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European Languages

زبانهای اروپائی

AUGUST 13, 2018

by ALEX STRAUSS

14.08.2018

Chasing Shadows: Socialism Won't Go Away Because It is Capitalism's Antithesis

Despite appearances, it is a mistake to conceptualize the workings of capitalism by placing world-changing agency in the hands of the capitalist class. Sure, they make critical, consequential decisions, but they are fundamentally compelled to do so by an impersonal, amoral, destructive systemic force largely beyond their personal control: the dynamic of capitalism itself. The abstract forces of capitalism's dynamism create the conditions for ever more creative and novel ways to profit, which is why the Golden Age of postwar capitalism—which had a mix of capitalist and socialist economic features—evolved into the neoliberal period after the external oil shocks of 1973 and 1979. Those conditions created a transitional context to shift out of a regulated state-interventionist capitalism into the aggressive, free-market neoliberal variety lasting more than 30 years, leading us to the precipice of the present.

Michael Tomasky's August 5, 2018 Times [op-ed](#) tells us something about the way many people think about the economy. A rising tide of socialists are having a popular moment on the political and cultural stage, and Tomasky has "some friendly advice for the capitalist class about said socialists." What's that? "You want fewer socialists? Easy. Stop creating them."

Tomasky furthers his point by detailing the familiar grotesqueness of present day realities: staggering economic inequality, lack of job prospects, an opioid epidemic claiming far too many lives, dwindling investment in infrastructure and education, and on and on. His understanding of the thirty years' boom following World War II—the "trente glorieuses" as

he phrases it—reminds us of a robust and prosperous and progressive era, both in terms of social mobility and civic life, which de-radicalized many imaginations as a result.

In those years, capitalism was delivering the goods. A generation of heroes wasn't indebted by higher education, and the government invested in infrastructure and unleashed technologies initially developed by the military into civilian life. The resulting booming prosperity created the social conditions which birthed a civil rights movement (however, the struggle for *equality* was deemed radical and extremist by many deferent to the status quo), forcing our country to finally attempt to live up to its founding ideals (at least domestically).

However, that postwar Golden Age of capitalism owes its success not to the broader social consciousness of a past generation's economic elite, but to a mix of deliberate capitalist and socialistic policies and institutions which structured the economy. Ha-Joon Chang's [previous work](#) documents many of the broader changes leading us to today's violent juncture, reminding us that, back then, American financial regulation was strong. As Paul Krugman [recalled](#), on April 10, 2009:

“Thirty-plus years ago, when I was a graduate student in economics, only the least ambitious of my classmates sought careers in the financial world. Even then, investment banks paid more than teaching or public service—but not that much more, and anyway, everyone knew that banking was, well, boring.”

Swashbuckling capitalist entrepreneurs didn't spearhead industrial development and biological research, it was federal macroeconomic policy. The Pentagon, US Navy, US Air Force, DARPA, and the National Institutes of Health brought us computers, semiconductors, aircraft, the Internet, and pharmaceuticals, respectively. Only years later were private companies allowed to profit from publically funded innovation.

Nearly a century ago, before the Golden Age, the trauma inflicted by the Great Depression awakened many to the cyclical nature of the capitalist system. It provoked many to consider the prospect of democratic socialism—that is to say, responsible government creating robust protections against potentially ruinous systemic forces beyond an ordinary citizen's control. FDR heard the outcry, listened, and boldly responded to it—and was rewarded with the presidency four times over. Glass-Steagall legislation in 1933 created a barrier between investment banking and commercial banking, and gave working people the bank deposit insurance system to protect them from bank failures. The second round of New Deal legislation, from 1935-1938, introduced even more reforms than the first,

including unemployment insurance, pensions for the elderly, and pro-union worker protections via the Wagner Act.

Eventually, however, through boom and bust, the dynamic force of capitalism compels the capitalist, wherever they are in the world. In 1973, when OPEC countries created the first oil shock by colluding to raise the price of oil many times over, inflation skyrocketed. And, over the next few years, as prices were rising (inflation), the economy stagnated, creating a whole new economic perplexity called *stagflation*. The Golden Age waned in the 70s, and by the second oil shock in 1979, it was over. The capitalist dynamic on an international scale (the OPEC cartel in this case) wrought enough stress domestically (and in Great Britain) to fuel narratives of a new way forward, justifying a far more deregulated capitalism known as neoliberalism, beginning in the early 80s. The reigns of regulation were stripped away so that a new era of growth and prosperity could be unleashed, so we were told.

The neoliberal argument for economic improvement grew out of the structural conditions of the previous crisis, and is encapsulated by ‘trickle-down’ theory. Specifically, so the argument goes, cut the taxes of high-income earners so they can make more money off their investments; by taking home a greater share, they would spend more, in turn creating jobs and more income for everyone. While trickle-down economics was being promulgated, poor people’s housing subsidies were cut and the minimum wage was frozen during the Reagan years despite the rising cost of goods. The trickle down perspective was bizarre as an argument and cruel in practice, but understandable from the system’s pressure to accumulate capital in a new way. For instance, why give more money to those already well-off so they have further incentive to work harder and stimulate the economy, but cut working class resources and impoverish them so they have further incentive to work harder and stimulate the economy?

Trickle-down has essentially been American economic policy for over 30 years now. Deregulating financial markets unleashed an aggressive capitalist dynamic which changed corporate culture, leading to an increase in hostile takeovers of companies, asset stripping, and downsizing—all in the name of delivering faster-and-faster profits at the expense of the long-term viability of a company. [Toys ‘R’ Us](#) is just the latest victim in a long list.

The aforementioned Golden Age and the current conditions of malaise and alienation have to do with the structural configurations of our capitalist system, not the moral compass of the ruling elite at a given time. There are more self-described democratic socialists today because the Cold War is over and millennials were handed an economy in the worst

recession since the Great Depression. It's not enough to implore today's capitalists to take note because they are bound by the dynamic sway of the system itself—growing profits and shareholder value, year-over-year, or bust. Fundamentally, global capitalism, which has stretched its tentacles to every corner of the Earth in its quest for value and infinite growth and expansion in a world of finite resources, poses an existential threat to planetary life.

The system's dynamic is the very reason the United States, for instance, doesn't have universal healthcare or a livable minimum wage. It is the reason for the collapse of Detroit's once vibrant auto industry. It is the reason why Jeff Bezos is permitted to hoard 150 billion dollars, Apple's market valuation has reached a trillion dollars, student debt has ballooned to a trillion dollars, and public schools are underfunded. It is the reason money rules our political system, and a pro-business, small government ideology has swept significant parts of the country to the point where an emergency manager, appointed by the governor of Michigan, Rick Snyder, switched the source of Flint's potable water supply to the toxic Flint river, endangering countless lives just to save a few million dollars. It is the reason human activity is altering the planet's climate beyond the limits of habitability, and the United States refuses to acknowledge the problem.

And it is the reason socialism will never cease to exist as an alternative, because it is bound to capitalism in a dialectical embrace. Socialism is the other side of the coin. It is capitalism's shadow. Capitalists and policymakers can do whatever they like to mitigate the injustices of the present configuration of the system, but socialism will become an afterthought when the same can be said of capitalism.

Alex Strauss is a writer and educator based in Los Angeles.