

Getting Serious About Politics

Economic relations clarify politics just as politics can return the favor. In truth, it is impossible to fully understand one without an understanding of the other, and especially without a grasp of their inter-relationship.

No doubt that explains the wisdom of the classical economists (and Marx and Engels) in describing their studies as "political economy." Similarly, the failure to systematically integrate the two social domains explains the frustration of the modern-day academic economists, even Nobel laureates, who fume about the politicians standing in the way of their ready solutions to the current global economic crisis.

A case in point is the most prominent economist/pundit in the USA, Paul Krugman. Not to call out Krugman—most others share his frustration with US and European policy-makers—but his prestigious podium in The New York Times certainly makes him a handy target. Both in the recent pages of The New York Review of Books (jointly with his wife) and in his New York Times column, Krugman has turned to the political roadblocks standing in the way of his proffered "recovery."

Until recently, Krugman has simply repeated his prescription for recovery again and again. But now—like the Biblical Paul on the road to Damascus—Krugman has had a blinding flash of recognition. In his case, it's the maddening recognition of the political dynamics intimately tied to changing economic policy, the backward politics of political factionalism.

Undoubtedly part of Krugman's (and other liberals like Robert Reich's) new-found acknowledgment of the political dimension is the fast approaching Presidential and Congressional election in the US. While they are right to see much at stake, they will assuredly be disappointed with the policy options huckstered by the candidates of the two parties.

Economic crises not only clarify, but they expose politics. As we move deeper into a seemingly intractable global economic crisis, the political landscape is revealed to show clearly where the class interests of the various parties and alignments reside.

And what is exposed is neither pretty nor promising. It would be foolish to think that over forty years of building and strengthening a neo-liberal consensus would arm existing political institutions with the means to tackle a crisis of almost unprecedented ferocity.

It borders on insanity to believe that a policy toolbox crafted from a long period of stability and smug confidence in capitalism would be adequate at a time when the foundations are collapsing. Yet, that foolishness and insanity is what we have in 2012.

A long period of relatively crisis-free development in Europe and the US after World War II sapped Left and Communist Parties of their radical and revolutionary fervor. As mass confidence in capitalism's promise and sustainability grew, anti-capitalists retreated into parliamentarianism and reformism.

At the same time, bourgeois parties—the parties of capitalism—drew ideologically closer together, first around a modest Keynesian welfare state and then, after the severing of the post-war social contract and the subsequent fall of Soviet and Eastern European socialism, around the neo-liberal agenda. Politics in Europe and the US evolved into an ever-tightening circle of economic consensus celebrating the supremacy of markets and the meager social justice compatible with capitalist accumulation. Bourgeois parties embraced unfettered capitalism and individual self-reliance, differing only on the pace of privatizing and dismantling former social safeguards.

And radical parties, even Communist Parties, "mutated" or dissolved in order to be included in the tightening circle of common ideology. In the US, the two dominant parties competed more and more over the same terrain, limiting differences mainly to life style and cultural matters. In Europe, multi-party parliamentary systems were evolving inexorably into the two-party charade so well established in the US.

To the surprise of many, this happy festival of capitalist triumphalism was rudely interrupted by a global economic crisis of an intensity unseen since the early decades of the last century. Unfortunately, the left is as ill equipped to address this crisis as are its bourgeois opponents.

An Awakening?

After nearly four years of relentless economic instability and severe pain for a growing majority of the citizenry, surely it is time to question the viability of capitalism. With all signs pointing to another severe relapse amplifying the destruction of the 2008-2009 collapse, certainly the idea of a radical departure from capitalist social and economic relations is in order.

But to address the crisis, we must move dramatically away from the thinking that characterized the post-war "golden age" of capitalist development, an era that seduced the US and European left into the comfortable bed of class collaboration and reformism.

Some view the electoral turn in Europe to the "socialists" of Francois Hollande in France or the strong parliamentary showing of the SYRIZA coalition in Greece as a sign of a left rebirth. Many, both in the amorphous, ideologically muddled US left or with the European Green/pale-red parties, place their hopes in this development.

Events will show this to be a false path, a path that invests in attempting to prop up the very system that has rained destruction, poverty, and pain on the vast majority of the world's population. Certainly Hollande's election and SYRIZA's strong showing in Greece mean something. They represent a first attempt, a cautious and tentative attempt, to move away from the rigid discipline of markets and financial fealty.

They represent the timid and fearful votes of a broad and self-satisfied middle stratum that, despite its profound injuries from the crisis, still harbor hopes of returning to the pre-crisis era. They express the false promise of a painless process

that presumably will rein in predatory capitalism by negotiation and reasonableness. And, tragically, they represent a dead-end road leading to even further devastation of living standards and increased unemployment and poverty.

From the perspective of the ruling classes, the ascendancy of the French socialists and SYRIZA in Greece signals the passing of the baton to new forces with a mandate to manage capitalism (Just as the Obama candidacy signaled a similar passing in 2008).

Their electoral successes point to the recognition that a new direction is both desired and warranted, though one that remains securely in the capitalist camp. In the words of Giorgos Marinou, a leader of the Communist Party of Greece, "... the reformation of the political scene is being promoted which is supported by the bourgeois class, the European Union and other imperialist mechanisms to more effectively manage the capitalist crisis in capital's favor, to impede the class struggle..." As long as much of the left in both Europe and the US fail to see this, they turn away from any real exit from this profound crisis of the capitalist system.

Both Hollande and his socialists as well as SYRIZA propose to refuse the austerity medicine demanded by central bankers, international lenders, and EU politicians and, instead, focus on economic growth in France and Greece. While this proposal may have resonated with voters, it will never advance beyond a mere campaign slogan. It can't.

To believe that austerity can simply be willed away is foolish or disingenuous. The austerity imposed in Europe is an economic imperative driven by the weaknesses of the European Union that allow predatory capitalism to exploit the most vulnerable of the Union's members. Finance capital is the enforcer of this austerity and finance capital must be brought to its knees to escape the austerity. There is nothing in the French Socialist program or the SYRIZA platform that even hints at how this could or should be done.

Austerity has a political dimension, but at its heart it is both an economic mechanism to restore and expand profitability and an expression of the economic dominance of financial markets. To not grasp this point, to not understand that austerity emanates from a source deep in the capitalist system, is to have failed to draw any lessons from the last four years. Only a frontal assault on capitalism, a program to dismantle an economic system that invariably concentrates greater and greater wealth into fewer and fewer hands, answers this challenge.

Already, before the celebration of the Socialist Party's sweeping victory has even expired, financial predators are focusing on France. Officials are warning of a "debt spiral," while others in government are nervously reassuring financial markets that France will meet its deficit goals. One financial expert quoted by The New York Times noted: "So far the markets have been kind to France... but...France remains 'the lucky peripheral.'" Not for long. And the Socialists have no answer.

Escaping the Debt Dilemma

It is no exaggeration to state that effective political responses to the crisis have yet to mature sufficiently in the US and Europe. Conservative and social democratic forces dominate the political landscape, while showing no program to escape the clutches of finance and monopoly capital. This undoubtedly will change as these capitalism-friendly parties fail to turn away the capitalist onslaught.

In Europe, principled revolutionary parties like the Greek Communist Party (KKE) will win more and more Greeks and Europeans to militant anti-capitalism and breathe life to the socialist option. They offer an answer to the debt dilemma.

During the most recent Greek parliamentary elections, the KKE was the target of a scathing attack for refusing to join with SYRIZA in a potential coalition government. "Leftists" in Greece, as well as outside the country, dishonored the party's independence and trampled on its principles with irresponsible assaults on its position. Greek Communists adamantly refused to cooperate with a government that would both seek to preserve capitalism and fail to safeguard the interests of working people. History will show this stand marks the way forward, despite the electoral losses spawned by fear and confusion.

In the US, dismal two-party politics continues to grind down working people with no respite in sight. Both parties vie for and receive campaign money from the financial sector and the other major monopoly corporations. Both parties will duly reward this generosity.

Once again, as in the run-up to the 2008 election, the financial sector is pouring money into the Obama coffers (at a pace even greater than in the earlier campaign). And despite campaign rhetoric and the predictable liberal fear tactics and apologia, he will, once again, live up to the expectations of his campaign donors.

The next five months promise an orgy of media spending on Orwellian images and slogans. No answer to the debt dilemma and the global crisis will come out of this low drama. Ironically, prominent liberal economist, Robert Reich concedes as much in a recent post on his website. Faced with abysmal economic data and the threat of a perceived bad economy to Obama's re-election prospects, Reich argues that there is little the administration could do to change matters: ironic and pathetic

As in Europe, a peoples' answer will come with the emergence of an anti-capitalist advocate for socialism, a Communist or Workers Party, a formation that challenges the core of capitalist social and economic relations. Giorgos Marinou of the KKE says it succinctly and well: "There are more than enough forces to manage the system.

What the people need are real communist parties that will not manage the capitalist barbarity in the name of the "government left" and in the name of "realistically" accepting the negative correlation of forces. In this way you pave the way for the forces of capital and precious time is wasted, for which the working class and the popular strata will pay a high price."

Yes, working people are paying a high price and we need to get on with the business of giving the people real Communist Parties.

July 8, 2012