



Discussions with Wolff

“American History and the 2020 Election”

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The following discussion prompts were written by Professor Wolff to create a discussion based around his piece “*American History and the 2020 Election*” Please note, this article was written by Prof. Wolff on June 3, 2019. Keep the date in mind as it offers relevant historical context.

1. Why did the US working class swing over to the Democrats in the 1930s and stay with them until the 1970s?
2. What happened eventually to disillusion many in the working class about the reliability of the Democratic Party? Was it something the Democratic Party did or did not do? Was it something that happened to the US working class? Was it both? Did the African-American and Hispanic-American communities experience a similar disillusionment? Did US women?
3. How did Trump and the GOP take advantage of that disillusionment to win power?
4. Why would the Democratic Party nominate a traditional Democrat like Biden given the history of the US over the last 80 years?
5. How might socialists, running within the Democratic Party or independently, win over the US working class and take power, moving the US in new directions?



American History and the 2020 Election

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Whatever distractions candidates promote to win voters, some underlying issues will wield their influence on 2020 election outcomes in any case. The biggest of these are the historically accumulated anger and betrayal felt by millions of working class Americans. Since the 1970s, their relative position within income and wealth distributions has declined. Real wages stagnated while workers' rising productivity made ever more profits for employers, widening inequality. That alone depressed the class, but US society is structured to add many political, cultural, and social demotions onto those whose relative economic position declines.

As stagnant real wages constricted workers' consumption growth, political supports (from government programs to politicians' attentions) shrank. Shifting cultural norms (smart phones, fashionable bars, fancy sports arenas, etc.) entailed new costs that were increasingly unaffordable. Rising consumer debt (mortgages, car loans, and credit card balances) only partly offset the new costs. Yet that debt also raised new kinds and degrees of financial anxieties.

A central social promise of post World War 2 America – that working class children could expect, prepare for and graduate from college – began to erode. Declining state support for higher education institutions forced more of their costs onto students just as working class families' relative income and wealth positions fell. Student debt burdens exploded and stressed working class families from another direction. Debt-hobbled young people could not leave home, start new families, become self-reliant. Self-blame about that plus reliance on parents and fast-mounting debt anxieties further problematized working class households. Results included the opioid crisis, rising rates of suicide, mass shootings, and psychological depression.

Working class feelings of betrayal and anger had an important historical roots that some understood but most only implicitly sensed. Something seemed to have changed in America, to have been different before. Trump's caricature MAGA slogan touched a nerve even as it mystified what made that nerve so sensitive. Certain aspects of US history do matter deeply to the upcoming election.

The US had survived the Great depression of the 1930s by means of government policies that included massive fiscal stimuli. Some of them took the form of new social programs targeting most of the American people (although distorted by racial, gender, and other discriminations). These included the Social Security system, unemployment compensation, and the federal hiring of millions of the unemployed. To these must be added key legislation: the first minimum wage law and the National Labor Relations Act. Together these actions realized a rise in the relative position of the working class within the distributions of income and wealth. More than that, they initiated the idea that this was indeed a New Deal for the country, a new path forward. US society's commitment to that path seemed secure in the light of FDR's unprecedented, successive electoral victories.

The US working class understood that the Republican Party was not its friend. It tilted heavily toward the Democratic Party except for some who could be distracted by appeals to racist, religious, anti-immigrant, and/or ethnic commitments (old staples of US politics). The working class came to expect that the attention, support, and real help it got from the Democratic Party under FDR would prevail. Republicans, it presumed, would not dare stray very far from the 1930s' dominant themes. And even if they did, the Democratic Party would come roaring back to set things straight again. An "American Dream" seemed well within reach for the US working class.

By and large, the 1940s, 1950s, and 1960s reinforced such working class expectations notwithstanding rising demands of African-Americans and other marginalized groups for inclusion in what had been provided chiefly to the white, male working class. The federal government led the way with job-creating infrastructure projects (public housing, highways, etc.). State governments created a public higher-education system geared toward the working class. Genuine but slow headway was made toward broader social inclusion. The New Left in the 1960s implicitly acknowledged the situation by prioritizing its demands for both fuller and faster inclusion of the formerly marginalized.

Everything changed in the 1970s. Defeats and setbacks earlier (for example, the 1947 Taft-Hartley Act undermining labor unions) intensified to become a general betrayal of the US working class. Enough time had passed since the 1930s to enable corporate America to shift gears from its earlier evasions and weakening of the New Deal. Corporations and their allies undertook a frontal assault aimed at its total repeal. With Reagan, the Republican Party moved to the right and the Democratic Party began moving into the space thereby vacated. Both parties increasingly shared commitments to what came to be called neo-liberalism. They diverged chiefly around the pace for government intervention in the economy to be reduced (tax cuts, deregulation, etc.) and reliance on private enterprises and "free" markets to be increased. Republicans were in a rush. Democrats wanted to go more slowly, helping victims of the rightward political economy shift to cope and adjust to it.

The frontal assault took the form of policies supporting, mostly uncritically, the three initiatives of corporate America to get out from under the New Deal's limitations on their profitability. The first of these took advantage of two

contemporary technical changes: the jet engine and modern telecommunications. One enabled corporate executives easily and quickly to traverse the globe, while the other enabled corporate real-time oversight and control of operations anywhere on the globe from US headquarters. Together, these breakthroughs enabled the boldest US manufacturers to move production to foreign locations much more than had been the case before. The far lower wages abroad and local governments desperate to bring jobs enabled huge profits for the arriving US firms. That then forced their competitors to join the export of jobs from the US ever since. Republicans enthusiastically and then Democrats more hesitantly embraced US capitalism's profit-driven globalization.

The second corporate initiative came from capitalists who could not easily move overseas (for example, in many service industries). They boosted profits by bringing low-wage foreign workers into the US: major new immigration waves especially from Latin America. The third initiative entailed capitalists installing computers, then robots, and now artificial intelligence in a massive program of labor-saving technical change. Jobs exported or lost to automation plus rising supplies of immigrants entering the US labor force contributed to the real hourly wage stagnation ever since. That was definitely not what the US working class had come to expect emerging from the New Deal.

As stagnating wages hindered workers from realizing the American Dream after the 1970s, their feelings of betrayal were temporarily held in check by two working class responses. First, stagnant real wages helped drive millions of women into the paid labor market adding to competition for jobs. Second working class families borrowed more. On top of mortgage and car loans, US consumers added massive new credit card and finally student debts. These enabled and sustained rising working class consumption over the century's last quarter. The class could still strain toward the American Dream even if doing so was increasingly dependent on multiple wage earners per household and on rising debt. Meanwhile, stagnant wages plus debt fueled a boom in global capitalism. The stock market bubbled, enriching the top 10% and reinforcing the celebration of neoliberalism by both Republicans and "centrist" Democrats. They believed their own hype about a "new economy," a "new normal," the "end of ideology" (i.e. socialism) and so on. Capitalist utopianism was in fashion.

The expanding debt proved to be a bubble that eventually burst: first around the dot com craze in 2000 and then in 2008's major collapse. The US working class was shocked three times in quick succession. First, the promise of rising standards of living was now definitively broken: wages were flat, debt levels had reached unsustainable levels, and families and households were exhausted. The postponed reality of an American Dream fading out of reach began to sink in. Second, the working class watched Republicans and Democrats falling over one another in and after 2008 to give big finance and big business every possible taxing, spending and regulatory support, mostly at taxpayer expense. Concerns about deficits, long a staple of conservatives, disappeared. The idea of boosting the economy from below disappeared as well. Everything was trickle down economics no matter how little trickled (millions of "underwater" homeowners were promised help that never arrived). The final blow came when, after trillions had

been spent to revive a near-dead capitalist class, the “problem of rising deficits” was rediscovered to rationalize an austerity program for the masses.

The three shocks proved too much for large sections of the US working class. They expected little from Republicans, but felt betrayed by the Democrats. The Democrats could and should have stopped it; but the Party was too weak or too embedded in the neoliberal status quo to be of any use. The entire “Washington” apparatus – both parties – were jointly responsible. Working class anger against them spilled over to the media that protected them by taking their lip services seriously rather than exposing and condemning their betrayals.

Of course, large numbers stayed with the Democratic Party because they saw it as the lesser evil. But others – more than enough to swing many elections – were ready and eager for someone in either Party who could and would express their anger and sense of betrayal against both major party establishments. Trump did that far more sharply and clearly than Sanders. Both stayed within their respective Parties but Trump’s break from his party’s old establishment was much more confrontational as in his aggressive nationalism (expressed in gross hostilities against immigrants, foreign trading partners, allies, etc.). It underscored a break with the capitalist globalization that Republicans had endorsed. In contrast, Sanders’ identification as “socialist” – certainly an important break from Democratic Party tradition – shocked many who had been indoctrinated for the last half century with the demonization of that concept. Sanders’ economic platform (advocating a Green New Deal) also was more a progressive version of classical Democratic Party positions than a break from them. Centrist Democrats had repeated lip service to such positions while ignoring them in practice.

Similar feelings of betrayal turned European working classes against their old parties culminating in the May, 2019, European Parliamentary elections. There too, Trump-like figures (Farage and Johnson in the UK, Salvini in Italy, and so on) mark sharp, extreme nationalist confrontations with the old center-right. Meanwhile, much less sharp confrontations characterize the new left’s relations with the old center-left of the established socialist parties. Thus, the new left is largely Green and vaguely anti-capitalist: more progressive than the old socialists but in degree, not in kind. In but one instance so far, France’s yellow vests, a potential exists for the left to find new modes of expression and mobilization adequate to confront and defeat the right.

In both Europe and the US, the most angry, betrayed sections of the working class preferred the sharper confrontations with and breaks from the old political establishment. Trump’s nasty tweets, much like Farage’s, Johnson’s and Salvini’s intemperate outbursts, suited their mood, won their votes and continue to build support among them. The example of the yellow vests could do something parallel on the left. The 2020 election in the US will be a next big opportunity to express both sorts of working class feelings.

The history summarized above holds lessons for 2020. A return to the past in Democratic Party rhetoric, symbolism, and personalities (such as Biden) is a recipe to repeat political mistakes and losses since 2016. Biden will likely lose for the Democrats as the comparably backward-looking Bob Dole did for the Republicans in 1996 (Dole perhaps learned the lesson and eventually endorsed Trump, the only former Republican presidential nominee to do so). Another lesson is that Sanders is the Democrats' best hope unless and until other plausible candidates take clear, strong positions to Sanders' left. One such position might articulate the working class's sufferings as systemically derived from a declining capitalism and thus propose system change as a solution: such as change to an economy based on worker coops instead of hierarchical capitalist firms. Such positions would provide on the left more attractive, bold and new plans than what Trump offers on the right.

Staying inside the Democratic Party is also dangerous for Sanders' – or someone further left's – chances. Running as a Democrat carries very negative associations for voters even if it benefits from what remains of the Party's electoral machinery and from the hard core base that votes Democratic no matter what.

Politics is changing fast in the US now. Lenin's remark that for decades nothing seems to happen and then in a few months decades happen applies yet again. Socialism is being rediscovered and re-admired as Gallup and other polls show clearly. Given the US's last half-century repression of teaching seriously about or even publicly expressing socialist ideas, debates, and programs, the rediscovery process is working quickly through the old left-Democratic Party ideas, the old left-Keynesian economics, etc. Newly excited young socialists are already testing and moving beyond those limits.

Different ways of understanding and institutionalizing socialist movements will emerge soon as the initial celebration of "democratic socialism" matures into different socialist orientations. How the Democratic Party manages the 2020 election will not only show whether it understands the lessons of history. It will also influence the pace and details of the emerging new socialist left. Finally, because of that new socialist left's size, momentum, and its support in the general population (especially among the young), what it becomes will importantly influence all the rest of US politics in ways not seen for the last half-century.