

Old Wine, Old Bottles

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We have just finished a marathon election season, almost two years in the making, and by all accounts billions of dollars spent (almost \$3b by the candidates, altogether about \$6b by all the various campaigns and PACs formed to promote one candidate or another), to arrive at the same place. We might be excused if we glance at a British system that holds its elections in 3 weeks and bans television advertising – after all, we are hard pressed to see how that results in very different outcomes in governing styles and political philosophies. Little has changed in the US political landscape: stubborn right-wing Republicans, wary of Tea Party primary challenges, retain control over the US House of Representatives, while Democrats and their uneasy neoliberalism remain entrenched in the US Senate. President Obama was re-elected and, depending on whose tea leaves one consults (certainly not the Tea Party's), it was a resounding victory for a continuation of his policies, or a narrow victory by a President with a less than stellar record in office over an elitist and even more unappealing opponent. After all, fewer than half the eligible voters chimed in by voting, so a case can be made that the electorate was not enthusiastic about its choices.

There are noises about cabinet position changes, but this happens routinely as either government service burns out office holders, or those politically aspiring to higher office feel it is time to pull back from public service and begin to build their own infrastructure to run for local, State or Federal office. Some even speculate that now, with no more elections to run, President Obama can become the progressive champion everyone expected with his victory in 2008 (Newby, 2010 and Gimenez, 2010 debate the nature and reasonableness of those expectations). True, there are fewer if any political costs in taking a harder position and not accommodating in order to appear reasonable. But to see a change, we would have to assume that in this administration new ideas and better principled positions are going to emerge. Sadly, there are reasons to be cautious – cautiously pessimistic because we should not expect anything new as the past can reveal core principles, and perhaps cautiously optimistic because this time, unlike 2009, campaign rhetoric might really take shape as a political reality.

Let us consider the political and economic landscape. The US Chamber of Commerce, which worked hard to elect business friendly Republicans, continues its efforts to promote a business friendly environment and the *Wall Street Journal* has already issued warnings that President Obama should not consider this re-election a mandate to reject Republican values – values that failed to carry the day. What is strange about this is that at every turn in his first term Obama seemed to accommodate business and Wall Street – after campaigning on change and making the argument that you cannot expect those who created the problem to correct the system, his main financial appointments came out of that same system being hired from Goldman Sachs and promoted from within a Federal Reserve in New York City that was at best asleep while Wall Street piled up historic profits and almost wrecked the economy (to sack: pillage and destroy, as in Goldman Sachs).

When given the unprecedented opportunity to impose the kinds of restructuring we have come to expect from organizations like the World Bank and the IMF on rogue financial systems in other countries, during this first term the government failed to force a restructuring or strip shareholders of their equity as the price of a rescue; instead it gave a large gift in the form of a bailout which allowed the banks to prop up their financial houses, it continues to offer banks access to essentially free funds through the Federal Reserve discount window, and it does little to promote or require greater access to the credit needed to sustain and build the economy.

The neoliberal assault so prevalent in the developing world, and increasingly taking central stage in Europe, has its supporters in the ongoing rhetoric of US debt reduction on the backs of slashing social reproduction. Every communique from the Right asserts how untenable our social safety net is because our fiscal house is not in order. The focus is on holding the line on increasing governmental revenues by either not allowing taxes to rise, or in some versions cutting tax rates even further. Middle class families, facing no real wage growth for almost four decades and driven to ever increasing debt, saw this house of cards (figuratively and literally) brought crashing down by the financial meltdown of 2008 (Ivanova, 2011). Our Federal Government has systematically passed laws that favored the very rich, generated increasing inequality, facilitated the expansion of the market and capitalist logic into our personal lives, and through these policies reinforced the political and ideological landscape putting ever more power into the hands of fewer and fewer people. This agenda pressed more and more provision of support services onto local and state governments, and at the same time the economic decline eviscerated the revenue base on the local level as property values collapsed, forcing massive layoffs among government employees to further cripple already poor services. This process reached its most intensive level with legislative efforts to undermine unions – especially public sector unions.

But these efforts have come at some cost. A recent Pew Research Center (2011) study found that in the USA younger people (those under 29 and a core component of the Occupy Movement) increasingly report they have an unfavorable view of capitalism and are more likely to have a positive view of socialism. Not surprisingly, this negative opinion of capitalism is also reflected among poor people, blacks and Hispanics and, to some surprise, among those who have not formed an opinion about the Tea Party movement (though the jury is out about whether or not it is a movement or a flash in the pan, see Langman, 2012; Lundskow, 2012). Opposition to austerity has been building in Europe; recently there was a day of action and solidarity leading to general strikes in Spain, Portugal, Greece and Italy, with protests taking place throughout Europe on 14 November 2012 (see a European Trade Union Confederation map at <http://www.etuc.org/r/1897>, recording 31 protests from Ireland to Turkey, from Portugal to Finland). This opposition is growing in the USA in the face of the potential battle over the so-called fiscal cliff. The Occupy Movement last year quickly placed the discussion of inequality into the national political dialogue, demonstrations in Wisconsin over the winter brought national attention to efforts to ban or seriously curtail collective bargaining rights for public sector workers, and voters in Ohio overwhelmingly passed a referendum reversing a similar legislative initiative by the state's conservative Republican governor. These are early skirmishes in what may be a long season of partisan struggles as more and more states in the USA are ruled by a single party. For example, the Republican controlled state government in Michigan, a state voting for Barack Obama in 2008 and 2012, is making noises about turning it into a right-to-work state, creating a potential confrontation in the birthplace of the United Auto Workers, once one of the most powerful unions in the country.

Republicans in the US House still insist there have to be deep cuts in social spending and the gutting of Obama's health care program without any new tax rate increases, and liberals are agitating against any tendency for Democrats and Obama's administration to give ground. Obama made

the presidential election about which vision of government should be followed: smaller and less involved, or larger and engaged in expanding the social safety net. At the heart of the government's ability to provide services (at any level) is its ability to raise revenues, and the concerted assault to make government smaller centers on starving governments of resources. As a result, the Right clings to a position of no tax increases, and continues to insist that lowering taxes will stimulate the economy in the face of all the evidence that the Bush era cuts did not have the desired or promised effects. Those cuts accelerated the concentration of wealth in the hands of the now famous 1% and provided the Occupy Movement with its rhetorical target. There are few who dispute the fact that the cuts encouraged investment in financial assets, failed to spur non-debt fueled consumer spending or capital investments in productive capacity, and did little beyond creating the huge deficit because there was little or no job creation or real economic growth (each of which would generate more in revenues even as rates fell). Yet the supporters of a continuation of these policies are persistent in their demands.

And so another round of legislative battles loom for this recently elected administration. It must deal with so-called 'compromises' as Republicans demand retention of current tax rates while half-heartedly agreeing to increasing revenues by closing so-called loop-holes (even that position is assailed by the most conservative elements among Republicans as an effective tax increase, and so meets strong opposition). We should worry so long as there is no discussion about corporate taxes (other than unity around the notion that in the USA corporate rates are 'too high' when compared to other industrial countries); we will continue to see major corporations report record quarterly profits while at the same time avoiding any taxes altogether on their US income, or sheltering revenues off-shore to avoid paying taxes (we keep hearing about 'tax holidays' to encourage the repatriation of those revenues). Some look to the election of consumer advocates like Elizabeth Warren to the US Senate to provide a fresh voice in these financial negotiations, but will that be enough? Will the new term be very different from the old? Are we to be fooled by a series of 'victories' touted about Obama's first term, or argue instead that these were essentially centrist or even conservative policies which only appear 'progressive' in this very reactionary political climate? Consider just a few of the policies and practices coming in the first four years of Obama's presidency, best described as pro-corporate even as they are touted as major advances:

- Health care reform strengthened private insurance companies by delivering millions of new customers to them
- Concessions forced on the UAW in the process of granting massive Federal aid to the auto industry
- Additional billions of dollars provided to the financial industry even as it failed to pursue greater regulatory control or enact consumer protections in exchange
- Failure to promote the Employee Free Choice Act to support unionization efforts
- Lip service given to the idea of 'clean coal' while stalling any cap and trade legislation to improve the environment
- Little done to really reduce the influence of corporate lobbyists while turning to corporate leaders to advise his administration on job creation, and continuing the practice of bringing in senior advisors with ties to corporations depending on large government contracts

Now, with no more reelections to anticipate, is it reasonable to assume we will see new wine in those old bottles? Will the desire for accommodation and a belief in compromise that guided Obama in his first term now be viewed as futile and the need for a new course become self-evident? The list above is a reflection of a business friendly administration with little reason to assume a

significant left-ward shift in the policies to be pursued in this second administration. What forces are, or can be, arrayed to hold those proverbial feet to a policy fire over the next four years? After all, the very same argument that no worry over another electoral campaign can free Obama from his conservative opposition also applies when considering that the administration no longer needs to worry about its base of community activists and labor organizers (Street and DiMaggio, 2012). Aside from the concerns that sequestration will automatically cut programs across the board (horrifying Democrats who face cuts in entitlements, horrifying Republicans because of what it will do to the Defense budget allocation and tax rates), there is little real discussion about tackling the biggest drain on the budget. Military spending as a share of GDP in 2011 was 4.7% (World Bank, 2012); this level far exceeded that of any of the USA's European allies, and is smaller than the level of only six countries in the world (all in the volatile Middle East). Any effort at curtailing corporate influence has to include, if not begin with, a reevaluation of military spending.

So, in the end, there is ample concern that we will find the same old wine in these old bottles of politics. Cornel West, a vocal advocate for social justice, in a recent interview about the election (see http://www.democracynow.org/2012/11/9/tavis_smiley_cornel_west_on_the) asserted that Barack Obama was a 'Rockefeller Republican in blackface' meaning that moderate Republican policies of the 1960s now appear as the policies of this Democratic administration, and so calling it 'progressive' is an illusion. West has not been shy about his exhortations that unless the progressive left and black communities collectively work to hold Obama accountable, little will change. What remains to be seen is if there is an opening for such accountability, if the anticipated removal of constraints will actually result in more reform and progress on social issues, or if the unemployment, homelessness, expanding poverty and corporate greed recently outlined in Smiley and West's manifesto (2012) will remain the order of the day as the concentration of corporate power and private wealth retains its hold on our economy and society.

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