



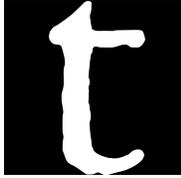
## Discussions with Wolff

### “In US and UK, the Working and Middle Classes Are Under Attack”

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The following discussion prompts were written by Professor Wolff to create a discussion based around his piece *“In US and UK, the Working and Middle Classes Are Under Attack”*. Please note, this article was written by Prof. Wolff on 05/01/2019. Keep the date in mind as it offers relevant historical context.

1. **Why** have political distractions worked successfully to deflect people's attention from capitalism's failures in the UK and US?
2. **How** did those political distractions work to support and sustain a capitalism not delivering the goods to most people in the UK and US?
3. What is the importance (or the important consequences) of the movement from the "old" to the "new" centers of global capitalism?
4. What might be effective strategies to end the distractions from and refocus popular attention on the capitalist economic system we live under?



# In US and UK, the Working and Middle Classes Are Under Attack

Richard D. Wolff

05/01/2019

The crises affecting the political economies of the U.K. and U.S. are strikingly parallel. The 2008 capitalist crash hit and hurt both badly. Each arranged government bailouts of their major banks and many large corporations. After 2008, they both imposed real economic suffering — austerity — on the mass of their people. Finally, in both countries, pre-2008 trends toward greater economic inequality accelerated post-2008. Those trends in turn provoked deepening political and cultural divisions.

The official government economic policies in both countries did little or nothing to change the basic conditions that brought on the 2008 crisis. That is partly why the trends toward greater inequality continued after 2008. In contrast, after the 1929 crash, inequality had decreased. In those years, radical militancy surged within the labor movement, in socialist and communist parties, and thus within the coalitions among them. That militancy moved politics to the left, creating or increasing social welfare programs paid for with tax increases on corporations and the rich.

The result of the parallel post-2008 trajectories of their political economies was a common problem that each country solved similarly. The shared problem was an accumulating mass rage at the perceived general economic decline suffered by “average people.” The rage acquired the label “populism.” The shared “solution” to the problem in both countries was to produce a massive political distraction from the enraging structure and trends of its economy by instead introducing a focus on a political spectacle. Capitalism itself was the common problem, but in each society, leading politicians and mass media focused determinedly elsewhere, turning public attention to that spectacle instead of to the economic shifts that occurred in the old centers of capitalism — western Europe, North America and Japan — after 1970. Before the 1970s, capitalism had concentrated production, distribution and finance — and hence jobs, income and wealth — in its old centers since the 18th century. Capitalists had grudgingly raised wages in its old centers to secure industrial peace. They were enabled to do so partly by the profits from a colonialism that organized a new world economy. Outside capitalism’s old centers, wages, incomes and standards of living were far lower than inside.

Manufacturing industries (and increasingly also service industries), however, increasingly started to relocate to countries with much lower wages. The trickle of capital relocating outside the old centers turned into waves due to the technical inventions of the jet engine and modern telecommunications in the 1970s. Often coupled with immigration of low-wage workers, the result for the old centers was stagnant average wages. Co-existing with rising productivity, stagnant wages means a rising inequality of income and wealth. Expansionary monetary policies after the 2008 crash mostly raised asset prices and so added to the rising inequality.

The other sides of capitalism's relocation process — China, India, Brazil and so on — became the emerging new centers of capitalism. Their growth was at first an effect of jobs, incomes and wealth relocating from the old to the new capitalist centers. Soon it became also a cause of that relocation. The new centers are now becoming competitors of the old.

By 2010, in the old centers, the accumulated spectacles of rising inequality, a major capitalist crash, bailouts of the same social groups whose speculations fed the crash, and then austerity for the masses had produced rage on a social scale. Hostility to the economic and political leaderships in both the U.K. (Conservative and Labor parties) and U.S. (Republicans and Democrats) played into the votes for Brexit and for Trump. Both votes intensified the focus of politicians, media and the public on topics other than the countries' shared problem of a capitalism increasingly dysfunctional for average people.

Democrats blamed Russian interference in the election for Trump's victory. This enabled two to three years of useful distraction via the Mueller investigation. Trump, meanwhile, made empty promises toward "working people" while actually acting in the interests of the superrich. This trend was exemplified sharply in the deepening of income and wealth inequalities that resulted from the massive December 2017 tax cut, which mostly benefited business and the rich. In part to distract the public from these attacks on the working and middle classes, Trump intensified his racist and xenophobic attacks, spreading slurs about Mexicans, Canadians, Muslims, Central American immigrants, and the "trade-cheating" Chinese and Europeans. For the past few years, news about Mueller's report, Trump's "wall" and tariffs have dominated mainstream media headlines, crowding out any meaningful coverage of all that the Trump administration has done to transfer even more wealth to the 1 percent.

In the U.K., much the same happened but public attention has been more centrally focused on Brexit. That obsessional object distracted nicely from the fact that leaders' commitments to capitalism would govern the U.K. whether it was inside or outside the EU. Debates and divisions over Brexit replicated those of debates over borders and trade in the U.S., with nationalist scaremongering around immigration, "foreigners," trading partners, etc. Excitingly outrageous headlines provided by Boris Johnson and some other leading Brexiteers played much the same role in the U.K. as those of Trump, Giuliani, et al did in the U.S. Responses from people like London mayor Sadiq Khan and the Labor leader Jeremy Corbyn paralleled those from Bernie Sanders in the U.S. Much weaker, more muted responses came also from Obama, Clinton and others.

Meanwhile, inequality deepened in both countries as the temperature of political differences rose. Distraction breeds a need for ever-greater intensity of effect to do its work. In both the U.K. and U.S., the turn to xenophobia bred right-wing extremism and escalating threats and counterthreats. Whiffs of revived fascisms are blowing across both countries' political landscapes, but at the same time, the underlying decay of capitalism's old centers is reviving socialist movements too.

As capitalism's dysfunctionality for the mass of the people continues to come to a head, the continued rise of socialist criticism, ideals and movements is highly likely. Political distraction spectacles cannot permanently drown out the daily experienced inequalities, insecurities and injustices that fuel socialism.