



OLLI SUMMER 1 & 2, 2022

MARXISM IN AMERICA

History, Theory, Culture

OLLI SUMMER 1 & 2

1. May 6 – Marxism: what it is ...and isn't
2. May 13 – Immigrant beginnings (1865-1900): Jewish Socialism in NYC
3. May 20 – Distinctly American Socialism
4. May 27 – The Debs Era
5. June 3 – Leninism in America
6. June 23 – Authoritarian Collectivisms
7. June 30 – Rise of the Culture Critique (1925-1940)
8. July 7 – After Leninism (1940-1960)
9. July 14 – The New Left and Decolonization
- ▶ 10. July 21 – Neoliberalism and Neocolonialism
11. July 28 – Visionary Gradualism & Battling the Era of Growing Inequality



RECAP

THE NEW LEFT

The generation we call the New Left were not fine sitting around as their best friends, their neighbors, their brothers, were drafted into a war they did not support only to be sent to slaughter. 'Participatory democracy' was the word of the day and countless college students would become active in political organizations in order to activate their peers toward systemic change. Having grown up listening to and enjoying the music of Black Americans, these young people supported radical equality of the races, of gender, and of sexuality. The generation of 'free love' 'hippies' were part of this New Left just as much as the Ivy League SDSers.

THE BLACK PANTHERS

Seeing their own parents as conservatives who bowed their head to a society controlled by the white man, the Civil Rights Movement of the 50s-60s brought civil disobedience into the tactics for equality. Nonviolent protests where folks were arrested, manhandled, or had dogs and firehose directed on them brought, after many years of negotiations, the Civil Rights Acts. But even though the laws may have changed, the material circumstances had not. Black people were still ghettoized, the victims of stereotype and an entire system set up around white supremacy. The Black Panthers, seeing the over-policing of their neighborhoods as evidence the state did not actually care about civil rights of Black people, worked to protect their own communities by establishing armed neighborhood watches, meal kitchens for children, transportation to and from schools, and political education beginning at a young age.



Wall Street (4/5) Movie CLIP - Greed Is Good (1987) HD

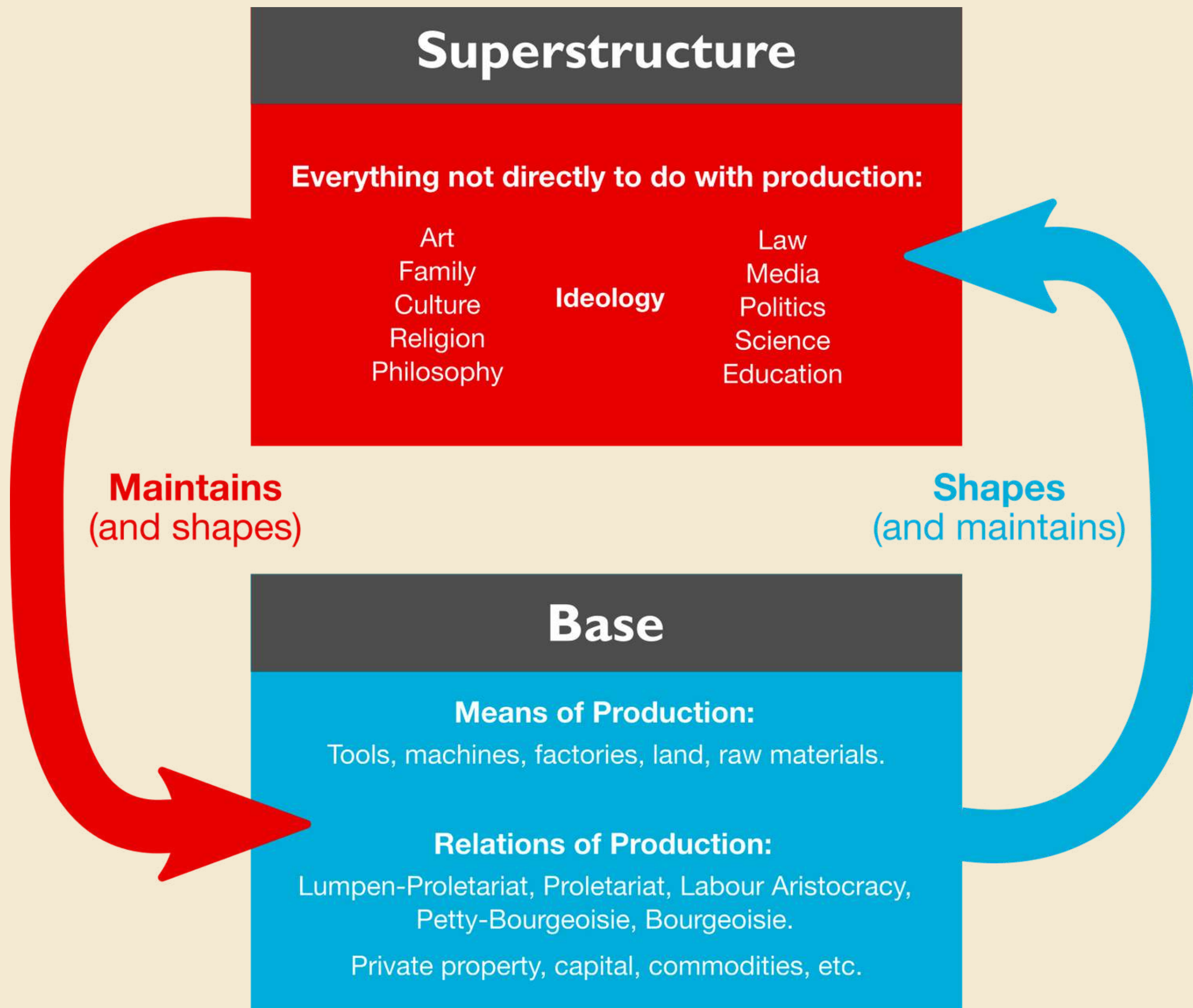


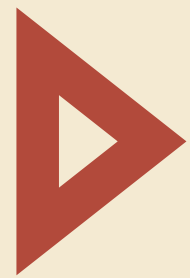
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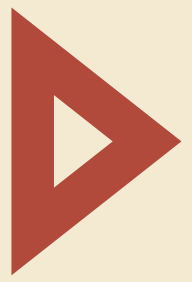
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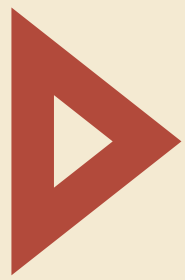
THE GREAT DISMANTLING

- With the financial panics and stock manias of previous decades in mind, the architects of the New Deal created a regulated financial system in the United States that established a firewall between investment bankers on the one hand and savings banks and savings and loans on the other. For five decades, the United States was free from the bank panics that had plagued the economy before the New Deal.
- By the 1970s, however, the lessons of the 1920s had been forgotten. Influenced by contributions from the financial industry, the US Congress under Democratic and Republican presidents alike dismantled the system the New Deal had built to stabilize American finance. The result was predictable—larceny and losses on a colossal scale. The savings and loan meltdown in the 1980s was followed by the subprime mortgage crisis of the 2000s, another result of excessive financial deregulation.
- Corporate raiders successfully challenged the autonomy of American corporate managers, whose personal interests were increasingly aligned with the short-term interests of investors by means of the stock options that played an ever increasing role in their compensation. At the insistence of Wall Street investors, vertically integrated industrial corporations were dismantled into pieces.
- Former brand-name corporations became mere “brands,” slapped onto products assembled in East Asia and other regions that nurtured rather than neglected their manufacturers. Squeezed by foreign competition, companies sought to raise their profit margins by ending the postwar truce with organized labor and smashing unions.



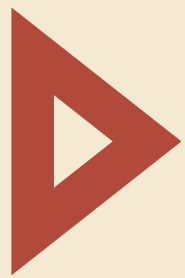
THE GREAT DISMANTLING

- The dismantling of the big corporations brought with it the dismantling of the always-inadequate employer-based benefit system that complemented government insurance programs like Social Security and Medicare. Some companies could not afford to pay their pensions, while others shifted the risks of retirement investment to employees by replacing defined-benefit with defined-contribution pension plans.
- Utility regulations, too, were dismantled. In the areas of transportation and trucking, deregulation caused a return of the ills that had prompted regulation in the first place, like chronic industry-wide bankruptcies in the airline industry and volatile prices for electricity. The Golden Age of infrastructure spending between the 1930s and the 1960s gave way to an era of crumbling bridges and barge-canal locks and traffic and freight congestion, as spending on infrastructure declined.
- Just as the outlawing of cartels but not mergers prompted the great merger wave of the 1900s and 1920s, so the Celler-Kefauver Act had a surprising and harmful effect on US industrial organization that was not anticipated by its backers. Forbidden to grow by absorbing firms in their own fields, many American corporations expanded by annexing companies in completely unrelated lines of business. Unlike the merger waves of the 1890s to the 1900s and the 1920s, which concentrated ownership in particular fields, the merger wave of the 1950s and 1960s produced conglomerates made up of units in entirely different lines of business.
- By taking over a company with a low price-earnings ratio, a conglomerate could get a one-time boost in its reported earnings. Conglomerate-building corporations financed their takeovers first with cash, then with stock, and then, by the 1970s, increasingly with debt.



THE GREAT DISMANTLING

- as Japan, South Korea, Taiwan, Germany, and other industrial countries focused on developing world-class manufacturing, the leaders of many American manufacturing companies neglected the making of superior products in order to pursue short-term gains from mergers and financial manipulation.
- From 1973 to 1996, American economic growth fell dramatically, compared to the previous two decades. All the industrial economies suffered a productivity slowdown around the same time, perhaps as a result of the maturity of second-industrial-revolution technologies like electricity and automobiles. Whatever the reason, the result was stagflation
- In the 1970s, the public's loss of faith in authority included a growing hostility to big business. The Harris polling agency found that the percentage of Americans who expressed "a great deal of confidence" in the heads of large corporations dropped from 55 percent in 1966 to 15 percent in 1975. In a July 1975 Gallup poll of public confidence in institutions, business came in last at 34 percent, below organized labor at 38 percent, and Congress at 40 percent.
- American companies increasingly offshored production to countries where wages were low, workers were nonunionized and sometimes repressed, and where governments offered subsidies and other incentives for foreign direct investment. By 1980, more than 80 percent of semiconductors were produced by US multinationals in foreign countries including Singapore, South Korea, Taiwan, and Mexico.



THE GREAT DISMANTLING

- Nobel Laureate Milton Friedman and his wife, Rose, popularized libertarian economic ideas that had been marginalized in the United States and other industrial countries for a generation after the Depression. Conservative and libertarian think tanks, funded by rich donors and business interests, and the business press, most notably the Wall Street Journal, spread the message: economic problems are almost always the fault of the government, not the market.
- While besieged by a newly confident and aggressive free-market Right, New Deal liberalism was attacked from the Left by Marxists and environmentalists. Environmentalists on the Left condemned automobiles, electrical grids, suburbs, mass consumption, and industrialized agriculture and industry, and fantasized about a postindustrial utopia of locally grown food and “soft energy” sources like solar power and wind energy.
- By the time that Jimmy Carter was inaugurated in 1977, many economists and policymakers hoped that free-market competition in infrastructure industries such as transportation and energy could lower the cost of goods and reduce inflation. The Carter administration treated deregulation as part of its inflation-fighting efforts. The April 1977 anti-inflation program of the administration combined a two-year extension of Nixon’s Council on Wage and Price Stability, which oversaw wage-and-price controls, with a call for deregulation of communications, trucking, and other industries that had been regulated since the New Deal.



NEOLIBERALISM: FANTASY

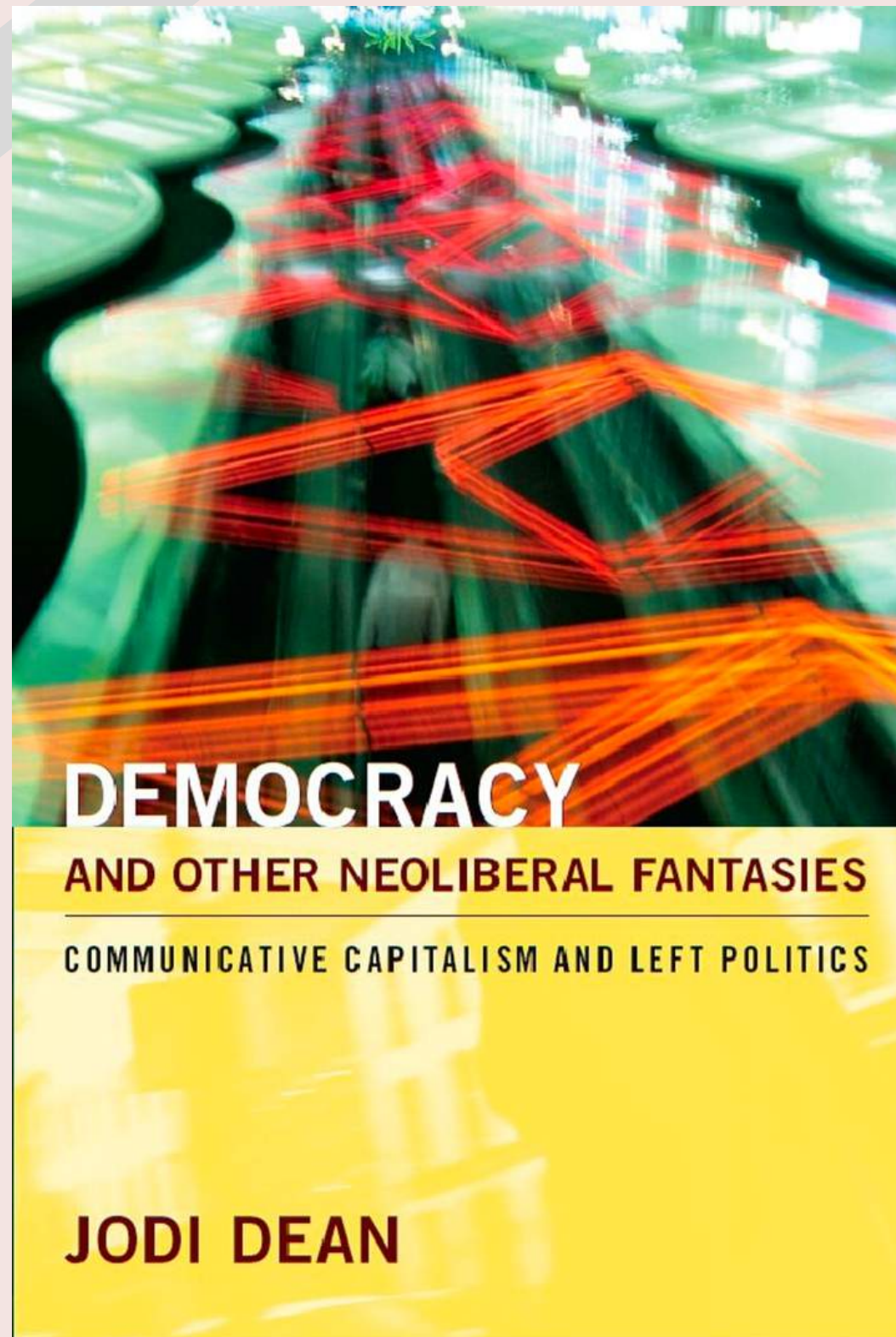
- Communicative capitalism strengthens the grip of neoliberalism. Our everyday practices of searching and linking, our communicative acts of discussing and disagreeing, performing and posing, intensify our dependence on the information networks crucial to the financial and corporate dominance of neoliberalism. Communicative capitalism captures our political interventions, formatting them as contributions to its circuits of affect and entertainment—we feel political, involved, like contributors who really matter.
- The fact of such formatting does not mean networked computing necessarily or inevitably leads to neoliberalism—or vice versa (after all, the Soviets had computers and the protocols underlying the Internet were developed as state initiatives). Neoliberalism is a political and economic project—there is nothing inevitable about it.¹ The sense that there is no alternative is a component of neoliberal ideology, one of the ways that the ideology installs in its subjects a belief in markets—anything else fails, is inefficient, can't be funded, won't last, can't compete in a global arena . . .
- To succeed, though, neoliberalism depends on the organized political occupation and direction of governments, on the use of the bureaucratic, legal, and security apparatuses of the state in ways that benefit corporate and financial interests (the most obvious examples here include the Bush administration's support of and collusion with oil and energy interests as well as private military contractors).



NEOLIBERALISM: FANTASY

- Most generally, neoliberalism is a philosophy viewing market exchange as a guide for all human action. Redefining social and ethical life in accordance with economic criteria and expectations, neoliberalism holds that human freedom is best achieved through the operation of markets. Freedom (rather than justice or equality) is the fundamental political value. The primary role of the state is to provide an institutional frame work for markets, establishing rights of property and contract, for exam ple, and creating markets in domains where they may not have existed previously. Consequently, neoliberalism accords to the state an active role in securing markets, in producing the subjects of and conditions for markets, although it does not think the state should-at least ideally-intervene in the activities of markets.
- In his unpublished lectures on governmentality, Michel Foucault em phasizes two fundamental difef rences between: early political liberalism and contemporary neoliberalism.⁵ First, neoliberalism inverts the early model of the state as a limiting, external principle supervising the market to make the market form itself the regulative principle underlying the state. Second, neoliberalism relies on a different notion of the individual or subject.
- For classic liberals, such as Thomas Hobbes and John Locke, the free, rational individual is the very foundation of the state, that which grounds and limits legitimate government. Neoliberals neither anchor their account of the rational chooser in a domain of natural freedom nor make the rational chooser the ground and limit of government. Rather, they see the subject as acting and reacting in accordance with various economic incentives and disincentives. For neoliberals, then, a goal of governance is to "construct responsible subjects whose moral quality is based on the fact that they rationally assess the costs and benefits of a certain act as opposed to other alternative acts."⁶ In short, neoliberalism doesn't rely on preexisting conditions. It creates new ones, reformatting social and political life in terms of its ideal of competition within markets.

NEOLIBERALISM: FANTASY



- Since the early eighties, increasing numbers of states worldwide have adopted neoliberal policies of privatization, deregulation, and financialization. Some of them have done so on their own (or, more accurately, as a response to pressures from ruling financial elites seeking to restore their class power). Others have been compelled by international institutions such as the World Bank and International Monetary Fund to remove price controls, accept inferior terms of trade, and dismantle their public sectors as a condition for aid and loans. Previously committed to a view of development emphasizing the managerial role of the state, these institutions came in the late seventies and early eighties to be dominated by the Washington Consensus, the conviction that neoliberalism provided the quickest and surest formulae for growth. Structural adjustment policies involving..cuts to state budgets and programs for the poor were thus instituted throughout the Second and Third Worlds to encourage the development of markets (or to eliminate barriers to the flow of capital and capacity outside countries to more profitable investment sites). The former Soviet Union likewise underwent "shock treatments" as its state owned and controlled economy was rapidly privatized.

NEXT CLASS...

July 28 – Visionary Gradualism & Battling the Era of Growing Inequality

- Ch. 8-9 "Market and Plan" and "Visionary Gradualism" of *Socialism: Past and Future* by Michael Harrington
- Ch 8-10 "Return of the Mack" "How We Win" and "Stay Fly" of *The Socialist Manifesto* by Bhaskar Sunkara