



**THIRD WAY**

## **Executive Summary: A New Cause for Democrats**

In 2007, American bookstores made \$17 billion in sales. It was \$11 billion by 2017—not because people were reading less, but because they were reading differently. Sure enough, over that decade, 250,000 jobs vanished in bookstores and print shops. Yes, 300,000 Americans are now working for Amazon alone, but those jobs require different skills, offer different opportunities, and are located in different places.<sup>1</sup>

This disruption is happening everywhere. A potent mix of technology, globalization, and hyper-capitalism has left people angry, anxious, and adrift. Enough voters thought Donald Trump and the GOP offered answers for these times. Too many thought Democrats did not.

We have seen this kind of epochal transition before. When people left the farms for factories, Industrial Age capitalism ran amok with child labor, exploitative employers, powerful trusts, and other market abuses that required government reforms. Progressive and New Deal policies helped workers adjust to the Industrial Age and gave birth to the middle class. In turn, that became the basis for a powerful and long-term political coalition.

Democrats must now help workers adjust to the Digital Age and, through this, form a modern coalition that can beat back Trumpism. Trump's disastrous presidency may mean opposition to him is enough, politically, in 2018. But to win in 2020 and beyond as well as secure a mandate for change, **Democrats must offer a social contract for the Digital Age that addresses voters' deepest worry: Will they and their kids be able to earn a good life?**

The problems of this era are different from those created by the industrial economy, but the scale of Digital Age disruption is the same. Our labor market—a key barometer of opportunity—is broken and outdated. We're creating **jobs**, but they are neither good enough nor spread widely enough. It's far too difficult to get the **skills** needed to succeed in a rapidly shifting economy. And the **benefits of work** have so eroded that too few jobs provide a good life.

For Democrats, a modern economic vision focused on restoring the *opportunity to earn a good life* will enable them to win and govern successfully because:

- This cause reflects voters' lived experience in the Digital Age. For most Americans, the biggest economic problem they face on a day-to-day basis or worry about for their children in the future is the scarcity of opportunities to earn a good life. Income inequality is pernicious and immoral, but it does not describe voters' primary daily concerns, experience, or needs. To win and get a mandate, Democrats must make America's cause their own.

- This cause aligns with timeless American values. *Opportunity* is what people need and crave, and *earn* taps into a bedrock American value that transcends race, education, income, and geography: the pride and purpose that comes from equitable access to make your own way and provide for your family. Fairly or not, voters often think Democrats care more about giving away free things than they do about celebrating and fighting for work; that must change.
- This cause syncs with the realities of the new economy. *Job disruption* is not the same as *job destruction*. There are 37 million more jobs in the United States than when the tech boom began in the 1990s.<sup>2</sup> But work has radically changed, along with the opportunity and security it provides. Artificial intelligence, self-driving cars, advanced robotics, 3D printing—all of these advances have massive benefits for consumers yet pose massive challenges for workers. Democrats must confront the reality of these seismic shifts, not evade them.

To advance an agenda that can save the middle class—and to beat a dangerous right-wing populism that falsely promises to restore an America of the 1950s—Democrats cannot offer nostalgia. Resurrecting 1990s Democratic centrism or Nordic-style socialism won't cut it.

In the 1990s, Democrats got half the equation right—focusing on macro policies that boosted economic growth here and for billions around the world. But they badly underestimated how much technology and globalization would shred much of our Industrial-Era economic bargain, one in which Americans could feel confident that their hard work would pay off. It's clear now that while the private sector remains the only way to generate national prosperity, the market on its own will not deliver economic opportunity to nearly enough Americans. **The way to remedy that is the design and championing of a Digital-Age social contract.**

What would a hopeful, modern social contract look like? It would offer a bold redefinition of government's role in expanding the opportunity to earn for every American. **It would require Democrats to embrace ambitious, new ideas fit for the Digital Era.** It would reimagine investment in good-paying jobs, reinvent postsecondary education and skills, and redesign the pay and benefits of work.

If Democrats embrace the *opportunity to earn* as their organizing cause, they will sharply improve their chances of dispatching Trumpism, exciting their base of young people and people of color and expanding their coalition by winning over more swing voters. Most importantly, this is what the country needs. It's a calling as historic as the one 20th-century progressives undertook to tame Industrial-Age capitalism and build a social safety net. This is the calling of *our* time.

## ENDNOTES

1. “Book store sales in the United States from 1992 to 2015,” Statista, February 2018, Accessed February 26, 2018. Available at: <https://www.statista.com/statistics/197710/annual-book-store-sales-in-the-us-since-1992/>; See also Felix Richter, “U.S. eBook Sales to Surpass Printed Book Sales in 2017,” Statista, June 6, 2013, Accessed February 26, 2018. Available at: <https://www.statista.com/chart/1159/ebook-sales-to-surpass-printed-book-sales-in-2017/>; Bureau of Labor Statistics, “Current Employment Statistics,” July 2007 and July 2017, Seasonally adjusted employment for “Book stores and news dealers” and “Printing and related support activities,” Accessed February 26, 2018. Available at: <https://www.bls.gov/data/#employment>; Elizabeth Weise, “Amazon makes rare round of layoffs at Seattle headquarters,” USA Today, February 12, 2018, Accessed February 26, 2018. Available at: <https://www.usatoday.com/story/tech/news/2018/02/12/amazon-makes-rare-round-layoffs-seattle-headquarters/329643002/>.
2. Bureau of Labor Statistics, “Current Employment Statistics,” July 1993 and January 2018, Accessed February 26, 2018. Available at: <https://www.bls.gov/data/#employment>.