

Obama's Reform, Recovery Stalled

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THE REFORM AGENDA of president Obama and the Democrats, such as it was, is exhausted. Two failing wars, a fragile and almost jobless economic recovery teetering on the cusp of a double-dip Great Recession, and an all-out rightwing racial, economic and political offensive have defined the ground for the November midterm election and the period to follow.

Did we mention the oil spill ? You'll understand much of U.S. politics today if you can untangle this riddle : How is it that the Republican party of "Drill, Baby, Drill," the party that's most closely allied to the oil industry lobby and the politics of massive deregulation, is the party that's gaining strength from this act of corporate ecocide ? And this despite the fact that a 75% "majority of people in the U.S. believe oil companies should be more regulated in the wake of BP's oil spill in the Gulf of Mexico, according to a Harris poll carried out for the *Financial Times*" (*FT*, August 9, 2010) ?

In our view the pending Democratic electoral debacle does not flow from a fundamental "shift to the right" by the population. Nor, for that matter, did we consider the historic election of president Obama some major "shift to the left." In 2008 the corporate elites and tens of millions of people, and not only African-American voters, were sick and disgusted with the monstrous abuses, lies and incompetence of the George W. Bush regime. Today, many people, especially white voters whose lives remain dominated by fear and insecurity don't see any results for themselves from the corporate and bank bailouts, or from an incredibly complex health care "reform" whose merits, whatever they might be, won't kick in for years.

This insecurity has fueled the attack on immigrants, of course, with some on the far right testing the outer limits of racist lunacy by proposing to repeal or "reinterpret" the 14th Amendment's guarantee of U.S. citizenship to everyone born in this country. There is of course no immediate possibility of some such thing going through, but we have numerous spectacles, from Geert Wilders in the Netherlands to Avigdor Lieberman in Israel, to show that today's beyond-the-fringe extremist viewpoint can become tomorrow's central political force.

There is, fortunately, another factor : a noticeable "energy surge" in the activity of some important grassroots movements, particularly around Arizona's ethnic-cleansing law against immigrants and similar obscene legislation pending in other states.

What Happened to Obama ?

Corporate America, after president Obama saved their butts from the prospect of a global financial meltdown, have responded (predictably) by kicking him in the teeth for his far-from-radical efforts to check the kind of behavior that helped make the crisis so extreme in the first place

Obama's health reform is designed to steer billions of dollars with government subsidies to the insurance industry ; his auto bailout restored profits while demanding big concessions from unionized workers ; the temporary bank takeovers have restored the profits and the bonuses to the parasites who run the financial industry. But for the ruling class, the issue isn't "what have you done for me lately ?" but "what will you do for me tomorrow ?" Corporate capital on the whole is now prepared to replace "stimulus" with "deficit reduction" without, god forbid, taxing profits or the rich — even if that kind of "budget discipline" might be the rope that strangles the recovery.

The right wing of course has leaped to the opportunity, in its many ugly manifestations — the Tea Party with its "what, me racist ?" protestations as it smears the NAACP ; the religious Christian right with its "secret Muslim" innuendos about the president ; secular "libertarians" whose idea of freedom is abolishing the progressive income tax, social security and Medicare ; practically all of the Congressional Republicans who will work-to-ruin every part of the president's legislative program except for his disastrous increases in war spending ; and the operatives who want to save "failing schools" by firing masses of teachers, dissolving their unions and turning education over to the charter school industry.

Oops, sorry : Charterizing public education isn't "the rightwing agenda," at least not theirs alone — it's the agenda of Obama's own Department of Education, as Kit Adam Wainer's article in this issue of ATC documents.

There's today's political moment in a nutshell, if you like : Obama bailed out the system for the bankers and the corporations, who respond by labelling him "an enemy of free enterprise ;" the teachers with other public sector workers turned out massively for Obama, who leaves them crushed under the "Race to the Top" bulldozer. This double double-cross goes a long way to explain why the right wing enjoys momentum while mainstream liberalism is disoriented and demoralized.

Smashing Unions' Power

A broader international view clarifies the picture somewhat. On the surface, it's astonishing that just as the still-fragile recovery struggles to take hold, a budget-cutting austerity mania is sweeping through most of the "advanced" capitalist economies. In the U.S. arena it's perhaps understandable that right-wing Republicans, more concerned with destroying the Obama presidency than with any kind of rational policy, would stonewall extended unemployment benefits or any kind of new stimulus program other than expanding the bloated military budget.

The blockage of any new stimulus is especially disastrous as states make ruinous cuts in public employment and services. A few snippets : "New Jersey slashed its education budget. Idaho cut aid to low-income elderly people and the disabled. Mississippi eliminated more than 100 jobs in its only state-run facility for juvenile delinquents...Arizona has sold buildings [its capitol, in fact — ed.] and leased them back." By one estimate, the state of Illinois' pension fund has a \$145 billion hole. ("States of distress," Financial Times, August 9, 2010)

As an electoral strategy of pure obstruction, the ruin-to-rule policy might even work for the Republicans. It's a little harder to grasp why parties in power, whether ostensibly left-of-center as in Spain or right-of-center as in Britain, France and Germany would undertake budget-slashing austerity programs all at the same time, threatening to throw themselves and all of Europe into years of stark downturn. The supposed reason of course is the longterm budget deficits looming over all these economies, manifested most spectacularly by the near-bankruptcy of Greece. But that country's fiscal crisis resulted fundamentally from its economy's unhealthy forced integration into the eurozone (it can't depreciate its currency to alleviate the debt burden), compounded by the fact

that much of the country doesn't bother to pay taxes — and the financial debacle of hosting the 2004 Olympics didn't help either.

Still less does "the deficit" account for why Europe's biggest economies — the ones that need to absorb the exports and surplus labor of the poorer ones if the European Union is to remain viable, let alone prosper — would undertake measures that threaten to push them into deep downturns for years to come. A possible explanation is this : The crisis provides the opening for capitalist classes in Europe to dismantle the gains that workers there have achieved in employment security, workplace rights and retirement benefits.

Those working-class gains have eroded in recent decades, but remain significant ("lavish," as well-paid corporate pundits put it) by U.S. standards. For elite economists, commentators and the ruling classes they serve, it's a scandal and "unsustainable" that sectors of public workers in Europe, for example, can retire with pensions as early as in their 50s. Or that the general retirement age there may be around 60, at a time when U.S. "budget reform" is likely to put off retirement to 70 and defined-benefit pensions have sweepingly given way to "defined contribution" plans subject to the stock market roller coaster.

On the U.S. scene, where the labor movement is already so profoundly weakened, left to their own devices congressional Democrats would have gone for some kind of second stimulus to ward off the double-dip recession specter. The Republicans, of course, have blocked that almost completely — except for a last-gasp extension of longterm unemployment benefits, up to 99 weeks (although many workers are now past that furthestmost limit and face absolute destitution). Meanwhile the attack on labor, the poor and people of color in the United States is reaching new levels with threats to public education and renewed talk of privatizing social security — not because U.S. corporate capital actually needs these measures to restore profitability, but basically just because it can.

Conventional wisdom holds that the Democrats will lose seriously in the midterms, and it's probably correct not only at the national but many state levels. Incredible as it may seem, in the state of Michigan where *Against the Current* is published, it is possible that we might see a post-election drive to make this the first northern industrial "right-to-work" state. Again, this is not because the United Auto Workers or any other major union today constitutes a real barrier to capital accumulation — but simply because organized labor is weakened to the point where its enemies see the chance to drive the knife all the way in.

Surge at the Base ?

Again, we are under no illusion that "a turn to the left" is occurring or about to sweep this country. The enormity and all-encompassing character of the crisis, however — in the economy, in the environment from the Gulf of Mexico to the Arctic Ice Sheet to the disappearing ocean plankton to the Russian peat fires and the Pakistan flood, in Palestine and in our own cities — is producing what we see as a surge of energy in the movements.

In Detroit between June 22 and 26, around 15,000 people attended the U.S. Social Forum (USSF). Later that weekend, in Toronto, police ran amok in response to very substantial protest mobilizations at the G-20 Summit. A movement is growing in support of BDS (Boycott/Divestment/Sanctions targeting the Israeli state and international corporate complicity in the Occupation) in solidarity with the Palestinian people. Palestine was one of the most visible themes, in fact, at the USSF.

Again in Detroit, and also in Milwaukee, strong grassroots opposition has beaten back attempts

heavily backed by corporate elites to bring public schools under “mayoral control,” which is a wedge for charterizing education for private profit at public expense (we intend to cover this struggle more extensively in coming issues of this magazine). On October 7, building on the struggles that have unfolded in California and elsewhere, nationwide actions will take place in defense of public higher education.

An October 2 “March for Jobs, Justice and Peace” in Washington, DC, initiated by the NAACP and Local 1199, has been endorsed by the AFL-CIO — an unusual development at a time when a Democratic administration is in office, even if much of the event will inevitably look like a rather desperate election rally for the Democrats.

As Afghanistan becomes president Obama’s quicksand and Iraq’s political impasse continues, the antiwar movement is stirring again. The success of the July 23-25 United National Peace Conference in Albany, NY bringing together over 600 participants from the various existing antiwar organizing centers — while we fully understand the limitations of all of these at present — is the necessary beginning of a revival of this struggle.

The most heroic activists in this country today must be those undocumented youth who are openly organizing for the immigration reform “DREAM Act,” risking their own lives and futures to demand an end to the horrors taking place at the borders, in detention centers and at workplaces where computer checks on workers’ status leads to mass firings in greater numbers today, under the Obama administration, than during the despised Bush regime.

There are good reasons why so many of those who dared to hope that president Obama’s election would turn the page on war, oppression and massive inequality have been bitterly disappointed by the paltry results. Yet as the Democrats’ always underwhelming reform agenda has stalled out and raw corporate greed reasserts its natural right to rule, tens if not hundreds of thousands of activists have moved on to new phases of the struggle for social justice. There is where the hope lies for the kind of mass action that can change the political balance. The struggle from below, as it always has been, remains the key to progress, regardless of electoral outcomes.

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P.-S.

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