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How Workers Can Win the Class War Being Waged Against Them



Photograph by Nathaniel St. Clair

Organized labor led no mass opposition to Trump's presidency or the December 2017 tax cut or the failed U.S. preparation for and management of COVID-19. Nor do we yet see a labor-led national protest against the worst mass firing since the 1930s Great Depression. All of these events, but especially the unemployment, mark an employers' class war against employees. The U.S. government directs it, but the employers as a class inspire and benefit the most from it.

Before the 2020 crash, class war had been redistributing wealth for decades from middle-income people and the poor to the top 1 percent. That upward redistribution was U.S. employers' response to the legacy of the New Deal. During the Great Depression and afterward, wealth had been redistributed downward. By the 1970s, that was reversed. The 2020 crash will accelerate upward wealth redistribution sharply.

With tens of millions now a "reserve army" of the unemployed, nearly every U.S. employer can cut wages, benefits, etc. Employees dissatisfied with these cuts are easily replaced. Vast numbers of unemployed, stressed by uncertain job prospects and unemployment benefits, disappearing savings, and rising household tensions, will take jobs despite reduced wages, benefits, and working conditions. As the unemployed return to work, most employees' standards of consumption and living will drop.

Germany, France, and other European nations could not fire workers as the United States did. Strong labor movements and socialist parties with deep social influences preclude governments risking comparable mass unemployment; it would risk deposing them from office. Thus their antiviral lockdowns keep most at work with governments paying 70 percent or more of pre-virus wages and salaries.

Mass unemployment will bring the United States closer to less-developed economies. Very large regions of the poor will surround small enclaves of the rich. Narrow bands of "middle-income professionals," etc., will separate rich from poor. Ever-more rigid social divisions enforced by strong police and military apparatuses are becoming the norm. Their outlines are already visible across the United States.

Only if workers understand and mobilize to fight this class war can the trends sketched above be stopped or reversed. U.S. workers did exactly that in the 1930s. They fought—in highly organized ways—the class war waged against them then. Millions joined labor unions, and many tens of thousands joined two socialist parties and one communist party. All four organizations worked together, in coalition, to mobilize and activate the U.S. working class.

Weekly, and sometimes daily, workers marched across the United States. They criticized President Franklin D. Roosevelt's policies and capitalism itself by intermingling reformist and revolutionary demands. The coalition's size and political reach forced politicians, including FDR, to listen and respond, often positively. An initially "centrist" FDR adapted to become a champion of Social Security, unemployment insurance, a

minimum wage, and a huge federal jobs program. The coalition achieved those moderate socialist reforms—the New Deal—and paid for them by setting aside revolutionary change.

It proved to be a good deal, but only in the short run. Its benefits to workers included a downward redistribution of income and wealth (especially via homeownership), and thereby the emergence of a new “middle class.” Relatively well-paid employees were sufficient in number to sustain widespread notions of American exceptionalism, beliefs in ever-rising standards of working-class living across generations, and celebrations of capitalism as guaranteeing these social benefits. The reality was quite different. Not capitalists but rather their critics and victims had forced the New Deal against capitalists’ resistance. And those middle-class benefits bypassed most African Americans.

The good deal did not last because U.S. capitalists largely resented the New Deal and sought to undo it. With World War II’s end and FDR’s death in 1945, the undoing accelerated. An anti-Soviet Cold War plus anti-communist/socialist crusades at home gave patriotic cover for destroying the New Deal coalition. The 1947 Taft-Hartley Act targeted organized labor. Senate and House committees spearheaded a unified effort (government, mass media, and academia) to demonize, silence, and socially exclude communists, socialists, leftists, etc. For decades after 1945—and still now in parts of the United States—a sustained hysteria defined all left-wing thought, policy, or movement as always and necessarily the worst imaginable social evil.

Over time, the New Deal coalition was destroyed and left-wing thinking was labeled “disloyal.” Even barely left-of-center labor and political organizations repeatedly denounced and distanced themselves from any sort of anti-capitalist impulse, any connection to socialism. Many New Deal reforms were evaded, amended, or repealed. Some simply vanished from politicians’ knowledge and vocabulary and then journalists’ too. Having witnessed the purges of leftist colleagues from 1945 through the 1950s, a largely docile academic community celebrated capitalism in general and U.S. capitalism in particular. The good in U.S. society was capitalism’s gift. The rest resulted from government or foreign or ideological interferences in capitalism’s wonderful invisible hand. Any person or group excluded from this American Dream had only themselves to blame for inadequate ability, insufficient effort, or ideological deviancy.

In this context, U.S. capitalism strode confidently toward the 21st century. The Soviet threat had imploded. A divided Europe threatened no U.S. interests. Its individual nations competed for U.S. favor (especially the UK). China's poverty blocked its becoming an economic competitor. U.S. military and technological supremacy seemed insurmountable.

Amid success, internal contradictions surfaced. U.S. capitalism crashed three times. The first happened early in 2000 (triggered by dot-com share-price inflation); next came the big crash of 2008 (triggered by defaulting subprime mortgages); and the hugest crash hit in 2020 (triggered by COVID-19). Unprepared economically, politically, and ideologically for any of them, the Federal Reserve responded by creating vast sums of new money that it threw at/lent to (at historically low interest rates) banks, large corporations, etc. Three successive exercises in trickle-down economic policy saw little trickle down. No underlying economic problems (inequality, excess systemic debts, cyclical instability, etc.) have been solved. On the contrary, all worsened. In other words, class war has been intensified.

What then is to be done? First, we need to recognize the class war that is underway and commit to fighting it. On that basis, we must organize a mass base to put real political force behind social democratic policies, parties, and politicians. We need something like the New Deal coalition. The pandemic, economic crash, and gross official policy failures (including violent official scapegoating) draw many toward classical social democracy. The successes of the Democratic Socialists of America show this.

Second, we must face a major obstacle. Since 1945, capitalists and their supporters developed arguments and institutions to undo the New Deal and its leftist legacies. They silenced, deflected, co-opted, and/or demonized criticisms of capitalism. Strategic decisions made by both the U.S. New Deal and European social democracy contributed to their defeats. Both always left and still leave employers exclusively in positions to (1) receive and dispense their enterprises' profits and (2) decide and direct what, how, and where their enterprises produce. Those positions gave capitalists the financial resources and power—politically, economically, and culturally—repeatedly to outmaneuver and repress labor and the left.

Third, to newly organized versions of a New Deal coalition or of social democracy, we must add a new element. We cannot again leave capitalists in the exclusive positions to receive enterprise profits and make major enterprise decisions. The new element is thus

the demand to change enterprises producing goods and services. From hierarchical, capitalist organizations (where owners, boards of directors, etc., occupy the employer position) we need to transition to the altogether different democratic, worker co-op organizations. In the latter, no employer/employee split occurs. All workers have equal voice in deciding what gets produced, how, and where and how any profits get used. The collective of all employees is their own employer. As such an employer, the employees will finally protect and thus secure the reforms associated with the New Deal and social democracy.

We could describe the transition from capitalist to worker co-op enterprise organizations as a revolution. That would resolve the old debate of reform versus revolution. Revolution becomes the only way finally to secure progressive reforms. Capitalism's reforms were generated by the system's impacts on people and their resulting demands for change. Capitalism's resistances to those reforms—and undoing them after they happened—spawned the revolution needed to secure them. In that revolution, society moves beyond capitalism itself. So it was in the French Revolution: demands for reform within feudal society could only finally be realized by a social transition from feudalism to capitalism.

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