

The Politics of Theft: Economic Inequality and the Forgotten Work Force

A Review of The Heist and The New Jim Crow

(Published in *Dissent*, Summer 2012)

The Heist documents the process Rep. Donna Edwards of Maryland calls “the greatest wealth transfer in the history of American kind if not of mankind.” The villains and thieves of the American dream in this near melodramatic documentary are the modern day robber barons, known more popularly now as the 1%.

The film tracks a historical process which begins with the Powell Memo of 1971, a letter written from then attorney Lewis Powell to the U.S. Chamber of Commerce. Powell later became a Supreme Court Justice. The document, entitled “Attack on the American Free Enterprise System” detailed a strategy for U.S. corporations to become more aggressive in shaping law and the political system to serve their interests. The makers of “The Heist” refer to this memo as a “battle plan” for corporate America. They cite the motivation for this “battle” as the need to respond to the social movements of the 60s which destabilized business’ agenda.

While the ideas of Powell percolated through corporate corridors in the 1970s, only with the advent of the Reagan administration did they find a public champion. By now much of Reagan’s deregulation of the economy is well known-the repeal of the Glass Steagell Act of 1933 which kept banks from playing the financial markets and the dismantling of the regulatory power of the Securities and Exchange Commission, the EPA and OSHA.

But the uniqueness of The Heist is the framing of this economic restructuring not simply as a greedy quest for wealth in a vacuum but rather as a directed offensive against the power of organized workers. As Jeff Faux, founder of the Economic Policy Institute, puts it, “the target of Reaganomics was the labor movement.” Catalyzed by Reagan’s destruction of the air traffic controllers union, this transfer of wealth not only increased the ratio of CEO to worker salaries to 185 to 1 by 2010 but also reduced the unionization levels in the workforce from 24% in 1979 to 11.8% today. This highlighting of the link between economic restructuring and the suppression of unions is an important element in piecing together how we ended up in this free market morass. Moreover, The Heist cleverly links its analysis to the perspectives of Occupy, targeting the same bad guy 1% who have become part of the everyday lexicon as the perpetrators of the decline in living standards and wages of ordinary workers, students, and the middle classes.

Two more key points stressed in the Heist are worth noting. First, while Reaganomics may have driven it, politicians on both sides of the aisle have been co-conspirators. Legislation under Bill Clinton such as the Commodity Futures Modification Act of 1996 which unleashed the roller coaster of an economy driven by speculation and hedge fund managers were key components of the heist. Clinton’s advocacy and signing of NAFTA further undermined union gains and facilitated the export of manufacturing jobs.

Second, the policy infrastructure for this process was the product of the rise of numerous rightwing think tanks and shady groupings typified by the American Legislative Exchange Council (ALEC), the architect of template wording for hundreds of bills for state legislatures, including measures to oppose taxes on capital gains and windfall profits in the energy sector.

Thus, the film has much to offer by way of detailing how the shift to a more free market, anti-worker economy was orchestrated from the top. Moreover, the frequent connection to scenes from Occupy actions provides extra animus and a contemporary link.

Having said that, *The Heist*, like any short film, presents a limited perspective. In this case, we get the top down actions of the villainous players rather than a view from the bottom. That is, for this major structural and ideological shift to take place, there had to be some buy-in from the voting public, some ways of winning sections of that 99% to actively supporting the political agenda of big business. *The Heist* offers little of this. Moreover, to fill in the historical canvass a little more fully, we need to also examine the racial dynamics of this period of restructuring, also a perspective sorely absent in *The Heist*.

For an analysis of some of these racial dynamics a good place to turn is the work of African-American legal scholar Michelle Alexander. Her book, *The New Jim Crow: Mass Incarceration in the Era of Colorblindness*, focuses on roughly the same period as *The Heist* yielding a different but complementary framework. According to Alexander, the main targets of the backlash against the social movements of the 60s and 70s were not unions but African-Americans. Her thesis holds that the mass actions of the civil rights movement destabilized huge elements within what she calls lower class whites, resulting in a new form of racist mobilization which falls under the heading of colorblindness. For Alexander, colorblindness is the re-birth of racism in coded and symbolic forms rather than in epithets or legal exclusion. For her analysis the equivalent of the Powell Memo was President Nixon's 1971 articulation of the need for a War on Drugs. But as with "the heist" it took Ronald Reagan to actually launch this War. At the center of it all, alternatively branded as drug dealer, drug pusher, drug user, gang banger, thug, and various other de-racialized terms stood the young African-American male, typically in baggy clothes and ball cap. Just as *The Heist* illustrates the orchestrated nature of economic restructuring so does Alexander show the conscious attempt to target African-Americans at the highest levels. Her citation of a famous quote by Robert Haldeman, top adviser to Nixon, describing his boss' orientation is telling: "He (President Nixon) emphasized that you have to face the fact that the whole problem is really the blacks. The key is to devise a system that recognizes this while not appearing to." Politically Alexander argues the urgency of creating this "colorblind" system was to attract working class white voters to a conservative Republican agenda without putting forward an openly segregationist platform. This goes a long way to understanding the success of economic restructuring in terms of drawing in a white working class following, the exact layer of the population most directly threatened with displacement by civil rights gains of the 1960s such as affirmative action and school desegregation.

The result of this racialized offensive has been mass incarceration- a process which has changed the social landscape of this country likely as much as the decline of trade unions. Today the U.S. has some 2.3 million people in prisons and jails, with another 4.7 million under probation or parole. The number

incarcerated has multiplied five fold since the late 1970s, giving the United States the world's highest per capita incarceration rate- greater than apartheid South Africa or the Soviet Union in the days of the Gulag. And as Alexander points out African-Americans have borne the brunt of this, comprising nearly 40% of those incarcerated while making up only 13% of the general population. For Alexander, the reach of this process has extended so wide, that it constitutes a new system of oppression, what she calls the New Jim Crow. In her view, the victims of this system constitute a new "racial caste" - those who must go through life with a felony conviction, existing as second class citizens. She details how in a number of states people with felony convictions can't vote, can't live in public housing, can't get food stamps or family assistance. In addition, many occupations, even jobs like hairdressing and cosmetology ban the some thirteen million people in this country who have felony convictions from entering their ranks. Given this situation, Alexander goes so far as to call "felon", the new "N" word.

Like the heist, mass incarceration has drawn the support of Republicans and Democrats alike. While Reagan may have spearheaded harsher sentencing laws and the funding of SWAT squads, Democratic governors in states like New York, California and Illinois presided over massive prison building projects and the buttressing of the law enforcement apparatus to fill them. Even today, Barack Obama's administration continues to expand the Federal prison system at a rapid rate.

Furthermore, groups like ALEC and the conservative Brookings Institution, as well as an army of lobbyists have consistently promoted "law and order" policies which have greased the wheels of incarceration. Somewhere there is a connection between the heist of wealth and assets and the heist of millions of African American and other poor youth from their communities.

To borrow the terms of Occupy for a moment, the unionized labor displaced by The Heist and the working class youth who land in jails and prisons form key components of the 99%. Yet they are rarely mentioned in the same breath. In particular the forces of organized labor have either ignored or failed to see that mass incarceration is an attack on working class people of color, particularly African-Americans. As Alexander points out, those being recruited to jail and prisons from the South Side of Chicago or Bedford-Stuyvesant are for the most part not full-time criminals. Rather, a large swath of them are being caught up in the dragnets of stop and frisk and "driving while black" (or in places like Arizona while brown). Research has shown that young black men are no more likely than their white counterparts to be involved in using or selling drugs of any kind but thirteen times more likely to go to prison for drug charges. The root causes are not hard to understand. Police don't send sniffer dogs into overwhelmingly white college dormitories where they no doubt would uncover vast stashes of everything from marijuana to heroin. Nor do they patrol high school football games or prom nights in upper white middle class suburbs, forcing people to stand with their hands against the wall while officers dig in their pockets for a joint or a rock. The African American and Latino youth being hijacked off to prison are working class folk, people who otherwise would be going to college, holding down a range of positions in the workforce, and raising a family. Instead they are doing time- 10 years, 20 years, 30 years for a marginal involvement in the drug world. When they come out they are ill-equipped for employment and possess few social skills to re-integrate into their communities. They are a marginalized sector of the labor force, just like those driven into precarious work by the heist.

While some unions have embraced the cause of undocumented workers' confrontations with the criminal justice system, few labor organizations want to take it beyond that. Seemingly they have bought into notions that those who have a felony convictions are tainted in character instead of overwhelmingly the victims of the heist of the criminal justice system which Michelle Alexander calls *The New Jim Crow*.

Ultimately, if the labor movement wants to incorporate more workers of color into their ranks, the issue of mass incarceration needs to be on their agenda. This will, however, present some difficult ethical choices for unions, especially those who organize in the public sector. For most public services, the position of labor is relatively simple. The demand is for expanded facilities staffed by more people who receive decent wages and benefits. What public sector union doesn't campaign for more public schools, colleges, hospitals, mental health facilities and social welfare agencies? And what public sector union doesn't rise to defend the jobs of their members when state and federal legislators try to implement austerity measures to reduce the workforce? But prisons present a different scenario altogether. There are more than a million people working in various jobs in prisons and jails across the U.S. At the present moment, under serious fiscal constraints, many states are for the first time in years shuttering prisons. New York has closed seven prisons in recent years, Michigan thirteen. Roughly a dozen other states are looking at prison closures this year as well. The labor movement has to come to terms with the notion that prison closures are a step in the right direction- that spending billions on prisons (California's state prison budget alone was \$9 billion for 2010) is money sucked out of other positive social services that actually benefit people. Unions cannot simply blindly pressure to keep prisons open in the name of preserving jobs. They must find ways to defend workers by looking at re-training and fighting for the re-allocation of corrections budgets into other social services. They must take a stand against mass incarceration.

Perhaps the complexity of this issue reached its most intense moment in Illinois earlier this year when Governor Pat Quinn proposed the closure of Joliet Supermax prison. Joliet had long been the target of prison reform and human rights advocates' campaigns, including the ACLU and Amnesty International. Moreover, the racial discrepancies in the population at Joliet (56% African American in a state that is 15% Black) reflect the New Jim Crow of which Alexander writes. Yet when the proposal to close Joliet came before a state senate financial committee in May of this year, the strongest advocate for keeping the prison open was AFSCME. Not only did union leaders argue in favor of retaining the jobs of their members but they embraced the law and order rhetoric that has been the driver of mass incarceration. Hence, ultimately AFSCME was arguing for the rights of their members to continue to work in an institution that consistently violated the human rights of its predominantly African-American residents. According to the [American Federation of State, County, Municipal Employees](#): "Joliet is a well lit, well maintained clean facility" where, "far from being 23-hour 'solitary confinement'" inmates at Joliet "have human contact that is often more meaningful and focused on positive outcomes than may occur in the general prison population." Further, they argue, "Joliet is a crucial economic anchor in an area of our state that has few employment opportunities—especially for jobs that pay a decent wage on which it's possible to support a family."

Moreover, the town where Tamms is located, is 99.9% white. Thus, ultimately AFSCME took part in the process of pitting the economic interests of the white work force against the human rights of the African-American men incarcerated in the institution. This is a scenario that will repeat itself over the coming years, albeit perhaps in less stark terms. Not all prisons are sites of systematic torture like Tamms, but there are far too many of them depriving far too many poor people and especially people of color of their liberty for far too long. They are a blight on the nation and a force that divides the interests of white workers and black workers.

So while I can recommend that everyone go and see *The Heist*, I suggest when you get home from the film you sit down with a copy of *The New Jim Crow* and fill in some of the missing frames of the film to get an expanded view of what working class justice actually includes.

Published in Dissent, Summer 2012