among those on the lower levels of the socioeconomic ladder. In the past, they believed that capitalism could be replaced with a system of non-market planning called socialism, in which income-producing private property would be abolished and everyone in the society would have a say in what is produced and how it is distributed — through involvement in democratic planning and in the election of their representatives to government. Today leftists are more likely to call themselves “progressives” or “anti-capitalists,” and may or may not still believe that any form of socialism is feasible. Leftists almost always support one or another third party, although a few have been a small part of the Democratic Party as members of the Democratic Socialists of America. Leftists have a wide range of views, and some of the old divisions have broken down, but they share the common social identity that they are “not liberals.”

In focusing on liberals and leftists, I am not ignoring organized labor. Instead, I am assuming that most leaders within the union movement, and much of the rank-and-file, are either liberals or leftists, an assumption that fits even better with today’s labor movement than the one of the 1960s. At the same time, I recognize that there are many white members of unions who vote Republican, especially among white males. With the large decline in unions, even more white blue-color and white-collar workers seem to be voting for Republicans, including Trump in the 2016 elections.

Since the rise of the various strands within the right, and the forging of a corporate-conservative alliance within the Republican Party many decades ago, neither liberals nor leftists have had much success on economic issues. Nevertheless, I think those who would like to decrease, control, or dismantle corporate dominance could do better. The power elite is not invincible. Perhaps it looks that way at first, at least in part because both its liberal and leftist opponents frequently make political mistakes that give the corporate-conservative alliance openings to counterattack. Moreover, they seldom cooperate in a sustained and mutually reinforcing way, and often work at cross purposes on class-based and economic issues, even though they share a general commitment to greater fairness in the economy and strong agreement on the need to eliminate racism, sexism, homophobia, and many other social ills.

This document raises questions about the efforts of both liberals and leftists over the past 40 years. It suggests several new directions and key compromises that might make it possible for them to work together on economic issues and thereby have more success in creating greater equality and opportunity. However, in making these suggestions for new directions and compromises, I do not want to give the impression that it would be a

simple matter to bring about a common effort by liberals and leftists, any more than it would be easy to tame, reduce, or dismantle corporate power under the best of political circumstances.

Although there are few indications of any re-thinking of their antagonistic relationship by either liberals or leftists, I believe this could be a time in which both sides might be open to more dialogue. To begin with, the rise of the corporate-conservative alliance since 1968 has been a disheartening experience for everyone left of center and by now has reached new heights of extremism. Then, too, it may be sobering for both liberals and leftists to realize that the right is in good part successful because its moderate and extreme wings have been able to stay together to a great extent and do battle with each other within the Republican Party. Finally, it may be even more chastening to realize that the longstanding differences between leftists and liberals contributed to George W. Bush's victory in 2000 because votes for Ralph Nader on the Green Party ticket by just enough leftists — and yes, maybe a few liberals, too — cost the Democrats the electoral votes they needed in New Hampshire or Florida to retain the presidency. If there was ever a train wreck that should have led people to say, “never again, let's talk,” that was it. Recent history might well have been very different if Albert Gore had won.

It is within this depressing context, reinforced by the demonization of Hillary Clinton and the costly votes for the Green Party in Michigan and Wisconsin in 2016, it could be that liberals and leftists might be willing to re-think several key issues and seek out ways to cooperate while competing with each other on an intellectual level over ultimate goals. The process would have to begin with certain major changes in strategy — but not in values and goals — by leftists, so the starting point of each discussion that follows will be on what leftists need to do.

Then liberals would have to respond with some leftward compromises that would not violate their key premises of constitutionalism, representative government, the separation of state and civil society, and the freedom to buy and sell in the market. That is, they would have to agree that there is room for far more economic egalitarianism within a constitutional democracy such as the United States than they have heretofore contemplated. In the words of political scientist Richard J. Ellis (1998), I am suggesting a “liberal egalitarianism.”

There are three basic issues — electoral strategy, the role of social movements, and the need for a new model for a future economy. Theoretically speaking, these three issues are at different levels of analysis, or at least in different ballparks, so I can see no logical starting point that leads smoothly from one to the other. I therefore have organized my comments in the order that probably would be used if conflict-resolution negotiators were trying to create step-by-step agreements between longstanding antagonists, who have been unable to reach any common ground on their own. That is, I start with an argument as to why leftists should organize themselves within the Democratic Party and try to transform it, followed by an analysis of why social movements are more valuable than

many liberals have acknowledged, but only when they embrace strategic nonviolence and abandon any form of property destruction or physical attacks on law enforcement personnel or rightists, or anyone else. Finally, I suggest a new framework for thinking about an egalitarian economy that would allow liberals and leftists to work together even while disagreeing for the time being about just how egalitarian and cooperative that economy could become.

## **RETHINKING ELECTORAL POLITICS**

When it comes to electoral politics, leftists have two strong tendencies. One is to minimize or reject the role of electoral politics in bringing about social change, and instead focus on building unions and social movements. The other is to opt for third parties — the Socialists, the Communists, the Trotskyists, the Progressives, Peace and Freedom, the Citizens Party, the Labor Party, the New Party, the Green Party — when they do enter the electoral arena. As I've already said, I think leftists are right that social movements are a more important part of the equation for social change than many liberals believe, but any leftists who think that electoral politics have not mattered to these social movements are wrong. In fact, quite the opposite is the case. Moreover, the electoral politics that have mattered the most have taken place through the Democratic Party, as seen most dramatically in the development of the union movement during the New Deal and the legislative successes of the Civil Rights, feminist, environmental, and gay-lesbian movements since the 1960s, with the help of Democrats.

The insistence of the leftists who do enter the electoral arena on putting large amounts of energy into building one or another third party ignores the fact that the leftists who failed in the past were just as hard-working and resourceful as they are. Reading the histories of some of those prodigious efforts, such as the Progressive Party of 1948, is a humbling experience. Further, opting for third parties implies a rejection of the cross-national and historical studies of electoral systems that show beyond the shadow of a doubt that there are clear structural reasons why third parties do not make sense in the United States. A vote for a left party truly is a vote for the Republican Party because the United States has a single-member-district plurality system. This system leads inexorably to two pre-electoral coalitional parties wherever it exists, although there is an occasional regional or ethnically based third party that survives in some countries. The situation is even worse in the case of the United States because of the tremendous pull of the presidential elections, which are a giant single-member-district plurality election based on the whole country. As proven once again by Donald Trump, the power that goes with the presidency means that anyone serious about contending for power cannot afford to allow their rivals to win the presidency, and thus there is an even greater tendency to form pre-electoral coalitions. Third parties are therefore even smaller and more ephemeral in the United States than in countries with parliaments and single-member plurality electoral districts (Domhoff, 2003, Chapter 2, for a summary of the evidence).

When leftists ignore these structural constraints, they end up creating divisions among all those who are left of center and thereby risk hurting average people's short-run interests by electing right-wingers. It is not a matter of being "spoilers" for Democratic Party candidates, as Ralph Nader (2002) wrongly cast the problem before and after the 2000 elections, but of ignoring the issues on which low-income people, people of color, women, and religious minorities feel they would suffer if Republicans like George W. Bush and Donald Trump are elected — and how right they turned out to be. But if any of the many dozens of well-known and highly visible left strategists who supported Nader have changed their general theoretical views on third parties, there has been little sign of it.

Furthermore, there is solid evidence that the Democratic Party now could be transformed into a nationwide liberal-left party, thanks to the use of primaries and the successes of the civil rights movement in forcing the racist white Southern Democrats who used to control the party into the Republican Party. In addition, the "party" is no longer really a party in the usual sense of the term, but a government controlled pathway into government. It is just a structural shell, and in this structural sense the label "Democrat" is the name for one of two legislated avenues into elected office. Anyone can register to be a member, and anyone can run in the primaries. Winners in the primaries put their co-workers into leadership positions in the party. The "party leaders" that allegedly control the Democratic Party are in good part the employees of the successful candidates and their financial backers. They are usually replaced when their backers lose elections.

Moreover, there is strong evidence that leftists who have challenged in Democratic Party primaries have received a far larger share of the vote than they would have as third-party candidates in regular elections. In that regard, Bernie Sanders is only the latest example in a line of forgotten or ignored insurgent campaigners who enjoyed considerable success within Democratic primaries at the state and national levels, which stretches back to the 1930s.

Even when leftists accept the structural argument about the rules that lead to a two-party system, they tend not to like the idea of being in the same party with Democrats. Some don't like the compromises that Democrats make, or being anywhere close to centrist or conservative Democrats. Others think that leftist ideas would become lost or trimmed down through interactions with liberals and centrists. But there is a way for leftists and liberals to disagree within the political arena and at the same time move the party in their common direction. Leftists should form clubs within the party — a party within the party, if you will — and then run candidates on strong egalitarian platforms in the primaries if and when the issues, circumstances, and candidates seem right, a strategy for which there are many good precedents. In fact, this club strategy has good precursors in the clubs that were started in New York City and California in the 1950s, and helped liberalize the party. It's also a strategy, I am chagrined to note, that has worked extremely well for the right wing, which has used it to transform the Republican Party beyond recognition over

the past 40 years. True enough, they are building on a super-nationalist, authoritarian, white supremacist base, especially in the Southern states, and have infinitely more financial support than leftists would ever receive, but the principle is the same from a structural point of view.

Such clubs — which could be variously called Green Democrats or Wellstone Democrats or any other name that fits best within a given state or region — would give leftists an organizational base as well as a distinctive new social identity within the structural pathway to government that is labeled "the Democratic Party." That is, and I repeat this for emphasis, forming such clubs makes it possible for activists to maintain their primary social identities — as feminists, as environmentalists, as anti-racists — while at the same time allowing them to compete within the Democratic Party. They could feel free to think of themselves as activists first and Democrats second, just as many rightists think of themselves as Christians first and Republicans second, but they should be ready and willing to vote Democratic if their candidates lose in party primaries.

It is a major mistake for leftists who join the Democratic Party if they do not identify as Democrats, as Bernie Sanders refused to do. Social identities do matter, and party identity is an extremely important social identity for many people in the United States. There are mountains of evidence to support this point. Some of it shows people change their views on specific issues to fit their party social identity, and thus feel more kinship with the party and closer to other members. This evidence has been summarized and greatly augmented in a recent invaluable book, *Democracy For Realists: Why Elections Do Not Produce Responsive Government* (Achen & Bartels, 2016).

It is based on this overwhelming evidence that I say Sanders made a major mistake in not embracing the fact that he is in all but name a left-liberal Democrat. He would not say he is one of "us" to those who identify as Democrats. This made it all the more difficult for many centrist and liberal Democrats to listen to what he had to say, let alone embrace him and his views. They felt they could not trust him or his followers. Indeed, it is likely that many Sandernistas voted for the Green Party, when just 22% of Green voters in Michigan would have been enough to give Clinton and the Democratic Party the electoral votes for that state. Even more Green voters would have had to vote for Clinton in Wisconsin, 77%, for her to win the state, but the point is that there should not have been a Green Party at the national — or state — level to begin with. As for Pennsylvania, it would have taken 100% of Green voters for Clinton to force a recount in that pivotal state, so of course Greens can argue that they did not "cost" her the election.

After forming clubs, egalitarian activists could find people from within their own ranks to run in selected Democratic primaries from precinct to president when the time is right. They should not simply support eager candidates who come to them with the hope of turning them into campaign workers. They have to create candidates of their own who already are committed to an egalitarian social perspective and to the programs and strategies that are suggested later in this document. The candidates would have to come

out of the clubs, or else they would naturally look out for their own self-interest and careers, as most politicians have to do, whether of the left or the right.

Moreover, the leftists and left-liberal Democrats within the clubs should focus on winning on the basis of the program, and make no personal criticisms of their Democratic rivals. Personal attacks on liberal and mainstream Democratic politicians are a mistake, a self-made trap, for egalitarian insurgents. This was the second major mistake made by Sanders, and even more so by those who helped run his campaign. No politician is perfect, and they all have made compromises and cut deals. Indeed, their job is to make the best deal they can at any given point and be back to resume the battle the next day. Anyone who becomes involved in politics develops "dirty hands," to use an old label from a century or more ago when Progressives discussed their dilemmas. By focusing on her speeches to Goldman, Sachs for big money, Sanders and the Sandernistas demonized Clinton, which may have contributed to her unpopularity among the many voters who do not pay much attention to platforms and issues before the election. In other words, by talking about personalities and "which person would be best," the structure of the two-party system, and the huge problems that come with losing the presidency, are lost from view.

In talking about the program, the candidates would actually do much more than explain what they stand for. By discussing such issues as increasing inequality and the abandonment of fairness, and then placing the blame for these conditions on the corporate-conservative alliance and the Republican Party, they help to explain to fellow members of the movement who is "us" and who is "them." They help to create a sense of "we-ness," a new collective identity that the diverse groups in current left and liberal circles can use when they are in the partisan electoral arena.

I am not suggesting that leftists drop out of current social movements and focus all their energies on electoral politics. Far from it. But I am saying that the refusal by some leftists to pay any mind to electoral politics, and the insistence of the rest to stick with third parties, insures left failure from the outset. These mistakes are the first and foremost obstacles to a left-liberal alliance, and one of the major reasons for leftist failures on economic issues. Liberals, rightly, in my mind, will never considered working with leftists as long as there is any possibility that the leftists will once again bolt to a third party at a critical moment.

However, even if that issue were overcome, success would come only by combining an electoral strategy with a base in the right kinds of social movements.

## **SOCIAL MOVEMENTS, YES; VIOLENCE AND PROPERTY DESTRUCTION, NO**

Leftists are not only distinguished by their strong egalitarian values, but by their commitment to social movements. Both the social sciences and twentieth-century American history support this commitment. Social movements are necessary to social change even when there are democratic elections. They dramatize issues. They show that the powers-that-be can be challenged. A handful of people can provide the spark to find cracks and openings in the power structure, and develop the ways to draw everyday people out of their routines in order to make history, i.e., participate in the process of bringing about social change (Flacks, 1988, 1995, 2005). For example, the incredible efforts and sacrifices of leftist union organizers during the New Deal and of young leftist African-American and white activists in the rural areas of the Deep South in the 1960s are too soon forgotten in the histories that lionize famous leaders. Electoral politics are necessary, but they require a mobilized electorate to succeed. Social movements may be even more necessary in the United States than other democratic countries because of the historical circumstances that have locked the country into a two-party system.

But not just any social movement accomplishes these goals. It has to use strategic nonviolence to be effective. I do not want to sidetrack into the large and complex argument about whether any form of violent tactics is wrong under all circumstances, but I don't think they make any sense within the context of representative democracies with the level of freedom that has been reached in many highly industrialized nations, including the United States. Moreover, there is no hope that any form of violence could advance the cause even if it could be somehow justified: violent strategies and tactics alienate the great majority of Americans and play into the hands of the powerful, who can easily marshal superior force. As Cesar Chavez is said to have summarized the issue of violence of any kind, "It's wrong and it's stupid."

I think the early civil rights movement is the prototype of what is necessary and possible, perhaps especially because it was not a reaction to a general societal crisis, like a depression or a war. Instead, it was the creation of an aggrieved group in a calm period of seeming normalcy, which had clear goals and a strategy to create societal disruption that forced the power elite to address their demands. One tragic mistake of too many activists on the American left is that they do not accept the need for an exclusive focus on strategic nonviolence. Similarly, too few of those who understand this essential need are willing to criticize and exclude those who advocate property damage or physical attacks on people as methods of empowerment. The result is the kind of downward spiral that characterized the New Left in the 1960s and then the global justice movement in the early years of the twenty-first century.

The fairly recent leftist compromise on this issue, called "a diversity of tactics," allowed for the strategic nonviolence activists to do their thing at certain times and places, and for the property-destruction activists, who often self-identify as anarchists, black bloc, antifa,

or anti-capitalists, to do theirs. But such a compromise is a mistake as far as the effectiveness of strategic nonviolence.

Although nonviolence is a strategic choice, it has to be employed within the context of a larger and more encompassing value system for two crucial reasons. First, such a value system is necessary in order to deal with the most important problem in using strategic nonviolence: helping members refrain from violence in the face of delays, provocations, and violent acts by the opponents. The individual urge to retaliate violently to violent opponents is difficult to resist, but any use of violence by the insurgents leads to the loss of moral credibility, repels potential allies, and seemingly justifies violent reprisals by the government. Second, the practice of strategic nonviolence has to be encased within a value system so that skeptics and opponents slowly can become convinced that the challengers would not suddenly resort to violence when they think it will be to their advantage. American egalitarian activists need to demonstrate that their strong moral convictions are always going to be expressed in a way that is consistent with their deep belief in the dignity and rights of each person. A sudden shift to property destruction or violence against groups or individuals is not an option. Antifa punching neo-Nazis who are being interviewed for television are setbacks for all activists. Strategic nonviolence therefore takes training, great personal courage, and self-discipline. And to repeat, tolerating any forays into violence by anyone identified as a leftist of any stripe immediately erodes any trust that moderates and uncommitted by-standers may have developed in the nonviolent activists who have organized the main thrust of the movement.

Moreover, the sustained use of strategic nonviolence requires a sense of collective political identity based upon shared programs and goals. Strategic nonviolence is the commitment of a collectivity that is out to win against great odds. Physical attacks on individuals or property damage are therefore a violation of the movement's shared identity and of the values its members care about the most. Any resort to violence in any form breaks down group cohesion as well as alienating liberals and the silent majority that have to become eventual allies.

Within this context, the key issue for strategic nonviolent activists in a democratic country like the United States is to create and use tactics that cause the unexpected disruption of everyday life in ways that draw people out of their routines, hurt the bottom line of businesses, or injure the electoral chances of politicians, while at the same time winning positive attention from the media (e.g., Shaw, 1999). There is no one formula for how this is done; new forms of strategic nonviolence are the product of the activists whose experiences within an emerging new movement give rise to new approaches, as seen in the feminist movement, the environmental justice movement, and in the gay-lesbian rights movement in the 1980s and 1990s, in which it gradually became clear that “coming out” and “outing” were powerful disrupters because they impacted most

families, neighbors, friends, class-mates, and co-workers (Gross, 1993). These groups were the true heirs of the civil rights movement.

Nonviolent social movements and working to transform the Democratic Party are a powerful combination, and they do not in any way violate basic liberal principles. However, still more would be needed to go beyond holding actions against the onrushing corporate-conservative alliance or relatively minor reforms.

## **EGALITARIANISM THROUGH THE MARKET?**

I come now to what may be the most difficult and contentious part of my analysis, a new vision for alternative social and economic arrangements that might realize egalitarian social values. By way of introduction, I don't think the importance of such a vision can be overestimated in sparking both egalitarian social movements and electoral participation. Socialism was once such a vision, and a very powerful one. In its classical Marxian version, which came to be far and away the dominant view among socialists for over 100 years, the defects of the current economic system were spelled out in detail, even while extolling the advances it had made over the old feudal arrangements, particularly in its astonishing productivity. Moreover, the transition to socialism was said to be inevitable because the inner workings of capitalism would create a unified working class capable of taking over and running the system in an equitable way through democratic planning. History, according to this theory, was on the side of the egalitarians, which is a hopeful alternative vision in and of itself: activists were simply speeding up the dialectic.

However, I think the past 60 to 80 years have shown that any full-out socialist vision is inherently flawed. Even for those who explain away the horrific things that happened in the Soviet Union and China by claiming they were due to their underdeveloped economies, dictatorial histories and/or capitalist encirclement, the fact still remains that planned economies have not worked. They first of all fail as economic systems because no one has been able to design methods to analyze the tremendous amount of information necessary to manage a large-scale centrally planned economy that goes beyond a few core industries. They also fail because the large bureaucratic system created to try to obtain and utilize the limited information that can be gathered becomes completely inefficient and corrupt in the way many such large organizations often do. Managers have to buy on the black market, cut corners, and cheat in order to meet their production quotas, which increases corruption, destroys morale, and dampens any desire to work better and harder for the sake of the collective good. Managers also adulterate goods and ignore the effects of their production processes on the environment, leading to even greater pollution and environmental degradation than in market systems. They use their positions to feather their own nests and employ their friends and relatives, which lowers the competence levels.

There is one final fatal problem. Even if government planners had enough information and technocratic capacity to generate an optimal plan, the process ends up inherently hierarchical and non-participatory. Information goes upward, orders and commands flow downward (Hahnel, 2005, pp. 94-106 for an excellent discussion of the problems of central planning from an egalitarian perspective).

The failure of non-market planning as a plausible vision for a better future has meant that egalitarians have been lacking in terms of a unifying vision since at least the 1980s, when it became clear that the Soviet economy was stagnant and the Chinese began to make use of the market, and thereby becoming a tremendously productive country, even while also becoming, if anything, even more hierarchical and dictatorial (“Market-Leninism,” as it was chillingly labeled). Although many different leftists have set forth specific policy proposals, they have not been able to agree upon a new set of principles to inspire and guide positive changes in the economic system. With few exceptions — such as the libertarian socialists, who call for participatory economics, a form of interactive planning between worker and consumer councils at the grassroots — most leftists have simply called themselves “progressives” or “anti-capitalists.” (“Libertarian socialist” is a term used to encompass guild socialists, utopian socialists, council communists, socialist feminists, and the many forms of anarchism, thereby differentiating them from Marxian socialists and social democrats.)

The search for an alternative vision is made all the more difficult by the fact that most leftists, including libertarian socialists, cannot envision a solution that might involve markets, which are seen as too impersonal and too conducive to competitiveness. Markets, they say, reduce all human relationships to an individualistic “cash nexus,” which is nearly the opposite of the collective human values implied by “from each according to their abilities, to each according to their needs,” or by the image of cooperative planning by freely participating people who decide what is to be produced and how it is to be distributed. However, there may be more hope than most leftists assume because it may be possible to use markets for egalitarian ends.

Borrowing from the liberal economist and political scientist Charles Lindblom (2000), in his very fine overview of what he calls “the market system,” I characterize this useful concept by the admittedly dry phrase of “planning through the market.” That might not be the phrase that would be needed out on the campaign trail, but it conveys to activists the idea that there would be conscious and planned interventions in the market in the name of greater equality and participation. My starting point is with those economists who have shown that the idolization of the market as a perfect self-regulating mechanism is as far from reality as the hopes of socialist central planners. At the same time, economic sociologists have shown that markets are complex societal constructions based in a mix of customs and government regulations. The claims by free-market ideologues that any laws regulating the market hinder productivity, or that greater economic equality inevitably limits freedom, are without empirical support. Research shows that markets

need guidance from government to operate well, and that there is no inevitable trade-off between equality and efficiency, or between equality and freedom, within a market system. More equality might even mean more efficiency, not less, and it can certainly mean more freedom for more people.

Most importantly for my purposes here, it may be that markets could be reconstructed by a newly elected liberal-left alliance to make it possible to plan for a more cooperative and egalitarian economic future. As Lindblom (2000, p. 259) insightfully suggests, with an acknowledgment of his own previous shortcomings, “many of us have been on the wrong track in identifying the market system with individualism, as though it could not serve collective purposes or could do so only exceptionally and badly.” He goes on to argue that the market also can be seen as the “major administrative instrument of the state,” which makes egalitarian planning possible by using four well-known policy tools as carrots and sticks: subsidies, taxes, government purchases, and regulations. In this form of planning, the feedback information is supplied by the price system that is so central to the considerable, but far from perfect, efficiency brought about by markets. Furthermore, the government’s planning agency would remain the same as it is now, the elected Congress, not a new planning bureaucracy, except that the Congressional plan would no longer be set by the corporate community and its associated policy-planning network of foundations, think tanks, and policy-discussion groups.

My favorite example of this contrast concerns the annual battle over energy policy in Congress, which is in fact an exercise in planning through the market, and can be seen as a prototype for the kind of policy struggles that could be waged on other issues. It is an ideal example, of course, because the battle of our time is to bring on renewable energy and eliminate fossil fuels in time to save the planet from catastrophic global warming and extreme weather events of all kinds. The environmentalists and climate activists therefore call for much higher taxes on fossil fuels, subsidies for renewable energy sources, and regulations that force automobile manufactures and utilities to burn fuels more efficiently and cleanly. They ask the government to purchase heating and cooling systems for its buildings that use renewable energy, and to use vehicles that meet the highest standards of fuel efficiency. On the other hand, the oil, coal, automobile, and utility companies demand low taxes on fossil fuels, subsidies for fossil fuels, the end of any government supports for the development and installation of forms of renewable energy, and minimal or no regulations relating to efficiency or pollution, which in effect is a very different plan. If the environmentalists’ and climate activists’ plans were to prevail, the United States could wean itself from foreign oil, clean up the air and water, and perhaps save the planet from the worst effects of the relentless global warming.

Planning through the market is also the basic strategy of the living wage and anti-sweatshop campaigns. They are intervening in the market through local governmental laws to force employers to pay higher wages. Then, too, some of the key demands of the feminist movement are also based on calls for government planning through the market,

as shown by its support for affirmative action, the strengthening and enforcement of sexual harassment laws, and anti-discrimination laws to level the playing field in labor markets. Feminists also call for improved day care and better social security so they can advance in their workplaces without taking time out to stay at home with young children every hour of the day or care for aging parents.

Once markets are accepted as a necessity for the production and distribution of most products and services, it is possible to emphasize the areas where they don't work the way politically conservative economists say they do. Here there is much support from moderate and liberal economists. Even a few free marketers admit that there are "market failures." For example, some of them will grant that there are four instances where non-market solutions have what they call a higher level of payoff than private spending. They're talking about education (although the corporate rich and extreme right have been working hard on destroying public school systems everywhere), public sanitation, mass transit, and highways, which together cover plenty of territory and provide a good starting point.

There is of course much more than those four areas that are not well served by the market, such as the justice system, parks, and support for the disabled and elderly, which are already under the domain of government. None of these past gains would be lost. However, by realizing that the market is the starting point for the production of most goods and services, and then talking in terms of "planning through the market," "market failures," and "reconstructing the market," egalitarians would gain an enormous ideological advantage. They would make it possible to think more expansively and creatively about what specific government agencies might do within the economy — based on directives from Congress — instead of worrying about the possibility that one big government planning bureaucracy might become too big and oppressive. They also disarm the conservatives at the theoretical level. They force them to talk about specific cases — all of them crucial to social well-being — where even the remaining fact-based conservative economists have conceded that the market is less than perfect.

The free marketers' admission about a "higher level of payoff" from non-market solutions in some cases can be used as a mantra to move on to other market failures. Important issues in social life where the market can't get values right also can be used as an entering wedge against the anti-government ideology of low taxes that is employed by the corporate-conservative alliance to stifle government spending for the social services everyone needs and wants. For example, the whole area of health care is another instance of "market failure" for a variety of well-known reasons. There are other areas of life where traditional ideas about markets don't make much sense either, but it is not my purpose here to suggest a detailed set of programs

By drawing on the experience of other democratic capitalist countries, it is also possible to show convincingly that a reconstructed market system could be much more open and flexible than the one that currently exists in the United States. For example, it is possible

to have many different types of enterprises compete in the market, not just privately owned corporations. It is possible to conceive of a fully functioning market system based on worker-owned and consumer-owned cooperatives, or even of state-owned firms, or best of all for my purposes, a combination of cooperative, state-owned, and private companies, a “mixed enterprise system,” to borrow a phrase. At the least, agencies of the government might own companies that could enter into highly concentrated markets and provide competition for oligopolies. This is in essence what the New Deal did when it created the Tennessee Valley Authority to produce electricity and fertilizer for the underdeveloped areas along the Tennessee River. And it worked.

Based on an understanding of how markets work and what governments could do to shape and control them even more effectively, the claims by Bernie Sanders that he is a “socialist” can be put in a realistic context. In fact, Sanders is no more a socialist than the-man-in-the-moon. He is at best a left-wing social democrat within the context of what most Scandinavian countries have, or once had, before they had to deal with the kind of ultra-right nativism, fears of religious differences, and racism that are among the major reasons why so many middle-American whites, and their higher-class counterparts, reject any sort of collective good through taxes and government. Meanwhile, it would be far more productive, and likely to reach a wider audience, if Sanders and the Sandernistas were to say that they are loyal Democrats with a strong left-liberal perspective that involves more government control of markets and more reliance on government programs. It is counter-productive for Sandernistas to use a concept — “socialism” — that is seen as discredited and dangerous by the people whose allegiance Democrats are trying to win when it is not even remotely accurate, theoretically or historically, in terms of what the Sandernista economic vision actually entails.

Nor is it necessary that corporations have all the rights of real persons they now enjoy under American law, thanks to the governmental power their owners have long exercised, and even more so now. Corporations do not need to enter into the political arena as if they were actual people. Their charters could be limited to the legal rights that are needed for them to buy, sell, and manage a workforce, including national charters so that large corporations could not hide from regulations and taxes in places like Delaware and the West Indies.

Needless to say, a reconstructed market would not put an end to the wage system. It would not deal with the leftists’ desire to abolish competition and concentrate on creating more opportunities for self-development within the context of greater non-market social cooperation. But planning through the market could be used to decrease the degree of exploitation that currently exists by making wages higher, the work process more humane, and employment in some form or another a political right, with government as the employer of last resort to improve everything from playground facilities to national forests in danger of burning to the ground. Better unemployment benefits and guaranteed

health insurance in one form or another also would reduce exploitation through the wage system.

One good example that could be built on is an income supplement now known by the euphemism “earned income tax credit,” or EITC. From the point of view of workers, it is an annual bonus from the government. From the point of view of leftists and government, it is a way to create greater income equality in exchange for accepting the discipline of the market. From the point of view of corporations, who have been more inclined ideologically to accept this particular support program because it does not interfere with markets for low-wage labor, it is a government subsidy.

Now that the principle behind the EITC program is generally accepted, and has been since the 1970s, pressure could be mounted by a new social movement based in the living wage and anti-sweatshop campaigns to improve the program so that everyone over age 18 who works a certain minimum number of hours would be boosted to a living wage. All of this could be paid for through a more progressive income tax, which would signify a collective commitment to greater income equality.

The heresy of this argument for leftists is to entertain the possibility that markets can have the virtue of being a decentralized form of coordination that does expand opportunity for most people. It starts with Lindblom’s insight that a market system is first and foremost a general social system that makes it possible to have coordination through many small mutual adjustments. It is a form of cooperation in which people do not have to attend a series of meetings beforehand, or enter into lengthy discussions, or even like each other. There are elements of coercion, in the sense that people have to work at a job for a wage, but they would have to do that under non-market planning as well, at least for the foreseeable future, and most healthy people like feeling productive and part of a larger enterprise besides. But, yes, there is competition as well as cooperation in markets, so the competitive aspects of the system have to be shaped and restrained.

True, too, markets make it possible for the owners of income-producing private property to gain the power to dominate government, as is the case in the United States. But by their very nature markets leave open the possibility that government can limit the power and rewards of ownership through — once again — taxes, subsidies, government purchases, and regulation. Government, to repeat, also could create public enterprises, and it could tax incomes and wealth far more than it is doing now without disturbing the functioning of the market. The real issue is political power. If a liberal-left coalition had political power, it could have significant impact on the economy. Of course corporate owners and managers would howl and threaten, and try to reverse any changes, but they do that already.

## THE HOPED-FOR LIBERAL RESPONSE

But how would and should liberals react to overtures from leftists and left-liberals who were prepared to identify as Democrats, reject violent strategies and tactics within social movements, and advocate a mixed enterprise system that would involve a considerable amount of planning through the market by the Congress of the United States?

Most people are not eager to share power, even when they only have a little bit of it, so liberals might not like the idea of facing challenges in Democratic primaries. They might argue that candidates running to the left of liberals in primaries would help moderate Democrats. Nor would they immediately begin to trust those they have long distrusted, or switch to new ideas about planning through the market when they think their own hard-won ideas are plenty good.

Hopefully, though, liberals would first think about a left-liberal alliance in terms of their bedrock principles. There are several liberal political theorists who have claimed that a liberal egalitarianism is possible within the context of representative government and the freedom to buy and sell in the market (Ellis, 1998, pp. 284-286, for a summary and references). Although liberals believe that private property has been basic to the development of civil society, at least some modern-day liberals, perhaps due to the experience of social democracies over the past 50 years, agree that there can be a mix of ownership forms as long as there are clear protections for private property.

Once matters of basic principle were settled, liberal Democrats would have to entertain some pragmatic adjustments as well. To begin with, they would have to recognize that demonizing or ignoring the various people to their left is not a smart strategy, if only because the left can sink the Democrats via a third party, as the Nader campaign of 2000 tragically showed. It is not enough to ask leftists to refrain from political involvement in third parties to avoid electing conservatives and ultra-conservatives. Liberals would have to be willing to give them a seat at the table if they came knocking at the Democratic door.

On a more positive note, more liberals need to realize that the energy and dedication leftists bring to the battle through their social movements helps make possible what later come to be seen as Democratic legislative victories. Such a realization would be much easier, of course, if liberals were certain that there was no possibility of leftists running a third-party candidate at the last minute if they did not get their way, or resorting to violent tactics within a social-movement context.

Perhaps the most difficult consideration for liberals concerns the idea of planning through the market and public ownership of some enterprises. How much compromise would it take for liberals to accept such ideas as one part of their economic vision? For starters, some liberal theorists are halfway down the road through their own call for “democratic markets” monitored by government to assure access and fairness for everyone (e.g.,

Massey, 2005, for a liberal argument that greatly increases government's role in shaping and policing markets). However, they would have to take a further step in their thinking if they were to agree that planning through markets also could be incorporated into their thinking.

The concept of planning through the market, using well-known and extremely powerful incentives (recall how much conservatives dislike taxes and regulations), would widen the horizons of liberalism in several ways. The most important of them is the possibility for various forms of business ownership within the context of markets and representative democracy, including government ownership of some enterprises. Agreed, liberals and most economic sociologists believe that private property was one of the historic prerequisites of a market economy. However, some liberal theorists also stress that societies and their markets evolve, so it might be possible for today's liberals to embrace at least some public ownership in various economic sectors, and even competitive public enterprises in many sectors of the economy in order to keep oligopolistic multinationals on their toes. Many useful ideas in this direction were actually spelled out and entertained by a few left-liberals in the 1970s, but were ignored or cast aside at a time when various Marxists and their would-be parties thought sure that a revolution was within the realm of possibility (e.g., Carnoy & Shearer, 1980, for an excellent articulation and extension of these many useful ideas).

Most of all, though, I want to stress that it would not be necessary for liberals to accept all aspects of an egalitarian economic vision beforehand. Instead, my point is that such issues need not be resolved before the journey begins if it could be agreed that they would be discussed and contested within the framework of Democratic primaries, without any recourse to personal attacks, which are the kiss of death for this strategy. I think the virtue of such an agreement is that it would make it possible for liberals and leftists to work together to see just how much equality might be feasible. The logic is to move step-by-step for change in a context in which the limits are set by political victories and by how well the planning system works. People would vote for what they want to try, and then see how it works. If some plans don't pan out, then both liberals and leftists would have learned there are limits to what is possible.

Put another way, liberals and leftists could come to see themselves as friendly competitors, not enemies, which would allow them to focus on their real opponents, the corporate-conservative alliance, free-market economists, and other defenders of the status quo, who insist that low-income everyday people, and especially people of color and relatively recent immigrants, should endure their lot with undying gratitude. Both liberals and leftists could start with the key idea put forth by economic sociologists — markets are what we make them to be — and then work out their difference in electoral contests that allow them to see just how far markets can be constrained in an egalitarian direction.

## CONCLUSION

The new directions and compromises I am suggesting have the virtue of freeing leftists to play their most important role, which is to question the limited vision that currently prevails and push for the kind of changes that most people assume to be impossible, without at the very same time becoming embroiled in battles with those to whom they are in reality the closest, liberals, and Democrats more generally. It is this kind of role for leftists that helped abolish slavery, overcome laissez faire capitalism in the name of the welfare state, and help usher in the industrial unions that played such a large role in raising incomes for all blue-collar workers — and some white-collar workers as well — from the late 1930s through the mid-1970s. Left activists, black and white, female and male, helped to dismantle the Jim Crow system in the South, and then challenge sexism and heterosexism. All of these changes were said to be impossible or only obtainable over many generations by those of more moderate political outlooks. Indeed, it may be that the most profound role leftists are destined to play is that of catalyst, while at the same time renouncing any attempt to gain power roles for themselves. Or at least that is the conclusion of the long-time activist and sociologist of social movements that I think has provided the best perspective we currently have on such matters (e.g., Flacks, 1988, 1995, 2005).

Thus, the hope would be that leftists would help liberalize the Democratic Party through the creation of challenges in party primaries when the moment is right in terms of the mix of events and candidates, while at the same time avoiding personal attacks on other candidates and by immediately showing their loyalty to the Democratic Party by announcing their support for the winner in the primary — and then working hard to see that she/he is elected. At the same time, they could continue efforts to build social movements that use strategic nonviolence in a creative fashion to win over neutrals and divide the opposition. It would also be essential for leftists to advocate extensive economic planning through a reconstructed market system that aims for greater economic equality, worker rights, environmental protection, and other collective goods.

In response, the hope would be that liberals would be responsive to leftists who abandoned past theories and practices, and adopted non-divisive approaches. As part of the process, they might entertain ideas for planning through the market and the possible use of more government enterprises to extend the public good, while at the same time maintaining their focus on winning over centrists so that Democrats could win more general elections, organize Congress, and begin to restore liberal programs.

No one of these points is original or earthshaking. Taken together, however, they add up to a package that never has been tried for any length of time beyond the local level or state level. This approach unites the electoral and non-electoral. It bypasses the structural impossibilities of third parties and non-market central planning, and eliminates the self-defeating resort to violence. These changes are the basic pieces that would make it

possible for a reconstituted left-liberal alliance to have a major impact by reaching out to those outside the Democratic Party who might be open to changing their minds.

Although the activists of the past six decades have made a major contribution to increasing personal freedoms and individual opportunities for people of color, women, and people with alternative gender identities and sexual orientations, they have not made any progress in creating a more humane, collective, and egalitarian economic system. The paradox of the years since 1960 is that the economy gradually — and then very rapidly in more recent years — became less equal economically for the bottom 90% while individual freedom and opportunity expanded for many previously excluded people. Surely such an unexpected outcome should be the occasion for trying new approaches, even if they do not have the high-level theoretical rationales that have been supplied by Marxism and other abstract theories that have not stood the test of time in terms of empirical support.

One thing seems fairly certain. Leftists could not do much worse than they have when it comes to economic equality and political power. It is a psychological and social-psychological mystery as why the old theoretical perspectives never seem to be fully abandoned by new generations of value-based egalitarian activists. The values are worthy, enduring, and admirable, but the theories and the methods that follow from those theories leave much to be desired.

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