

SPEECH

The New American Poverty*

Michael Harrington**

Poverty in America is an issue with growing visibility. Both its gravity and the attention focused on it will increase during this decade. True, there has always been poverty in America. Fundamental transformations in American life, however, have changed the national landscape so much that I feel it appropriate to speak of "the new American poverty." What are these changes? They are many, but they include the broadening of poverty; the popular disillusion with the social welfare policy developed in the United States from the time of Franklin Roosevelt through the administration of Lyndon Johnson; the internationalization of the economy and forces of production; and the complex technological revolution rapidly transforming work patterns throughout the world. "The new poverty" will be a policy issue of the first order for the rest of the decade, and probably for the rest of the century.

Though some may accuse me of being wildly optimistic, I am willing to hazard that this second term of the Reagan presidency marks the beginning of the end of the conservative era in American politics. I believe that we are on the eve of a new period of social change.

I say this because I am absolutely convinced that Ronald Reagan has not solved any of the fundamental problems of the American economy. The financial crisis that threatened the Reagan administration in 1981-1983 will re-emerge in 1985-1986. Supply side economics is a total failure, and this will become apparent. Americans will be forced to face up to the issue of poverty in a way they have not done since the 1960's.

Within this context of a certain pessimism and a certain optimism, let me approach the theme of "the new poverty" in three different ways. First, I want to discuss what I mean by "the new poverty." Second, I want to look at the causes of "the new poverty." Third, I want to put forth some ideas about a new program to combat "the new poverty."

* This speech is an edited version of the keynote address which was presented at the conference, "Poverty, Justice & Equality: New Directions for Public Policy," held at the University of California, Los Angeles on September 15, 1984. Selected responses to this address are also included. Due to the expository nature of this address, the sources referred to by the orators are not footnoted.

** Professor of Political Science at Queens College, New York and co-chairperson of Democratic Socialists of America. His book, *THE OTHER AMERICA* (1962) is considered by many to have been a major impetus for Lyndon Johnson's War on Poverty. His most recent book is *THE NEW AMERICAN POVERTY* (1984).

I. THE MEANING OF "THE NEW POVERTY"

Poverty is obviously not new in the United States. Appalachia is still there. You go to Appalachia the way I have recently, and it looks exactly the way it has always looked. The people in it are at the same disadvantage they were when John Kennedy campaigned in the area in 1960. He was shocked by what he saw. The area is still capable of shocking visitors. Minorities and their poverty are hardly something new in the United States. So when I say that there is a "new poverty" in the United States, I am not saying that the old poverty is gone. That would be silly. What I am suggesting is twofold. First, all the old subgroups of poverty now exist in a new context. Second, there are now some new groups of poor people. In the rest of this section, I will focus mainly on these new groups.

The first, and perhaps most dramatic of the new groups, are the blue collar unionized workers. These are workers, many of them forty to fifty years of age, who have lost their jobs because of plant shutdowns. Three or four years ago, they were making \$30,000 to \$40,000 per year, and yet today they are confronted with a bleak question: Who wants a forty-five year old ex-steelworker? If you talk to them, they will tell you that they are middle class. They bought the American dream—lock, stock, and barrel—and they thought that they had it made. Suddenly, these proud people are out of a job, and they find themselves down at the union hall getting a basket of food. For many of these workers, the shutdown of the plant has meant not only the disappearance of their job, but also the devastating devaluation of their house—their single largest investment. Who wants to buy a house in Keysport, Pennsylvania today? Nobody! In addition, they have lost their medical coverage.

Not all of these workers will become poor, but a significant percentage will. That is something new in American society. People who belonged to the United Steelworkers of America, or to the United Automobile Workers of America, now have to worry about becoming poor. And, if I am right, and the current recovery is, so to speak, a parenthesis between crises, there are many more people who are going to be facing these problems. I believe that the dislocations of the American and the international economies are such that these steelworkers and auto workers are the vanguard of a new group of the potentially poor.

Second, there is a new working class which is developing. In the southwest it is primarily immigrants from Latin America. In the East there is a heavy Caribbean influx. There has also been significant immigration from Southeast Asia. Some are undocumented, and they work primarily in the thousands of sweatshops common to most major American cities. These people cannot fight back because they are terrified that if they do, the Immigration Service will send them back to their place of origin. Even the documented among them are composed mainly of people right on the edge of the poverty line. That is to say, the new minority ethnic class is very different from that old working class who worked in the steel and auto plants. Even when documented, these minorities work in low-skill, low-pay America where the rungs on the ladder leading out of poverty have been sawed off. Therefore, jobs which, once upon a time, as Milton Friedman always assures us, were the staging points for people to get out of poverty, no longer have that quality.

The third group, obviously not new, but that has a new quality, is minor-

ity poverty, particularly black poverty. Prior to 1960, there was a rough democracy of poverty among blacks. That is to say, the entire black community was poor. In the 1960's, however, there were some significant economic gains for some black Americans. Now the black community has more of a class structure of its own, even though there is not yet a black upper class, there is a black middle class of some considerable size in the United States. The problems, especially the psychological problems of the black poor, have become in some ways greater. Some have made it and some have not. This sets some mechanisms in motion which make it easier for people at the bottom to blame themselves. This seems to be a new aspect of minority—and particularly black—poverty.

The fourth group, children, is a very important and very frightening aspect of "the new poverty." The government officially classifies as poor twenty-five percent of the children under six years of age. Twenty percent of those between six and seventeen are classified as poor. The gravity of this situation becomes highlighted when one realizes that the official poverty rate of 1983 was 15.2 percent. If I am right about the other factors—about the labor market becoming much more problematic, about the rungs on the ladder leading out of poverty having been chopped off—that means that there is a group at the bottom that is in danger of being trapped there for life. There is a potential there for a sort of poverty that has not existed in the United States before.

Related to that is the feminization of poverty. In the 1960's, even in the best years when there were gains, the number of female-headed households grew. In the worst years, the numbers grew even more. This escalation continued through the 1970's, only slightly interrupted by the 1982 recession where the increased unemployment of men created a brief masculinization of poverty. However, as soon as there was a bit of recovery, which, as always, disproportionately aids white males, the rate of poverty feminization increased. When these families fall into poverty, they frequently take Aid to Families with Dependent Children (AFDC). Unfortunately, the image that most Americans have of the average family receiving AFDC is terribly distorted. The myth is that the average AFDC family consists of a mother, who has repeatedly become pregnant as a way of continuing to receive payments, and who has borne seven or eight children. Contrary to this myth is the reality is that more than half of the families receiving AFDC receive it for less than two years, and the average number of children in an AFDC family is 2.6. Reactionaries make the argument that mistaken liberal generosity has created a huge population of welfare-dependent people, people who have become addicted to welfare. What I am saying is that while there is no question that there is a welfare dependency syndrome that afflicts some people, that group is not the majority. It is simply not true that the AFDC family is a large family headed by a lazy, shiftless woman. That is what the American people think; but the fact of the matter is that it is not true.

There has been an increase in rural poverty of all kinds. The interest rates have had a devastating effect on small farmers. We know in California that a Republican governor has had a devastating effect on farm labor organization. Poverty in the fields is on the increase. In rural areas, I see surprising types of poverty. Gentrification is not simply a problem of the cities. No

longer uncommon, for instance, is the middle class family in Maine who wants to buy a charming little New England farm. In order to buy that charming little farm, however, they have to evict a not so charming little New England family. These displaced people then go, without jobs, to mill towns. There, the normal syndrome—alcoholism, marital breakdown, drug abuse, spouse abuse—takes over.

Finally, there are the homeless. This is a grab-bag concept that has been used to describe a number of very different groups. De-institutionalized mental patients, those who after the 1950's were no longer placed in what we rightly rejected as "snakepits"—in the insane asylums, located as far from other people as possible—have been released. This partially has been made possible by the discovery of powerful tranquilizers. We decided we would reintegrate them into the community. However, it seems we forgot to reintegrate them. The consequence, as New York City's Mayor Ed Koch has pointed out, is that we have turned the streets of Manhattan into mental patient wards, and we have turned the police into ward attendants.

Then there are the homeless who are victims of gentrification and tax laws in the cities, who are homeless because we are not building housing for the poor. Because of the tax laws, a city can raise revenue easily by permitting conversion of rental units into condominiums, but this is also a sure way to increase the population that is sleeping in subways and doorways. These are not the de-institutionalized ex-mental patients. This is another group.

II. CAUSES OF "THE NEW POVERTY"

In sum, there is a whole series of groups who form a new stratum of the poor. But more important than describing them we should ask, what is the dynamic which led to the creation of these "new poor?" I want to suggest that the dynamic is that we are in the middle of a change in the United States, the likes of which we have not seen in the last one hundred years. The change we are going through is analagous, not to the 1930's, but to the 1890's. The change in the 1890's was the change from the free market, laissez-faire capitalism, more or less, to corporate monopoly capitalism. At the end of the period, the economy looked radically different than it did at the beginning. In contrast, the Great Depression, though more of a disaster than anything that has happened since, did not catalyze new structures in the economy and the forces of production as did occur in the 1890's. At the end of the Great Depression, the economy looked, for the most part, like it did in the beginning. That is to say, steel, tire, and auto plants dominated the economy before, and they did so after the Depression. The Depression was a structural disaster, but it did not spawn structural economic change.

Today, as in the 1890's, I believe we are going through a basic transformation of the American economy. The Reagan "recovery" is a mere episode in that transformation. It is generated by a technological revolution and by a transformation of the international division of labor. The result has been that South Koreans, for example, can now produce steel more cheaply than the Japanese, and are about to export cars to the United States with the cooperation of major American automobile corporations. At the same time we are going through a multinationalization of corporate capital to a degree unprecedented in history.

Wassily Leontief, the Nobel Laureate and socialist economist, has pointed out that the one great power which labor has in the struggle against capital is a monopoly over one of the factors of production—labor. But now there are two substitutes for that factor of production—foreign workers and robots. We are currently going through a multinationalization of corporate capital and an increase in automation to an unprecedented degree, which has structurally weakened the unions in manufacturing. The resulting economic dislocation and expansion of poverty has been enormous.

Finally, let us look at changes in the economic well-being of the overall American population over the last quarter century. In the 1960's, the real buying power of the non-poor went up every year. Under these circumstances, it was possible politically to say to middle class Americans, "shouldn't we have some more justice?" Since 1969, however, the American economy has been a roller coaster, despite Reagan's euphoria. In the 1960's there was economic growth and American industry was hiring. In 1980's growth and job availability have become problematic. When President Reagan asks, "are you better off than you were before?", the answer is, as it always is with any question of that sort, "it depends on your baseline." If you take 1982, 1981, or 1980, the answer is "yes!" But the answer is quite different if you use as a baseline any of the years during the Carter administration. In 1983, the average American had less buying power than in 1978. The insecurity that comes from a roller coaster economy fuels a social crankiness and meanness—something that did not exist in the more exuberant early 1960's.

Now let me write a history for a new future, for we are not going to be able to shape the future until we have demystified the past. In his State of the Union message of 1964, Lyndon Johnson declared his War on Poverty. In 1965, with the escalation of the war in Vietnam, the War on Poverty was undercut. There were other factors which contributed to the undercutting, but the Vietnam War was *the* factor which took one of those privileged historical moments and made of that moment, not a total failure, but made of that moment so much less than it could have been. Circumstances have led us to underestimate the accomplishments and to overestimate the costs.

One problem was that Lyndon Johnson spoke as if he were giving away the Treasury of the United States every day. The American people heard that. The difficulty was, and is, that he never did it. As Daniel Moynihan, in his book on the family assistance plan, stated: "The War on Poverty was oversold and underfinanced, to the point where its failure was almost a matter of design." In other words, the great problem for the War on Poverty was not the resources devoted to dealing with poverty, but the fact that, compared to the rhetoric, the resources devoted to the War on Poverty were actually very small. You look at the Office of Economic Opportunity, and you will see that it never got a lot of money. Indeed, it never took off.

Let us look at where social welfare money has really been spent since the mid-1960's. In a *Fortune* magazine interview, David Stockman, who, to his misfortune, at times can be refreshingly candid, correctly explains, "[Y]ou know, we really can't cut the poverty programs any more. We have gone about as far as we can go. As a matter of fact, in terms of spending, the poverty programs are pebbles, and the programs for the aging are the boulders." Growth in federal social welfare spending in the late 1960's was cen-

tered on increasing and indexing Social Security payments, and in building Medicare. Realize that forty percent of Medicaid goes to terminal care of the impoverished aged. The implication of this for our understanding of support of the poor is enormous. The fact of the matter is that Social Security is eighty-five percent for the middle class, and only fifteen percent for the poor. Most of the social spending of the 1960's went to middle class people. And, as you know, for a variety of reasons having to do with factors such as longevity and the ability to get medical care, Social Security provides more benefits to white middle class people than it does to minorities. Even when whites and minorities have the same legal right to medical care, such factors as whether you know doctors, whether there are doctors in your community, and whether you are accustomed to dealing with doctors, have a lot to do with what kind of medical care you are going to get.

The main fact I want to stress about this demystified past that we never spent a lot of money on the poor! While Walter Mondale tried to assure the American people that there was no Treasury raid in the Democratic platform of 1984, my difficulty has been that I regret that there never has been a Treasury raid. I wish there would be. I would like to lead one. I think that people who are concerned with poverty have to stop apologizing for a profligacy which simply never existed.

The second point I want to make is that, although we did not spend much money on the poor, some of the money we did spend worked. Two groups of the poor made significant gains in the 1960's, and one group did in the 1970's. The working poor made strides in the 1960's and this particularly benefited white males, and to a lesser extent, black males, which is one of the reasons for the feminization of poverty. Above all, this was because unemployment declined in every year of the Kennedy-Johnson administrations. Real wages went up, and by American terms, there was a labor shortage by 1967-68, because of the war in Vietnam, and that made real gains for the working poor.

The second group that made real gains was the aged. Poverty among the aged was cut in half over the last twenty years. In 1964, one-third of the aged were poor; today, it is only about fifteen percent. The reason is very simple. We simply extended Social Security to half of that aged poor. If we wanted to abolish all of the remaining poverty of the aged tomorrow, we could do so by simply seeing to it that everyone on Social Security got sufficient payment to put them above the poverty level. Richard Nixon, right after the 1972 election said, "the liberals tried to throw money at problems." My response has always been, there is one problem that can be taken care of by throwing money at it, and that is the problem of not having enough money. To the degree that one of the central problems of the aged was insufficient income, giving them more money solved that problem. It did not solve all of the problems of the aged, but it solved that problem.

So there were gains. And I think that we are discovering that there were gains in some of the labor training programs—the Job Corps Program, CETA. It was not, as the American people think, a total bust. There was money wasted there. Many of us asked at the time, "How can you train people when unemployment is still too high?" "Shouldn't you create the jobs that you are training people for?" But even though that criticism was true then, and true in retrospect, there appeared a relevant story on the front page of the *Los*

Angeles Times, about a new Michigan study on Head Start. The following excerpts of the article conflict with the myth of the total failure of the poverty program:

According to the results of a study released in Washington on Friday, an investment of \$4,000.00 in today's dollars would result in net benefits of \$28,933.00. In other words, those who went to pre-school were, by the time they were nineteen years old, far more likely to have graduated from high school and be employed, and less likely to be on welfare or in jail than their counterparts who did not have early schooling. And they even discovered that the teenage pregnancy rate of the pre-school group while high, was only 55 percent of that of the other group.

This is one of the indicators that when you change one aspect of people's lives positively, there are often many other aspects which change positively.

We should be aware, without overselling it, that there are many such stories out of this very modest War on Poverty. There were failures, but there were also significant successes. We know that the history of the War on Poverty is that poverty in the United States declined significantly during the Kennedy-Johnson years. Then between 1969 and 1978 poverty went up and went back down. On balance, however, it did not change at all. And the reason was not simply that these were the years of Nixon and Ford, but that these were the years when American economic performance began to decelerate. The kinds of problems I have been talking about were becoming more and more important to the American economy.

Since 1978, in every single year including the 1983 recovery year, the poverty population has increased. There are now nine million more poor people in the United States than there were in 1978. Of course, there has been a disproportionate increase among minorities, among women, among groups who are at a structural disadvantage in this society.

The economic policy of the Reagan administration has had a large role in weakening social welfare policies that began in the Great Society. Reagan, it is true, did not create most of the central welfare problems, but his policies exacerbated them. While constantly extolling the virtues of work, Reagan carried out economic programs which punished most severely the working poor. Inflation, for instance, attacked AFDC. That is to say, the real buying power of AFDC benefits went down in the early 1970's because AFDC was not indexed. By the early 1980's, the combined buying power of AFDC and food stamps was less than the actual buying power of AFDC in 1969. Thus, there has been an erosion in the actual buying power of AFDC. That was accomplished not so much by administrative action as by economic mechanisms. Reagan, of course, in attacking Food Stamps and Medicaid, kicked the working poor out of those programs. The irony is that the administration has ended up punishing what it considered to be the deserving poor—the working poor—rather than those it felt to be undeserving—the welfare poor.

III. PROGRAMS TO COMBAT "THE NEW POVERTY"

Finally, let me address two overlapping programs that are designed to deal with "the new poverty." First, is the policy related to employment and the labor market. Second, are the social policies which take over when the labor market fails.

I believe that full employment is a precondition for both the economic

and the social policy aspects of an attack on poverty. It is obvious that full employment is an economic precondition for an economic attack on poverty. Full employment is also a political precondition for allowing Americans to act on the basis of social conscience. Where the majority of Americans see their own buying power in decline, or else, feel that it may decline next year, they are going to be very hostile to increasing AFDC payments, even to recapture what inflation took away from AFDC recipients. To have economic and social policies that are decent, therefore, we need full employment.

The notion of full employment is now almost a radical notion. It used to be a liberal notion. Today, however, there are many people in this society, including a fair number of liberal leaders, who do not really believe that full employment is possible in American society. Full employment was originally defined relative to the unemployment rate—the full employment unemployment rate. When John Kennedy took office in 1961, full employment was defined as three percent unemployment, with the interim target of four percent. Now, in contrast, the government no longer speaks of full employment. It speaks of high employment and defines it by the Inflation Threshold on Employment Rate. What unemployment rate can we tolerate without endangering inflation? Presently, the government and most private sector economists say that it is right around seven percent. That is to say, we now have 7.5 percent unemployment, but they are saying we can knock off one-half percent—600,000 to 700,000 people—and that is it. So long as we tolerate those rates of unemployment, we are going to institutionalize an underclass in the United States of working poor and of people who never get a job.

I think that we cannot get full employment without democratic, participatory planning. People left of center sometimes think that if you say, "I'm for planning!" that you have said something. The fact of the matter is that you have said practically nothing. Ronald Reagan is a planner. He is a closet planner; but he is a planner. That is to say, Reagan had a theory that we were consuming too much and investing too little, so he altered the tax laws to get us to save more so that we could invest more. It did not work, but it was a planner's theory. Milton Friedman would trust the market; Reagan did not trust the market. Instead, he tried to rig the market so that it will yield the results he wants.

Another sort of planner—the technocratic, authoritarian, top-down planner—is represented by Felix Rohatyn. Rohatyn, whose sort of planning has some support in the American trade movement, wants the process to be free of the interference of all of the rambunctious interest groups who will be directly and indirectly affected by the planning. Effective planning cannot be done, says Rohatyn, if you have a bunch of ghetto mothers, farm workers, or trade unionists yelling at you. It must be a quiet plan. Rohatyn's ebullience about the New York City financial crisis in the seventies was that the people were so scared that they turned the planning process over to a small group of bankers, technocrats, and top union officials free from democratic process which gave them the quiet needed to do their planning.

The sort of planning I am advocating in the interest of full employment is not that of Reagan or Rohatyn. Planning can be good, bad or indifferent. Good planning, to me, is democratic, participatory planning. The steelworkers in McKeesport, Pennsylvania, provide a good example. When I talked

with these out-of-work steelworkers in 1983, they were against the union's making concessions to the companies. But, when I talked to them further, they said:

we'll make all kinds of concessions—we'll give up money, vacation, fringes, et cetera, if the companies will promise that the money they save by our concessions will be reinvested in McKeesport for jobs for us. We are not going to give up our hard-won gains so that the company can buy an oil company, so that they can go and play games.

I think that those workers, who are unfamiliar with all kinds of sophisticated equations, understood power and economics better than an awful lot of people. That is why I believe that participatory democratic planning is not only desirable, but feasible.

I am not a hopeless romantic. When I say that people at the base should participate in the planning process, I assume that we have to empower them. This society does not train people at the base to engage in sophisticated debates about economic policy. If this society tolerates a monopoly of the information technology in the hands of either the government or the corporations, it can pass all the laws about participation that it wants, but decisions will continue to be made by those who monopolize the technology. Therefore, there have to be funds for counter-planning. Congressmen Hayes and Conyers recognize this need for counter-planning, and have introduced a bill which would implement key features of the Humphrey-Hawkins bill. The bill has been shortened, but one proposal which was in the original is the notion of funds for people at the base to hire the necessary expertise to help them conduct a "national needs inventory." This would then become the basis of democratic planning in terms of social investment.

We must insist on corporate responsibility for corporate action. Most American corporations feel no responsibility to warn their employees about what is going to happen or to pay for the consequences of its actions. When one gets free trade arguments such as "don't we want increased efficiency?"—the response should be "who is paying for the increased efficiency?" Who pays for the opportunity of the Third World to industrialize? Will the bill be paid purely by working people and their communities? I think that we ought to buy the new efficiency and the increased social justice of the Third World industrialization by having those most able to pay paying the highest portion of the bill.

My last point—some specific measures. These are social, not economic policies. First, quality day care is obvious. Day care for the poor has often been warehousing. Related to this is the restoration of AFDC levels. Second, is health care. I am for a system of national health. I do not understand why the United States is the only industrialized democracy without it. However, at bare minimum there should be Medicaid for all the poor. This itself would be a significant change in social policy, for the majority of the poor do not now receive Medicaid benefits. Also, there should be a law providing that when there are layoffs, workers' coverage under the union medical contract should be extended for one or two years. The idea that a working family can lose their medical coverage because the plant shuts down, or something like that, is terrible.

Then there is this Simpson-Mazzoli bill, and the whole question of how to deal with undocumented workers. I think Simpson-Mazzoli is a very bad

idea. But there is a substitute for Simpson-Mazzoli, and it does not even require the passage of a new law. We should simply enforce the minimum wage laws in the United States. Simply enforce the Occupational Safety and Health laws. Instead of going after the undocumented workers in the sweatshops, we should go after the employers—all of whom are violating the law. Rather than having identity cards for the workers, have identity cards for the bosses, so to speak. We can basically deal with the problem by taking the profit out of undocumented workers. The existence of the undocumented workers in the United States is testimony not only of their desire to go to a different country, but also testimony of the desire of a certain stratum of American business to get substandard, subminimum wage labor.

Finally, let me stress a final strategic point. In the future I think that we have to be very careful not to say that we propose that affluent Americans, out of *noblesse oblige*, provide the resources to eliminate poverty. We should say that there should be compassion and justice. But we should also say that we are proposing an economic agenda which is in the interest of the middle class, the working people, and even in the interest of the rich. That an America which abolishes poverty would automatically raise the living standards of everyone else in the society. I think that the strategy has to be to go to unions, neighborhood organizations, neighborhoods which are not at the bottom but are in the middle, and say "look, you will gain from this. You should be compassionate, but you should also understand your real self-interest."

An America which dedicated itself to the elimination of poverty—the new and the old—would be a society that was acting not simply in generosity or compassion, but in self-interest by increasing the wealth and well-being of all sectors of the population.

MARTIN CARNOY'S¹ RESPONSE TO MICHAEL HARRINGTON

I found Dr. Harrington's speech very illuminating. I disagree on some points—not in terms of substance, but in terms of strategy. The Reagan economic program is based on several very important elements. The first of these elements is the militarization of the economy. The second is cuts in real wages. The third is allowing an underground economy to develop very rapidly. Reagan's program is also based on a massive ideological war on social programs. We should not underestimate this ideological component. I think Dr. Harrington brought this out very well.

The second part of the program, which was not talked about very much, is that, because of the nature of the first part of the program, we are running a tremendous deficit in government spending. Because of that, and because of the ideological bias of the Reagan administration, monetary policy is supposed to be the controlling factor in macro-economic policy. This leads to a very strong dollar, and a new kind of mercantilism. It is a mercantilism of capital. It is money coming into the United States rather than out of the United States, although the latter has been the traditional form of spreading development in the world. Instead of that, we are sucking capital from the rest of the world, including the Third World. In addition, because of the high dollar, one of the most important inputs for development—oil—has gone up in price for the rest

1. Professor of Education and Economics at Stanford University

of the world. While our oil prices are going down, since oil prices are all paid in dollars by every country in the world, their oil prices have gone up. That is a very important thing to understand.

Two of the main costs of doing production have gone up in the rest of the world—capital and oil. These rises are directly due to our policies. We are, therefore, pauperizing the Third World, and doing a great deal of harm to Europe. It is a mercantilism. We are drawing growth into the United States. At the same time, we are lowering real wages, or keeping real wages constant in the United States.

The state government is central to this whole program. At the same time that the Reagan people are trying to attack the government, the state, they are making it even more central to the government policy.

The third factor is what is happening to the labor force. And Dr. Harrington brought this out very well. Summarized in two sentences, the labor force is polarizing—polarizing at several levels. The technological revolution is creating rather well-off engineers, scientists, programmers, and then a mass of generally low-paid women, many of them foreigners (legals, in many cases). So there is this polarization in the revolution. The automation factor, which Michael talked about, is, in fact, the polarization factor. The important thing that has been brought out in a number of studies, is that the massive growth of jobs has been in very low-paid, low-skill areas in this country. The technological revolution is not overcoming that at all.

The attack on the state comes out of fear. The need to militarize heavily also comes out of that fear. The feeling is that militarization is inevitable because we have to protect ourselves from the bad guys, whoever they are.

So, be anti-poor and anti-Soviet, and all because you are afraid. The Reagan people have really capitalized on this ideological stand.

What should we do to turn this around? Here is where I disagree with Dr. Harrington. I do not think we should talk about poverty. I don't think we should talk about welfare programs. I do not think we should even talk about full employment. We should talk about very concrete issues that people can immediately relate to, but which, in fact, accomplish the very theatrical goals which are important to Dr. Harrington.

Let me tell you what I would do. I would run my ideological program against militarization, for health care, for education (including continuing education for adults), for day care, and for environmental protection (including a transformation of the transportation system). What all this means, in terms of economics, is very clear. It is a shift from high capital-intensive to much less capital-intensive jobs. This will allow us to move towards full employment. But if you talk about full employment, people are not interested. They are interested in these concrete things.

The second point is that I would make my ideological struggle on three grounds. First, I would focus on automation, which is a big issue all around the country. Second, I would address comparable worth. Third, I would deal with runaway shops. I would direct myself towards something that no one is talking about currently, but which could get a big response—public service versus greed.

People do not like the idea of greed in American society today. They do not know quite how to express it. Whenever I talk to them about, "Gee,

wouldn't it be great to have John F. Kennedy back, who asked "Do not ask what your country can do for you, but what you can do for your country!" The response is always "Yes!" and that there is too much greed in this society. They are attacking the poor because they are weak, but they believe the poor are greedy. They also believe that big corporations are greedy. They also believe that Congress is greedy. So the idea is to fight against greed, and for public service. These are things that people will, when involved in door-to-door discussions, relate to. They will result in achieving those abstractions. But I would not carry on my ideological struggle on the level of those abstractions.

RESPONSE OF ELAINE ZIMMERMAN²

The only thing I would take issue with Dr. Harrington on, is where you say that poverty is on the economic agenda, but *not* on the political agenda. What we have seen in California, and across the country, is that the feminization of poverty *caused* the gender gap. The gender gap is strictly born out of economic inequities that affect women cross-race, cross-age, cross-economic status.

First, I want to inform you of what has happened in California, and then show you that as more and more women are becoming poor, our vote is becoming rich. That is not coincidental; one caused the other. The gender gap was caused by the feminization of poverty and we are only going to get rid of that poverty by cultivating and strategically organizing around the gender gap.

Let me show you a few things that indicate to me that at least in regards to the gender gap, we are on the political map. People said that it could not be done—that women could not come together across racial, class and age lines. But if you start looking at the new poor, at the chronically poor, at the near poor, and at the I-could-be-poor, what you see is a vast coalition of women who never thought that they would be in the same room together. The phrase "the feminization of poverty" is insulting to Third World women and low income women who have been in poverty for years, because the term infers that it is a new thing. It also infers that women are doing something to poverty, rather than that poverty is doing something to women. As a coalition, however, bringing together the new poor, the near poor, and the chronically poor, because of race and class bias, is a new coalition that needs to be nurtured for all it is worth. We cannot fight over who has been poor longer. Everyone knows that minorities and low income women have been in poverty much longer than certain white women.

What we saw in the state of California was a women's economic agenda. Women came together from all over the state to review the agenda, to translate it. Representatives from all over the state reviewed the agenda, and then came to a state-wide ratification process. Willie Brown, speaker of the state assembly, gave us the capitol, and on June 9 and 10, 1984, 350 women came together across class, race and income lines. We ratified the first economic agenda for women in the United States. Shirley Chisholm flew in for the occasion. Dolores Huerta drove up with her kids. There was a great deal of com-

2. Co-director of Women's Economic Agenda, Oakland, California

mitment. People were surprised. They said that women could not work together that way. I think it is obvious that the accelerating economic injustices that are crossing class lines at this point have the potential to make an extraordinary new coalition and, at least with women, we are already seeing it. In 1982, for instance, women cost certain candidates the governorships in three states—Texas, Michigan, and New York. The mayor of Houston won because of the combined civil rights vote and women's vote. The New York Times front page said, "Women and Minorities Make Pivotal New Voting Constituency."

The concern I have personally is the amount of press blockage there is of these voting forces. If you look at what Jesse Jackson did with the mobilization of the minority vote, and you combine it with the gender gap vote (and gender gap does not mean only white women, but all women), we could turn over the landscape of this country. Two out of every three adults in poverty are female. We have over ten thousand requests for the poster which depicts this statistic. It is not such a great poster, but it does provide a metaphor—that more and more women are becoming poor, but that our vote is becoming rich. What we saw by the number of requests was that we were on the right train. It is the right train for organizing.

I agree with those people here who say that we cannot talk concepts; we have to talk concrete programs. Two out of three adults in poverty are female; twenty percent of all children in the United States right now are in poverty; fifty percent of all black children are in poverty; fifty percent of all widows and middle-aged single women are in poverty. Three-quarters of all seniors in poverty are female. The potential to bring together women who have not worked together before is stunning. There has been a ninety-seven percent increase in the number of single households in the United States. The divorce rate in the United States is two out of four: in California, it is two out of three. When you have a divorce, ninety percent of the newly single custodial parents are female.

Two out of three women in the United States right now make minimum wage. One out of three women in the United States averages a salary of \$7,000 a year. Eleven million children in this country are without child care. You people here know the situation of the black boy who was murdered when his mother was working night shift. Someone heard a noise in the apartment and called the police. The police came. The little boy had a gun, a watergun, but they shot him. The child was murdered. The next day in the Bay area papers, there were accusations that the mother was a bad mother because she left her son alone. It goes to an issue that I think every woman's heart goes to at this point—the injustice of the lack of social services and lack of public policy adjustments to make up for what's lacking in this culture. The list goes on and on.

I am convinced that we have seen this year in California that if you begin to make an economic bouquet of issues, if you link a concern of a middle class woman with the concern of a woman on AFDC, what you begin to find is that there is more in common than meets the eye, and that many women are willing to work in this broadening coalition. The common bonds are such things as wage equity, jobs, education, child care, concern for the family, and concern for seniors. You can take every one of those and translate it into concrete

terms. This is probably something you should not say publically, but if you take something like the ERA, it is just three letters, and it says absolutely nothing. There is no program, and it is no surprise that it failed. Had the ERA been linked to the feminization of poverty, and had it linked labor, civil rights and women's issues, I think that it would have passed. But it was not concrete enough. It was not programatic enough.

Going all the way back to Eisenhower, there has never been a voting differential between the way men and women viewed anything politically that was larger than two or three percent. The only point around which you saw any differential was around war and peace, and then you got this classic sexist business that said that women could not stand aggressiveness and violence. In 1980 the differential was eight percent. Two summers ago, the gender gap was twenty-two percent. The gender gap crosses race, age, region of the United States, and religion. When it first happened, Reagan called it a trend. He decided it was not true that women were developing different opinions than men. Ultimately, the gender gap has persisted. It now ranges between eight and twenty-two percent. There is no doubt that it is a real force.

What Reagan does with it publically and what he does with it at the White House are different stories. He has ordered three different studies in-house on what he should do to diminish the gender gap. One study told him,

The gender gap will not go away until Reagan reduces unemployment. Separated and divorced women find the President and his policies to be personally threatening. Fear of losing government benefits seems to be causing women to oppose the administration. Reagan is a threat to the supports originating with the government of separated and divorced women.

The final recommendation of the study to the President was for child care, Social Security, education, and wage equity to help close the gender gap. I think that those are the issues that we need to be organizing around.

In California, in the primaries, fifty-five percent of those who voted were female. They make up fifty-three percent of the voting population. Black women surpass black men in the numbers who go to the polls. Hispanic women surpass hispanic men who vote. White women equalled white men, for the first time, in 1980. They are voting in equal or larger numbers than men. They are also voting more progressively. This is going to persist.

We must continue to do public education and outreach among women on economic issues that is concrete. There must be links between the civil rights and women's movements. What we cannot do is tolerate the strain between the civil rights movement and the women's movement. We have to refuse to buy into this, and work for coalition and persist on economic issues.