

The Progressive Ideas Network

THINKING **BIG**

Progressive Ideas
for a New Era

Foreword by
Robert Kuttner

James Lardner and
Nathaniel Loewentheil
Editors

an excerpt from

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Progressive Ideas for a New Era***

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Preface

**Stephanie Robinson and Barry Kendall, cochairs,
Progressive Ideas Network**

IDEAS hold the unique potential to unify and empower today's progressive movement, bringing together our leaders, grassroots advocates, communications networks, and supporters around shared values. Recognizing this, leaders of progressive think tanks and activist organizations from across the country met in December 2007. We gathered to look beyond the short-term interests of our individual institutions to envision how, together, we could work more effectively on behalf of our common goals. We emerged with a commitment to form an alliance—the Progressive Ideas Network—that would provide opportunities for collaboration and coordinated action, offer service and training to its members, and create a forum for crafting long-term strategies and ideas.

The members of the Progressive Ideas Network believe in the possibilities for bold, transformational change in American society, and our business is to generate the ideas and policies needed to create that change. Our organizations contain hundreds of original thinkers in progressive politics, and our networks reach thousands of talented activists who fight every day for the rights and well-being of millions of Americans. We have come together at this auspicious moment to

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lay out a course for genuine progress in the government and governance of our country and all its people.

The essays in *Thinking Big: Progressive Ideas for a New Era* present three elements of change: long-term vision, fundamental values, and prescriptions for immediate action. The leaders who authored these essays speak for and with the unheard voices in our society, and the ideas contained here are born out of service to them. We call for all Americans to build tomorrow's society together, with creativity, wisdom, morality, ethics, and love—and with no more hidden costs, to us or to our children.

We would like to thank all of the people who made this project possible. The steering committee members dedicated countless hours to creating a vision and direction for the project. Special thanks are owed to Deepak Bhargava, Jim Harkness, Larry Mishel, Miles Rapoport, and Andrea Batista Schlesinger. Seth Borgos played an especially important role in this process. Our editors, Jim Lardner and Nate Loewentheil, worked with dedication, patience, and incredible editorial skill. Thanks to Caitlin Howarth for designing an earlier version of this project. Working with the Berrett-Koehler team has been a true pleasure; we are very grateful for their backing and guidance. Finally, we would like to thank the following foundations for their generous support of the Progressive Ideas Network: the Wallace Global Fund, Nathan Cummings Foundation, Open Society Institute, Marguerite Casey Foundation, A. H. Zeppa Family Foundation, and Stoneman Family Foundation.

The year 2009 can mark the start of a new progressive era in the United States; in that spirit, we offer these ideas to you. We invite you to share your responses at www.thinkingbigthebook.com and to contribute your ideas for positive change. We're looking forward to the years of shared conversation, decision making, hard work, and true progress that lie before us.

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Authors

Stephanie Robinson is the president and CEO of The Jamestown Project, a national think tank focusing on democracy. She is a lecturer on law at Harvard Law School and former chief counsel to Senator Edward M. Kennedy. Robinson is a nationally recognized expert on issues relating to social policy, women, race, family, and electoral politics. She was featured as one of the "Thirty Young Leaders of the Future" in *Ebony* magazine and was profiled in the book *As I Am: Young African American Women in a Critical Age*.

Barry Kendall is the executive director of the Commonweal Institute, a think tank focused on building the progressive movement through effective idea marketing and coordinated action. Holding a doctorate from Stanford University, Kendall is an expert on the role of religion in American culture and politics. He is a member of the Bay Area Advisory Board of the New Leaders Council and an adviser to Netroots Nation.

Foreword

Robert Kuttner

A CRISIS is also an opportunity. The financial collapse has not only pushed America into a deep recession. It has also discredited the dominant right-wing ideology that claims markets can do no wrong and that we're all on our own. And the need to prevent a crash from becoming a second great depression allows us to think big. Large-scale social investment suddenly becomes politically possible because it is economically urgent. When Congress, in three weeks, can find \$700 billion for Wall Street, it no longer seems utopian to ask, Where is that kind of money for the rest of America?

For the past three decades, America has become a more precarious place for most of its citizens. Government has done less, when it should have done more. As corporations have ceased to provide reliable jobs, wages, health care, or retirement security, government has failed to step into the vacuum. As women as well as men have joined the workforce in large numbers, government policy has failed to address the needs of children and families. As carbon-based energy has become less reliable and more of a menace to the planet, government has failed to help develop alternatives. And as government has defaulted on these and other pressing challenges, people have tended to give up on the promise of democracy.

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This hopeful book spells out the things that America should have been doing for the past three decades—initiatives that now become imperative in a crisis. It is long overdue that these ideas gain a hearing and become part of the accomplishments of the new administration.

The best thing about *Thinking Big* is the way it connects the dots. Larry Mishel and Nancy Cleeland discuss how government is indispensable to redeeming an economy of shared prosperity. If government can pull America back from the brink of depression, the same public investment so urgently needed for macroeconomic purposes can also make the economy fairer and more secure. Nathaniel Loewentheil and Vera Eidelman add a strong case for social investments of all kinds—human capital as well as physical capital.

Miles Rapoport and Stuart Comstock-Gay go on to connect the dots between restored hope in government's ability to change American life for the better and the renewal of American democracy. Only if democracy is strong can we expect our government to deliver. And only if government delivers can it reclaim popular faith in our common enterprise as Americans. The challenge entails repairing the mechanics of American democracy—from voting machines to election day registration—but it also requires redeeming the aspirations of democracy and once again engaging ordinary Americans in the enterprise of using the tools of democracy to make a constructive difference.

Ultimately, as Deepak Bhargava and Seth Borgos write, this enterprise is about values. In recent years, the political Right has claimed a monopoly on values. But democracy is also a value. Community is a value. And the idea that all people should have a decent life, free from discrimination and exclusion, is also a value. As the false utopian ideal of radical individualism has failed us once again, it's clear that most Americans share the value of community and mutual responsibility.

The conservative collapse is not only on the economic front. The Radical Right's vision of America's role in the world has also been a practical failure. As Jim Harkness and Alexandra Spieldoch write, we now have a chance for America to rejoin the world as a moral beacon, not as a bully. Leadership on climate change, food security, and a trad-

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ing system that promises greater opportunity and prosperity to workers in the United States and in developing nations alike are only some of the goals that the new administration can and should pursue.

Deregulation was the prime cause of the financial collapse. Dean Baker's essay weaves together the connection between regulatory default and the effect on purchasing power, and proposes twin remedies that address both problems.

As Roger Hickey explains, there is no more pressing issue than health security. The collapsing system that we have is hurting workers, families, doctors and other health professionals, and American industry alike. If we proceed along the present path, we will suffer more cost shifting to patients, more cost cutting at the expense of care, more premium dollars pocketed by middlemen, and more health insecurity across the board. Just as this is a moment to reclaim America as a common enterprise on so many other fronts, it is a moment for universal health insurance.

And it is a green moment. As Van Jones and Jason Walsh tell us, conversion to a green economy creates multiple benefits from savings on imported carbon-based energy to saving the planet. But a green future also promises new jobs, new domestic industries, and a new focus on community, as well as durable infrastructure.

Put it all together, and you have an economy of greater democracy, greater security, and greater opportunity. As Alan Jenkins writes, this kind of economy is within our reach. All it takes is a markedly different set of national policies, anchored in a more inclusive and activist politics. Redeeming and fortifying constitutional rights will help bring that about.

These policies will also serve to rebuild the American middle class, write Andrea Batista Schlesinger and Amy Traub. That endeavor also requires several policies that are now within our reach, from the Employee Free Choice Act to much stronger supports for working families.

The best thing about this collection of essays is that it anchors the entire program in broadly shared values. Some of the voices are

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well-known progressives; some are new. But the values and aspirations are enduring. And some of the proposals are long-deferred progressive claims, while others are entirely fresh approaches to new problems.

Those on the now-discredited Right would say these are old ideas—ideas from the era of the New Deal or the Great Society eras. But that question depends on how long your memory is. If memory extends back to the robber baron era of the 1880s and 1890s, or to the era of Louis XVI, or to the pharaohs, you realize that the oldest and most discredited idea is that society exists for the benefit of the few. Greater democracy is always a fresh idea and an insurgent one. There are historical moments when democracy can be on the march again, and this is one.

Author

Robert Kuttner is a cofounder and coeditor of *The American Prospect* magazine, as well as a Distinguished Senior Fellow of the think tank Demos. He was a long-time columnist for *Business Week* and continues to write columns in the *Boston Globe*. His latest book is *Obama's Challenge: America's Economic Crisis and the Power of a Transformative Presidency*, a *New York Times* best seller. His best-known earlier book is *Everything for Sale: The Virtues and Limits of Markets* (1997). Kuttner's other previous books on economics and politics include *The End of Laissez-Faire* (1991), *The Life of the Party* (1987), *The Economic Illusion* (1984), and *Revolt of the Haves* (1980). His magazine writing has appeared in the *New York Times Magazine* and *Book Review*, *The Atlantic*, *The New Republic*, the *New Yorker*, *Dissent*, the *Columbia Journalism Review*, and the *Harvard Business Review*. He has contributed major articles to the *New England Journal of Medicine* as a national policy correspondent. For four decades, Kuttner's intellectual and political project has been to revive the politics and economics of harnessing capitalism to serve a broad public interest. He has pursued this ideal as a writer, editor, teacher, lecturer, commentator, and public official.

Introduction

**Deepak Bhargava
and Nathaniel Loewentheil**

AMERICA stands at a pivotal moment. A long and painful episode in our national story has ended, and a new and more promising chapter has begun.

Conservative politicians and ideologues, and their financial backers, commanded the stage for decades. Through action and inaction, they propelled our country toward crises on multiple fronts. From energy and climate, to poverty and inequality, to race and immigration and the role of the United States in the world, we inherit huge, interrelated problems, problems that call for a collective response on an unprecedented scale. At such a critical moment, there are at last promising signs that the political tide is shifting. But no election—not even the most sharply defined presidential contest in memory—can be more than a first step. Neither the weakening grip of conservative ideology nor a new regime in Washington will produce the kind of wholesale change that our country so badly needs.

At critical times in the past, progressives have stepped forward with bold visions and policies that transformed American politics, culture, and society. The Progressive Era, the New Deal, the civil rights revolution, and the Great Society all came about through a combination of grassroots activism, visionary thinking, and political leadership. In each case, the impetus for change and many of the big

transformative ideas originated with progressive organizations and leaders operating outside the channels of mainstream politics.

In recent decades, progressivism faltered. It was conservatives who developed and moved the big ideas, while progressives triangulated, tweaked, and tinkered. Since the 1960s, progressives have been running on the fumes of the New Deal and Great Society, confining themselves largely to narrow issues silos and poll-tested phrases and positions. Content to play defense in many of the major political battles of the day, they were all too often cowed into submission by the vitality and confidence of the other side.

Now that scenario is changing. Instead of obsessing about what we are against, progressives have begun to think about what we're for—to prepare once again to play our role as agents of bold ideas and political and social transformation. Finding new confidence and imagination, we have begun to renew our intellectual capital. The essays in this volume draw on that new store of capital to sketch the outlines of a progressive agenda for twenty-first-century America. The authors cover a wide array of topics and, in their policy recommendations, present a few conflicting ideas. But all these essays reflect a belief in the need for fundamental change. The problems discussed here cannot be solved, the authors agree, through charity, volunteerism, or even well-meaning local and state governments, though surely all have a role. Individually and cumulatively, the essays make the case for the kind of concerted action that can come only through the agency of our national government. People have lost sight of the power of good government; we need programs that serve our national needs and encourage faith in our public institutions, creating a positive cycle of political change and space for further reform.

Yet the authors are also united in their recognition that profound change cannot be ordered from on high. It won't happen without courageous and farsighted political leadership; but that kind of leadership won't happen without political pressure—and creative thinking—from below and outside Washington. And both, history tells us, are more likely to come from the margins than from the center of estab-

lished political discourse. It is no coincidence that a good many of the authors here are women or people of color, and many are relatively young. In that respect, they represent the future of the progressive movement, which will be bolstered by the coming of age of the millennial generation and find its strength in the growing diversity of our nation. Many of the organizations represented here are young themselves—part of a burgeoning set of progressive institutions founded in reaction to the center-right politics of recent years.

The essays follow a parallel structure. Each begins with broad principles and proceeds to more specific proposals. That format, too, reflects a belief shared by all the authors: our policy ideas must be linked to a picture of the nation and the world we hope to achieve, a vision that energizes our ideas and builds the political will for meaningful change.

Optimism is another recurring theme. In our greatest challenges, these authors see the greatest of opportunities. Climate change brings with it a renewed focus on our connection to the earth and underscores the unmistakable fact of humankind's shared fate. Technological progress promises increased interconnection and potentially paradigm-shifting innovations. Poverty and inequality are social realities, not inevitable outcomes of globalization. A new social contract is possible. We can make enormous progress in the short term—by empowering workers, creating green jobs, and fostering opportunity, for example—while rebuilding public confidence in a role for government and collective action.

Our optimism is central to our vision. We have many good reasons to be worried at this critical moment in human history. We'll need a rare combination of ideas, action, resolve, and leadership to meet the challenges that lie before us. These essays provide very good reasons to be hopeful.

P A R T

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LOOKING AHEAD

POLITICAL America has become a land of short-term thinking. It doesn't plan far in advance, and it doesn't look far behind; public debate largely ignores both the lessons of history and the glaring realities of the future. We can choose to lay blame at the feet of any number of causes: our increasingly short attention span, the media coverage that plays to it, or the political pandering that preys on it. The fact remains that we must all act to correct it.

The first step is simply to start looking ahead—and farther ahead than the next news cycle, the next election, or even the next administration. The world is accelerating—the rate of change only increases every day—and we can't know the future. But we can start preparing for it. Any good plan begins with knowing our own values and goals. We must have a serious discussion about what we wish to see in the world, on how our economy and our government best serve our society. We can begin shaping the intellectual and political landscape, the

frameworks and key policies, to serve the real needs of our families and businesses in the future.

In the essays that follow, the authors lay out powerful visions that require significant changes not only to our policies but also in our perspectives. Chapter 1, from the Economic Policy Institute, describes an economy of shared prosperity that puts the interest of all citizens first. Chapter 2, from the Roosevelt Institution, encourages investment in our shared future through renewed emphasis on critical public goods. To move from here to there will require not only government action but also moral leadership and widespread debate. But change is possible. We must look no further than ourselves.

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Building Shared Prosperity

Lawrence Mishel and Nancy Cleeland

FOR the better part of three decades, our country has been stuck on a single, simplistic idea about the economy: less government equals more prosperity. American leaders have sought to create a marketplace unfettered by rules and regulations. Let people fend for themselves, they said, and innovation and entrepreneurship will flourish, the economy will grow as never before, and the benefits will eventually lift the fortunes of all.

That was the promise. We have seen—and lived—the reality. From 1989 to 2006, the highest-earning 10 percent of U.S. households collected over 90 percent of the nation's income gains. Today the top 1 percent of American families receives 23 percent of all personal income, up from just 10 percent in 1979. Corporate executives earn 275 times as much as average workers, compared with 27 times in 1973.

It's been a fine time to be a CEO or a hedge fund manager, in other words. But the great majority of Americans are less secure and hopeful than they were a generation ago. Jobs are disappearing. Real family incomes are falling. Retirement security is a fading ideal.

Health care is becoming a privilege rather than an expectation. In the struggle to keep up with expenses (or avoid falling too far behind), Americans are working longer hours, borrowing more, and living closer to the financial edge.

By degrees, the United States has become a more economically unequal country than at any time since the 1920s, and the most unequal of all of the world's developed nations today. By that measure, in fact, we are drifting away from the relatively egalitarian pattern of Western Europe and the Pacific Rim countries and toward the orbit of Russia and Latin America.

This is not a safe path. Extreme inequality hobbles mobility, leaving poor and working-class Americans and their children with little chance to move into higher-paid and more rewarding jobs. The stress of constant financial worry among the majority stifles innovation and technological progress. In an economy that relies heavily on consumer spending, the shortage of disposable income makes a bad situation worse.

Our leaders used to understand the danger. "The welfare of each of us is dependent fundamentally upon the welfare of all of us," said a Republican president, Theodore Roosevelt, at a time not unlike our own, when the rich had been getting richer while workers struggled with low pay, unsafe conditions, and the ever-present dread of falling off a financial cliff.

Bit by bit, against fierce opposition, the reformers of Teddy Roosevelt's day succeeded in enacting an early set of consumer and worker protections. But it took additional decades and the Great Depression before the country was ready to put solid legal weight behind the ideal of shared welfare. That happened when another Roosevelt—Teddy's Democratic fifth cousin Franklin—pushed through the landmark legislation that we remember as the New Deal.

From the 1940s into the 1970s, leaders of both parties carried on the effort to promote broad-based economic security and opportunity. Although not all racial and ethnic groups benefited equally, the laws and programs that became the postwar social contract helped

tens of millions of Americans enter a middle class that was the envy of the world.

Then came the harsh ideology (concealed in the sunny rhetoric) of the “Reagan Revolution.” Since the early 1980s, Reagan and his heirs have hacked away at FDR’s legacy. Years of deregulation, deunionization, skewed tax policies, and lax enforcement of worker protections have tipped the scales in favor of corporate and financial insiders, and against the great majority of American workers and families. Those same policies have fed waves of financial speculation. In one of the most recent and destructive of these episodes, millions of Americans were talked into booby-trapped mortgages. Many now face the threat of losing their homes; others stand to lose much of their home equity wealth.

Clearly, the economy will be the first order of business for the new leaders who take office in January 2009. Just as clearly, the old answers—the familiar mix of tax cuts and fiscal and monetary tinkering—will no longer do. But America needs more than a new set of economic policies; it needs a new purpose for economic policy.

The mission before us is to build an economy of shared prosperity. That will mean taking steps to reduce economic insecurity and give Americans a chance to breathe easier and plan for the future without dread. Another key piece of a shared-prosperity agenda (discussed in the essay that follows) is public investment in our crumbling infrastructure, in education, and in job creation. Finally, we must shape a new brand of globalization that serves ordinary people in exporting and importing countries alike.

Most Americans grasp the need for bold action. Polls show a widespread recognition that the current economic model is not sustainable. But while the old mythology has failed disastrously on the ground, it still echoes powerfully in Washington and other centers of influential opinion; the push for an agenda of shared prosperity promises to be a mighty struggle. But the outcome will be worth struggling for: a world of less stress, more opportunity, greater mobility, more fairness, and renewed confidence.

We have every reason to expect that an economy of shared prosperity will be a stronger economy, too. “We have always known that heedless self-interest was bad morals,” said Franklin Roosevelt, looking out on the damage wrought by the laissez-faire policies and corporate excesses of the 1920s. “We know now that it is bad economics.”

We knew it then, and we know it now. This time, America must not forget.

Prosperity Ideas

Addressing Key Roots of Economic Insecurity

Skyrocketing health care costs are hurting U.S. businesses as well as families and individuals. The current system denies access to some forty-five million Americans while pushing costs higher than those in comparable countries. Employers faced with these rising costs are cutting benefits or passing on costs to their workers, who increasingly are forgoing health insurance altogether. Medical bills now account for half of all bankruptcies.

Retirement has also become increasingly risky for Americans, who can no longer count on the pension plans that were once a standard employment benefit. Today, a shrinking number of employers provide any sort of retirement plan, and those who do overwhelmingly favor personal accounts such as 401(k)s, which are managed by employees and often require matching contributions. Financially, the baby boomers are ill prepared for retirement: more than one-third of those fifty-five and older have less than \$25,000 in savings, and a growing number are dipping into retirement accounts to fund routine expenses.

This double dose of risk is bad news for the overall economy as well as the individuals involved. But there are ways to rebuild stability into these two important features of life. The Health Care for America Plan, detailed in Chapter 7, combines employer-provided health insurance with a set of public plans to cover all Americans, at a net sav-

ings to national health spending. It reduces costs for responsible employers and puts all businesses on a level playing field.

A fix to retirement insecurity is also within reach. First, it should be recognized that Social Security, always designed as a supplement to retirement, is fully funded for decades to come. Raising the earnings cap—now set at a low \$102,000—so that top earners contribute a fair share would eliminate shortfalls down the line. The system was originally intended to draw revenues from 90 percent of all wages; that ratio should be restored.

In addition, a plan known as the Guaranteed Retirement Account (GRA), authored by economist Teresa Ghilarducci of the New School University and released by the Economic Policy Institute, would augment Social Security payments so that all Americans can retire in dignity. The accounts would be funded by employer and worker contributions with a guaranteed payout after retirement. The new system would cut tax subsidies that mainly benefit the very rich in order to provide the retirement contributions for low-income workers.

Investing in Competitiveness

From the nation's earliest years, federal infrastructure projects—in such things as highways, railroads, electricity, and water systems—have helped fuel economic growth while improving the quality of life for all. But such investments have been woefully inadequate for years. The American Society of Civil Engineers estimates it would take \$1.6 trillion over five years to bring the nation's bridges, dams, sewer systems, and other infrastructure up to good condition. Schools are also badly in need of public investment for repairs and maintenance. And we must invest money in broadband build-out, so that all parts of the nation can participate in technology-related productivity growth.

In addition to improving public health and safety, these projects have the added benefits of stimulating the weakening economy and creating millions of good jobs. For example, a \$20 billion investment in school repairs would generate an estimated 250,000 jobs. To make the

most of this approach, we must ensure that all jobs associated with this public spending offer fair pay as well as benefits and policies that allow for work/life balance.

We can also rebuild the nation's important manufacturing base while improving the environment by promoting jobs in the area of renewable energy. Having a comprehensive green job strategy involves not only doing the work but also ensuring that the components used to generate energy from the wind, the sun, and other alternative sources are made domestically. With the right policies, the United States can have a revitalized manufacturing sector that brings with it good jobs, rapid innovation, and environmental sustainability.

Reconnecting Pay and Productivity

Productivity has risen 20 percent since 2000, yet most benefits of that economic growth have gone to the very rich, while typical workers' incomes have stagnated or declined. The growing disparities reflect the declining power of workers to demand their fair share of growth. Several practical steps to restore the necessary economic balance between employers and employees are possible.

One is to restore the ability of workers to freely join unions by passing the Employee Free Choice Act (EFCA), which permits unionization if a majority of workers sign union cards. The benefits of union membership are clear: members earn 14 percent more on average than nonmembers and are far likelier to have a pension plan and health insurance.

The federal government also has an important role in this area. The Labor Department must return to vigorously enforcing and improving the laws that govern wages, hours, overtime premiums, and occupational health and safety. The minimum wage should be raised to match half the average wage (as it once did) and maintained at that level.

More fundamentally, we as a nation should set a goal of full employment, which in itself will empower workers. It is no coinci-

dence that income grew and poverty rates fell across all population groups in the late 1990s, when a roaring economy created millions of jobs and briefly drove unemployment rates down to historic lows.

Boosting Trade and Prosperity: Home and Abroad

American workers are losing ground in the global marketplace, where corporate interests have trumped all others in rule making for international trade. The United States has shed seven million jobs tied to trade since the late 1970s, when imports began to grow faster than exports. Changes in technology and economic policy have facilitated the movement of jobs offshore, and now some 50 percent of all manufacturing production of U.S.-based companies is located in foreign countries. As outsourcing expands, globalization's losers extend well beyond the least educated and unskilled. The idea that trade's negative impacts could be reversed with job training and education clearly has not been born out.

A serious response to these trends must begin with public investment at home—supporting education, job assistance, and innovation. Meanwhile, we should declare a strategic pause in trade agreements and insist that any future agreements include provisions for enforceable labor rights. Another key step is to enforce current trade policies and to eliminate perverse tax incentives that favor overseas investments, and consider instituting value-added taxes that favor exports over imports, as other nations do. Finally, we should promote a more stable and equitable global financial system.

Authors

Lawrence Mishel is the president of the Economic Policy Institute (EPI), where he's worked since 1987. As EPI's first research director, then vice president, and now president, he has played a significant role in building EPI's research capabilities and reputation. A nationally recognized economist, he has researched, written, and spoken widely on the economy and economic policy as it affects middle-

and low-income families. He is the principal author of a major research volume, *The State of Working America* (published every even-numbered year since 1988), which provides a comprehensive overview of the U.S. labor market and living standards.

Nancy Cleeland has been the external affairs director at EPI since early 2008. She is a Pulitzer Prize-winning journalist with an extensive background in labor, immigration, and international trade. During a decade at the *Los Angeles Times*, she covered major labor disputes, including a port shutdown and several regional strikes, and exposed harsh conditions faced by immigrant workers. She was a lead writer on a 2004 series about Wal-Mart's labor policies and sourcing practices that won the Pulitzer, Polk, and other prestigious awards. Earlier, she specialized in coverage of the U.S.-Mexico border and Latin America, including a three-year stint as the Mexico City bureau chief.

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