

USA: A Brief Sketch of the Politics of Austerity

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In view of the 2008-9 economic meltdown, some on the left felt that the global and neoliberal agenda dominant since the 1979-81 economic crisis would be jettisoned in order to stabilize global capitalism. Yet the age of austerity proclaimed as a necessity by the Toronto G20 summit is clearly a continuation of “there is no alternative” to brutal and restructuring capitalism. What’s now emerged in the United States is the role of the rightwing state governments (more than the federal government) in imposing a really brutal economic austerity as well as a reactionary social agenda. The Midwest states are the model (WI, OH, IN, MI), although certainly attacks in CA and NY are a part of this drive. The budget-slashing agenda is a bipartisan one, although to be sure it is most viciously imposed by Republicans (and in this country unlike Europe, the elites don’t openly call it “austerity”).

The Role of the Federal Government

This is not to minimize the role of the federal government. After all, it is the federal budget that is spending roughly 50 percent of all federal dollars on the military and “war on terror.” Unlike most states, the federal government can run a deficit in order to create jobs or save homes from foreclosure. Instead of saving people, it has been estimated that federal institutions bailed out the Wall Street and corporations to the tune of \$20-30 trillion.

Over the past thirty years, under both Democratic and Republican administrations, the federal government cut corporate income tax and decreased state and city revenue sharing. This set the stage for the current austerity drive. It wasn’t only Republicans who pandered to the image of poor people collecting benefits as “welfare cheats.” President Clinton vowed “to end welfare as we have know it,” adding strict time limits for receiving assistance, leaving millions of people today in desperate straits without any help when it’s most needed.

Social Security is a signature program under bipartisan attack as being unable to pay full benefits to the next generation (sometime after 2032!). A number of progressive organizations have pointed to how the system could be easily strengthened — most importantly by “scrapping the cap,” so that salaries over \$106,000 would continue to pay social security tax rather than being exempt. Few

voices in the mainstream media even point out this obvious fact, and many young people erroneously believe that Social Security will not be there for them.

Aside from Paul Krugman and Robert Reich, almost no one in the mainstream media questions the ideological perspective that the United States can no longer “afford” to educate its young, take care of its elderly or reallocate its resources from prisons to jobs. The corporate elite, its think tanks and political operatives seem united on using the economic crisis to restructure capitalism. Unions, tied to the Democratic Party, are unable to articulate an alternative.

Obama’s promises have turned to dust. The stimulus program for jobs, such as it was, is gone. The wars in Afghanistan and Iraq continue, drone attacks have increased, the president has introduced targeted killings of “terrorists” including U.S. citizens, and the numbers of undocumented immigrants deported has increased. While Obama looks on, Wall Street continues to gamble on derivatives and banks refuse to renegotiate mortgages; foreclosures and evictions continue. Student debt has reached one trillion dollars.

Attacks at the State Level

What we see as particularly new in this framework is that state governments, not just individual employers, are attacking the working class. Tens of thousands of state and city workers have been laid off from their jobs, devastating the lives of the workers, their families and the communities in which they reside. These cuts have a greater impact on African Americans and women, who are more likely to be employed in public sector jobs, and more likely to use public services.

Of course massive layoffs further reduce sales and property taxes, driving the deficit higher. It’s pretty clear, even in the mainstream media, that austerity cannot overcome the crisis, but will lead to more city and state deficits. Yet the austerity drive continues, and not by accident: It has been mapped out and publicized through right-wing think tanks and articulated through an ideology maintaining that “the market” is the sole efficient provider of services, superior to any governmental program.

Therefore the government, as Grover Norquist puts it, must become small enough to “fit into a bathtub.” Yet this restructured government will not really be slimmer, just different in its delivery of services. There will be less regulation of businesses and the environment, more help to corporations, fewer weeks of unemployment compensation and more security. When the state of Michigan took over Detroit, officials talked about providing only “core” services, with all other services downsized, privatized or outsourced. What are “core” services? They are police, fire, sanitation, not day care or mass transit.

It’s clear that outsourced and privatized services aren’t superior and efficient, precisely because they must make a profit. The only way that can be done is by wage cuts, layoffs, and allowing infrastructure and services to deteriorate. But in the face of the evidence, the notion that “the market delivers” is endlessly repeated.

In this process of restructuring the government, union contracts are first up for attack. The range of issues to be negotiated for public sector workers is dramatically curtailed, workers are required to pay a greater proportion of their health insurance, pensions are only for those already working, and a two-tier wage and benefit structure has become normal. In several states the practice of dues checkoff has ended. In Michigan, an Emergency Manager over cities or school districts can impose the contract. With the passage of Indiana’s right to work bill, union busting has invaded the industrial heartland. And clearly the attack on public sector workers parallels the attack on the

private sector, where only 7% of the work force remains unionized. Workers have increasingly less job security and wages remain stagnant, but one group of workers is encouraged to see as the enemy those with better wages and benefits.

Teachers are particularly under attack as the public school system is being downsized through the growth of charter schools. Public school teachers are under increasing surveillance through continual testing and are demonized for students' poor education.

This restructured state government has become more authoritarian and punitive. One important recent attack has tightened up who can vote through the introduction of voter ID laws. Approximately 21 million citizens (11 percent of the adult population) do not have government-issued identification, including 5.5 million African Americans. Generally speaking, those without ID are poor, people of color, senior citizens and youth. Fifteen states already have such laws, with more states in line to pass such legislation before the November elections. Other methods of disenfranchising voters include additional limitation on the registration period, ending early voting and regulating volunteers in voter registration drives. Then there is the continued denial of voting rights to prisoners and ex-prisoners. The existence of this drive indicates how important it is to decrease the possibility that citizens could reject this increasingly coercive state.

A similar authoritarian dynamic exists with the number of state laws that mandate sex education that misinforms youth, restricts access to abortion, passes draconian laws against the undocumented, outlaws ethnic studies as divisive, passes "stand your ground" laws and rolls back partnership benefits. In the case of the "stand your ground" laws, we know that the initial Florida law was then picked up by ALEC as model legislation then introduced into other states. All the gains of civil society from the 1930s on are being challenged through these vicious attacks.

A Fightback Begins

It was an exciting development to see the fightback that began in Wisconsin in the winter of 2011 and it erupted again last fall with Occupy Wall Street. The vicious offensive launched by the 1% was exposed by the slogan "We are the 99%" more than it could have been by some formal "program of demands." As OWS spread to cities and towns across the country, the movement transformed the endless national conversation about the deficit into one that prioritized the needs of the vast majority.

While there has been no national mobilization against austerity in its various manifestations, there have been coordinated national days of action, including May 1. One can conclude that these actions tend to be more decentralized than we have previously encountered. That is, not only do they tend to be local, but are often divided into two or three actions around particular themes. New York and San Francisco had a variety of activities throughout the day, leading to a march in the afternoon. In Baltimore rank-and-file postal unionists organized an east side feeder march that focused on privatization and a west side march focused on opposing racism, with city subsidies for "development" (gentrification) while cutting schools and recreation centers. In Detroit there was one march, but several stops with short rallies on different issues, including immigration rights, jobs and retooling factories, ecological justice, LGBT rights and opposition to foreclosures and the takeover of the city by state government. Yet this multiplicity came together, best expressed in a San Francisco sign that proclaimed "We're all in the same boat."

It seems that Occupy's strength is reflected in its various working groups more than in its general assemblies or occupations. Will the working groups be able to keep a united message pointing to the dictatorship of the banks and corporations, or will it be lost in fighting around concrete issues? Will

it be diverted by the 2012 elections? Will the Occupy movement be able to establish coalitions with social movements that have deep roots particularly in communities of color? Will it continue to relate to labor struggles without succumbing to the bureaucracy on the one hand, or having the attitude, on the other, that Occupiers fully represent the mass of unorganized workers? These open questions suggest both problems and possibilities.

The Occupy movement has transformed and energized a national debate. Through the working groups, Occupy has been able to link up with important social struggles around immigrant rights and workers rights. It has been supportive of local strikes and locked-out workers, and has been an inspiration to some of the union reformers who have recently won office. As teachers in San Francisco and Chicago debate calling strikes this fall, fighting less around salaries than around class size, the question is how might it be possible to build a social strike that would involve not only teachers, parents and students, but the broader community as well.

We also note that although the mainstream media continues to peddle notions that Occupiers are weird remnants of a counterculture, the fact is that there is a space for developing other alternative viewpoints like “Democracy Now,” the Colbert Show, Rachel Maddow and a host of social media, including livestreaming.

Can we propose ways to unify this continuing discontent? Clearly supporting the upcoming teachers’ strikes and finding ways to broaden them would be central to Solidarity’s work. But in the process of articulating alternatives to austerity, we might want to raise two demands:

A people’s audit, to examine the budget to see where the money has gone, and to understand just how much banks are taking in interest. This can also function to demystify budgets. (Here in Detroit we have had a series of meetings called by the mayor to discuss the future of the city. Thousands turned out with ideas, and were angry when they realized this was a phony consultation. But it at least provides us with a concrete idea of how such an audit could be organized.)

A participatory budget, which would follow an audit. This could develop a transparent process in which priorities would be set.

International Response to Austerity

The beginning fightback against austerity here in the United States is surely inspired by events around the world. Clearly the overthrow of regimes in Tunisia and Egypt were in the consciousness of Wisconsinites who “walked like Egyptians” and received pizzas ordered and paid from Tahrir Square. Other struggles we need to learn more about include the students in Chile and Quebec. In fact, we can conclude that this upsurge is led by youth, often youth struggling against massive debts for their education or for jobs after they have completed their education.

When we look at the struggles in Greece (18 general strikes), Portugal (4 general strikes), Spain and Italy—all facing a decade or two of austerity—we see that the ruling class is intent on imposing the most draconian laws and practices. The average Greek worker, if still employed, makes 40% less than before. In all these countries unemployment especially for youth has doubled. In Italy and in Greece, just as in Detroit, the apparatus of government is controlled by unelected technocrats. This is to be the “new normal” — until the population makes clear that it won’t tolerate any more. Ideas like peoples’ audit and participatory budgets are parts of an alternative program that an anti-capitalist left can put forward to show that still, “another world is possible.”

Solidarity’s Political Committee

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