

## **The Progressive Struggle to Save Capitalism**

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In his most recent book, *The Price of Inequality: How Today's Divided Society Endangers Our Future*, Nobel Prize-winning economist Joseph Stiglitz incisively details the policies and practices underpinning the extreme levels of inequality in the United States today. In doing so, he provides a rationalist foothold for progressive politics. In Stiglitz's view, social and economic policies that might redistribute wealth through regulation, taxation and social welfare programs are not simply the right thing to do, they are good for the overall health of the economy. There is a great temptation amongst progressives interested in social and economic justice to leap on this cunning display of Nobel reasoning - to see in it a pragmatic argument that advances our moral commitments. While we can certainly learn from Stiglitz's masterful analysis of the problem, succumbing to this appealing logic of reform would be a misstep for those of us who are interested in broader visions of a just or sustainable economy.

In his book, Stiglitz trenchantly recounts how fiscal regulations and tax laws have been both relaxed and strengthened in ways that have allowed rich investors and corporations to gain enormous wealth and influence over electoral politics, the legislative process and the ideological framing of public debates. These policy changes and related political influence are, of course, mutually reinforcing. The greater the concentration of economic and political power, the greater the ability of a small group to create policy, shape the ideological landscape and recondition people to accept social conditions as natural or commonsense. The facts on the ground bear this thesis out. As has been well documented, inequality steadily increased in the three decades leading up to the economic crisis through policies that moved public resources towards the interests of private capital, drained state and municipal public coffers, undercut union organizing and expanded market logics to all aspects of our lives. What's remarkable is that these transformations went largely unchallenged, were tolerated, or were actively embraced.

Today, however, the commonsense and acceptance of these neoliberal policies and practices is crumbling. After the violently abrupt impacts of the economic crisis, and thanks to subsequent responses of social movements in Wisconsin and Occupys everywhere, there is broad agreement that social inequalities are too great and the economy is too harsh. We are in a clear moment of possibility. The question now is what to do about it. What kind of change do we want?

For progressives, an already invigorated resistance to corporate and elite power is gaining more urgency, as the political right seems primed to double down on a narrative that explains social conditions in terms of individual behavior: If there is inequality, it is precisely because there are few who are (white) man enough to take responsibility for themselves and far too many who are content with sitting on their ass and doing nothing. This gambit is being pushed most clearly through the presidential campaign. Mitt Romney - Mr. 1%, as the AFL-CIO has dubbed him - with his ideologue counterpart Paul Ryan, plan to escalate the assault on the remaining social fabric by, for example, recasting forms of universal social assurance - Social Security and Medicare, for example - as forms of dependency. The Republican economic platform is so completely disconnected from the everyday lives of the many, many people who are drowning in debt, who are living paycheck to paycheck, who have lost their jobs or their homes, who are subject to institutional and individualized racism, that it is difficult to understand their position as anything but a callous, vicious assault on individuals, families and communities.

### **Rationalizing Resistance**

Against this callousness, Stiglitz's argument enters as an articulate defense of a robust public sphere, regulation of the economy and just taxation. End the war(s)! Defend the public! Resist austerity! Increase taxes on the wealthy! Fight against corporate greed! Stiglitz says "YES!" in relation to all of these political positions, but not for the usual associated moral reasoning. Instead, Stiglitz argues that the degree of inequality we are presently experiencing is detrimental to the optimum functioning of the economy. Creating a more level playing field through government intervention will result in more efficient markets, more people actively competing against each other for jobs, more economic growth, and higher rates of wage-labor employment; it will make for a recovered, stronger, more robust capitalism.

Against the right's framing of economic inequality as the "natural" and "inevitable" consequence of people's individual choices, Stiglitz argues we can make social choices that restore or extend more opportunity to all. Stiglitz wants to remind us that anyone's ability to "move up" depends upon a society that helps allow this to happen. A progressive politics then, wedded to a Keynesian economic platform of regulation and reform, will benefit all stakeholders - the poor and the wealthy; financial investors and the unemployed; owners, managers

and workers. From his perspective, this allows the capitalist economy to work for everyone because we're all in it together.

On a certain level, we agree with Stiglitz. We are all in this together; we are all part of the social body, of society. The capacity for individual achievement and individual responsibility rests on the quality of connections that individuals have with other people. Even President Obama stated as much in a speech last summer when making the argument that economic success is inherently a social endeavor - a speech that produced his decontextualized and much-abused sound bite, "You didn't build that."

There seems to be a consensus emerging amongst the so-called "liberal left" around this seductive frame. Like Stiglitz and other Keynesian economists, many liberal-left thinkers and activists appear to believe that there is a reconcilable, even easy, relationship between social well-being and market capitalism. All that is missing is the administration of policies that can redistribute wealth and create a new New Deal to grow the economy. From our perspective, this is a curious line of thinking, and one that progressives should worry about. In our eagerness to resist corporate governance and elite power, in our desires to oppose inequality, just what sort of political project might we be attaching ourselves to? What is it exactly that we are struggling over? A general feature of capitalist production is that it creates a distinction between social groups as a supposedly "natural" part of the production process; a sleight of hand takes place, and class differences and inequalities are forged. Profits - and the political and cultural power associated with them - are moved away from workers and brought under the control of owners, whether an individual capitalist or a board of directors, who appropriate that wealth and are able to use these resources to create policies, practices and beliefs that benefit their interests. Workers are separated from the value and power that they produce. For us, it is this separation, between people who produce the wealth and those who receive it, that defines capitalism - and the social inequalities that capitalism produces - as a matter of fact. If we invest our efforts in a struggle to save our current economic "system" we choose to empower a set of practices that generate the very inequalities - in wealth, in political influence, in the capacity to frame social reality - in the first instance (and compel us to engage in political struggle).

**Thank you sir, may I have another?!**

Taking the long view of history, we might see today's crisis - and the political struggle over how to resolve it - not as an anomalous set of circumstances, but rather as a normal and integral feature of an economy that encourages and prospers on crisis after crisis.

This essential component of capitalist production is given historical-ethnographic shape in anthropologist Pem Buck's 2001 tour de force, *Worked to the Bone: Race, Class, Power and Privilege in Kentucky*. Focusing primarily on the interplay of racism, gender relations and class, Buck argues that there are historical moments of possibility, often in relation to economic crisis and restructuring, when people begin to question and challenge the nature of society and their place in it. These "forks in the road" - she cites Bacon's Rebellion, the Farmer's Alliance, the civil rights movement, among others - mark locations of possibility for new ways of living together, for new collective ways of producing stuff, for sharing resources, for changing the nature of our economy. These social movements can begin to connect people of different races and different communities together. They have the potential to aim for something deeper than a more "equitable condition"; they have the potential to fundamentally transform the very conditions under which things of value are produced and shared.

However, Buck argues that, rather than taking paths towards fundamental transformations, the roads that we have historically chosen have primarily led to limited social and economic reforms, some redistribution of wealth, or access to civil rights, for particular social groups. These reforms and new social configurations benefit some. And, along with state oppression, they work to quell unrest for a while. Enough people are satisfied that they go along with the program. Enough people believe the stories that explain social inequality. But, as more wealth is extracted and social antagonisms grow, the next crisis emerges.

Economist Rick Wolff helps to explicate these dynamics in his film lecture "Capitalism Hits the Fan." In response to the Great Depression, a series of significant political and economic reforms were made in the middle decades of the 20th century that led to a not insignificant redistribution of wealth up through 1970s, including Social Security, unemployment insurance, government investment in public works, and a host of regulations on corporations, trade and private capital. The story today, Wolff says, is that "If we just re-regulate [and reform], then we can return to the good old days." But there is a critical point that is missing from this equation. Wolff asserts that while there were indeed significant reforms and redistribution after the Great Depression, the basic form

of capitalist production was left in place, allowing the boards of directors of private corporations to take and control the profits that are made by workers. Wolff incredulously explains, "To regulate is to impose limits on a group of people ... with every incentive to undo them and all the resources needed to realize their incentives!" And this is precisely what happened.

In our view, the present moment really is about the 1%'s income and control over much of the wealth that has been created by other people. Amidst increased poverty, inequality and insecurity - and with the best government assistance money can buy - the 1% has been posting record profits since the "recovery" began in 2009. The rest of us seem to be somewhat unsure of how to address their return to good fortune. One half of the 99% wants to see even more deregulation, lower tax rates for corporations and the wealthy, and the privatization of all remaining components of the so-called welfare state. Their hope is that if we beat down those who are not paying income taxes, the welfare recipients, and long-term unemployed, (in their imagination) we will get a society that is productive, where all work hard, and where everyone gets what they deserve. The irony, of course, is that many of these advocates are precisely the sorts of people that will be punished by the very proposals they advocate. It's not simply that they are satisfied with a set of reforms that "give a little," as Buck puts it; they are truly saying, "Thank you sir, may I have another!"

But isn't it also the case that Stiglitz, Paul Krugman and the progressive establishment offer us a different version of the same beating? To be sure, a promise of ending two wars, the implementation of a more progressive tax policy, closing corporate loopholes, and ending government munificence would allow us to put the public sector back in better shape - or at least move us off the edge of a fiscal cliff. But following Wolff's arguments above, even if all of these changes were somehow able to be implemented, they elide the underlying set of economic relationships that automatically structure economic and political inequalities.

From our perspective, it is telling that team Obama has allowed the Bush-era tax cuts for the wealthiest, for the investor class, for the "job creators" to remain in place as a fiscal stimulus. At best, we can see the actual practice of his administration as one of playing to populist concerns while caving, at every turn, to the interests of the 1%. It is easy enough to read Obamacare not as a true health care reform, but as a generous subsidy to insurance companies. Team Obama may regard these concessions and compromises as the realpolitik of our age, but their actual function is to preserve the present economic order just as

surely as the TARP bailout, passed under the Bush administration, suspended the rules of capitalism in order to save capitalism. All of these maneuvers are caught up in exactly the logic Stiglitz articulates (without the progressivist veneer): they are all attempts at restoring the efficacy of capitalism. Perhaps this is a beating of a different sort, where we are deluded into imagining there is a huge difference between the two teams, what they advocate and what sort of future they are leading us towards. In our heartfelt and noble efforts to fight against inequality and for more opportunity for all, aren't we also fighting - just as hard as those coming from the right - for the continuation of the same relationship between workers and owners that creates inequality in the first place? Aren't we, just as unwittingly, joining with the radical right in a project of self-flagellation, of pleading for continued abuse - "Thank you sir, may I have another!"

What can we do to move past this ongoing struggle over different iterations of capitalism? Buck argues that historically, possibilities for new forms of social organization are scuttled when particular social groups are given enough relative wealth and privilege that their own exploitation doesn't seem as bad. They acquiesce and consent. One very important project for progressive politics, then, is to build a powerful movement across race, class, gender and progressive interests; a broad left politics that can forge solidarity between different social groups. But we wonder how these alliances, in the long term, are even possible, if we are unable to expand our political horizon beyond making demands on the state for reforms, beyond a politics of redistribution that might help more people, for a time, play in a game that is always rigged to create more inequality. As we can see from Stiglitz's thesis - that less inequality is good for capitalism - there is an easy relationship between progressive politics that struggles for social justice and the structuring and maintenance of social and political inequality. Unless we aim to address the foundational structures of capitalist enterprise, we will be forever engaged in a struggle that, from either side, is fighting to hold those very structures in place.

### **A Politics of Possibility**

Just over a year ago, Zuccotti Park became the locus for a seemingly motley mix of dissidents: anarchists, students, environmentalist, feminists, labor organizers, community organizers and activists of all stripes. What was exciting and important to us was not only the rise of a new class imaginary that revealed a shared - though not equivalent - struggle, but also that this articulation of the

interconnectedness of progressive-left struggles called the very nature of our economy into question.

The field of possibility opened wide. People could imagine and desire beyond the limits of what is "known" to be politically possible. This new imaginary, it seems to us, was rapidly enclosed by both derision of the movement and concomitant support of state suppression by the political right, but also by the progressive left whose desires for reform are contained within a project to fix capitalism – let's fight for more jobs, better wages, more money for college, less corporate power, new energy technologies, so we can have a better, more equitable capitalist economy.

But, perhaps Occupy has already done its work. Perhaps desires for a noncapitalist world have been here all along. If we avert our gaze from the struggle to save capitalism, if - for just a moment - we can stop staring into the sun, we might begin to see the increasing numbers of noncapitalist alternatives all around us. Institutions and community members in Cleveland, Ohio, are experimenting in using the in-sourcing of institutional demand for services as a basis for economic development. The Cleveland Foundation along with major hospitals and universities have been using their aggregate demand for clean linens, food and power to start local businesses that create employment opportunities for people in Cleveland's depressed neighborhoods. The difference is that these jobs are built on the Mondragon model of worker-ownership. Rather than the wealth accruing to an individual or a board of directors, the rewards (and risks) are distributed across the entire group of worker-owners who make it possible. The Evergreen experiment was launched in 2009 and has given birth to successful enterprises, with more in the works. The success of this approach is already being followed and imitated in other cities throughout the country, including our home state of Massachusetts.

In our own local communities, other efforts at different scales are taking advantage of what has come to exist from previous crises in other areas to build something new. The Valley Alliance for Worker Co-Operatives, VAWC, in Western Massachusetts, is a group of worker-owned businesses which are attempting to use their association to promote the cooperative model by lending support, expertise and funds to start up new cooperative ventures over the past half-dozen years. Many of these businesses in VAWC were started decades ago and have long experience with turning a profit and surviving downturns. As they

have built their alliance, they have been working with a local university, UMass Amherst, to develop a curriculum around cooperative businesses.

The Alliance to Develop Power (ADP) in Western Massachusetts is a base-building community organizing group with an interesting twist. In addition to running campaigns for policy reform -immigration, housing, green justice and so on - they have been working to build a "community economy" that includes cooperative housing; a worker-run, community-owned maintenance and landscaping company; and in current, development, a series of community-owned bodegas that will connect local farms to food deserts. The profits from ADP businesses stay in the community organization and are used toward more organizing campaigns, community-building initiatives and more alternative economic development.

Given the successes of Evergreen, VAWC and ADP, we wonder, along with many others, if other elements of a cooperative, alternative economy, legacies from past struggles, could be leveraged to build something new. Wisconsin's study of the cooperative landscape produced an arresting visual image of all the credit unions, power co-ops and granges in the United States. What if these organizations - some of them remnants from the populist movement of the 1800s or the reforms of the Great Depression - were pressed into service to provide capital and support for the expansion of the worker- and community- ownership models in many different industries (something that was always lacking in the United States). What if these models were extended into communities and places that have been historically deprived of capital, redlined and subject to extreme policing?

What we like about this approach is that it isn't asking for another beating; it is building something else. While Occupy got our attention, what is required is sustained effort to engage in the deliberate thinking and acting required to build an economy that works for the benefit of all. These sorts of cooperative economic practices that are attentive to the actual needs of people and communities, and that do not just expand for expansion's sake, may be precisely what is required to build and organize around an economy that has any hope of living within the bounds of natural reality.

For those of you who are in New England, particularly in Massachusetts, we would like to invite you to help reflect on, organize around, and build these new economies by attending the 2nd Annual Worcester Solidarity and Green Economy (SAGE) Conference on October 13 at Clark University in Worcester,

Massachusetts. This conference brings together activists, organizers, academics, students, workers, the unemployed and community members in general to continue to build a progressive politics that sets its sights beyond the false promise of a more gentle and sustainable capitalism, and instead looks towards a horizon in which people collectively make decisions around working conditions, profit, investment and consumption.