

New openings for movement and consciousness in the U.S.

Beth Gonzalez and Walda Katz-Fishman

In 2010, two years into the deepest systemic crisis of capitalism the world has ever experienced, the question is how to secure the basic necessities of life for all humanity and to protect Mother Earth. In the United States, social movements and revolutionaries are analyzing, envisioning, strategizing, and converging. Over the years, the passivity of the broad mass of the American people has kept the world waiting and wondering if, when, and how the American sleeping giant – the U.S. working class – will begin to understand and fight for its own interests.

It will be a complex process – an intertwining of objective economic and social processes, historical and ideological forms, and the struggle for consciousness of class and political interests. But the break in the continuity of social passivity is coming into view.

Today the struggle for the immediate needs of a broadening section of the American people can be done in tandem with the struggle for a consciousness of actual interests and the inability of the capitalist system to meet these needs. At this historical moment, like never before in the history of the U.S., these two processes depend on one another. Neither can move forward in isolation from the other.

The following analysis is divided into three parts:

- (1) What is new about today's economic crisis? Economic revolution, economic crisis; government response to financial collapse.
- (2) How is this new and different in the U.S. today? Changes in society, property, and the state; historical particularities.
- (3) Why does it matter? Ramifications for strategy and struggle.

What is new about today's economic crisis?

The breadth and depth of the current economic crisis has threatened financial markets and economies throughout the world. It is destabilizing governments and threatening delicate geopolitical balancing acts. In the U.S. it has unleashed broad popular fear and anger that are shaping the beginning stages of political polarization and opening new channels of struggle and consciousness.

For those aiming to work strategically and politicize broadly within the developing social struggle, it is critical to assess the underlying economic processes and to anticipate the resulting new openings for the movement and its consciousness.

On one level, the current recession and financial collapse represent a cyclical crisis. The crisis began with an over-production and over-pricing of real estate, fueled by a loosening of lending laws and practices that lured millions of workers into buying homes at terms of debt they could not afford. In some counties, home prices had doubled in a matter of years. Banks kept on lending and consumers took on more debt. Even before the crash of 2008, the job market was contracting, wages were declining, and healthcare costs were soaring; millions went into default. After the financial crash in the fall of 2008, the surge of new layoffs sent more homes into foreclosure. The economy was locked in a downward spiral.

As of February 2010, the recession that began in 2007 had cost 8.4 million jobs – bringing the total official unemployment figure to about 15 million. The crisis has cost the construction industry about 25% of its workforce (1.9 million jobs); it cut the manufacturing workforce by 15.8% (2.1 million jobs). Of those U.S. workers who still have jobs, 26.2 million (approximately 17%) are under- and unemployed, marginally attached and involuntary part-time workers. (See the Economic Policy Institute website at www.epi.org.)

Most economists acknowledge that any recovery will be a jobless recovery. Although there are many explanations of the current crisis of capitalism, most recognize this crisis as an expression of something new. New motive forces of production are today ushering in an economic revolution.

During the Industrial Revolution, steam-powered industry (and later electro-mechanically driven industry) enhanced human labor. It locked capital and labor into a relationship of both contradiction and mutual dependence. The transition at the foundation of society today is far different. With its capacity for the digital organization and execution of production, for automation and robotics, the computer chip replaces human labor.

Where the Industrial Revolution unleashed labor-enhancing technology and opened the way for the full development of capitalism, the labor-replacing technology of today's Electronic Revolution presents an antagonism to capitalist production relations. It clashes with the capitalist form of private property.¹

On another level, therefore, the current crisis is not simply a routine cyclical crisis occurring within the stages of capitalism's growth. It is rooted in the current economic revolution and is unfolding within the early stages of the destruction of the objective foundation for capitalism. In this sense, the overproduction of housing, the financial deregulation, and the mortgage crash were not the underlying causes of the crisis; they were its triggers. The crisis was based in the introduction of a labor-replacing mode of production into an

¹ Capitalist production relations are defined by the buying and selling of labor power: The exploitation of labor is the source of surplus value and the profits of the capitalists. The amount of labor embodied in a commodity determines its value. The beginning of production without labor is the beginning of the destruction of value (that is, the measure of the amount of labor time embodied in a product).

economic system based on the exploitation of labor. The resulting overall decline in value and loss of jobs set the stage for the collapse of the market.

The U.S. government had to take extraordinary measures because the cyclical crisis and financial collapse are extraordinary. The September 2008 financial crash threatened to take down the entire world financial system. The U.S. Treasury Department and the Federal Reserve Bank worked together round the clock with CEOs of major financial institutions to restructure and support the core of the U.S. financial sector. (Estimates and actual amounts fluctuate, but as of September 2009, the bailout had cost nearly \$12 trillion.) The bailout was more complex than just giving money to the banks. It was a decisive step in the ongoing merger of the government and the corporations, in this case, private financial entities. Global capital and the government needed to find a way to stabilize the global financial system and to ensure the flow of credit to keep the commodities markets moving. They guaranteed profits and protected private property – not jobs, homes, or medical care for the American people.

Soon after, in early 2009, the U.S. government engineered the bankruptcy reorganization of two of the three major U.S. auto companies. The restructuring and partial nationalization of General Motors and Chrysler was the only alternative to immediate bankruptcy and collapse. For U.S. autoworkers, it was, as many of them called it, a “stay of execution.” The collapse of the pension fund of even one of these auto companies would have sunk the entire U.S. system for financing pension funding. Even for the government, as the “executive committee for the capitalist class,” there were no easy solutions. By virtue of its nature and its history, the state had to protect private property under the new and volatile conditions.

The social effects of the crisis have cut deeply, especially for a country that fancies itself a “middle-class” paradise. Both the spreading economic distress and the government action are destabilizing the country politically and ideologically.

All this points to a revolutionary moment in the U.S. Not yet revolutionary in the sense of one class ready to challenge another class in a struggle to seize political power – but revolutionary in the sense of a qualitatively new economic foundation for the spreading problems and the growing struggle. This struggle may appear to be a continuation of the same old struggle against the injustices and inequalities of capitalism. But today the foundation of the problems is new – and the struggle to resolve them holds new potential.

(2) How is this new and different in the U.S. today?

To fully realize the potential of the emerging struggle in the U.S., we also need to look at the emergence of new social forces, developing changes in the state, and some historical particularities that shape the development of struggle and consciousness.

Rising social forces

As labor-replacing technology makes its way from one sector of the economy to another, capital simply does not need the U.S. working class in the same way it did through the stages of early capitalism, maturing capitalism, and even the stage of imperialism. This is the basis for the destruction of the social contract that once guaranteed economic security for a large section of the working class and a safety net for the rest.

Both the ongoing economic revolution and the current economic crisis are intensifying the polarization of wealth and poverty in the U.S. today. The last five years have seen the steepest drop in homeownership; in the last three months of 2009, almost one million families lost their homes to foreclosure. Among the world's 21 "economically developed" countries, only Mexico and Turkey have higher rates of poverty than does the U.S.

But the poverty today is not just more of yesterday's poverty. We are seeing something new. There is emerging and growing in the U.S. a mass of dispossessed whose very survival is threatened, who are dispossessed from the means of their survival, and whose lives are being destroyed. This mass is formed from all sections of society – not only from the poor who have lived for generations at the margins of employment, but also from among the educated and professional workers, from among the well paid industrial workers.

At the core of this growing mass is a class formed by the new, labor-replacing means of production. Expelled from the productive process, they are barely hanging on to temporary or part-time jobs or condemned to caste-like conditions at the margins of society. Though not consciously articulated as such, the actual demands of this emerging class cannot be met without the abolition of private property. This class can be formed politically in the struggles over how to resolve the life-threatening social questions of the day.

Changes in the state

As long as capitalism was expanding and the productive capitalists relied on the industrial workers of the U.S., the state protected the connection between these two classes – in production and in society. Even as U.S. capital was exported to less developed countries, the capitalists still depended on a stable domestic work force; super-exploitation abroad paid for privileged lives for a large section of the U.S. population.

Now something new is happening. Where at one time capital needed the national state to enforce laws and policies that would help guarantee a reliable domestic workforce and market, today capital demands that such barriers be removed. And so they are – through a variety of neoliberal policies around labor, trade, capital, and social reproduction.

Private corporations set public policy. Public assets and functions are privatized – transferring property from public to private ownership. Education and utilities (such as water) are turned over to corporations; public policy on health

care is bought and paid for by the insurance, medical, and pharmaceutical industries. The sovereignty of private property is destroying society.

The changes in the state today are not simply a bad situation getting worse. The bailout was the largest transfer of resources from public to private hands; but it was more than a simple give-away. In the U.S., the state, the corporations, the banks and speculators are merging to enforce the political power of those who own the means of accumulating wealth based on a system of exploitation. The current economic crisis is further strengthening the stranglehold of finance capital, particularly in its speculative form, over the processes of global capitalism and the state in the U.S. and globally.

As the machinery of force and political power of one class over another, the state is being reconstructed to serve the needs of private property under today's qualitatively new economic conditions. The state does not transform all at once. But the direction is clear. The U.S. state is undergoing a profound shift – from protecting the social relations of capitalism and the market within one country, to expanding the market and protecting the sanctity of private property globally, while abandoning responsibility for society nationally.

We are, at this point, crossing a political line. On the one hand, the state is based on the relations of production of capitalism. On the other hand, the forces of production are coming into conflict and antagonism with those relations of production. The state, by its history and purpose, has to guard the laws and sanctity of private property and protect the wealth of the capitalists, even as its base is being destroyed.

All this makes for a very unstable and volatile situation. Such a contradictory situation cannot be managed except by the subjective – by the force of the state. Fascism arises out of such crisis. As is clear in the current crisis, the state has no alternative but to intervene in the economy. Far from a subjective policy or decision, fascism arises to ensure the continuity of private property as the forces of production evolve. Taking shape in the U.S. today as the unity and merging of the government and the corporations, fascism in this historical moment is emerging out of the attempts to solve the problems posed by economic revolution.

In the U.S., fascism is developing in historically evolved American forms. Although it is beyond the scope of this article to fully assess these specific forms and their roots, it is important to note that the ideological preparation of the American people need not be in the language of fascism *per se*. The history of the color question in the U.S. gives the ruling class a time-tested mechanism and ideological framework for diverting economic distress away from a class perspective. It is already happening.

Like other powerful forces rattling society and rupturing our lives, these changes in the state are the beginning of a new process. An individual or a particular presidential administration may advance or retard the process of change; they may affect the features of the process. But they are not the cause of today's political changes.

Historical particularities

In the U.S. today, the shift from the dominance of forms of property resting on the exploitation of labor is beginning to destabilize everything in society based on the connection between the capitalist class and the working class in production – including the state. A comparison of different historical periods points to the potential of these changes to open new channels of thinking.

Before the rise and growth of modern industry in Europe, land was the predominant form of private property; the state took a form and performed a role that promoted the accumulation of wealth by landowners. The lines separating the means of exploitation and the means of political control were not clearly drawn. Feudal lords not only accumulated wealth based on the labor of the serfs on their land; they also commanded armies and collected taxes directly from those who lived on that land. Their privileges and authority in the state apparatus derived directly and openly from their ownership of land.

The rising capitalist class needed a new form of state – one that protected its property and wealth, based on the exploitation of labor. Thus, in one country after another, the rise of industry and a new class of exploiters ushered in an epoch of political revolutions that reconstructed the state. The modern state played a coercive role in the interests of the ruling class, but the coercion by both the state and the market had the appearance of being separate from the capitalist class itself (see Wood 2003).

This history of the modern state's appearance of class neutrality is particularly significant given the history of the U.S. and actions the state has to take today. Here we had no feudal relations and, therefore, no history and tradition of political struggle by one class against another. Now, in face of the financial crash and threats to the global market, the government had to act – openly in the interests of the banks and other corporations. In the U.S. today, the state has to shed its supposed class neutrality and step in boldly and shamelessly on the side of private property. The social response is still misdirected and confused, but the doors to political engagement and political consciousness of class interests are opening.

Changes in the state today are rooted in the qualitative changes in the economy wrought by the economic revolution of the current epoch. This reality is evident not only in the government bailout of investment banks, but also in the Federal government's bankruptcy-restructuring lay-off of autoworkers. The ongoing privatization of education, public utilities, and other formerly public resources and services further strips the state of responsibilities to the public and reveals its political core as an organ of force and intimidation for the ruling class.

In popular consciousness, the response is taking the form of anti-bank anger and a growing awareness of the hold of the corporations on U.S. social and political life. From students laden with college loan debt, from laid-off workers, from families facing home foreclosure – the immediate common response to the bank bailout was, "If you can bail out the banks, you can bail us out, too." The

current explosion of racist backlash agitates this widespread economic distress and warranted fear. Its aim is to divert people from their actual interests and to cultivate a mass base for the fascist reorganization of American society and the state. With its direct intervention into the economy on behalf of private property, the government has opened a political battlefield. The struggle today is over whose interests the government will serve – the public or the corporations?

Despite all the glorification of past periods of militant trade unionism and social struggle, the U.S. has not really seen the objective foundation for class struggle since the defeat of Reconstruction after the Civil War. The War had essentially been between two wings of the capitalist class, with the ideological battle lining up first over the Union and ultimately over slavery. The military and political defeat of the South made possible a class unity of Northern industrial and financial capitalists with the Southern planters – to ensure the suppression of the freed slaves. With the backing of the Northern capitalists and the withdrawal of the Federal troops, Southern planters enlisted terrorist mobs (the Ku Klux Klan and others) and violently overthrew the Reconstruction governments. These state and local governments had been elected by Freedmen and pro-Union white Southerners after the North's defeat of the South in the Civil War. The capitalist class – in neither the North nor the South – could not allow any challenge these democratically elected governments might pose to the private property interests of the Southern planters.

That violent overthrow of one class by another was the prelude to and prerequisite for a century of imperialism, expansion of the capitalist system, and growing benefits for a politically decisive section of the U.S. working class. This period saw some spikes in the level of social struggle. But the capitalist system was expanding, and the economic struggle could deliver significant reforms and concessions. Although the interests of labor and capital were contradictory, these two classes were locked together – both in production and in a growing, expanding system. Class struggle was not an objective reality or possibility.

We are, today, seeing the emergence of something qualitatively new. Objective conditions for class struggle are maturing.

Ramifications for struggle and strategy today

The underlying economic trends are challenging old means of ruling class control, closing off old channels of struggle, and opening new possibilities for consciousness.

As the social and political ramifications of the economic revolution take shape in the U.S., they put the social struggle on a new foundation. The economic revolution is destabilizing old parameters of struggle, consciousness, and ideology.

Government action in response to the cyclical economic crisis is opening new avenues of political contention – over whose interests the government serves

and what should be done to meet the needs of the broad masses of people facing economic distress. The emerging situation cries out for strategy as well as struggle. It sets the objective conditions to develop independence from the political parties of the capitalist class.

A key expression of this process is a shift in the political center of gravity in the U.S. During the stages of expansion of capitalism, the wages and generous benefits of the stably employed industrial worker tied the whole working class to the ruling class politically and ideologically. Unions could struggle for and negotiate better wages and working conditions for a significant section of the stably employed workers. In the economic expansion after World War II, the social bribe for this large middle-income section of the population also bought a mechanism of control and passivity of the broader population.

The question of health care shows how this means of control has worked – and what is happening as it breaks down. The U.S. has no history of government responsibility for health care for the population as a whole. Starting in the 1950s, unions could negotiate generous health care and pensions for their members; the broader movement did not have the means to hold the government responsible for these social necessities.

As the effects of the economic revolution have worked their way through society over the last few decades, these well paid workers – especially in the industrial sector – have been laid off from their jobs. With health care benefits tied to jobs rather than government responsibility, these formerly privileged workers are suddenly in the same vulnerable position as those who never had health benefits.

In 2010, California, Illinois, and many other states are sounding the alarm of budget deficits in order to justify the breaking of wage and benefit contracts negotiated by public sector unions – and to justify sharp cuts in social services. School children face shorter school years in worse schools. Cash-starved cities are selling public resources. Private investors are buying up everything from schools and public utilities to toll bridges and parking meters on public streets.

Under these conditions, there is very little the unions and the broader economic struggle can do to improve – or even maintain – the terms of the sale of labor power and the basic necessities of life. As the interests of private property strengthen their grip on every aspect of social life, the economic routes of struggle – by unions and grassroots organizations of civil society – are closing.

Bourgeois options do not address the problems tearing apart people's lives. None of the solutions within the system speak to the real problems of those being dispossessed of the American Dream and its social safety net. The events of the day pose the big questions. At the guts of U.S. society, today's problems are real and immediate: for one-industry, Rust Belt towns that lose their one industry; for the families who can afford neither medications for one child with chronic health problems nor college tuition for another; for the millions facing foreclosure and joining the already homeless and forgotten millions. Mobilizing the fight for the "lesser evil" bourgeois solution is no longer a defensible route.

As the thinking of the masses of people loses its roots in the past prosperity, qualitatively new thinking becomes possible on a broad scale. Economic changes are polarizing society in the U.S. The politics of the country will, ultimately, polarize along these economic lines.

Each social disaster – the destruction of the environment, a rapacious health care system, the spread of foreclosures and homelessness, a dysfunctional education system – is a battle over who the government protects. The demands of the developing movement are beginning to challenge the sanctity of private property. The battle over each burning issue opens the possibility to develop the capacity of the growing class – whose interests are the abolition of private property – to act for itself politically. Objective forces are shifting. The tide is turning. But this process will not take a smooth and direct route.

The rabid racist, fascist agitation against the healthcare reform expresses the ugly history that will shape the context for the politicizing and polarizing battles that lie ahead. Every bit of rot and confusion gets thrown into the brew, along with the real needs of people for healthcare. In the U.S. today, the resolution of every social question comes up against the block of private property, including the rights of the corporations and the hold they have on the laws and politics of this country. The struggle for the resolution of these questions will have to fight its way through messy and ideologically dangerous confusion. The polarization of ideology and politics – along lines that reflect the polarization of the economy – has to fight its way through all that mess. We in the U.S. are in for some difficult times. Polarization in the economy is the beginning of social change; polarization of ideology is the beginning of the fight for the political capacity to resolve the problems of society.

The current moment holds tremendous revolutionary potential. This potential can be realized only by expanding and developing the consciousness of the combatants. This has to be done from deep within the day-to-day struggles around concrete needs – housing, water, health care, education, environment, and more – and within the convergence spaces of social movements and public discourse.

The human mind is capable of revolutionary change before society as a whole goes through its transformative convulsions and leap. Whether the direction of that change is in the interests of private property or the interests of humanity depends on the development of consciousness of social and class interests. Now is the time to educate and unleash the human mind – to embrace the opportunity that history offers.

Bibliography

Bobbitt, Philip 2002. *The Shield of Achilles*. New York: Anchor Books.

Economic Policy Institute website, www.epi.org

Gonzalez, Beth, Brooke Heagerty and Sandra Reid (editors) 2003. *Marxist Philosophy: A Study Guide for Revolutionaries in the Age of Electronics*. Chicago: Institute for the Study of the Science of Society (www.scienceofsociety.org)

Lenin, Vladimir 1899. *Our Program*.

Lenin, Vladimir 1913. *The Three Sources and Three Component Parts of Marxism*.

Marx, Karl 1972. "Preface to *A Contribution to the Critique of Political Economy*" in *Selected Works*, by Karl Marx and Frederick Engels. New York: International Publishers.

Marx, Karl and Frederick Engels 1961. *The Civil War in the U.S.* New York: International Publishers.

Marx, Karl and Frederick Engels 1972. "The British Rule in India" in *On Colonialism – Articles from the New York Tribune and Other Writings*. New York: International Publishers.

Marx, Karl and Frederick Engels 1960. *The German Ideology*. New York: International Publishers.

Marx, Karl and Frederick Engels 1968. *The Manifesto of the Communist Party*. Peking: Foreign Languages Press.

Robinson, William 2004. *A Theory of Global Capitalism: Production, Class, and State in a Transnational World*. Baltimore, MD: The Johns Hopkins University Press.

Wood, Ellen Meiksins 2003. *Empire of Capital*. New York: Verso.

About the authors

Beth Gonzalez is a revolutionary, a teacher and student of the science and practice of revolutionary change. She serves on the Standing Committee of the League of Revolutionaries for a New America and chairs its General Secretariat. She is also one of the co-founders of the Institute for the Study of the Science of Society, whose mission is teaching the methodology of Marxism as a scientific tool for active revolutionaries. She co-authored one of its central texts: *Marxist Philosophy: A Study Guide for Revolutionaries in the Age of Electronics*. Her email is [bethgonz AT att.net](mailto:bethgonz@att.net).

Walda Katz-Fishman, a scholar activist, popular educator and author, and professor of sociology at Howard University, was a founding member and former board chair of Project South: Institute for the Elimination of Poverty &

Genocide. She serves on the National Planning Committee of the U.S. Social Forum, the Executive Committee of Sociologists without Borders-USA, is active in Grassroots Global Justice and other social justice movement organizations. She is also a member of the League of Revolutionaries for a New America. Her email is wkatzfishman AT igc.org.