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## Capitalism in Crisis: Getting Ready for Change in the Age of Trump

By Anthony DiMaggio  
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The rise of Donald Trump raises opportunities and perils regarding the prospects for societal transformation and change. On the one hand, reactionary forces have been emboldened, on issues from health care reform and deregulation to militarism and taxes. But times of crisis also provide opportunities to build toward progressive change over the mid-to-long-term. With that in mind, it's worth reflecting on prospects for progressive transformation in the future. Trump's rise suggests that a profound crisis of capitalism is emerging, as Americans in mass reject the political and economic status quo.

In thinking about progressive visions for change, I keep returning to Robert McChesney and John Nichols' important book *People Get Ready: The Fight Against a Jobless Economy and a Citizenless Democracy*. The book, while published shortly before Trump's electoral victory, provides a useful guide to the political and economic problems Americans face, while offering a compass for how America needs to change to address these problems. McChesney and Nichols are right to draw attention to the rise of the "digital revolution" as a defining development of the U.S. economy, which is being driven "by behemoth corporations that seek to maximize profits, [but] not employment." This revolution is intensifying the "displacement of workers" via automation. While Trump gained attention in the press for "negotiating" with Carrier to keep half of its jobs in Indiana in exchange for a sweetheart tax abatement deal, the party was soon over after the company announced that it planned to downsize the remaining workers out of their jobs via automation. The Carrier fiasco

demonstrates the complete bankruptcy of modern conservative thinking – personified in the cult of Trump – promising that the president will “Make America Great Again” if citizens simply suspend disbelief and submit to the president’s authority and superior “deal making” skills.

In reality, the rise of deindustrialization, deunionization, and automation produce stagnating to declining wages for American workers and families, growing inequality, and the hollowing out of the American working and middle classes. The culprit, McChesney and Nichols argue, is corporate capitalism itself, which is unrelenting in its endless quest for growing profits at the expense of working Americans.

*People Get Ready* marshals a large amount of data to identify structural problems with the modern U.S. economy that have emerged under our bi-partisan political system. These developments include:

Almost non-existent economic growth in the last decade.

Job losses in recent years that were far more severe than in previous decades, accompanied by a far weaker turnaround in job growth than seen in previous economic cycles.

Job growth being overwhelmingly concentrated in low income positions and sectors, amidst declining growth in middle and higher income jobs.

A growing chasm between significant GDP growth and stagnating median household income.

A decline in the percentage of males participating in the labor force, from 87 percent of males in the early 1950s, to 70 percent by 2012.

Declining unionization, from a third of Americans in the 1950s, down to 10 percent by 2015.

A more than doubling of the number of people who are long-term unemployed (for 15 weeks or more) from the 1960s to the 2010s.

A 20 percent decline in income for 18-24 year olds without college degrees from the early 1980s through the mid-2010s.

Clearly, the problem with the modern economy is not merely the decline of jobs due to automation, but the rise of “free market” capitalism more generally, which treats workers as increasingly disposable in the fixation on growing corporate profits.

McChesney and Nichols’ warning about this dysfunctional economy is all the more compelling in light of recent research by Harvard and Princeton economists Lawrence Katz and Alan Krueger, who chronicle the rise of “alternative work arrangements” in modern America. These are largely low wage jobs, including short-term contract labor and independent contractors, part-time employment, temporary workers, and on-call employees, which represent “94 percent of the net employments growth in the U.S. economy from 2005 to 2015.”

The ultimate point is not simply to highlight the dire straits with which many Americans find themselves in the modern economy. Most Americans know that the political and economic systems blatantly favor the wealthy.

They recognize that inequality is growing, and that politics is run for the benefit of the few rather than the many. As the Washington Post reports regarding one 2015 national survey, Americans by a two-to-one margin feel their “vote does not matter because of the influence wealthy individuals and big corporations have on the electoral process.”

But the real question is what is to be done to revive the American dream, and what can be done to fight an increasingly plutocratic political-economic system that favors the few at the expense of the many? On this front, my research interests overlap heavily with those of McChesney and Nichols. All three of us believe the only humane way forward lies in the willingness of citizens to rise up and challenge the status quo. But is that realistic in an era of mass depoliticization, alienation, and entertainment-driven diversion from politics and real-world issues? I believe it is, as do McChesney and Nichols.

Key to understanding the decline and eventual fall of corporate capitalism is the recognition that, as the fortunes of the few rise, the stability of the political-economic system declines. When a political-economic system fails to serve the people it relies on for consent, its very survival is threatened. One can see the seeds of rebellion against modern capitalism within the changing and declining economic fortunes of the masses. More specifically, one sees that growing financial and economic precariousness on the part of the mass public is consistently associated with increased willingness to question or even reject the system as it is currently organized. I sketch out an outline for how this process works below.

Drawing on Pew Research Center surveys from the post-2008 era (2008 through 2014), I document how individuals’ economic anxiety and declining economic circumstances are associated with a growing likelihood of rejecting the prevailing economic orthodoxy. More specifically, I find that those who report struggling to pay their bills, those with lower incomes in general, and those reporting worsening finances following the 2008 economic collapse (compared to before), are very different from other groups of Americans on multiple fronts. Economic insecurity is associated with the following beliefs:

A growing likelihood of recognizing that the U.S. is divided economically between “haves” and “have-nots.”

Growing support for progressive social movements such as Occupy Wall Street, the fight for a \$15 an hour minimum wage, and sympathy toward Black Lives Matter, seen in growing distrust of local law enforcement, who are seen as engaging in repressive policing tactics.

Increased support for a variety of different progressive economic and political attitudes.

Declining support for capitalism, and growing support for socialism.

The impact of poor personal finances on growing public challenges to the political-economic status quo is apparent across many issues. Economic insecurity is associated with the following attitudes about the private economy, about the poor, and about American workers:

Agreement that Wall Street hurts the U.S. economy more than it helps it.

Agreement that the U.S. economic system favors the wealthy over the masses.

Agreement that a few rich people and corporations have too much power in U.S. politics and society.

Disagreement that most corporations make a fair and reasonable amount of profit.

Agreement that the rich get richer and the poor get poorer.

Agreement that hard work is no longer a guarantee of personal economic success.

Increased pessimism about the economy's future growth prospects.

Increased pessimism about the soundness of our economic system over the long-run.

Holding an unfavorable view of business corporations.

Increased likelihood of siding with unions over businesses in labor disputes.

Disagreement that poor people have it easy today because they can get government benefits without doing anything in return.

Furthermore, economic insecurity is also associated with progressive political attitudes, including the following:

Agreement that the federal tax system is not fair to the masses.

Disagreement with the claim that government regulation of business usually does more harm than good.

Agreement that government needs to do more to make health care affordable.

Agreement that labor unions are necessary to protect the working person and that they should be protected by government.

Agreement that "people like me" don't have enough say in what government does.

Support for government assistance to the poor and needy.

A preference for bigger government, with more services.

Despite the encouraging findings above, there is also concern that growing economic insecurity depresses political participation. As Americans become more disillusioned with the economy and their position within it, they become more pessimistic about prospects for institutional change. This is seen in numerous findings from the Pew surveys (2008-2014). For example, growing economic insecurity in the post-2008 period is associated with all of the following positions:

Agreement that elected officials lose touch with the public quickly.

Agreement that most elected officials do not care “what I think.”

Agreement that one’s member of Congress should not be re-elected.

These positions would not be a problem if less affluent Americans voted in significant numbers, and if economic insecurity was associated with growing likelihood of voting out of office unresponsive officials in primary and general elections. But low income Americans are far less likely to vote than higher income Americans, meaning their disillusionment with political elites does not translate into a growing likelihood of official removal.

Likelihood of poorer Americans voting has not increased significantly following the 2008 crash, and this represents a serious problem for advocates of political and economic change. This pessimism is most apparent in light of my finding that poor finances are associated with disagreement that voting gives “people like me” a say in government.

Economic insecurity appears to have varied effects on the public. While it is associated with depressed political efficacy in terms of electoral participation, it also produces growing vigilance in unconventional political settings, related to protesting and participation in social movements. This is a central lesson of the last decade. Occupy Wall Street protests were clearly fed by public anger over economic inequality and an economy that only works for the top one percent. Poverty also drives distrust of institutions, and motivates protests in cities like Ferguson against policy brutality, racial profiling, and discrimination against poor minorities, which the

Department of Justice concluded were being criminalized by Ferguson officials in the pursuit of fines and operating revenues.

Finally, the “Fight for \$15” movement is clearly motivated by growing insecurity among service workers seeking fair wages and benefits. This movement has grown significantly in recent years, with protests across hundreds of cities in November 2016 demanding higher wages at the national and state levels. The push for higher wages appears to be bearing fruit, with the move toward \$15 an hour minimum wage in California and New York, and the increased frequency with which state wage raises occur each year. While it was uncommon to see more than five or six states raise the minimum wage annually in the first half of the 2000s, it’s become common to now see 20 or more states raising their minimum wage each year.

McChesney and Nichols understand that progressive social movements are the lifeblood of progressive transformation. They strongly support movements such as “Fight for \$15,” Black Lives Matter, and other protest groups. They articulate the need for short term reforms, as seen in

progressive policy agenda of Bernie Sanders, which must be accompanied by a large scale increase in voter turnout in the U.S. among the disadvantaged to have a chance of materializing. But they also recognize the fundamentally undemocratic nature of the modern capitalist economy, which they want to replace with socialized, democratic ownership and empowerment. They support a public commitment to an institutionalized social welfare state, along the lines of the “Second Bill of Rights” as originally supported by New Deal Democrat Franklin Roosevelt.

Reasonable minds can disagree on, and debate how best to achieve a progressive, comprehensive plan for change. But what’s clear is that change must occur on two fronts: 1. A mass public uprising to provide the pressure to achieve change; and 2. A complete restructuring of American political and economic systems. It is difficult to achieve the latter without either mass participation in the electoral process, or a revolution of some kind. As a nation, we don’t appear to be anywhere near the latter in terms of fleshing out a socialist alternative to capitalism. However, Sander’s success in 2016 suggests people are at least open to serious political transformation via electoral politics.

Social movements are historically vital to mass political, cultural, and economic change. But they do not work in a vacuum. Political and economic institutions must eventually be changed for social movements to succeed. McChesney and Nichols recognize this point, but also point out that neither the Democratic or Republican parties appear open to serious political and economic transformation.

Ultimately, we need some sort of progressive mass party to institutionalize the changes proposed by McChesney, Nichols, myself, and others are calling for. It’s unclear whether this will occur via third parties, considering their spectacular failure to make inroads in American elections over the last two decades. Of course, change within the Democratic Party will also be extraordinarily difficult, considering the party’s capture by pro-business, plutocratic interests. As currently constituted, there is no chance of establishment Democrats signing onto mass social change. Whatever path progressives choose – major party or third party change – an institutional path is necessary in order to translate social movement pressures into real political and economic transformation. However, we cannot afford to neglect either political approach – electoral or extra-electoral – in the push to mobilize America’s forgotten majority.