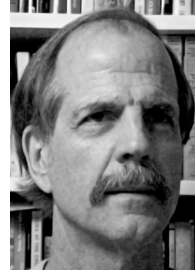


# RESPONSES TO THE CAPITALIST CRISIS: REFORMIST AND REVOLUTIONARY DEMANDS IN THE US “GREAT RECESSION”

*Al Campbell*

---

Al Campbell is a Professor Emeritus of Economics at the University of Utah. His two central research interests are the evolution of contemporary capitalism, and theoretical issues with, and practical lesson from, attempting to build a socialist alternative, in particular the issues of popular control and planning. He is currently finishing an edited collection of Cuban economists’ writing on the Cuban economy. Email: [al@economics.utah.edu](mailto:al@economics.utah.edu)



---

**Abstract:** The current economic crisis in the US has generated the greatest popular discontent with the system and from that possible potential for radical change since World War II. This article looks at the Marxist tradition for generating revolutionary demands, including the essential issue of avoiding sterile revolutionary demands, and what distinguishes revolutionary demands from the socially more common progressive reformist demands. It then considers this issue specifically in the particular context of the US today of a working class that has been almost entirely demobilized for three decades, and largely politically disarmed since World War II. It specifically considers an important progressive set of economic demands that was issued early in the crisis, and compares these with a few recently issued demands that come out of an analysis of the crisis by revolutionaries who are seeking to begin to mobilize the working class to the project of transcending capitalism. The article ends with some preliminary proposals for extending these latter demands, in the approach of Marx, Engels and Lenin, more broadly to the current crisis.

**Key words:** revolutionary demands; reformist demands; response to current crisis; Marxism

A flurry of news articles came out in early 2010 on the possibility of bank reform in the United States.<sup>1</sup> On the one side of the fight were Ben Bernanke, Timothy Geithner and Larry Summers. At times when the popular outrage against the banks was at its highest they gave lip service to the need for “some bank reform,” but they actually opposed all reform and in practice worked to ensure that all the outrage yielded nothing more than talk and was not translated into any concrete bank regulation. The biggest name among policy economists pushing for serious reform was none

WORLD REVIEW OF POLITICAL ECONOMY 2.2

other than the author of the 1979 “Volcker shock” that many assign for convenience as the starting date of what was actually a decades long process of transformation, the birth of neoliberalism. Volcker’s proposed reforms<sup>2</sup> included some of the central proposals of the more fully progressive and even left-progressive programs from groups like, among others, Americans for Financial Reform, the Levy Institute, the Economic Policy Institute (EPI), the Center for Economic and Policy Research (CEPR), the Political Economy Research Institute (PERI) and Stable, Accountable, Fair and Efficient Financial Reform (SAFER). Three key proposals in the “Volcker plan” were:

- Partially reinstitute the separation of commercial and investment banking (“Glass-Steagall Light”) by making it illegal for banks to own hedge funds and structures for proprietary trading.
- Give the government the authority to intervene in, liquidate, or cause to be sold any firm it determines to be in trouble. This includes not only banks but also in particular mortgage lenders, investment banks and insurance companies. The theoretical problems with (and eventual public costs from) allowing the continued functioning of “zombie banks” were already extensively written about in the early 1980s as the Savings and Loan crisis began to develop. They were consciously overridden and ignored then in response to direct pressure from “free market” champion President Reagan, with the resulting predicted public cost.
- Exactly the opposite of what was done with the massive Bush/Obama bailout of financial institutions, make the shareholders and management, and even the bondholders (risk on lending is part of what supposedly justifies the level of interest they charge) pay for any costs associated with the losses to the financial firms, including following a government intervention (no excuses to avoid paying for their losses such as “we could have gotten out of the hole we were in if the government had not intervened”).

The financial institutions certainly have fought these reforms (very largely successfully, as of the writing of this article in early 2011) as if their very lives depended on preventing these from being implemented. How then should we characterize these demands in relation to the system? What are appropriate criteria for characterizing any demands in relation to the system?

### **Reforms, Reformist Reforms, and Revolutionary Reforms**

Any demand for a change is, by the definition of the word reform, a demand for a reform. Some people associate the word “reformist” with “slow and gradual” and “revolutionary” with “fast and abrupt,” but those associations are not actually

part of the definitions of either the words “reformist” or “revolutionary.” Some political “reforms” are put into place essentially instantaneously, while the “industrial revolution” stretched out over more than a hundred years. What is at stake here is not some pedantic concern with what appears in some dictionary, but a serious error that has been committed in the past by people concerned with and engaged in trying to build a post-capitalist society. When used in the political discussion that is the concern of this article, “reformist reform” refers to a change that occurs within the general frame of the existing socio-political-economic order, while “revolutionary reform” refers to some reform that is part of, or supports and promotes, the overthrow or essential change of the existing order. The difference between “reformist” and “revolutionary” then does not hinge on the speed of the change, but instead on the very different issue of its depth or extent. This is a very important difference in politics in the real world because it may well require, and this author believes it most likely will, several generations for a transition from a capitalist to a socialist society (and even significantly longer for the transition to a communist society). It then is a theoretical possibility that if people try to carry out too rapidly what requires a longer time, under a misunderstanding of the meaning of the word “revolutionary,” that might cause the transformation to fail.

### **Sterile Revolutionary Demands and Transitional Revolutionary Demands**

Analytically (“positively”), this article is concerned with being able to distinguish demands for reformist reforms (or “reformist demands”) from demands for revolutionary reforms (or “revolutionary demands”). Normatively, this article is concerned with promoting revolutionary demands, supporting and promoting the process of transcending capitalism.

Definitionally, the demand “collectively appropriate all private property in the means of production and the associated means of finance” would clearly be a revolutionary demand concerning the financial crisis, since it is one that could not be carried out in the frame of the existing system of capitalism. It is immediately obvious, however, to anyone who is actually engaged in promoting either revolutionary or even progressive politics (or to anyone who simply has the most minimal sense of reality), that the level of consciousness of the working class in all of the First World and the large majority of the Third World is such that such a demand would not generate from them any meaningful response. A large part of the working class at present has accepted the dominant false ideology that capitalism based on competition among workers (and partially among capitals) and with its institution of private property in the means of production is more desirable for their human development than any alternative system based on human solidarity,

collective democratic control of all the institutions they are part of, and collective ownership of the means of production. An additional smaller part of the working class recognizes that such an alternative society would be preferable to live in, but does not think it can be achieved, at least in today's world with its existing balance of power. Such demands then have no potential to contribute in any way to setting the working class in motion struggling for its own interests, the only force that has the potential to put humanity on the road of building a genuine socialist post-capitalist society. Such demands are sterile revolutionary demands, and this article's only interest in them is in being able to distinguish them from the transitional revolutionary demands that will be discussed next.

The theoretical basis that underlies transitional revolutionary demands is rooted in the simultaneous positing of the following:

- The working class is potentially revolutionary. That is, it has the potential to become convinced that it would be better off under a different social system, and then act to change the current social system accordingly.
- The authentic liberation of the working class must be carried out by the workers themselves—it must be a project of self-emancipation. This is not only because of the obvious reason that if other forces have the social power they can betray (and historically have betrayed) the working class. It is also because of the more subtle point that it is only through fighting for a better society that workers transform themselves into people suitable to live in such a better society, that they develop a consciousness of solidarity and of their essential species-being (collective nature), etc.
- The development of a working-class consciousness of the necessity of a post-capitalist society for their continued human development as both individuals and as a species (a “socialist” or “revolutionary” consciousness<sup>3</sup>) has two central requirements. First, they must engage in a struggle for what they perceive as their interests against the capitalist system, that is, engage in “revolutionary praxis.” Second, they must generalize from their revolutionary praxis, that is, draw general conclusions about the problematic nature of the capitalist system from their particular struggles.
- The role in this process of those who have an understanding of where this process of social development is going (“socialists” or “communists”) is to contribute to developing the necessary revolutionary consciousness in the entire class. The two most fundamental tasks of those who already have developed a socialist consciousness for developing that consciousness in the rest of the working class are to (1) support and promote struggles by groups of members of the class against any and all aspects of their oppression, and (2) support and promote the process by which workers come to understand

the general class-oppressive nature of capitalism from their specific and partial struggles. This article is focused on the issue of demands because that is its topic, but there are many other aspects to these two tasks—general educational, many different types of organizational, etc.

I want to expand on this last point before returning to what all these points considered simultaneously mean for revolutionary demands. This is related not only to the often misunderstood criticism by Marx and Engels of the “utopian socialists,” but also to the politically harmful practice (particularly today, in the neoliberal age when Margaret Thatcher’s TINA (“There Is No Alternative”) has a great influence) of shying away from projecting to the working class the general shape of a more humane alternative to capitalism. What Marx and Engels objected to with the utopian socialists was not their goals, but how they arrived at them. These were presented as truths that sprung from the minds of their particular creators like Athena from the head of Zeus. For Marx and Engels to the contrary, “the reform of consciousness consists *only* in making the world aware of its own consciousness, in awakening it out of its dream about itself, in *explaining* to it the meaning of its own actions” (Marx and Engels 1975[1843]: 144). The dialectical materialism of Marx and Engels saw all societies<sup>4</sup> as consisting of contradictions, and history consisted of the resolution of these contradictions by humans as the active agents (collectively, hence class struggle as the motor of history) in such a way that the resolution created a society composed of new contradictions. Hence one could see many general aspects of a future society (as Marx and Engels did in their work<sup>5</sup>) by considering the resolution of the dominant contradictions in the existing society.<sup>6</sup> Unlike the utopian socialists then, for Marx and Engels considerations of aspects of a future society arose from consideration of the contradictions in the present society. “[W]e do not dogmatically anticipate the world, but only want to find the new world through criticism of the old one” (Marx and Engels 1975[1843]: 142). It is with this approach that it is politically necessary to have discussions of the future society, discussions of what a world could look like when the current humanly crippling contradictions of the present society are transcended, with many superior variants possible as long as they resolve the primary current contradictions. There has never been a mass social movement for change that has not had some general idea, however imprecise, of what they were willing to fight for to replace the existing order that they rejected.

Returning now to the issue of transitional revolutionary demands, the first two of the four conceptual aspects above of their theoretical basis imply that they both can be, and must be, directed at the situation of the working class, directed at their concerns. But it is the third aspect of the theoretical basis that requires that the revolutionary demands be transitional. If the working class can only develop a socialist or revolutionary consciousness through struggle for what they perceive

as their interests against the capitalist system, through “revolutionary praxis,” then revolutionary demands must be such that people will understand and respond to them now with action, prior to the development of politically more advanced consciousness. When people do respond and struggle, they do tend to develop a higher consciousness of their oppression, as a typical outcome over many struggles, though that is not a guaranteed outcome of a single struggle. Then to be transitional a set of demands<sup>7</sup> should also support and promote the process of the active group drawing general lessons about the oppressive nature of capitalism from the issue they are struggling about. In particular, what is not required to make a demand revolutionary (except in the sterile way dismissed above) is that fulfilling the demand would require overthrowing capitalism.

A set of transitional revolutionary demands then must have three essential aspects. (1) It must seem reasonable, realistic and feasible (through struggle) to the working class,<sup>8</sup> (2) it must support and promote setting the working class into struggle for its own interests, and (3) it must have the potential to raise the consciousness of the working class through the struggle for it. This latter can also be expressed by saying it must show to them that their particular economic and social problems are rooted in capitalism, or by saying it must help them to generalize from their particular struggle to the necessity of struggling against capitalism, or by saying that it must point to the solutions to their particular problems as requiring that they think and act beyond the logic of capitalism.

With this theoretical frame established for transitional revolutionary demands (or simply “revolutionary demands,” with it now established that to be revolutionary demands a set must be transitional, if one excludes the socially sterile interpretation of the term), I will next turn to a brief consideration of two historical transitional sets of demands, and then return to the consideration of revolutionary demands for today’s financial and economic crisis in the US.

## Two Historical Examples of Revolutionary Demands

To establish that this approach of transitional revolutionary demands discussed above has been the traditional approach in Marxism and Leninism, here I will briefly refer to one example from Marx and Engels and one from Lenin.

For a century and a half many readers of Marx and Engels’ most read work, the *Communist Manifesto*, have commented on the apparently “non-radical” nature of the ten concrete demands at the end of section II (Marx and Engels 1984[1848]: 505). Several of these demands clearly did not require an end to capitalism to be implemented, and in fact were subsequently implemented in numerous capitalist countries: a heavy progressive or graduated income tax, centralization of the means of communication and transport in the hands of the State, and free education for

all children in public schools and the abolition of children's factory labor, among others. Others were clearly theoretically compatible with capitalism, even if they have never been implemented in any capitalist country, such as the State ownership of all land with rent for its use going to the State,<sup>9</sup> and the abolition of the right of inheritance.

In the *Communist Manifesto*, Marx and Engels did not discuss why they chose those demands. If we recall from above their positions that the liberation of the working class must be the work of the class itself and that it develops its consciousness through praxis, it becomes clear that one reason that they chose these demands was that they were intended to be of a nature and at a level that supported and promoted that workers adopt them and from that struggle for their own interests. *A priori* it is a question of political evaluation if some set of demands will promote such action among the workers. *A posteriori*, it becomes a factual question of if the intended promotion had any success or not. We see then that Marx and Engels were concerned that their demands satisfy the first two conditions for transitional revolutionary demands: that they support and promote self-mobilization of the working class in its own interests, and as a prerequisite to that, that the demands be of a nature that the workers would consider them reasonable, realistic and feasible to struggle for.

The third part of the criterion for a transitional revolutionary set of demands is often even harder to evaluate than the first two. The demands must support and promote workers drawing generalizations about capitalism as the source of their economic problems, generally by putting forward solutions to their specific problem that require them to think in terms of collective solutions for the whole class, government (as the democratic representative of society) responsibility for public provisioning and for guaranteeing their economic rights as a member of society, and so forth. These by their nature point beyond the logic of capitalism, but again they must not be so foreign to the level of consciousness of the working class that they seem unrealistic and hence pointless to struggle for (the first part of the criterion), since then they become sterile demands.

When people consider Marx and Engels' demands they almost always fail to note the very important point of the context Marx and Engels set them in. They argued that the first task for the working class was to "win the battle of democracy," become the ruling class by taking State power. In the scenario that they were putting forward, the capitalist class at this point would still own its capital, and from that maintain much of its power despite losing State power. Then the working class was to use its State power to "wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State" (and therefore, in the hands of the working class).<sup>10</sup> They then made their ten suggestions for this assumed situation. It seems clear that in the context that the working class controls the State

and revolutionaries are trying to support and promote the process of the working class generalizing the lessons of its specific struggles with capital to an understanding of the nature of capitalism, at least the following will point them toward fighting for structures whose logic is contrary to that of the necessity or desirability of production by profit-seeking private capital of all produced goods and services.

- Centralization of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly.
- Centralization of the means of communication and transport in the hands of the State.
- Extension of factories and instruments of production owned by the State.
- Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.
- Free education for all children in public schools.

The important point is that all of these operate to provide goods and services to the population without the logic of capitalist markets.<sup>11</sup> Hence in the struggles for these non market solutions to their human needs and the capitalists' reactions against these demands (hence the need to struggle), the workers increase their understanding of the nature of capitalism. Specifically, they see that the capitalists are not concerned with production (since the capitalists fight against these socially efficient viable alternative production scenarios) or the condition of the workers (who are potentially better off under these alternatives) but rather only with profits, and from that single concern comes the workers' oppression and capitalism's barriers to their fuller human development.

In the scenario in which they were presented, the famous ten demands by Marx and Engels are a set of transitional revolutionary demands.

Consider the situation in which the working class had not seized State power and the capitalist class still controlled the State: would these ten demands be a set of transitional revolutionary demands in that case?

The logic of the demands is the same. The new issue concerning their classification is only if they would be dismissed as unrealistic to the point of not meriting consideration, in which case they would become an example of sterile demands discussed above. But if they were considered by the working class to be reasonable demands to improve their situation as part of their struggle, then they would again be transitional revolutionary demands. The working class having control of the State only enters the considerations in that if it has already achieved taking State power then the working class seems almost assured to see these demands as reasonable, viable and in their interests. Again in regard to this aspect of the issue, what is involved *a priori* is a political evaluation of the level of consciousness of the



working class and the balance of forces that it contributes to, as to if a particular set of demands will turn out to be transitional revolutionary demands or sterile.

On the eve of the October Revolution, Lenin built his much less well-known article “The Impending Catastrophe and How to Combat It” around a set of five concrete demands: nationalize the banks,<sup>12</sup> nationalize the syndicates (the trusts), abolish commercial secrecy, compulsory syndicalization of industrialists, merchants and employers generally, and compulsory organization or encouragement to do so of the population into consumers’ societies that exercised collective social control over consumption (Lenin 1964[1917]: 333). Again, like Marx and Engels’ demands, the concern is to raise issues that the population will respond to and thereby set the population into motion fighting for its own interests, and also to raise the consciousness of the working class through proposals that rest on a working class based collectivist logic that points beyond capitalism as necessary for solving their specific problems. In 1917 Russia it was popularly understood that the institutions and practices targeted by these demands had greatly contributed to the existing economic collapse, so in that context these were not sterile demands.

In his article Lenin is more explicit about the execution of these revolutionary demands for regulation and control by the working class itself. “The population itself [would] exercise supervision over the capitalists and see to it that they scrupulously observed the regulations on control” (ibid.: 333). “It would be carried out by the directors and employees themselves... meetings of managers and employees should be called in every city... for the immediate amalgamation of the banks” (ibid.: 335). “Here, too, congresses of insurance company employees could carry out this amalgamation immediately” (ibid.: 338). Given that some part of management would oppose this process because they would lose their “highly remunerated posts,” when necessary it would be appropriate to “organize the poorer employees separately and reward them for detecting fraud and delay on the part of the rich for nationalization” (ibid.: 335, 336). And so on throughout the article.

All of these demands negate the existing operation of the capitalist markets, replacing that with non market conscious social control (even if not full ownership, a contradiction but a secondary consideration for a preliminary transitional demand). Again, both the struggle for these and their achievement have the potential to raise the working class’s consciousness of the problematic nature of the capitalist system and the potential superiority in regard to their interests of non market social alternatives.

## **Reformist and Revolutionary Economic Demands in the United States Today**

This article will now turn to considering two different sets of demands, as illustrations of how to think about the issues discussed above concerning appropriate

revolutionary demands in relation to the current financial and economic crisis in the US. Two preliminary comments are necessary.

First, when thinking about the nature of demands it is important to keep in mind the level of consciousness of the working class, as discussed above. The United States in particular has witnessed in general, with some small exceptions, 30 years of a working-class torpor.<sup>13</sup> Specifics such as this are essential to take into account in regards to the necessary transitional formulation of the demands. Second, it will be important to both date when the various demands were presented to the world, and comment briefly on important relevant events in the class battle that were related to the demands that were going on at that time. Surface details of the political reality have constantly and rapidly changed over the course of the financial and economic crisis.

August 9, 2007 is generally cited as the eruption of the sub-prime crisis, which quickly turned into a general liquidity crisis in the financial system.<sup>14</sup> By December the business cycle expansion that had started in November 2001 ended and the “Great Recession” began. The financial crisis had quickly become a real crisis. This was to officially last until June 2009. If one looks at employment or the well-being of the majority of the working class instead of either profits or GDP growth, the economy is still in a recession as of the writing of this article in Spring 2011.

Many readers of this article likely recall how the US press went on for over a year writing about how no one, and especially no economists, expected the financial crisis or the subsequent real crisis (recall Greenspan’s famous testimony), how this seemed like some unpredictable act of nature like an earthquake or a hurricane. This of course was not true, it was just an apology for the extreme neoliberal policies that had created the crises, and for the people who had promoted them. In addition to hundreds of progressive economists,<sup>15</sup> a number of progressive economic research organizations had written document after document over the preceding decade (and more) accurately outlining the nature of the problem. They had indicated rather specifically how the situation would end with the collapse of the housing bubble. They were ignored because people with wealth and power were making tremendous amounts of money letting the neoliberal excesses continue.<sup>16</sup> These documents are still available on line in the archives of a number of these organizations. With no intention to slight other progressive or left-progressive economic research organizations, here to be concrete and at the same time respect the desired length limit of this article I will indicate three in whose archives one can easily find such documents: the progressive Economic Policy Institute, and the more left-progressive<sup>17</sup> Center for Economic Policy Research and the Political Economy Research Institute.<sup>18</sup>

With this understanding in mind that the responses to the crisis did not come out of nowhere, that in fact a significant but politically powerless minority had been

discussing the instability and unsustainability of the system and the impending crisis before it broke out, this article will now, in line with its topic of revolutionary demands, turn to discuss two specific sets of demands that were generated in response to the crisis. Given the political reality today in the US, all the broad progressive alternative programs have come from academia or other progressive intellectuals. While the small and weak (both numerically and especially politically) trade union movement and other social movements have generated specific demands relating to their own situations, none of the social movements have generated a comprehensive set of demands for how the government should address the financial and economic crisis.

### **A Progressive Program for Economic Recovery and Financial Reconstruction**

On November 21, 2008, nearly a year after the financial crisis had metamorphosed into a real crisis with the start of the Great Recession, a small group of progressive economists gathered in New York. The meeting was sponsored by the Schwarz Center for Economic Policy Analysis and the Political Economy Research Institute, two academically linked left-progressive economic think tanks. This conference was just after the election of Barack Obama and before he took office. During this time he talked frequently of the need for powerful regulations to prevent the reoccurrence of the financial crisis, and beyond that the need to make deep changes in the economy and in particular the government's role in it to undo many of the problems in the real economy that came from three decades of neoliberalism. Most participants in the conference intended that the suggestions in the document that they wrote would be seriously considered by some of the more progressive forces in the new administration and in Congress, and the discussion by those forces for the next year indicated they indeed shared some of the proposed ideas. Many of the costs of the conference were even paid for by the Ford Foundation.<sup>19</sup> All of this history must be remembered to understand the progressive role these demands could and presumably did have at that time, given the completely different position then of both the Obama administration and the Democratic Party in Congress from their positions as I write this article in Spring 2011.<sup>20</sup>

As with the next set of demands that follows, here I will first describe the demands. After that I will turn to the question of interest to this article—what is the nature of the demands and in particular are they transitional revolutionary demands, and if not, what would have to be different about them to make them transitional revolutionary demands?

Not including the one-page prologue, the document<sup>21</sup> has 18 pages plus two pages of references to the sort of pre-crisis progressive literature referred to above

that explained the unsustainable structure, plus references to progressive material put out earlier during the crisis. Because it is tautly written its analysis cannot be “summarized,” but for our concern here of considering the nature of its demands it will do to only list the five “principles” that undergird the document’s whole approach to addressing the crisis, and then present the five broader goals and twelve more specific aims that the program seeks to achieve.

Five fundamental principles for a healthy economy:

1. Capitalism when not regulated by something outside of itself is unstable (including major destructive episodes). To give it stability one needs government regulation, including government created automatic stabilizers.
2. To have socially beneficial markets, they must be “embedded in society,” managed by governments and other social institutions, and these in turn must be really publicly controlled (or else even government oversight is just auctioned off to the highest bidders).
3. Beyond the oversight and control of all markets, the government needs to provide leadership in economic areas with major spillovers (“externalities”), which even in theory (and still more so in practice) fail to operate anywhere near optimally for providing human well-being. Important examples of this are healthcare, climate change and investment in public infrastructure.
4. Families are the most important (though not only) social structure for care giving services (to young people, old people, and those in between in need of such services). Given that the economic system in the United States has demonstrated in practice that markets there do not provide an acceptable material level of support for many families to carry out their necessary care giving services, the government should financially support families that need it.
5. A legal structure for working people to be able to self-organize to protect and promote their own interests needs to be created, such as for example the Employee Free Choice Act. The complete inadequacy of the present legal framework is shown by numerous recent polls reporting that over 50 percent of unorganized workers would like to be in unions, while only 7 percent of workers in the private sector are in unions because it is so easy for employers to block workers’ efforts to unionize.

The five broader goals presented, in abbreviated form are:

1. Fiscal policy to revive the economy through massive public investment and financial support focused on jobs, housing, state and local services, green investments and infrastructure investments, supported by expansionary monetary policy.

WRPE Produced and distributed by Pluto Journals [www.plutojournals.com/wrpe/](http://www.plutojournals.com/wrpe/)

2. Make the financial sector bailouts fairer, less costly and more effective through greater oversight of the institutions, and further using government leverage to significantly change how these institutions work.
3. Re-regulate and restructure the financial sector while upgrading the ability of the public sector for such supervision and management.
4. Reverse the growing extreme inequality in society and increase both the prosperity and the power of families and communities.
5. Reform international economic governance for a more balanced, just, and prosperous world economy.

The twelve more specific aims are:

1. A well targeted spending program in the US, which should be able to end the downward trend in the global economy and promote recovery.
2. The expansionary measures should be internationally coordinated, as should the anti-poverty programs that have become even more necessary in the face of the downturn.
3. Keep people in their homes—a moratorium on foreclosures, new financing mechanisms for mortgages and increased opportunities for renting.
4. Jobs at decent wages for all that need them, through public investment, fiscal expansion and employer of last resort programs.
5. Financing for state and local governments so they can maintain employment and services essential to family well-being, such as education, police and fire protection, and the maintenance of local infrastructure.
6. Affordable universal healthcare coverage, both for family well-being and to restore international business competitiveness.
7. Provide a guaranteed standard of living to all.
8. Promote the transition to a green economy, using public investments, tax credits and loan guarantees.
9. Replace the current financial system that is a safe haven for gambling and fraud, and which enriches a few while destroying the economy, with a stable and efficient financial system that provides for the needs of people, communities and businesses.
10. Support workers' right to organize as a key to restoring income, economic power and security to the bottom 80 percent of the population who have done so poorly over the past decades.
11. Rebuild the nation's infrastructure, carried out by a massive public investment program.
12. Economically cooperate with, and aid, the poor countries that will suffer the most from the world economic crisis, which will be important to restoring the long-run health of the world economy.

Various strengths of this set of progressive proposals are immediately apparent. In the first place, by first presenting the underlying principles, the proposals are “de-dogmatized.” That is, the proposals become an invitation to further discussion among anyone who shares the broad progressive principles about how these could be best achieved, instead of a final word that one simply subscribes to or rejects, possibly even on minor grounds of formulation. Second, while the list includes a number of demands for both re-regulating and redesigning the financial sector, the program conveys to its readers that the US’s fundamental structural economic problems at the end of first decade of the 21st century are far deeper than financial. It portrays that the whole system has to return to targeting specific people-centered goals, as opposed to relying on the fairy-tale of trickle-down theory in either the financial or the real sector of the economy.<sup>22</sup>

But our concern for this article is: in the context of the US today, including in particular its working class that is not mobilized and has an extremely low level of consciousness (notwithstanding significant growing discontent), is this set of demands revolutionary?

Recalling the discussion above on the nature of revolutionary demands, the first two considerations are if these demands would seem realistic, reasonable and feasible to struggle for by parts of the working class in the US, and if they support and promote setting the working class into struggle for its own interests. The response to the second consideration is clear—this progressive set of demands certainly is in the interest of working people in the US including supporting and promoting their acting in their own self-interests. The response to the first consideration is not as immediate, and involves a political evaluation. Given the deep and prolonged torpor of the US working class referred to above, do these proposals have any potential to increase the level of mobilization of the working class to fight for their interests, even the easiest step of promoting a fight-back against the continuously still deeper attacks launched against them under the guise of “what is necessary to solve the crisis”? Here I will simply assert that these demands are of a level and nature such that if there were progressive social organizations with some social weight committed to fighting for the interests of the working class, these could be a basis around which to build a major populist response and mobilizations, notwithstanding the low level of consciousness of US workers. Given the absence of any such powerful social organizations, however, no large movements in the streets could be built around these today. But I will further assert that these progressive demands could still serve to support and promote smaller activities by the working class itself in its own interest if there was an organized campaign to have this program considered and adopted by some of the more progressive unions, liberal groups interested in politics even though they do not have much power nationally, liberal church groups, groups that defend the well-being of the poor, women, racial minorities and other

disadvantaged social groups, and other such progressive groups in US society. The “small scale” of the results would be commensurate with what is possible given the level of consciousness and social organization of the US working class.

The intention of the creators of these demands as a group was not focused on reaching working people on a small scale to promote and support their mobilization. As noted above, at the moment of the formulation of these demands there was a real possibility that some of them would be adopted by the incoming administration and Congress, perhaps in a modified and watered-down form. These demands were in fact intended and designed to support the (relatively) progressive forces in both these groups in the inevitable struggle in the ruling class on how to resolve the crisis, a struggle the progressive forces in the end almost entirely lost. The point of concern here, however, is the nature of the demands. For this consideration, the intent of the creators is not important. The demands were appropriate for being used to support and promote working people moving into action on their own behalf, on the low level of activity that was and is possible in the US at present. Despite this potential, however, these were definitely not transitional revolutionary demands, as will be argued next.

The other aspect required for demands to be revolutionary is that they support and promote the increased understanding (consciousness) by the working class of the nature of the capitalist system and the roots in that system of the partial social-economic problems that they do perceive. This requirement is often expressed other ways in the radical literature that are fundamentally equivalent. In a short article on the possibility of the emergence of a new trade unionism, Wainwright (2011) indicated the need to “articulate[e] the values and goals of public good and societal needs.”<sup>23</sup> The nature of capitalism and its social limitations are clarified by the fight for its opposite in direct public provisioning for human needs. Similarly, in the other set of demands that will be discussed next in this article, the authors refer to the need to develop demands that will help people to “look beyond dependence on the profit motive” (Albo et al. 2010: 107). These are just two examples for illustration among a number of others, to underline as noted above that this second essential requirement may be expressed and even conceived of in a number of different ways, and that one needs to understand the essence of this issue and not some particular phraseology.

I have presented the demands of this progressive program at some length to make clear their essential nature of reform within the system. To be sure, given such an extensive set of demands and their progressive nature, one could never say that no demand had any hint whatsoever of transcending the system. If one looked back to the basic principles, for example, one could discuss the sentence, “Given that the economic system in the United States has demonstrated in practice that markets there do not provide an acceptable material level of support for many families to

carry out their necessary care giving services, the government should financially support families that need it.” This certainly rejects the neoclassical theory and neoliberal ideology<sup>24</sup> that markets are always better than government activity. Or the apparently non market aim “Provide a guaranteed standard of living to all.” But even in both of these with their clear indication that markets do not always work, they differ in an essential way from the examples by Wainwright or Albo et al. (the latter will be discussed further below). Here markets have failed, and so one simply transfers resources to those in need. In the other two, a case is made and presented to the people that since markets cannot produce the goods and services, other non market means of organizing production, government organization of production to meet collectively decided goals, must be employed. In the first case the goods transferred themselves come from markets, and so the whole foundation of the system continues to be markets, with some charitable transfers imposed on the edges of the system. In the latter case, people come to see through their experience that non market (hopefully democratically) organized production is possible, and even necessary in some cases for an adequate supply of those goods and services. The Progressive Program for Economic Recovery and Financial Reconstruction as a whole clearly remains within the framework of capitalism with no major parts of it built to expose the inability of that system to solve the working class’s problems. As such, it is a set of reformist demands.<sup>25</sup>

### **Proposals from *In and Out of Crisis*<sup>26</sup>**

Albo, Gindin and Panitch make clear they fully embrace the need to support, and beyond that even to promote, anything that working people are or will fight for in their own interest, even if it does not have a particular potential in the nature of the demand itself for raising people’s consciousness of the oppressive nature of the capitalist system. In this they recognize the importance of action by the working class on its own behalf. Just as four examples, they argue that “Immediate demands and actions in defense of working people’s homes and savings, jobs and social programs, should always be actively encouraged and supported” (Albo et al. 2010: 106). This logic of course applies to many other things in the workers’ interests that do not point beyond capitalism. Specifically, all 17 of the broad and special goals and aims of the previously considered set of demands are exactly of this nature (and one could think of more)—demands that a combative social movement could use to support and promote workers becoming active fighters for their own interests. By themselves, however, as argued for the previous demands, any number of such demands would remain a reformist program, notwithstanding their solidly progressive nature.



Albo, Gindin and Panitch then ask “what about demands that go beyond this?” and then call for demands that have the ability to raise the working class’s consciousness of the nature of capitalism from consideration of some of their particular immediate problems. They offer and discuss four proposals that they consider could be relatively easily supported and promoted, that people would consider possible and desirable due to the present economic crisis. These fall into two groups that are clear challenges to the logic of capitalism—public provisioning and democratizing the economy.

They consider three specific public provisioning issues—universal public healthcare, public pensions, and public infrastructure of various types such as transportation and public housing.<sup>27</sup> They specifically indicate several reasons why these would direct people to look beyond capitalism for the solutions to these problems, and in doing so raise their consciousness of the nature of capitalism as the root of these problems.<sup>28</sup>

Thinking about alternatives this way encourages people to look beyond dependence on the profit motive... Alternatives that focus on universal rights and collective needs tend to overcome the divisions within the working class and contribute to building class unity and solidarity. (Albo et al. 2010: 107)

The other major issue that has been thrown into broad public debate in the working class by the crisis besides the deterioration and breakdown of public services is the role of the banks and other financial institutions. Their role as the trigger for the financial crisis that then evolved into the ongoing economic crisis generated two simultaneous socially important results. On the one hand, it generated extreme public anger against them. On the other hand, it caused some important sectors of the ruling class in the US to come to understand, as referred to at the beginning of this article, that the long term interests of US capitalism and even its long term sustainability require a re-subordination of the interests of financial capital to the interests of capital as a whole, and in particular to the interests of productive capital.

There are two issues involved in this discussion of controlling the financial sector that are related but must be understood to be distinct: control (or regulation) and nationalization.

By the Spring of 2009 with the crisis in the financial sector still unfolding,<sup>29</sup> a small number of influential defenders of capitalism in the US began to call for the nationalization of troubled (not all) banks (Moseley 2009: 144).<sup>30</sup> Their model was the Swedish bank nationalization of the early 1990s—the government takes them over, pumps in vast resources and takes over control until a healthy bank has been re-established, and then re-privatizes them. This was in opposition to the massive bank bailouts that were already underway, in which the US government pointedly declared it would not be involved in the management of the banks it was bailing

out. This left the banks free to continue to pursue their own profit interests (which directed them toward speculation on assets prices, and in particular to making guaranteed profits dealing in government debt) as opposed to carrying out what the capitalist system needed (and as Obama called for, that the banks use the government money to originate loans to productive enterprises to stimulate the economy).

As Albo et al. argue (Thesis 9: 128), the important transitional issue to be developed here that directs one to considerations beyond capitalism is the need for economic democracy. Democratizing the financial sector<sup>31</sup> could be effected in a number of ways. They propose nationalizing the entire industry and turning it into a public utility. This nationalization would involve not only formal social control of the financial sector, but a transformation of its operating goal from profit maximization to maximizing social welfare. For example, the three public provisioning proposals suggested above would need to be financed. Hence a public financial sector would have capital controls not only on foreign exchanges to promote the national welfare. It would also have capital controls on domestic activities, it would direct capital not simply in accord with maximum profit opportunities but rather in accord with democratically decided public needs. Even beyond the transformation of the institutions, this transformation of their operating goal in a direction beyond capitalism would support and promote the transformations of the workers themselves (that is, their consciousness): they would need to come to see themselves as more than just workers but as part of a collective project to build a saner, more egalitarian, sustainable, democratic, and richer life for all (Albo et al. 2010: 114).

Nationalization of the banks is a valid transitional revolutionary demand, but it must be specified what is meant by that. Turning the banks over to be run by the government to support and promote capitalism, particularly as a temporary measure in times of crisis but beyond that even as a longer term proposition, by definition would do nothing to support and promote people looking beyond capitalism for a solution, to raising working class consciousness. The nationalization must in the first place be specified to be permanent as stressed by Moseley. But beyond that as with Lenin's demand discussed above, the essential issue is control.<sup>32</sup> And the control must explicitly be declared to be social and democratic and to involve the transformation of the industry to serve socially decided goals. This transformation of the financial industry must also involve the corresponding transformation of the workers themselves.

### **Transitional Revolutionary Demands for the Current Financial and Economic Crisis in the US**

I will end this article with a sketch of a few parts of a frame that could be the beginning of a set of transitional revolutionary demands appropriate for the US

in its present financial and economic crisis. It will seek a form similar to the tersely presented demands of the “Progressive Program for Economic Recovery and Financial Reconstruction,” but with a transitional revolutionary content of the type that *In and Out of Crisis* illustrates. This is meant to be one input into the necessary multitude of discussions and meetings the many parts of the North American Left must have to work out a (or several) broad response(s) to the current crisis. These must have the potential of being attractive to those being directly negatively impacted by it, and at the same time do more than call for alleviation of their hardship but rather support and promote setting them in motion fighting for their own interests, and serve to raise their understanding that the roots of their economic and social problems lie in the capitalist system.

Two principles to guide building a healthy and humane economy to overcome the current crisis.

1. An economic system is part of, is embedded in, some larger social system. The goals of the economic system for its members should be consistent with the goals of that larger social system for its members. For example, if the larger social system aspires to democratic control by its members, the economy should aspire to democratic control by its members, and in fact the goal cannot be achieved for the larger society if it is not achieved for all components of that larger society including the economy.
2. There are two related but distinct components to the goal of a humane economic system. The first is provisioning its members with goods and services at a level adequate for dignified and qualitatively rich lives for its members (including pensions for older members) in accord with its level of technology and labor productivity, and consistent with the goals of the larger society that it is part of concerning equity. Included in this is the requirement that this provisioning not destroy or downgrade the natural environment that humans live in, since if that occurs the continuation of this provisioning for dignified and qualitatively rich lives will not be possible. The second is organizing the process of production consistently with the goals of the society concerning the human development of its members, the development of their multidimensional potential capacities, the development of “more fully human” humans. Among other things this would involve, in contradistinction to the process of production under capitalism, a process of production based on cooperation between people instead of competition, which would contribute to a society in which humans displayed and enjoyed greater solidarity and human empathy. A second aspect of a healthy and humane production process is that, again in line with the overall democratic social goal of people controlling all the institutions they are part of, members of a production unit together with other parts of society

affected by that production, collectively control their work process. This together with the increased solidarity would eliminate these major sources of alienation from work and alienation from other members of society that are such major negative products of capitalism. In regards to this second goal of the economic system, and contrary to the consumerist understanding of the dominant economic theories today, the process of economic production must always be understood to generate a joint product: goods, and human beings that are shaped in accord with the nature of their productive activity.

Based on these principles, economic policy should promote the following broad goals.

1. Adequate food, education, healthcare, housing and transportation for a dignified and qualitatively rich existence, including for older social members who are retired.
2. Protection of the environment we live in as we carry out our economic activity.
3. Full employment.
4. The democratization of the economy—a process where everyone involved in and affected by social production comes more and more to have first voice in and eventually collective control over society's productive processes. A first step in this direction needed immediately in the US is a new labor law that protects workers who try to form unions to collectively defend their rights from reprisals by the capitalists, and prevents capitalists from blocking any labor drive they choose to seriously oppose. This is an issue of democratic rights for workers, given that numerous recent polls reflect that over 50 percent of unorganized workers would like to be in unions, while only 7 percent of workers in the private sector are in unions because it is so easy for employers to block workers' efforts to unionize, including by firing those that try to promote the desired organization.

The following specific aims of economic policy are necessary to address the most severe negative impacts of the current crisis in a way consistent with the above principles and broad goals.

1. Society should guarantee as a right of social membership the availability of jobs at a decent wage for all who desire employment. Having people who want to work forced to be idle is a social waste, clearly socially irrational. If the capitalist market system cannot provide jobs for all who want them, the government as the collective representative of the people should employ people to produce socially useful goods and services that the capitalist market system is failing to adequately provide (“employer of last resort”). Among others, some

discussed in what follows, a much discussed current example of this would be to renew the crumbling US infrastructure—drinking water, sewage, garbage and waste disposal, public buildings, roads and so on. More narrowly in relation to “bailouts” like the recent financial and automotive ones, if a private capitalist enterprise goes bankrupt the government should decide if it is socially beneficial to take over the company and restructure it to make it viable. If so, it should run it as a public enterprise (in particular, no turning over public money for bailouts to private interests without taking over control of the enterprise, no such public handouts to capitalists, as has been done in the current bailouts). One of the considerations in the decision if the government should bailout and take over an enterprise, though certainly not the only one, is the preservation of jobs.

2. As humans age they lose the ability to work productively, to differing degrees and at differing rates. Membership in society should guarantee a materially and humanly dignified existence for these non productive (or reduced productive) people, just as society should provide a materially and humanly dignified existence for all its children who are not yet socially productive. Human solidarity implies that current productive workers should collectively contribute to the dignified existence of people who during their productive years supported older unproductive people and now themselves are older and socially unproductive. Society should be structured to allow the socially productive input of those older people who are still capable and want to work, often at a reduced pace, reduced hours, or at a job that is less physically taxing, as these people often have particularly valuable contributions to make coming from their accumulated working experience during their lives. The present crisis has made clear that pensions must not be tied to the financial viability of a particular capitalist enterprise, but must be a social right that one has just for being a member of society.
3. Any public enterprise, like all aspects of the government which must be the representative of the people, must be democratically governed. This would mean governance by a democratic balance of the interests of the workers in an enterprise, all others immediately affected (consumers, neighbors of the enterprise, etc.), and society as a whole, plus publicly transparent operation. Nationalization must mean an expansion of democratic control of society by its members, not control by an unaccountable technocratic or political bureaucracy that stands opposed to the population.
4. Since years of experience in many countries has shown that healthcare can be provided at a lower social cost (as measured even by the simple measure of the share of GDP) through a public healthcare system, and that this can deliver healthcare universally to all members of society (healthcare as a human right) which no private capitalist healthcare system has been able to do (particularly

one where healthcare is tied to a person's job), social efficiency as well as a social commitment to the well-being of all members of society requires a public universal healthcare system. Again, as part of it being a public enterprise the public healthcare system must be democratically governed by healthcare workers, consumers of medical services and society as a whole.

5. Given the failure of the capitalist market system to successfully (or even seriously) address the ecological disaster generated by its operation, the government as the collective representative of the people must take a series of steps to address this problem. First, it must transfer the huge government subsidies of the production of coal, oil, natural gas and nuclear power to subsidizing the production of clean renewable energy (and increasing energy efficiency, starting with a massive program of home insulation). This includes the huge subsidies often not discussed of cleaning up their pollution, and treating the negative health effects on the population. If capitalist enterprises will not take up the necessary production of clean renewable energy with these subsidies, then the government should set up public enterprises that will. As always for all public enterprises, these would be democratically run by the workers, other immediately affected constituencies and society as a whole. In addition to the central reason of promoting human well-being by limiting the future environmental damage,<sup>33</sup> all serious studies of this production of "green jobs" indicate that far more jobs will be produced than will be lost in the corresponding reduction of our current dirty energy production.
6. Decent housing at an affordable price should be available to all who want it, either long term purchase or rent. Recall that society would guarantee the availability of jobs at a decent wage for all who desire employment, so all who want decent housing would be able to earn the income to afford it. In relation to the current crisis, no one should be evicted from their home because of inability to pay. In many cases the guaranteed job at a decent salary will solve their problem. For those who cannot make their payments with their decent paying job, a government agency (not the current creditor financial institution) would work out a longer term payment plan feasible for the occupant with a decent paying job to enable them to maintain the house. If the occupant did not want to take on this longer term obligation and greater cost, they could move to a less expensive house that they could pay for with a normal payment plan (or switch to renting a home).
7. A comprehensive high quality public transportation system should be built that would assure geographical mobility to all members of society including the ability to get to available work locations, regardless of if they could not afford, or chose not to put the major resources into owning, a car. In addition to its central purpose of publicly providing a social service important to human well-being

that private markets have shown themselves unable to provide, building it would create a large number of socially useful jobs, and running it would make a significant contribution to environmental improvement.

8. No public bailouts of any private financial enterprise. In the last 30 years the capitalist market system has shown repeatedly in various countries throughout the world that it cannot run this sector without recurrent crises, which hurt the real economy and the well-being of the working class. It has generated high profits (and salaries for rich individuals) during its boom times, and then been given public money when it has difficult times to avoid losses to these same wealthy individuals. The public money has been given without obtaining control, or in other cases for temporary control while the losses were made good at public expense before returning the institutions to private ownership to once again make large profits and high salaries for wealthy individuals. If a financial enterprise fails, the government should decide if it is better for the country to just let the rich owners lose their capital, or if it is better to keep the enterprise functioning. If it decides the latter, it should nationalize the enterprise, from which point it will be a public enterprise. The nationalization must involve two essential aspects in addition to ownership by society through its political representative, the government. First, like all other public institutions it must be democratically (and transparently) run by its workers, by representatives of whoever uses its financial services, and by society as a whole. More specifically to this industry, a nationalized financial enterprise (or national system of such public financial enterprises) must change its operational goal from maximizing the return on its capital to facilitating economic productive activity. This includes in particular, but not in any way exclusively, providing the financing of public enterprises that provide goods and social services in general and specifically some of the ones discussed here: revitalized infrastructure, healthcare, clean renewable energy, housing and transportation. Specifically this would mean directing whatever amount of capital was democratically decided on into these sectors regardless of their market monetary return on investment, with the goal of improved human well-being.
9. No public bailouts of private productive enterprises, usually done in the name of “saving jobs.” If at any time a private enterprise fails showing it cannot operate well in a market environment, and if the government decides it would be in the public interest to keep it operating to preserve jobs and that output, it should nationalize the enterprise and run it from then on as a public enterprise. Like all other public institutions, such socially rescued productive enterprises must be democratically (and transparently) run by its workers, by representatives of whoever uses its services, and by society as a whole.

## Conclusion

A set of economic demands is reformist if it seeks to alleviate some problematic situation without promoting and supporting a process of developing a self-activated working class that is looking beyond capitalism for solutions. Reformist demands can be (though they need not be) progressive and in the interests of the working class. Revolutionary demands are transitional in nature, starting by being of a level and nature that they can be related to by the working class. To be revolutionary a set of demands must (1) seem reasonable, realistic and feasible (through struggle) to the working class, (2) support and promote setting the working class into struggle for its own interests, and (3) have the potential to raise the consciousness of the working class through the struggle for it. The current “Great Recession” (notwithstanding its official end) provides opportunities to reach the working class with revolutionary demands. The terrible performance of the system and the need for alternatives is widely accepted. The biggest barrier to promoting revolutionary demands is the level of consciousness of the US working class, and in particular its 30 years of torpor. Hence anything that challenges the capitalist system seems to them unrealistic and unfeasible to achieve even if it seems better, and so they would like to hear of alternatives within capitalism that could resolve the problems. Nevertheless, a campaign to reach small parts of the working class with a set of revolutionary demands could have some success, and mark the first steps of a process that could then later accelerate based on the first steps. A process of interaction of discussions and actions (necessarily small to start given the balance of class forces) by those committed to working to transcend capitalism is needed over the next several years, to both workout and continually modify and refine, and to reach out with to others, a set of revolutionary demands appropriate for challenging capitalism under the conditions of this particular crisis.

## Notes

1. See for example the *Financial Times*: “Obama bank plan ‘could be law within months’,” January 27, 2010; “Bankers try to fight off the wave of controls,” January 31, 2010; and “Global financial reform hangs in the balance,” January 31, 2010.
2. Details of his proposal and its motivations are available in his January 30, 2010 op. ed. column in the *New York Times*, available at [www.nytimes.com/2010/01/31/opinion/31volcker.html?\\_r=1&pagewanted=1&hp](http://www.nytimes.com/2010/01/31/opinion/31volcker.html?_r=1&pagewanted=1&hp). A condensed statement of it is at [www.businessinsider.com/henry-blodget-paul-volcker-heres-my-complete-plan-to-fix-the-financial-system-and-save-the-world-2010-1](http://www.businessinsider.com/henry-blodget-paul-volcker-heres-my-complete-plan-to-fix-the-financial-system-and-save-the-world-2010-1)
3. “Class consciousness” consists of the members of a class recognizing themselves as a class (for example, something almost entirely absent in the contemporary USA). “Socialist,” “communist” or “revolutionary” consciousness involves the much more theoretically advanced historical materialist understanding of the unfolding of a particular society’s living history and the role in that of the working class.



4. In fact all aspects of both social and physical reality, but our concern here is only with societies.
5. For a detailed listing and discussion of a number of these, see Campbell (2010).
6. Because contradictions can in general be resolved more than one way, history is a contingent process. This is why Marx and Engels could not, and therefore they did not, make any attempts to make detailed descriptions of the future, only general ones that went no further than describing the likely result of resolving primary existing contradictions.
7. It is important to stress that it is some set of demands together that is transitional revolutionary or not, that is not a classification that necessarily has meaning for each individual demand in a set. Specifically, not every demand needs to support and promote the process of generalization, some might only serve to support and promote setting the class into struggle for its own interests, and the set could still be transitional revolutionary demands.
8. Since the working class and its level of consciousness in particular is not homogeneous, what this means in practice is that a “significant” section of the working class needs to find them realistic enough to believe that they are worth struggling for.
9. This idea gained significant support through the followers of Henry George (politically organized in a movement called “Georgism”), and exists as a very marginal current of thought in the US to this day. See George (1879).
10. Marx and Engels never addressed in their writing the case that history was to present in the 20th century, of the State being taken from the bourgeoisie and controlling the means of production, but the working class not controlling the State.
11. The first of the ten demands, “the abolition of property in land and the application of all rents of the land to public purposes,” has a related but slightly different educational value about the nature of capitalism because it does not apply to the core objects of capitalism, goods and services (commodities) that are produced by labor, but to an extension of the logic of capitalism to a non produced object, land.
12. Interestingly, the level of consciousness in the class battle in Russia at that moment was such that Lenin considered it appropriate to stress that by “nationalization” he did not mean State ownership, that existing stockholders would continue to hold their same stocks (“which would not deprive any “owner” of a single kopek,” and that it must not be “confused with the confiscation of private property” (334)). What it did involve was complete control and regulation of the banks by the State (like for example in theory a public energy utility in the US today).
13. Concerning class struggle in the US today, “torpor” is an accurate description on the state of the working class. It has been sluggish and lethargic. It has been largely apathetic to class issues, concerning itself fundamentally with immediate wage gains, which it has no idea of how to fight for anymore, nor does it have any leadership to direct it in doing so. It has been dormant, like a hibernating animal. Sporadic isolated outbursts and upsurges make it clear, however, that it is not (nor could it be under capitalism) “dead.”
14. In fact a series of major indications of the problem with the sub-prime market had occurred over the previous six months.
15. These hundreds of progressive economists, of course, are a minority among the thousands of economists in the US, the majority of whom do adhere to and promote, to one degree or another, neoliberalism (usually in the name of “efficiency”).
16. It has now been carefully and extensively documented, including with testimony from some of the people involved, that many in the financial industry knew that the bubble economy was unsustainable. They decided to make large amounts of money before it crashed, by-in-large correctly assuming they would not have to pay any of it back to the people who lost out. See for example Lowenstein (2010) and Lewis (2010). Current lawsuits have revealed that a number of investment advisors, including some at the big five investment banks, were telling their clients to buy instruments that they themselves were betting against or selling off because they knew they would crash. The Oscar award winning film *Inside Job* has now documented the complicity of many big names in the US economics profession, who received huge amounts of money arguing,

purportedly on the basis of objective neoliberal economic analysis, for the assured sustainability of the unsustainable pre-crisis economic structure.

17. There is no widely accepted classification for the political orientation of any types of groups in the US. Richard Nixon who in his time was considered by progressives to be solidly right wing, had economic policies that were generally to the left of either Bill Clinton or Barack Obama. Few progressives would call either of the latter “left-progressive,” and many would argue that, given their central adherence to neoliberalism as opposed to some less aggressively anti-worker Keynesianism, they should not even be called progressives. Most progressives today in the US would certainly call EPI progressive, and agree that CEPR and PERI are to the left of EPI, and these labels should not be considered to be any more specific than that.
18. [www.epi.org](http://www.epi.org); [www.cepr.net](http://www.cepr.net); [www.peri.umass.edu](http://www.peri.umass.edu).
19. The willingness of the Ford Foundation to fund a gathering of such progressive economists reflected an important reality at that moment in the crisis about the attitude toward the crisis of an influential section of the ruling capitalist interests in the US. They believed that it was possible that deep progressive changes in both the financial and economic regimes would be necessary to save, or at least to restore to sound health, the US capitalist economy. It appears that their belief at that time that this was a meaningful possibility was the basis for their support for this project to develop the beginnings of a clear set of principles on which such changes could be established, if they were to become necessary or even beneficial from the viewpoint of these capitalist interests.
20. The Obama administration now has under its belt massive bailouts of the financial sector accompanied by no serious re-regulation to date and no indication of any intention to change this orientation. It is currently pursuing massive cuts in social spending that will hurt the real economy and the poor in particular to pay for this support to finance and the continuation of the US wars.
21. The original statement coming out of the meeting was published December 22, “Principles for Economic Recovery and Financial Reconstruction for Progressive Economists.” A longer document with the same economic orientation which is what is discussed here was published January 1, 2009, “A Progressive Program for Economic Recovery & Financial Reconstruction.” It is available at [www.peri.umass.edu/fileadmin/pdf/other\\_publication\\_types/PERI\\_SCEPA\\_full\\_statement.pdf](http://www.peri.umass.edu/fileadmin/pdf/other_publication_types/PERI_SCEPA_full_statement.pdf)
22. Some sets of progressive demands are deliberately addressed only to financial issues. A few particularly good examples among many are Crotty and Epstein (2008), D’Arista and Griffith-Jones (2008) and Pollin (2009). An additional list of very detailed specific individual proposals can be found at [www.peri.umass.edu/safer](http://www.peri.umass.edu/safer). Even as just progressive demands these should not be evaluated by themselves, since by themselves they would be of some but limited value to working people. Their value should rather be considered with them as detailed proposals concerning the financial sector that need to be integrated into a fuller set of demands for economic reform, progressive or revolutionary.
23. Wainwright’s article focused in particular on public unions, and discussed two concrete real-world examples of this fight for public provisioning for human needs in opposition to the logic of the market and the transformative “participatory politicization” connected to these revolutionary praxes, the fight for public water systems and the fight against privatizing outsourcing by (local) governments of traditional government services.
24. Neoliberal “markets über alles” ideology is of course not consistent with neoliberal practice—consider for example the bank bailouts, monetary policy in general, legal restrictions on union organizing in the name of property rights, etc.—but that is not important to the point being made here.
25. It must be restated and re-emphasized that especially in the present context of the US these are solidly progressive demands. As such, this author is a signer of these demands. This does not change, however, their nature as reformist as opposed to revolutionary demands.
26. Albo et al. (2010), chapter 7. An abbreviated presentation of both the same background and the positive proposals can be found in Panitch and Gindin (2010). Note that the bulk of the book addresses the causes and nature of the crisis (the “In Crisis” part), while only the end, building on

WRPE Produced and distributed by Pluto Journals [www.plutojournals.com/wrpe/](http://www.plutojournals.com/wrpe/)

the first part, turns to discussing the nature of a revolutionary left alternative (the “Out of Crisis” part) politically appropriate for this crisis.

27. They give a brief sketch of the logic for these on pages 106–109, and a condensed restatement as Thesis 8 on pages 127–128.
28. They also stress not only this change in consciousness from these demands, but an actual change in the workers’ dependence on the capitalist system through their dependence on the individual company they work for, a source for so many give-backs. For the concern here with revolution, it is the consciousness that is key, while of course actually decreasing one’s direct dependence on capital (through concessions won in struggle) both will expand one’s space to struggle for one’s own interests and directly contribute to understanding the non necessity of the capitalist system.
29. The biggest concern at that time with the financial institutions was that neither they nor anyone really knew how much trouble they were in, because no one knew the real value of the complicated assets on their balance sheets. The fear was that if they were forced to sell these to address liquidity problems, hundreds or thousands of financial institutions could be revealed to be bankrupt. In addition to pumping vast amounts of liquidity into the system so the institutions would not have to sell these assets, the government also largely removed its mark-to-market requirements to enable banks to further inflate the claimed value of their assets on their balance sheets and thereby restore confidence in the financial system. Many conservative investment advisors refer to this as part of the government’s approach of “kicking the can down the road,” taking actions that simply hide today the extent of the problems that still exist with the hope that they will magically resolve themselves, and they assert that to the contrary this will just cause a huge economic crisis in the future. These conservatives call for the government to return to mark-to-market and other transparent procedures so capital will have the information to decide and move in accord with what is in its best interests, and capitalists who own the stock in the troubled banks should have to take the losses that result from their bank’s previous operations like any other failing enterprise, as is called for by capitalist theory.
30. A politically important issue for people advocating a revolutionary transformation is if it is inconsistent to support a progressive reformist set of demands such as the first set discussed here if one believes that a transitional revolutionary set of demands is needed. This author argues the answer to that is contingent on the political reality. If a deep radicalization is occurring and the reformist program is put forward in order to block a transitional revolutionary set of demands that have real political traction, then it is inconsistent. If there is no such politically significant radical movement, then it is not inconsistent. Like this author, Fred Moseley was a signer of the above progressive reformist demands, as well as promoting this transitional revolutionary demand that went beyond them.
31. They also point out that the crisis has presented a number of other demands for nationalization as natural (p. 114). They briefly discuss the auto industry which was bailed out with public funds, and again not submitted to public control. In line with what will be discussed on the financial sector, they indicate authentic nationalizations involve more than formal ownership, they also involve a transformation of the enterprises to socially desirable production. As in World War II when the auto industry was converted to using the existing skills of the workers to produce airplane fuselages, a nationalized auto industry could be converted, and in the process conserve jobs, by using the existing skills of the workers to produce ecologically necessary products like wind turbines, etc.
32. Unlike Lenin’s demand, the nature of the crisis and the bailout of the financial institutions has made including the demand for public ownership seem natural given that public money needs to go to them for them to survive, and so there would be no pedagogical benefit for the central issue of democratic social control to argue for control without ownership.
33. All the scientific studies by large teams of international experts agree that human activities up to the present (and especially in the recent past) have already assured there will be large-scale environmental damage. The two questions that history has yet to definitively answer are how great that damage will be, and how much we can limit the additional environmental damage from present and near-future activity.

## References

- Albo, Greg, Sam Gindin, and Leo Panitch (2010) *In and Out of Crisis: The Global Financial Meltdown and Left Alternatives*. Oakland: PM Press.
- Campbell, Al (2010) "Marx and Engels' Vision of a Better Society," *Forum for Social Economics* 39: 269–278.
- Crotty, James, and Gerald Epstein (2008) "Proposals for Effectively Regulating the US Financial System to Avoid Yet Another Meltdown," PERI Working Paper 181, [www.peri.umass.edu/236/hash/e52f8d72ffc03a3fd8ad752de5979024/publication/321/](http://www.peri.umass.edu/236/hash/e52f8d72ffc03a3fd8ad752de5979024/publication/321/)
- D'Arista, Jane, and Stephanie Griffith-Jones (2008) "Agenda and Criteria for Financial Regulatory Reform," FONDAD, [www.fondad.org/uploaded/D%20Arista%20-%20Griffith-Jones/DARista-Griffith-Jones%20on%20Financial%20regulatory%20reform.pdf](http://www.fondad.org/uploaded/D%20Arista%20-%20Griffith-Jones/DARista-Griffith-Jones%20on%20Financial%20regulatory%20reform.pdf)
- George, Henry (1879) *Progress and Poverty*. New York: H. George & Co.
- Lenin, Vladimir (1964[1917]) "The Impending Catastrophe and How to Combat It," in *Lenin Collected Works* vol. 25. Moscow: Progress Publishers.
- Lewis, Michael (2010) *The Big Short*. New York: W. W. Norton.
- Lowenstein, Roger (2010) *The End of Wall Street*. New York: Penguin Press.
- Marx, Karl, and Frederic Engels (1975[1843]) "Letters from the *Deutsche-Französische Jahrbücher*," in *Marx Engels Collected Works* (hereafter *MECW*) vol. 3. Moscow: Progress Publishers.
- (1984[1848]) *The Manifesto of the Communist Party*, in *MECW* vol. 6, p. 505. Moscow: Progress Publishers.
- Moseley, Fred (2009) "Time for *Permanent* Nationalization!" in *The Economic Crisis Reader*. Boston: Economic Affairs Bureau. This appeared originally in *Dollars & Sense*, March/April 2009.
- Panitch, Leo, and Sam Gindin (2010) "Capitalist Crises and the Crisis this Time," in Leo Panitch, Greg Albo, and Vivek Chibber, eds., *The Crisis This Time. Socialist Register 2011*. New York: Monthly Review Press.
- Pollin, Robert (2009) "Tools for a New Economy," *Boston Review*, January/February, available at [www.bostonreview.net/BR34.1/pollin.php](http://www.bostonreview.net/BR34.1/pollin.php)
- Wainwright, Hillary (2011) "A New Trade Unionism in her Making?" *The Bullet*, Socialist Project E-Bulletin No. 488, available at [www.socialistproject.ca/bullet/488.php#continue](http://www.socialistproject.ca/bullet/488.php#continue)