

# THE COSTS OF EQUAL OPPORTUNITY IN A NEOLIBERAL ECONOMY

Eric Loomis has a nice discussion of an article in the WaPo titled "White Americans long for the 1950s, when they didn't face so much discrimination." The article reports these findings:

- 43% of all respondents said discrimination against whites is as much of a problem as discrimination against blacks and other minority groups.
- 60% of the white working class respondents said discrimination against whites is as big a problem today as discrimination against blacks and other minorities.
- White Americans feel put-upon and mistreated – and large shares of non-white Americans do not seem to have any knowledge of the challenges that white Americans say they face.

Loomis concludes that these feelings are the basis of the appeal of Donald Trump:

I will however say that the numbers of the white working class are particularly important because the economic insecurity of an outsourced and automated economy, *the effects of which are swept under the rug by the many proponents of unrestricted globalization*, are very real. I have said for a long time that if you want a stable society you have to have good paying jobs. Without those jobs, racial and religious prejudice becomes even more powerful than it usually is. That is part of what we are seeing in this recent rise of proto-fascism. It's scary and should make us rethink a lot about the society we want to build before it's too late. Emphasis added.

I absolutely agree with Loomis, but there's more to be said. So here's a story. I was accepted at Indiana University Law School in the Summer Session of 1971. My college grades were mediocre, but I got a very good score on the LSAT and had two years in the Army to encourage me to study harder. My law class had 200 people of whom 20 were women, as I recall. I graduated 20th in my class, and 10 of the people ahead of me were women. I assume that all the white guys with better credentials than mine got in, so it's fair to guess that I would have graduated at least 10th if not for those really smart women. As it happened, it didn't affect my ability to get a great job with a brilliant mentor, Stanley Schwartz, who taught me how to be a real lawyer. But that was a good time for lawyers and for hiring in general. And if I had wanted a job in New York City with a big firm, that move down the graduation rank would have made that unlikely.

The same thing happened to athletes when African-American players were allowed to compete. Lots of really good white players lost their scholarships to better players. The same things happened when police forces opened the doors to everyone on more or less equal terms. The number of jobs didn't increase much, so the competition meant that some white men who would have been cops or office administrators or anything else didn't get those jobs. It wasn't a great problem until the decent jobs were disappeared by the rich. With the vast number of good jobs that had cushioned the entry of women and people of color gone, the previously privileged people, mostly white men, didn't automatically win. Instead, they had to deal with the fact that there many previously disqualified people who were smarter and better prepared than they were, and many more were at least as smart and well-prepared as they. Just like me, they lost their previous rank.

That is an actual loss for white men. It isn't just an appearance, or an excuse, it's a genuine loss.

That was bad enough, but it got worse. When the rich started their drive to collect all the money from work in the Reagan years, they explained to the working people that they needed to be better and smarter, and they needed more education, which the workers were expected to pay for. Then college tuition shot through the roof, and states cut support, first for higher education, and then, in the wake of the Great Crash, for all education. But at the same time, Republicans tell workers it's their fault, they need to work harder and longer and better and smarter. It's a horrible double bind. I think the result is that some people respond by blaming themselves, and others respond by blaming the people who beat them out, or the liberals who made equal opportunity more of a real thing.

No one, especially politicians and economists, blames the people who shipped all the good jobs out of the country. Not a single politician or economist points out that if Intel and Apple and IBM don't ship physical, financial and intellectual capital to Taiwan, there won't be any semi-conductor manufacturing low-wage jobs there. No one says out loud that if the heavy equipment used to manufacture washing machines isn't shipped to Mexico, there won't be washing machine plants in Mexico. Economists of all stripes applauded the hollowing out of US industry on the absurd theory that the benefits to some outweighed the costs to society, assuming, of course, that there are economists who think about the interests of society beyond money. Neoliberal policies, specifically the massive support for unrestrained movement of physical, intellectual and money capital, produced the current state of the US economy.

Certainly, restraints on free movement of capital might not have permanently insured that these jobs remained in the US. But the central lesson we learn from Karl Polanyi's *The Great Transformation* is that the pace of change is of crucial importance. See p. 39. The sudden and massive changes in the US economy have produced

unnecessary misery, just as the Industrial Revolution did in the early 1800s in England. Whatever benefits there are in cheap foreign labor haven't gone to the working class in the US, or even to most of the middle class. A government that cared about human beings would have acted to slow down change so society could protect itself. But we had Reagan and a crowd of crappy Democrats.

All this not only explains why people are so angry at both parties, it answers a basic question: why don't the poorest among us vote? These are the people who benefit from the scraps of safety net left after years of efforts by neoliberals of both parties to destroy it. This is from the NYT:

While Mr. Bevin did not win Louisville, a Democratic stronghold, Mr. Conway did not win by nearly as big a margin here as Democrats usually do. William Benton, a Family Health Centers patient who voted for Mr. Conway, said he was not an inspiring candidate even for committed Democrats.

"A lot of people felt really justified not voting," said Mr. Benton, a musician and part-time bakery worker who signed up for Medicaid this month to get help for his depression.

Not inspiring? That barely begins to describe a Democratic Party supporting neoliberalism at the expense of poor and the middle class.