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## The Nature of the Period

[Contribution to a discussion in May First Anarchist  
Alliance]

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ist parties and/or to aim at the seizure of state power. In effect, they put themselves in handcuffs to prevent themselves from carrying out the logic of the Marxian project. But, it is crucial to remember, such groups and individuals can always change their minds and decide to take direct responsibility for fulfilling the Marxist program. More immediately, they dress Marxism in libertarian clothing, helping to delude radicals and revolutionaries into believing that there really is a “libertarian” Marxism, that Marxism is, or can be, libertarian and anti-authoritarian. We need to be clear on this: Marxism represents the ideology of an incipient state capitalist ruling class, not the liberation of the people.

the future. This is understandable, given the apparent plausibility of Marxism’s critique of capitalism and its proposed solution. Yet, while we should be willing to participate in temporary coalitions and undertake joint action with Marxist individuals and groups, we need to recognize that they, and Marxism as an ideology, are a serious threat to the development of a truly libertarian movement in this country. Beyond the flaws of Marx’s analysis of capitalism (among them, its contention that nature offers its contributions to the production process “free of charge” because its resources are “infinite”), Marxism’s proposed solution to the crisis of capitalism — the centralization of the entire productive apparatus in the hands of the state and the management of economy through central planning (planning by “experts”) is fraudulent: state control of the economy is not the answer. Marxism is also dangerous because it peddles the comforting delusion that what we would like to happen is going to happen, that our goal is somehow built into history, in general, and the internal logic of capitalism, in particular. This belief inculcates the delusion among Marxists that they represent, and can act in the name of, the “proletariat,” thus justifying the eventual establishment of a revolutionary dictatorship ruling over the working class and the rest of society.

In the case of outright Stalinists and Maoists, this is fairly obvious; their victory in a revolution would be a disaster, likely causing a repeat of the bloodbaths that occurred in Russia, China, Kampuchea, and Ethiopia. It is less clear in the case of the so-called “libertarian Marxists,” such as those claiming to stand in the tradition of Anton Pannekoek, Herman Gorter, Amadeo Bordiga, Karl Korsch, C.L.R. James, Raya Dunayevskaya, and others. While we should certainly undertake joint actions and even engage in discussions with such tendencies and individuals, we must recognize that they are still proponents of Marxism, which is, at bottom, a totalitarian doctrine.

These tendencies merely pull back from Marxism’s more obvious totalitarian implications, for example, refusing to form Lenin-

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much money people like Mitt Romney and Newt Gingrich make, how they make it, and how little taxes they pay on it. They have gotten a glimpse of how the more buccaneer elements of the financial sector, such as Bain Capital, function and how politicians moonlight as highly-paid “consultants” and “historians” to semi-governmental entities, such as Freddie Mac. And they have gotten a lesson in the way wealthy contributors, aka members of the ruling class, control the political process through so-called “Super PACs.”

Of course, there’s been a negative side to recent politics (aside from their ultimate absurdity). This is that the Democratic Party and its propagandists in the media seem, once again, to be succeeding in their efforts to portray the Republicans as the party of the 1%, while presenting the Democrats as the champions of the people. In doing so, they are diverting people’s attention away from the culprits truly responsible for their suffering, the ruling class as a whole and the capitalist system over which it presides.

#### **F.**

It is possible that, when the economic recovery picks up steam and unemployment comes down more substantially, we will see an upswing in working class struggles, such as strikes to raise wages and win back benefits; perhaps union organizing drives. (This possibility, along with the fact that the Federal Reserve Bank has pumped so much money into the economy, may also result in substantial inflation sometime in the future.) We may also see an increase in rank and file struggles within the unions to get rid of the bureaucrats whose only notion of leadership has been to collaborate with the bosses to impose wage and benefit cuts on the membership.

#### **G.**

As is the case internationally, the influence of Marxist ideology and Marxist groups in the United States is growing and will increase in

Democratic Party, along with a surge of militant support for Barack Obama among Black people, it is likely that much of the developing left-wing movement will be channeled into the Democrats' election/re-election efforts. The question, then, will be: what happens after the election when, as now seems likely, the president will be re-elected, while the Democrats will improve their position in Congress, perhaps even retaking the House. Despite Obama's recent militant/populist rhetoric and the promises of the Democrats, they will almost certainly disappoint the hopes of millions of their supporters by continuing the policy, supported by the ruling class as a whole, of attempting to solve the economic crisis at the expense of the poor, the workers, and middle class people. As a hint of the Democrats' intentions, the Department of Defense, under the leadership of the longstanding Democratic Party politician, Leon Panetta, has proposed, as part of his plan to trim the defense budget, to lower soldiers' and sailors' rate of pay increases, make them pay more for their health insurance, and cut their pensions. If the Democrats are doing that to service people, we should not be surprised to find that they have greater attacks planned on the rest of us. Although they are likely to propose modestly raising tax rates on the rich, both as a way to raise revenue and also as political cover, they will almost certainly make cuts in Social Security, Medicare, Medicaid, and a bunch of other government programs. Hopefully, these attacks will encourage more people to see that supporting and electing Democrats is not the way to fight for their needs.

#### E.

Aside from the comic relief it has so far provided, the 2012 presidential campaign has had both positive and negative results on popular consciousness. On the upside, it has given those paying attention a hint of how the capitalist system works and what the social structure of the country is really like. Thus, people have learned how

## I. The International Scene

### A.

Aside from the current economic crisis, the most significant development of the period we are now in is the qualitative decrease in the global influence of the United States and western Europe. We might call this "The Decline of the West." This was the title of an influential book published in two volumes, in 1918 and 1922, respectively, by Oswald Spengler. As we can now see, the treatise was prescient but also, as it turned out, about a century premature.

Beginning in roughly 1500, western Europe, eventually to be joined and then overtaken by its North American extension, the United States, began a dynamic expansion that was ultimately to lead to global hegemony, the economic, political, and cultural domination of the world. Based initially on colonial conquests and powered by the explosive growth of the capitalist economic system, which arose first in western Europe, this hegemony reached its acme in the period 1945-1990, that is, roughly, from the end of World War II to the conclusion of the Cold War. The United States emerged from the world war as the single most powerful country on the planet, although it shared this domination with the Soviet Union, which was perceived to be its enemy and, after their economies were rebuilt, with the countries of western Europe, which were its allies. Although the US/west European coalition was challenged by the Soviet bloc and by struggles for political and economic independence on the part of the previously colonized peoples of Africa, Asia, and Latin America, its overall hegemony was never in doubt. And, with the collapse of the Soviet Bloc in 1989 and the Soviet Union itself in 1991, this dominance seemed unchallenged.

Yet it was during this time that the seeds of decline were sown, in the form of the transformation of the United States, from what was, in 1945, the world's most productive and dynamic economy

into an increasingly rentier society that had replaced its concentration on manufacturing with a focus on financial manipulation and an obsession with consumption, while financing much of its economic growth through the expansion of debt — governmental, corporate, and private. Today, a mere 20 years after American capitalism seemed to have reached its apex, the United States is in a sorry condition, slowly recovering from a crippling economic crisis and faced with tremendous social problems and visibly eroding international influence. Its European allies are in perhaps even worse shape, their governments burdened with colossal debts and the Euro zone in danger of flying apart. During this same period, some of the previously colonial and semi-colonial countries, particularly China, India, and Brazil, experienced dynamic economic growth and began to transform their societies economically and socially, greatly increasing their regional and (particularly in the case of China) global influence.

To be sure, the United States continues to possess the world's largest economy (judged by the size of its Gross Domestic Product) and the world's most powerful military, but even if the economic recovery currently underway becomes more robust, it seems virtually inevitable that US global economic power, and with it, its military and political clout, will recede relative to the more dynamic economies of its challengers. Emblematic of this is the recent US withdrawal from Iraq and its increasingly limited ability to influence events throughout the Middle East.

## **B.**

The relative decline of the international power of the United States and its European allies will result in the emergence of a more multipolar world. Instead of one or two nations dominating the globe, a number of countries will share international power, while dominating their local regions: China in east Asia, India in south Asia, Turkey (vying with Iran) in the Middle East, Brazil in South Amer-

and to start taking on other issues, such as the foreclosure crisis and the attacks on the labor unions.

The movement has attracted new layers of (mostly young) activists, who, one suspects, are neither as politically sophisticated nor as radical as the anarchistic elements who launched it. While this offers the possibility of helping to create a broad opposition movement in the country, it also suggests the danger of the movement being co-opted by forces to its right, especially liberal labor leaders and politicians. To a degree, this has already occurred, a process spearheaded by sections of the labor bureaucrats, who are anxious to find allies in their fight against the union busting campaigns of the right, and by Democratic politicians to the left of the Obama administration, concerned to push it, and the Democratic Party as a whole, in a more radical direction. In New York and elsewhere, these forces joined Occupy-initiated protests and turned them into larger and broader, but also much less radical, mass marches.

The other sector of the developing oppositional movement has emerged clearly within the organizational structures and programmatic boundaries of the Democratic Party. These are mobilizations, organized by the union leadership, along with Democratic Party politicians and organizers, against the measures promoted by Tea Party-supported governors and state legislators to deny public employee workers the right to collective bargaining. These efforts have included the campaign to recall Wisconsin governor, Scott Walker, and some of his allies in the state legislature, and the mobilization to defeat the union busting law in Ohio. With the Indiana state legislature passing a comparable bill, it is likely similar a campaign will occur in that state. It is reasonable to expect that these movements will grow in the coming months, while simultaneously serving as shock troops in the effort to re-elect Obama and increase Democratic congressional clout in November's elections.

Given the illusions most liberal members of the middle and working classes, minority groups, women, and gay people have in the

conomic information and ideas by cooperatively and democratically-organized participants in the economy.

It is possible that November's election will break the gridlock in Washington and enable the elite to move toward dealing with the country's issues. Even if the Democrats do not dramatically increase their power in the Senate and get a majority in the House, the Republicans may possibly be more open to compromising with the Democrats after the election than they have been up to now. This is in part because, as the Republican primary battle has shown, the Republican Establishment is making a concerted effort to assert its control over the party, to seize it back from the Tea Party. This was revealed pretty graphically when, after the South Carolina primary, which was won by Newt Gingrich, Republican big shots moved aggressively to back Mitt Romney, who, despite his pandering to the Tea Party and other conservative voters, is actually a moderate.

Yet, it is also possible that political gridlock in Washington and in the states will continue, especially if the Tea Party and other right-wing forces continue to elect substantial numbers of co-thinkers to Congress or to intimidate more moderate Republicans (including Romney, if he is elected) from compromising with Democrats.

#### **D.**

Offsetting the Tea Party on the right is an emerging popular movement on the left. This movement currently consists of two distinct components. One is the Occupy Wall Street mobilization in New York and its related embodiments in other cities. Begun by anarchistic elements and now consisting of coalitions of anarchists and other leftists, the movement has, among other things, highlighted the problem of the huge gap between the very top of the social pyramid, the so-called "1%," and everybody else, the "99%." It has also begun to branch out beyond its initial focus on Wall Street

ica, Germany in Europe, the Republic of South Africa in southern Africa. This decentralization, in the context of unstable economic conditions, will result in considerable political instability. From what can be discerned today, areas to watch will include:

1. The entire region from north Africa to India, including Libya, Tunisia, Egypt, Palestine, Syria, Yemen, Bahrain, Iraq, Iran, Afghanistan, and Pakistan. Here, eroding US influence has rendered unpopular despotic governments vulnerable to mass struggle from below and encouraged the theocratic government in Iran to stiffen its resistance to the West. Meanwhile, unfinished revolutions in Libya and Egypt, civil war or near-civil war conditions in Syria and Iraq, the ongoing struggle in Afghanistan, and the long standing Israeli/Palestinian conflict will keep the area seething. Especially alarming is the escalation of tensions between a coalition of European states, the United States, and Israel, on the one hand, and Iran, on the other, over the latter country's nuclear program, with the coalition, particularly Israel, threatening military action.
2. Sub-Saharan Africa. Here, environmental catastrophe (primarily desertification), poverty, ethnic divisions, weak capitalist classes, poorly developed civil societies and infrastructures, and various legacies of colonialism mean continuing, if not increasing, starvation, mass migration, and civil war. The effects of these disasters will be magnified by the declining ability of the governments of wealthier nations, international agencies, private charities, and individuals to provide much needed aid.
3. East Asia. Here, an economically dynamic China has been seeking to expand its influence at the expense of the United States (and China's neighbors, such as Vietnam). For its part, the United States is reacting to this development by shifting

its military focus to the region; among its recent moves are efforts to increase its military presence in the Philippines. Although a full-scale war between China and the United States seems unlikely for the foreseeable future (primarily because the economies of both countries are extremely interlinked economically and financially), tensions in the area will almost certainly increase

4. Europe, East and West. Here, the sovereign debt crisis and the tough austerity programs adopted, largely under pressure from Germany, by governments throughout the area have resulted in mass layoffs, a vast shrinkage of government programs, and plummeting living standards, and have already provoked mass strikes and demonstrations in Greece, Italy, Spain, England, and elsewhere. (According to NY Times columnist, Paul Krugman, England's current crisis is worse, both longer and deeper, than its slump in the 1930s.) One consequence of this will be an increasing polarization of the electorates throughout the region, the growth of extreme right-wing organizations, and, at least in Eastern Europe if not elsewhere, semifascist and perhaps even outright fascist governments. Already in Hungary, with its long history of authoritarian and totalitarian rule, a far-right party has utilized its electoral supremacy to rewrite the constitution and, through this, to attempt to marginalize if not totally repress all opposition forces.

### C.

While the dispersal of economic power may lead to political instability, it may also lead, counter-intuitively, to somewhat greater economic stability, at least relative to what might happen were economic power more centralized. In fact, we have already seen some evidence of this. In the 1930s, when the United States and the coun-

are correct. As the Keynesians contend, the neo-classicist program of taxes cuts for the banks, corporations, and the rich, massive deregulation, slashing of government programs, and austerity for workers and middle-class people will, rather than solve the crisis, plunge the economy into an even deeper slump than it is now in. It might eventually balance the budget and lower the debt, but it can do so only at the expense of years of lost economic growth and the suffering of millions of people. On the other hand, a national program of public works, big enough to make a difference and necessarily financed by a massive increase in the budget deficit and total government indebtedness, will almost certainly result in a downgrading of the credit rating of the US government, a significant increase in borrowing costs, a crisis of confidence in financial markets, and perhaps another financial crisis. (If they are intelligent — and there are some intelligent members of the elite — the interests of the ruling class and the capitalist system as a whole would most likely best be served by avoiding both extremes and by moving slowly and cautiously along the lines of the Simpson Bowles deficit reduction plan.)

Of course, both theories are necessarily flawed in that they both fail to recognize that the problem is the capitalist system itself: a system ruled by a tiny, fantastically wealthy, and cynical elite that controls the country's productive apparatus and resources while condemning the vast majority of people to economic and political powerlessness; a system that relegates most of those who actually produce and distribute the nation's goods to being paid only marginally more than what is required to keep them alive and raise a family; a system in which production is undertaken only if a profit can be made from it; a system in which all capital is privately owned and which, as a result, can only expand through the proliferation of debt; and a system which can regulate itself only through a highly flawed mechanism that works *ex post facto* (thus making crises inevitable) instead of through the direct exchange of eco-



tariff barriers to protect nascent industries; driving indigenous peoples off their land and offering it virtually free of charge to the builders of railroads and others; building infrastructure; providing taxes breaks and subsidies to oil companies and capitalist farms; guaranteeing a market (and huge profits) for defense industries; leaving aside programs like unemployment benefits, Social Security, Medicare, and Medicaid. The problem is determining precisely what level (and what kind) of government intervention is optimal for the economy as a whole. Historically, we can see that too little government involvement usually results in an exaggerated “boom and bust” cycle, periods of manic expansion, accompanied by an explosion of speculation and debt, alternating with crashes, which are followed by deep and often protracted depressions. Too much government intervention, on the other hand, results in stagnation, high and long-standing unemployment, and inflation. The reality is: (1) that the problem cannot be solved theoretically; it can only be, and has only been, dealt with in practice, in a groping, empirical fashion; (2) in any case, even with government intervention at a presumably optimal level, the capitalist economic system has never overcome its boom-bust cycle and a concomitant tendency to periodically stagnate.

(We might note here that Marxism, which really constitutes the left wing of Keynesianism insofar as it proposes to carry out government intervention to its logical conclusion, also offers no solution to the problems of economic crises and stagnation. This has been amply demonstrated by the failure of central planning, in the Soviet Union, China, Cuba and elsewhere, to guarantee long-term economic growth and prosperity. These economies did manage to avoid cyclical crises, but after initial periods of substantial growth, usually involving tremendous (and tragic) waste of material and human resources, they stagnated and, in the case of the Soviet Union and Eastern Europe, collapsed.)

On one level, both the neo-classical critique of the Keynesian solutions and the Keynesian critique of the neo-classicist program

tries of western Europe plunged into crisis, they took the whole world with them; the result was the Great Depression. This was, in great part, because the economies of United States and the most powerful nations in Europe (Great Britain, France, and Germany) almost totally dominated the international capitalist system. Today (at least so far), we have avoided an equivalent catastrophe. While the economic crisis in the US has certainly had a negative impact on the world economy, it has not led to a fullblown international depression. Although one reason for this is that governments and central bankers, having learned something from the 1930s, knew enough, when the crisis hit, to lower interest rates, expand money supplies, bail out tottering banks and corporations, and avoid implementing protectionist trade barriers, another is the fact that the economies of China and other east Asian countries, along with those of India and Brazil, continued to grow rather strongly. Now, as the recovery in the United States is picking up steam, the Chinese economy, which experienced its own speculative bubble, is slowing down somewhat, while the European countries are most likely heading into, or already in, a recession. The result of all this has been — and, at least for a considerable period of time yet, will continue to be — a world-wide economic slowdown but not a true global depression. This may change. If, for example, the efforts of the Chinese government to arrange for a “soft landing” fail, resulting in an actual recession in China, and/or if the Euro zone, under the impact of the sovereign debt crisis and popular resistance to the capitalist-sponsored austerity measures, fragments, we could well see such a crisis. At the moment, however, this does not appear likely.

What is probable, instead, is an extended period of economic stagnation and instability — slow and erratic growth — along with crises in various countries and economic sectors, during which the various national capitalist classes attempt to solve the problems of the international capitalist system on the backs of their working and middle classes. To make matters worse, the global ecological

crisis, primarily the result of human impact on the environment, will have an increasing, and negative, impact on economic conditions, dampening already anemic economic growth and thrusting millions of people into severe need, if not outright starvation. Of particular concern will be increasing shortages of fresh water, which may result in mass migrations and violent conflicts over access to and control of sources of water.

It is China that is emerging as the main economic competitor to the United States. While the Chinese economy is still considerably smaller than the American, both in terms of aggregate and per capita Gross Domestic Product, China's economic dynamism presents a graphic contrast to the currently feeble state of the United States. Even if Chinese growth slows as the US economy regains some of its strength, China will most likely continue to encroach on the global economic (and, with it, political) influence of the United States. Although much of China's economic expansion over the past two decades has been powered by exports (by artificially keeping the Chinese currency undervalued), growth, based on an expansion of its domestic market via putting more money into the hands of its billion people, is still possible. Yet China confronts its own serious problems, among them, a disastrous environmental situation, unrest among the oppressed peoples in its periphery, particularly Tibet and Xinjiang, and growing dissatisfaction among the majority Han population, who are chafing under the weight of a despotic and increasingly corrupt regime.

#### D.

The global dispersal of power, the economic crisis, and the government-imposed austerity programs have already brought about a substantial escalation in mass struggle. We can expect this to continue and, if anything, to increase. It was, at least in part, the declining influence of US imperialism in the Middle East

people with enough money to buy the goods and services that are produced in the economy. The Keynesian solution, therefore, is for the government to put money in the hands of poor, working-class, and middle-class people, primarily through public works programs, and to regulate the economy to ensure the effectiveness, and curb the abuses, of the market. Even though the government is running huge deficits and is heavily indebted, the Keynesians believe that if the government "jump starts" the economy in the way they propose, economic growth will soon be high enough for the government to balance its budget and eventually even to run a surplus, thus enabling it to reduce its deficit and its accumulated debt. (In fact, Keynes himself believed, and many Keynesians today still contend, that the accumulated debt, no matter how large, does not ultimately matter.) In contrast, the neo-classicists insist that the problem with the economy is that the private sector is too encumbered with government regulations and taxes for it to work as it should, in other words, that the free market — which, they insist, is the most efficient mechanism for regulating the production and distribution of goods and services — is not really free. The neo-classical solution, logically enough, is to lower taxes — primarily on the banks, the corporations, and the rich, who have the money to invest and to dismantle government regulations. The neo-classicists also believe it is essential to take drastic measures to cut the budget deficit as soon as possible, since such deficits, and the large-scale government intervention in financial markets (selling government securities) they cause, distort those markets and lower business confidence, thus preventing increased production from that side.

In more general terms, the debate among the economists and in the ruling class as a whole (not just in the US but internationally) is over what role the government should play in the economy. Contrary to the claims of free market purists, capitalism, even of the laissez-faire type, has never existed without substantial help from government, e.g., granting trading monopolies; maintaining

The Tea Party is a largely spontaneous right-wing populist movement that has been financed and politically and organizationally shaped by extreme right wing elements of the ruling class, such as the Koch brothers, to use as a club to fight for their interests. The movement's rank and file is made up of mostly white middle- and working-class people who are confused and angered by the economic crisis and by the decline of the global influence of the United States. They view the federal government — which they believe to be controlled by the “liberal Establishment” (rich liberals, the liberal media, union bosses, and intellectuals) and which they think favors Blacks, Latinos, and homosexuals at their expense — as the enemy and seek to cut it back as far as possible. They particularly hate Obama, whom they see a foreigner and a Muslim who is out to turn the United States into a socialist, if not an outright Communist, country.

The result of the right's 2010 electoral surge was an increase in the number of Republicans in the Senate, the formation of Republican majority in the House of Representatives, and a rabid political climate within the Republican Party that has prevented more moderate Republicans from even thinking about compromising with the Democrats. Because of this, the ruling class has not been able to implement even modest, centrist proposals to start reducing the federal government's budget deficit, let alone tackling other, more contentious issues.

### C.

But behind the political crisis is an intellectual and ideological one. On the theoretical level, this is a crisis of bourgeois economic theory, which did not predict the recession, cannot explain it, and does not offer clear, easily agree-upon measures to deal with it.

To put it somewhat crudely, on one side of the debate are the Keynesians, who argue that the problem (both today and in all economic crises) is a lack of “effective demand,” that is, not enough

and North Africa that provided the openings for revolutionary struggles to occur and, in some cases and in some measure, to succeed, in Tunisia, Egypt, Libya, Yemen, Bahrain, and most recently, Syria. While these movements have remained under the leadership of liberal bourgeois and Islamic elements, they have seriously altered the status quo in the area and frightened ruling classes (and encouraged radical forces) around the world. Taken together, the continued ebb of imperialist power and the growing effects of the economic crisis will almost guarantee the increase of mass struggles in this area and elsewhere in the Third World. Meanwhile, the same factors have already led to an intensification of struggles and augmented political polarization in the countries of Europe and (as will be discussed more below) in the United States.

The relative decline of the United States and western Europe may also elevate the attractiveness of alternative economic, social, and political models. Up until now, given the global hegemony of West European/North American societies (along with the collapse of the Soviet bloc), it seemed logical that those elites that were anxious to promote the economic development of their nations would attempt to emulate the world's dominant powers, that is, to try to create “bourgeois democracies.” But with the economic crisis and the resulting political difficulties of the once-hegemonic powers, other models may become more alluring. These include the somewhat bizarre (and probably unstable) combination of dictatorial political control and free-wheeling capitalism currently characteristic of China, and more traditional statist models, including those seen in Japan, South Korea, and India.

As part of this, we can also expect to see a substantial revival of Marxism, which in fact is currently underway. Up until recently, Marxism seemed dead, except in small and marginal leftwing organizations. But the economic crisis, plus the inability of mainstream economics to predict, to prevent, or even to satisfactorily explain what happened, has substantially improved Marxism's fortunes.

Although the Marxian analysis of capitalism does not, contrary to superficial interpretations, offer a unified theory of the “business cycle” and of its periodic crises, it does at least insist that the cycle and its accompanying crashes are endemic to the system. This is in contrast to mainstream economics, which sees such events as anomalous phenomena, primarily the result of poorly functioning markets or of the failure of central banks to pursue sound monetary policies. With the Marxist economic analysis seemingly confirmed, and with traditional capitalist economies mired in long-term economic stagnation, the rest of Marxist ideology gets legitimized, particularly among newly radicalized layers of activists looking for answers. The problem for Marxism is that it offers no solution to the crisis except a drastic centralization of the economy (the nationalization of the “means of production” in the hands of the state) and the establishment of bureaucratic planning, both of which were discredited by the long-term stagnation and eventual collapse of the Soviet bloc, by China’s eventual abandonment of the system, and by the fact that such centralization is incompatible with developing and managing modern technology, providing satisfactory consumer goods, and solving long-standing social and environmental problems. Despite these and other weaknesses, Marxism, because of its allure to young radicals and left-wing intellectuals, looms as a serious challenge to the anti-authoritarian/anarchist movement.

On a brighter note, the current period will also see a continued growth of the anarchist movement. After many decades of being marginalized, anarchism has been embraced by substantial layers of young people, from both the middle class and the working class. As a result, there are mass anarchist movements in Greece, Italy, and elsewhere, which have already played prominent, if somewhat amorphous, roles in the popular protests against government-imposed austerity programs. Unfortunately, these movements have not had much of a programmatic impact on the broader struggles.

10. A military that, even if recently proposed cuts in defense spending are carried out, is significantly overextended, financially and geographically.

11. Long-standing and severe environmental problems.

Despite the above (and unless global economic conditions overwhelm it or the federal government does something stupid, such as attempting to impose drastic austerity on the population), the economic recovery will mostly likely continue and even gain some traction. Signs of this are already apparent: declining unemployment, fewer claims for unemployment insurance, a pickup in manufacturing activity and exports, slowly rising consumer spending and confidence, hints of a turnaround in the housing market. If so, this will give the ruling class the opportunity to begin to address the long-standing problems confronting the nation. Yet, the accumulated debts (government and private) and the overhanging social issues (along with the crisis in Europe and a slowdown elsewhere in the world) mean that a long-term, substantial economic expansion is not on the horizon. Instead, as with the world capitalism as a whole, the US economy is looking forward to years of weak and erratic growth.

## **B.**

One of the obstacles to economic recovery is not economic at all, but political. This is the fact that the ruling class is suffering from a crisis of leadership. The most obvious problem is the political stalemate in Washington. This deadlock occurred when, during the congressional elections of 2010, the electoral strength of the Tea Party was temporarily augmented by politically moderate voters who were frustrated by the failure of President Barack Obama and the Democratic Party to act more decisively, when they had the mandate to do so, to address the effects of the economic crisis.

One result of this is the somewhat ironic combination of high unemployment and significant sectors of the business world struggling to find the semi-skilled and skilled workers they need.

4. A largely de-industrialized economy, centered on financial manipulation, litigation, advertising, health-care, and entertainment, that offers relatively few well-paying positions in advanced, high-tech sectors and a mass of poorly-paying clerical and service jobs.
5. A dysfunctional health-care system, characterized by rapidly rising medical costs, declining health indices, and a huge percentage of the population either not receiving the medical care they need or one step away from bankruptcy because of medical expenses.
6. A tremendous pool of undocumented workers, living and working on the margins of society, politically powerless and economically vulnerable yet essential to key sectors of the economy, such as agriculture, housing construction, and food service.
7. A rash of social problems: high rates of poverty, single parent families, gang activity, drug addiction, incarceration, obesity, chronic illness, illiteracy or semi-literacy, and homelessness.
8. A large trade deficit and a humongous balance of payments deficit between the United States and the rest of the world, resulting in a massive accumulation of dollars in the hands of foreign investors and central banks.
9. A huge, and by now structural, federal budget deficit and an enormous public debt, the result of years of such deficits.

## E.

Despite the likelihood of continued slow and uneven growth and the tremendous human suffering it causes, it is crucial to remember that economic crises ultimately play a salutary role in capitalist development. In particular, they offer the national economies and the international capitalist system as a whole the opportunities to reestablish conditions necessary for profitable production. This not only means lowering wages, speeding up production, eliminating obsolete facilities and modernizing production, amalgamating blocks of capital, and writing off debts. It also entails the large-scale restructuring of the system, including the shift of global dominance from some countries to others, the reordering of the international monetary system, and the emergence of new technologies and economic sectors. Although China, India, Brazil, and other “developing” countries still confront serious obstacles to long-term growth, they may, by expanding their domestic markets, provide significant stimulus to future global economic development for some time to come. It is also not precluded that this, along with the reindustrialization of the United States and western Europe, may ultimately lead to a new period of capitalist expansion down the road.

To put this differently, we should avoid assuming that the crisis that the global economy is currently experiencing indicates that the capitalist system is entering, or has already entered, some sort of historical decline, leading to the probable or inevitable victory of socialism or anarchism. On the contrary, there is no terminal crisis of capitalism short of the intervention on the part of the world’s people to put it (and us) out of its (and our) misery. If such intervention does not occur, it is possible that world capitalism will eventually reestablish equilibrium conditions and begin a new period of long-term expansion. One potential basis for such growth could be a substantial “greening” of the economy. It is conceivable that, at some point in the future, environmentally benign sources

of energy — solar, wind, geothermal, hydrodynamic — will become both cheaper and more profitable than our current fossil fuel-based processes. If this occurs, global capitalism might well see a period of longterm secular growth based on the adaptation of ecologically friendly technologies. This might also lead to a significant improvement of the currently nearly calamitous state of the environment. As a hint of this possibility, it is worth recognizing that, although pollution is still a serious problem in the United States, today our most smog-ridden cities, such as Los Angeles and Houston, are not nearly as smoggy as they were 40 years ago. In the same vein, automotive technology and the US economy as a whole are roughly twice as energy efficient as they once were. While capitalism may not develop the human factors of production as much as we would like, or as much as another — a truly democratic, egalitarian, and cooperative social system might, it is still highly productive of technology in the narrow sense of the term.

Putting this in Marxist terms: contrary to Marx and Engels' predictions, although capitalism hinders the development of the human forces of production, it does not, or at least not for long, stymie the development of the technical forces of production. It would be a mistake to discount this.

## II. The United States

### A.

The United States recently experienced its deepest economic crisis (now dubbed the “Great Recession”) since the Depression of the 1930s. The economy is currently recovering, but the upturn has been weak, slow to get underway, and likely to remain modest for some time to come. This, in great part, is the result of the tremendous debts — on the part of the government, banks and corporations, and private consumers — burdening the economic system. While some corporate and consumer debt has been written off

or worked down, private sector debt, particularly that of working class and middle class people, remains high, drastically limiting the expansion of the consumer market essential to a robust economic recovery. For their part, the corporations and the banks, now sitting on mountains of cash but uncertain of the future, have been unwilling to expand their activities sufficiently to hire significant numbers of people, although this may be changing. Meanwhile, the federal government, more indebted than ever and politically paralyzed, has been unable to act aggressively enough to offset the effects of the crisis.

Also weighing on the economy are long-standing problems of US society, which, until the crisis, were largely ignored, downplayed, or just not seen. These interrelated problems include:

1. A decayed and obsolete infrastructure — highways, roads, and railroads; bridges and tunnels; airports and air traffic control system; levees, dams, reservoirs, and aqueducts; public transportation, urban water mains, fresh and waste water treatment facilities, urban housing; electric power generation and transmission, etc.
2. A shrinking of the middle class and the better-off sectors of the working class, resulting in a tremendous gap between a super-rich upper class living in fabulous luxury and the rest of the population struggling to get by, if that. As just one indication of this, union membership, which reached roughly 35% of the workforce right after World War II, is now at 11.4%. Much of this is concentrated in government jobs, and even this is under attack.
3. A semi-functional educational system that, while still capable of educating the children of the upper class and the wealthier layers of the middle class, is unable to provide the rest of the population with either basic literary/academic competency or the skills necessary to get decent-paying jobs.