



Discussions with Wolff

“How US Politics Sustains US Capitalism”

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The following discussion prompts were written by Professor Wolff to create a discussion based around his piece *“How US Politics Sustains US Capitalism”*. Please note, this article was written by Prof. Wolff on August 19, 2018. Keep the date in mind as it offers relevant historical context.

1. How does the electoral switching between Republican and Democratic parties work to keep capitalism itself out of political debate and contention?
2. Should "bringing diversity into US politics" mean not only diversity in who runs for office but also diversity on the issue of capitalism vs socialism?
3. In many European countries, the major socialist party defines socialism as capitalism with a human face (via state regulation and welfare supports); in the US both major parties loudly reject any socialism. Is it the case that politics supports/sustains capitalism in both parts of the world?
4. Since Bernie opened up US politics, socialists have increasingly entered US politics within the Democratic Party. What are the problems, opportunities, and prospects for socialists proceeding that way?

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How US Politics Sustains US Capitalism

And why a true transition to socialism requires a wholly different politics

By Richard Wolff

Until their contradictions explode coexisting economic and political systems sustain one another. "Normal" politics includes precisely the process of working out social conflicts such that the economic system is sustained. Whatever its form, the state's tasks include that sustenance. When politics and the state can no longer perform adequately, the system totters. Only then can movements for system change seriously contest the existing system and press for transition to another.

Capitalism displays this pattern in general and particularly in the United States. To see this, we divide the US population into three groups. The first comprises the 1% richest, mostly corporate directors, etc. The second is the 9% below them who are mostly professional assistants and servants to the 1%. Below them, the third group includes 90% of the population split between the poorest 45% and the remaining 45%. (henceforth the "middle"). The top 10% are the dominant funders, leaders, etc. of both major parties, Republican (R) and Democrat (D). Separately and in comfortable oscillation, both parties sustain US capitalism.

The Ds loudly sympathize with and appeal to the bottom 45%. Those millions get paid poorly, have few benefits, and suffer job insecurity. Because they have relatively little to lose, they represent a constant potential threat to capitalism. To counter that threat, the Ds support policies to soften the system's hard edges: minimum wages, progressive tax structures, welfare supports, etc.

Left Ds want the top 10% to pay for those policies. Moderate or centrist Ds disagree. They fear that such an approach risks driving otherwise sympathetic members of the top 10% to redirect financial, media, and other resources from D to R. With few, temporary exceptions, moderate Ds have prevailed. Thus when D's policies govern, their tax costs fall heavily on with maximum effect on the middle.

The Rs work differently. They stress that D policies are chiefly driven by concern for the bottom 45%. They underscore the unfairness of taxing the "hard workers" in the middle to fund the bottom 45%, the "takers." Rs often characterized those "takers," often in racialized terms, as unwilling to work hard or at all, dependent on the nanny state, etc. Rs describe their political goal as ending the "special" benefits for the bottom 45% ("except for the truly needy") and thereby saving taxpayers in the middle. The R's rhetoric keeps the top 10% happy because it proceeds as if the political struggle (e.g., over taxes) is only between the two halves of the bottom 90%. When left Ds discuss raising taxes on the top 10%, Rs dismiss such talk as "class war" and utterly unrealistic.

While both parties readily describe themselves as capitalist or pro-capitalist, it is especially their oscillation in office that sustains capitalism. The policies of one party proceed until they so aggravate the country that demands for “change” arise. That demand is met by moving to the other party and its policies. System criticism and system change stay out of politics.

R’s insist that deregulating and subsidizing “job-creating” capitalists will trickle down to benefit all. The Ds propose helping especially the bottom 45% because trickle down happens too little and too late. When Ds win, resentment builds and opens the way for Rs to oust Ds and proceed to cut social services for the bottom 45%. Trump is well within this oscillating tradition although he won by positioning himself outside and against the mainstream Ds and Rs. That tapped the mass rage built up against both as responsible for the ever-greater distance between the top 10% and all the rest.

Today establishment Ds again urge the bottom 45% to reject the extremity of Trump’s administration. That—plus the usual salacious revelations, corruptions, etc.—may win over “moderate” Rs alienated by the Trump spectacle. If another oscillation empowers the Ds in 2018 and/or 2020, US politics will again sustain the capitalist system. D’s would likely repress both independent movements for system change (as Obama crushed Occupy Wall Street) and moderately parallel movements inside their party.

Of course, contradictions beset all relationships including that linking US politics and US capitalism. Politics always also undermines, as well as sustains, capitalism. Which effect prevails depends on how the myriad of social influences shapes the relationship. For example, the state has always undermined capitalism by the potential threat in presents. Given universal suffrage, the state’s dependence on majority voting always risks producing state policies that hurt capitalism or even end it by moving instead to, say, socialism or feudalism, etc. That is why laissez-faire and libertarian ideas have always been fostered by capitalism. They work to keep the state weak, hobbled, demonized, etc.

On the other hand, capitalists look to the state for a vast array of supports: laws against labor unions, bailouts in crises, industrial subsidies, global military operations, supportive school curricula, etc. Tensions beset capitalism as some strengthen the state to get more supports for capitalism while others weaken it for fear of what a strong state might do. Thus the anti-tax party of Trump/GOP imposes tariffs (a tax), launches trade wars, etc. while also encumbering the state with rising budget deficits: strengthening and weakening the state simultaneously.

For a transition to socialism to get underway requires a different politics. A new and genuinely different political party, for example, could offer clear and explicit opposition to capitalism’s continuance. It could advocate a systemic alternative (say democratic worker coops instead of hierarchical employer/employee capitalism). Politics in the US would then finally emerge from the narrow where two parties agreed on sustaining capitalism only fight over how best to do that. There would finally be a real opposition and real political debate about which alternative system best serves the people’s needs.

The development and growth of such a party would change US politics and its relationship to US capitalism. Rs and Ds do all they can, separately and together, to prevent such a party emerging: no surprise there. The question is why the many who grasp the need to get beyond capitalism yet still hesitate about such a party.