



Voicing Our Values—Three Principles of Progressive Economics

This is an addendum to our book, [Voicing Our Values: A Message Guide for Candidates](#). The purpose is to help lawmakers, candidates and activists understand how to talk to *undecided* voters about economic policy in a way that will help them accept progressive solutions. We encourage you to adapt the language to your own voice and personalize it with your own knowledge and experience.

Progressive candidates and activists don't do a very persuasive job countering right-wing cries of "free markets," "government intrusion," "job creators," "class warfare" and "the takers." We don't have a way to explain what's wrong with Mitt Romney's brand of vulture capitalism or distinguish enterprises that contribute to national well-being from scams that enrich a few at the expense of the many. It's not that progressives need clearer economic thinking; [Paul Krugman](#), [Joe Stiglitz](#), [Dean Baker](#) and others provide that already. The problem lies elsewhere.

Progressives lack an easily explained alternative framework for talking about the market system—a progressive vision of what makes our economy work, and what would make it work better. "The place to begin," explains Princeton professor [Douglas Massey](#), "is by exposing the conservative bromide of the 'free market' for the myth it is."

First Principle—Economic policy has nothing to do with "freedom," it's entirely about "fairness."

American voters believe in the conservative ideology of "free markets." Why shouldn't they? They hear no real arguments to the contrary. But there's no such thing as keeping government out and letting the market decide. The government is *always* biasing markets, always nudging and twisting and bumping around the so-called invisible hand.

American markets are not, and never were, free of government influence. We're all familiar with at least some of the government structures that police markets to protect employees, consumers, stockholders, and competing businesses. The government inspects food and drugs, keeps unsafe consumer products off the market, regulates air and water pollution, requires minimum safety and health standards for employees, prevents monopolies, protects consumer privacy, insures bank deposits, and so on.

We are less familiar, however, with the many programs that warp markets to benefit the rich and powerful. The government grants direct and indirect subsidies, engages in sweetheart contracts, skews trade agreements to help Wall Street, allows the fine print of consumer contracts to favor big corporations, prevents consumers from suing companies or even knowing what they're doing, erects barriers to labor organizing, provides gigantic tax loopholes to the richest one percent, and much more.

If conservatives truly believed in free markets, they would be railing against all the market distortions caused by government subsidies and preferences. But they don't, because they don't really want government to keep its nose out of economic decisions—they want the government to step in and prejudice the market in their favor. They use the term “free markets” not as a philosophy to follow but as a rhetorical device—albeit a hugely effective one—to skew public opinion toward conservative policy.

The question is not whether government should be involved in the marketplace. It always is. The question is, what principles should guide government's involvement?

Don't say . . .	Say . . .
Free markets Free enterprise	Fair markets Level playing field Rigging the rules, gaming the system Stacking the deck An economy that works for all of us

Why . . .

Progressives should argue for “fair markets,” not free markets. By fair, we mean markets that are balanced—with government as a counterweight when necessary—so that weaker individuals and organizations compete on a reasonably equal basis against powerful ones. In many cases, balancing markets doesn't require more government involvement, it requires less—taking away the subsidies and other unfair advantages that some individuals and businesses enjoy over other individuals and businesses. Fair market economics creates real competition, and that incentivizes the lowest prices and the greatest innovations.

Another way of saying this is that we favor “rules of the road” that “level the playing field” and oppose policies that “rig the rules,” “game the system,” or “stack the deck.” Our goal is to make economic competition “fair and open and honest.” Such a system benefits customers and employees when dealing with companies, small businesses when competing against big corporations, and—by maximizing fair competition—America's economy as a whole.

Say . . .
Our system works when everyone gets a fair shot, everyone gives their fair share, and everyone plays by the same rules. My opponent's policies are not fair; they rig the system to benefit the rich over the rest of us. My policies would promote fair markets so that every American who works hard and plays by the rules has the opportunity to live the American Dream.

Second Principle—Our economy is powered by low- and middle-income working Americans, not by the rich.

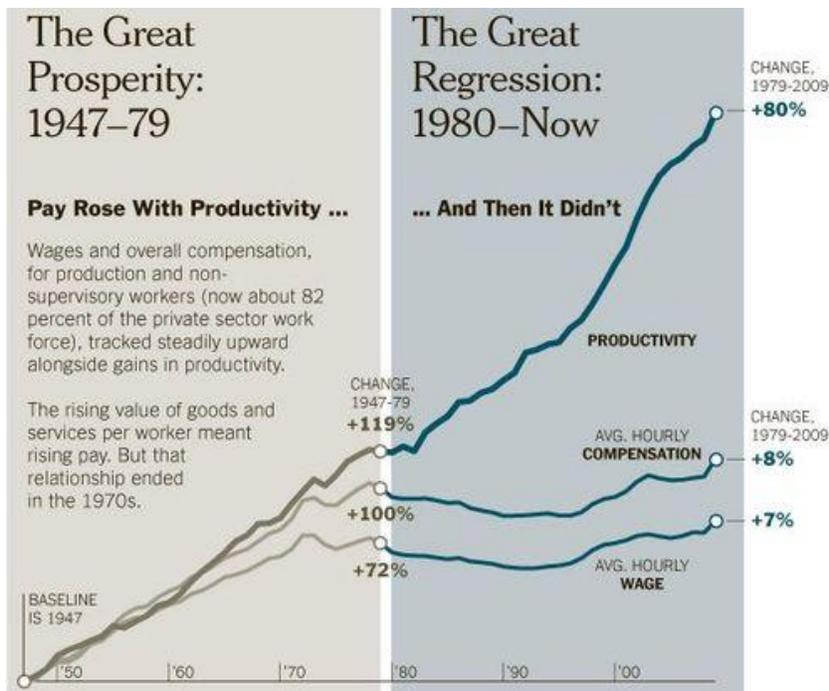
Conservative policy is based on the absurd idea that giving money to the rich causes them to produce more products and services, which lowers prices and creates jobs. “Trickle-down” economics defies common sense and [all](#) the [data](#) we [have](#); businesses create products, services and jobs not because they *have* money but because they are trying to *make* money.

Enterprises make money not from supply but from consumer demand. As [President Obama put it](#): “The middle class is the engine of our prosperity.... When middle-class families have less to spend, businesses have fewer customers.”

Don't say . . .	Say . . .
<p>Job creators Supply side</p>	<p>Grow from the middle out, not the top down The disappearing middle class Trickle-down economics Unfair breaks and bailouts to Wall Street banks and giant corporations The economic system isn't working for the 99%</p>

Why . . .

Today the stock market is roaring and the rich are richer than ever. If trickle-down economics worked, the American economy would be roaring too. But our economy remains extremely



weak because consumer demand is weak. The right way to grow our economy is from the middle out, not the top down, because the only lasting, reliable, bubble-free source of nationwide demand is wages paid to average working Americans.

Our economy's weakness is the inevitable product of supply-side government policies that, [over the past 30 years](#), have enabled the rich to take all the fruits of increased productivity. Through tax policy, trade

agreements, deregulation, privatization, the destruction of unions, and perversely high executive pay, the rich have captured nearly all of the national wealth created over the past three decades. Right-wing economic policy, not the hidden hand of the market, has directed our money into the pockets of the top one percent.

Political persuasion requires more than laying out a positive agenda; it is also necessary to make voters understand the difference between you and your opponent. In talking about economic policy, it is essential to call out unfair conservative economics, like “tax breaks and bailouts to Wall Street banks and giant corporations.” It is essential to draw attention to the “disappearing middle class” and declare that “the system isn’t working for the 99 percent.”

Say . . .
<p>The middle class is the engine of our prosperity. Our economy succeeds when it grows from the middle out, not from the top down. We need to stop giving tax breaks, bailouts, and other special treatment to the Wall Street banks, giant corporations, and rich individuals. We need to start building a fair market economy that provides every American a fair chance to succeed.</p>

Third Principle—Real wealth comes from the creation of products and services that satisfy customers and serve society, not from rigging the rules and cheating the system.

Right wing philosophy glorifies money no matter what its source; greed is good as long as wealth is achieved without a criminal conviction. In contrast, fair market economics seeks to reward hard work, efficiency, and innovation that creates value for society while discouraging schemes that game the system, pass costs to the community, or dismantle healthy companies for quick profit.

Don't say . . .	Say . . .
<p>All earnings are the same</p>	<p>Creating real wealth An honest day's work Economic predators Wall Street speculators Rigging, cheating, churning, loopholes</p>

Why . . .

The argument for capitalism is that by harnessing individuals’ economic drive, all of society is enriched by their hard work and innovation. But that is only true when the money-making operation creates a product or service that benefits society as a whole. Today, however, an enormous amount of economic activity, [especially in the financial sector, diverts money from productive investments](#) to schemes that game the system, exploit tax or regulatory loopholes,

dismantle viable companies, and skim or scam profits from working Americans. (Many financial services satisfy customers' needs and benefit society, but right now [far too many do not.](#))

This is how Wall Street crashed the worldwide economy in 2008 and caused the worst downturn since the Great Depression. Taking advantage of deregulation that allowed them to make enormous profits through fraudulent financial products, the banking sector caused a nearly [eight trillion dollar bubble in housing prices that burst](#), destroying middle class wealth, crushing consumer demand, and collapsing the job market.

We need to stop building our economy on phony wealth. Fair markets would incentivize the creation of real products and services that benefit society and create rules against gaming the system, manipulation of tax and regulatory loopholes, and profiting from negative externalities.

Say . . .

We need an economy that's fair to everyone. That means structuring a system that not only rewards people for hard work and innovation, but also discourages people from cheating the system or passing costs to the community. We need rules of the road that make economic competition fair and open and honest.

For much more discussion of how to talk to voters about a wide variety of issues, see our book, *Voicing Our Values: A Message Guide for Candidates*, which is available at www.progressivemajorityaction.org.

Sources for more information about how to talk about progressive economics

- [Center for American Progress](#)
- [Center for Economic Policy Research](#)
- [Economic Policy Institute](#)