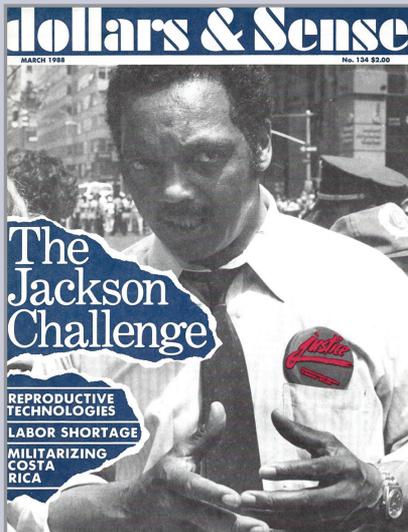


Rainbow Economics

Evaluating Jackson's Platform



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BY TIMOTHY A. WISE

Economic violence is the critical issue of our day ... When multinational corporations close plants on workers without notice, move those jobs to a slave-wage country, and leave workers and their families without jobs, health care, or training—that's economic violence. When 630,000 family farms have been lost this decade, yet food processors had a 13% increase in profits 1986—that's economic violence. ... When two to three million Americans are on the streets and homeless—that's economic violence.

—Rev. Jesse Jackson, October 19, 1987

On March 8, the “Super Tuesday” primaries take place in 20 states, including every Southern state except South Carolina. Based on his popularity in that region, the Rev. Jesse Jackson is likely to emerge from Super Tuesday a leading vote-getter.

Progressives need to make up their minds about the Jackson candidacy, yet the platform he will take into the Democratic Party convention is a mystery to most. The mainstream media treat the Jackson candidacy with indif-

ference. His front-runner status is considered a mirage, his speeches to enthusiastic crowds go unreported, and his comments at debates receive cursory mention.

In the wake of the October stock market crash, the economy may be the crucial issue in the campaign. It's time to look behind the charisma and rhetoric at the economic program Jackson and the Rainbow Coalition are presenting. That program, while not a direct challenge to capitalism, nevertheless offers specific policies that address some of the more oppressive features of the U.S. economy.

Bottom-Up Development

In the 1980s, the Reagan administration and Congress took [the] “profit-led” model [of economic development] to extremes, cutting taxes for corporations and the rich on the theory that they would invest more in plant and equipment, raising productivity and prosperity. Instead, the United States experienced a speculative frenzy, little investment in plant and equipment, stagnant productivity growth, and decreased purchasing power for the majority. As a consequence, the federal government and many households have had to borrow heavily to maintain their spending levels.

The Rainbow economic program is based on the wage-led growth model. The platform advocates full employment, higher wages, and greater income support for the poor. The full-employment proposal includes a public-works program to rebuild the country's deteriorating infrastructure and provide needed services such as child care. To fund this program, Jackson would cut military spending, increase taxes on the wealthy, and institute an “Invest in America” plan that would place a small portion of U.S. pension funds in useful, job-creating projects.

Along with expanding employment, raising wages is key to Jackson's economic platform. He proposes to achieve this through both worker and government action. Jackson's platform, contained in the “Rainbow Workers' Bill of Rights,” is unabashedly pro-labor. Jackson urges government action to raise the minimum wage and support claims of workers who demand pay equity. He speaks in favor of legislation that would require employers to negotiate in good faith, and he would also outlaw most lockouts, restrict the use of scab labor, protect non-union workers from arbitrary dismissals, and support paid parental leave. In the case of plant closings, Jackson would require six months' notice, minimum severance pay, and continued company-paid health benefits.

In the same way, though to a less convincing extent, Jackson's “Family Farm Act” would set a higher floor on farm prices to allow small farmers to compete, focus subsidies on family farms, and declare a moratorium on family-farm foreclosures.

The Rainbow development proposals stand out in several ways. First, they take their cue from labor, not management. Second, in contrast to the bipartisan consensus that the U.S. people must work harder—for less—to make the country competitive, Jackson calls for income redistribution. Third, the national investment plan is relatively realistic because it doesn't rely on massive infusions of federal money to create jobs. Since the program's success depends on the voluntary participation of fund administrators, the investment plan may have less capital than the plan projects. Nevertheless, it could stimulate development and create jobs.

Resisting Austerity

Six Democratic and six Republican candidates would reduce the federal bud-

get deficit by having the U.S. people tighten their belts. A progressive alternative must have two elements. First, deficit reduction must not stand as the be-all and end-all of policy discussion. Second, deficit reductions should be achieved through taxing the rich, not those with poor and moderate incomes; through cuts in the military budget, not cuts in social programs.

The Rainbow deficit proposal contains both key elements. While other candidates avoid concrete talk about spending cuts and tax increases, Jackson pulls no punches. He would eliminate SDI [Reagan's Strategic Defense Initiative, or "Star Wars" —Eds.] and some of the more expensive new weapons systems. And by restoring the tax rates of the late 1970s for the wealthy, he would target tax increases at corporations and the rich.

Jackson also proposes to expand social programs, many of which, he argues, will produce revenue in the long run.

Such proposals are an antidote to the recent plague of fiscal conservatism. While most other candidates call for deficit reduction through austerity, only Jackson would focus budget debates on spending priorities. Jackson would not allow deficit reduction to be the grindstone sharpening the ax that hangs over social programs.

Tackling the Trade Deficit

Given the daunting legacy of Reaganomics, it is unlikely any U.S. candidate will solve the trade deficit. Still, there is a standard by which we can judge candidates' positions on the issue. Nearly every candidate is proposing to restore U.S. dominance in the world economy. Such calls fuel protectionist sentiment and feed military adventurism. A progressive candidate, on the other hand, must show a willingness to accommodate to the changing role of the United States in the world capitalist economy.

Though the Rainbow's industrial policy prescriptions are still relatively undeveloped, its approach to the trade defi-

cit still looks better than do those of Jackson's fellow candidates. To reduce the trade deficit, Jackson advocates a global trade and development strategy based on raising living standards throughout the world in order to increase demand for U.S. goods abroad. To achieve this, Jackson urges easing the third world debt burden and creating an international "Marshall Plan" for third world development financed by those industrialized nations with trade surpluses. He opposes International Monetary Fund austerity programs, saying they strain third world economies without improving the debt problem.

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Jackson favors a looser monetary policy, arguing that high interest rates have hampered economic growth throughout the world. He proposes coordinating monetary policy with other industrialized nations to simultaneously reduce interest rates. This would stimulate economic growth without exacerbating trade imbalances.

While it is not clear how much effect his trade proposals would have in the short term on the competitiveness of U.S. products, Jackson's focus on the rights of third world workers is remarkable. Calling protectionism "scapegoating" of foreign workers, Jackson argues that "free labor can't compete with slave labor." He proposes that the United States condition foreign aid on trade-union freedom in the third world, and he calls for ending all support for repressive, anti-labor governments.

Evaluating the Rainbow Program

Jackson's goal is to gather all the victims of Reaganomics—a large group in-

deed—into a "Rainbow Coalition" to redirect national priorities. The dispossessed and disenfranchised take center stage, bringing with them demands for plant-closing legislation, national health coverage, redirected spending priorities, and stronger workers' rights at home and abroad. Without Jackson in the race, these issues would disappear from the campaign, leaving unchallenged the consensus that favors austerity, military spending, and improved competitiveness of U.S. products through increased exploitation of U.S. workers.

Perhaps more notable is who Jackson is ignoring: big business. Jackson makes no pretense of courting the corporate leaders who have long dominated the Democratic Party agenda; his proposals irk them all. Their opposition is to his credit, and it marks a candidate who, though underfinanced, is not beholden to powerful business interests.

That said, progressives should have no illusions that Jackson or his program are socialist. Nowhere does Jackson question the assumptions that govern capitalist economies, and many of his policy prescriptions are at cross purposes. It should not be surprising that Jackson's proposals won't solve the problems of capitalism. But as a strong defender of the role of government by stimulating the economy by redistributing income in this country and abroad, Jackson presents a relatively coherent position that is significantly more progressive than those of other presidential candidates. If the Jackson campaign motivates some of the dispossessed and disenfranchised to organized around the essential elements of the Rainbow platform after November, the left will have won a great deal through Jackson's candidacy. **D&S**

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