



Obama's economic program: crumbs for the people, trillions for Wall Street

The on-going depression is another sorry result of the capitalist boom-bust cycle. But it also marks the bankruptcy of market-fundamentalism or neo-liberalism. The decades of deregulation, privatization, and unrestrained financial profit-taking have taken their toll.

The media promotes Obama's programs as a big change. But all he's doing is carrying out Bush's neo-liberal approach with a few adjustments. He will provide some crumbs for the people: there is a tax rebate, a modest extension of unemployment benefits, and some infrastructure spending. But it is symbolic of his policy that he demands one cut after another from the auto workers, while allowing the financiers to continue to receive obscene compensation.

Meanwhile the Republicans are saying that it doesn't matter that there's a depression, just let the markets readjust themselves. For them, the crisis is just another opportunity to cut social programs and continue cutting taxes on the rich. This is the return of the heartless program of Herbert Hoover in the early years of the Great Depression of the 1930s. While millions of people sought their next meal or a place to sleep, Herbert Hoover believed that fiscal responsibility, voluntarism, and letting the poor starve would cure the crisis.

The pro-capitalist politicians aren't going to deal seriously with the economic crash or the growing environmental crisis. The Republicans have their eyes rigidly fixed on the past, while the Democrats, talking of the future, only want to tinker with market mechanisms.

The working class must put forward its own program, or else it will be squeezed both by unemployment and by the "rescue" measures of the bourgeoisie. Until there's an end to neo-liberalism, our conditions will just get worse.

The Wall Street bailouts -- trying to reflate the bubble

Obama has a program of action for dealing with the crisis. He thus appears as more reasonable than the conservatives.

But the centerpiece of Obama's plan has been the bailout of the banks and the financiers. This is what has absorbed far and away the most money. It is the project to which everything else is mortgaged. Obama began by backing Bush's \$700 billion bailout, and then added his own bailouts of the financiers. By the end of March, the sum of subsidies and guarantees reached close to \$12.8 trillion dollars, which is over four times the size of the 2008 federal budget.

All this is just a desperate attempt to reinstate the financial bubbles of the past. All it has achieved so far is that Wall Street is being rescued from the crisis, while unemployment and homelessness increase.

The auto bailout - squeezing the auto workers

The Obama administration has pledged to save jobs. But look what happened in the auto industry! This was a bailout for the auto companies, not the auto workers. He "saved" the industry in the usual capitalist fashion -- at the expense of the workers. Tens of thousands of jobs will be lost, and there is no provision for these workers. The wages of the remaining auto workers will be leveled down to that of the non-union plants. And the funding for health and pension obligations are being cut to shreds.

The tax rebate

The Obama administration boasts that its economic stimulus programs provides a tax rebate for most people. No doubt a little extra cash is nice. But this is the cheapest way for Obama to appear to be doing something. As a cash rebate, it doesn't commit the government to pro-

vide any specific service to people. The payment isn't large enough to help people avoid foreclosure, or cushion unemployment, or make up for the pay cuts and compulsory days off faced by many workers. It certainly won't compensate auto workers for the cuts Obama is demanding of them.

In fact, the tax rebate isn't designed to do any of these things. It is simply supposed to stimulate shopping. It doesn't address the needs of working people, or the structural problems in the economy.

The search for market solutions

But what about Obama's other programs? He makes a show of searching for new solutions to health coverage, education, and the environment. But if you look closely, he is trying to solve everything with market solutions.

Health insurance

Obama claims to be fighting for universal health insurance, but he would keep the present system of private insurance that has failed. This has been done before. A number of states have already tried to make private insurance universal, and they have failed.

The latest is the Massachusetts plan, which penalizes people for not buying insurance; discriminates based on immigration status; and gives substandard plans to those with less money. And it's not working either. It's still not universal, and many people insured under this plan still can't afford all the medical care they need.

Obama's plan would have similar problems. And it might even be financed by taxing people who have employer-based insurance.

Meanwhile Obama isn't even allowing advocates of single-payer (government) health insurance into hearing on health care. The message is loud and clear. Obama is set on a market solution. At most, he would have an optional public health plan to compete with private plans. But the public plan would be required to be run like a private plan, and so it really wouldn't be much different.

Global warming

Global warming is another major crisis facing us. Obama is no doubt more serious than Bush when it comes to global warming. But what he proposes are market-solutions that haven't worked in the past, and won't work now.

The centerpiece of Obama's environmental program is the proposal of a cap and trade system for greenhouse gases, such as under the Waxman-Markey bill. An artificial market is set up in pollution permits, and companies are allowed to trade them. This is the system used under the Kyoto Protocol in Europe and Japan, and it hasn't worked there.

And what if it doesn't work in the US either? John Holdren, Obama's science advisor, says they are considering a geo-engineering scheme -- making what would in effect be an artificial volcano to send particles into the atmosphere to shade the earth. This would be an act of desperation, but Holdren says "we might get desperate enough to want to use it." In other words, if not a market solution, a really scary Hail Mary play.

Education

Obama promises to provide increased funding for a number of educational programs. However, the centerpiece of his program for public schools is Bush's "No Child Left Behind" program. NCLB is neo-liberalism applied to the public schools. Despite its empty prom-

ises, it denigrates the need for educational funding under the pretext that what is really needed is strict accountability for students and teachers. And it promotes privatization through the medium of charter schools.

Obama appointed Arne Duncan, who administered this system in Chicago, to be his Secretary of Education. What it amounts to, is that Obama promises to carry out NCLB better than Bush did.

What's needed

Obama's program of new market solutions would simply paper over the festering sores of the economy. Any serious step to provide relief to the masses would mean setting aside the illusions in market solutions.

Relief for the unemployed and the homeless

Take relief for the millions being impoverished in this depression, losing their jobs or their homes or the social programs they rely on. What is needed is a commitment to their relief, a commitment whose size is based on their needs. This wouldn't eliminate the depression, but it would shelter the masses from its worst consequences.

Health insurance

Private insurance isn't the solution to the health crisis, but its cause. We need to recognize health care as a right, and not just something for those who can purchase it. And this could be put into practice by starting with a system of single-payer health insurance, whereby government health insurance replaces all private insurance. This would be a gigantic step forward; it would eliminate people's worry about health care bankrupting them; and there no longer would be a separate system of substandard care for the poor.

But government health insurance is only a first step. It only affects how care is paid for, and it leaves most of the health industry in private hand. That's a problem. The large pharmaceutical companies, for example, not only charge outrageously for their drugs, but corrupt medical research and intervene in medical practice. Sooner or later health care reform will have to take on big pharma and other health capitalists.

Moreover, to improve the quality of health care, there needs to be more involvement between the health providers and the people they are supposed to serve. It should be remembered that the mass upsurges of the past profoundly influenced medicine, from bringing more women and minorities into the profession, to causing more attention to sickle-cell anemia and other ignored problems. Mass involvement is essential today to deal with issues such as the overuse of questionable drugs or life-style issues and workplace injuries. If these are dealt with simply by regulations designed to save money, all they will be is pretexts to withhold medical treatment or financial penalize people who smoke or are overweight.

Environmental planning and regulation

We are now in the midst of an environmental crisis. Climate change has begun, while we also face dwindling water supplies, the loss of the remaining rain forests, the overfishing of the oceans, etc.

There has to be a system of overall environmental regulation to directly control the emission of greenhouse gases, as well as protect forests, fish stocks, wetlands, and so forth. The use of present methods in environmentalism arose as a backlash against the regulatory legislation of the late 1960s and 70s. It has failed, and it has to be set aside.

Dealing with the environment requires -- not bribing the companies, not putting the responsibility for all decisions in their hands -- but fighting against the capitalist interests who have fought environmental controls every step of the way. And they still are, even when they pat themselves on the back for their supposed environmental concern in green commercials.

It also requires that the regulations be made as transparent as possible, so workers can try to verify whether the companies are obeying them. Market measures such as "cap and trade" are so complex that no one could verify them; this is one of the reasons that they don't work.

Unprivatizing government

It's not sufficient just to increase the funding of this or that pro-

gram. There must also be a change in their nature. Under Reagan and Clinton and the Bushes, the government was increasingly privatized. Everything from social work to schools began to be privatized and contracted out. This subjects these programs to the direct demands of profit-making; and it profoundly changes the nature of how these programs are carried out. This has to be reversed.

Workers' organization

The Employees Free Choice Act (EFCA), if enacted without being watered down to nothing, would remove a number of legal obstacles to unionization, and that's good. And it's bitterly opposed by business, and that also puts the EFCA in a good light.

But the EFCA also provides for compulsory arbitration of first contracts that would last two years. This is promoted as forcing the companies to come to an agreement, but it also would outlaw strikes in this period. Yet for a union, giving up the right to strike is like selling one's soul to the devil.

Perhaps some union leaders might like the fact that strikes would be ruled out. These bureaucrats are in favor of business unionism; they are horrified at the thought of class struggle; and they would be able to say, "see, our hands are tied." But the only way that unions will grow again is if a new spirit of struggle arises within them. One activist, Prof. Roy J. Adams of McMaster University in Canada, notes that Canadian unions already have most of the protections of the EFCA. And they, too, are losing membership, just like American unions. He says it's the practice of "subservience to management control" that's the problem. Or, we can say, it's the lack of the spirit of class struggle. That's the main problem.

From the class struggle to socialism

These programs would constitute a break from neo-liberalism. But even if all of them were achieved, there still would be a capitalist economy. The capitalists would still be in charge. They would still live off the surplus value extracted from the workers. And private interests would still own the tremendous means of production built up by the workers' labor. As a result, all the reforms achieved by the workers would be subject to be taken back.

But the fight for these programs will help provide for the immediate needs of people in the ongoing depression. And it will lead to workers starting to question capitalism itself. They will start to ask why the economy should be owned by a small handful of tycoons. Why should even the most obvious measures, whether providing health care, or protecting the environment, always come up against rich, entrenched private interests?

Meanwhile, Obama's program is a last-ditch attempt to save market-fundamentalism. He is trying to carry out Bush's mandates, from the wars in Iraq and Afghanistan to the economy, but in a better way than Bush himself did. This isn't going to work.

Perhaps some people will say, but what else could Obama do? Nothing else will get past Congress. But our criticism isn't directed against Obama as an individual. Things wouldn't have been better under John Edwards or Hillary Clinton or the Hooverite John McCain. It's directed at Obama as the political leader of the ruling class, the bourgeoisie, whose interests and ideas control the government as well as the big corporations. It's this class which loves market-fundamentalism. And the only way to get rid of market-fundamentalism is to develop an opposing class force, a militant and class-conscious workers movement, that is capable of standing up in struggle against the exploiters. <

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For more info: www.comunistvoice.org

E-mail: mail@communistvoice.org

Or write: CV PO Box 13261 Detroit, MI 48232
