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**Declining capitalism**

Today’s declining US capitalism can no longer repeat its previous bland celebrations of private enterprises and free markets. Too much is going wrong, provoking criticism, and deepening divisions across US society. The last time US capitalism stumbled this badly -- the Great Depression of the 1930s -- public health did not suffer massive failure at the same time. Yet, then too, criticism of capitalism reached far, wide, and deep. It was expressed in the unionization by the Congress of Industrial Organizations (CIO) of millions alongside zooming enrollments in two socialist parties and one communist party.

Yet, the New Deal negotiated by former President Franklin Delano Roosevelt and the employer class, on the one hand, with the coalition of unionists, socialists, and communists, on the other hand, achieved then much more than what President Biden seeks now. The pendulum then swung much farther from private enterprise and free markets to broad and deep economic interventions by the government -- exemplified by Social Security, unemployment compensation, the minimum wage, and the federal hiring program. The pendulum now swings likewise, if less far, from the neoliberal tradition of Margaret Thatcher and Ronald Reagan to the government-led and government-regulated capitalism focused on “winning” the competition with China (or, as Trump promised, punishing the “cheating” performed by U.S. trading partners).

Then, the poles of economic debate mirrored the policy oppositions. It was private self-regulating and self-healing capitalism versus government regulatory interventions to save capitalism from self-destruction. Now, something basic has changed. The three capitalist crashes in 2000, 2008, and 2020, each much worse than the previous one, plus the failures to prepare for or cope with Covid-19, ushered in massive, ongoing government economic intervention. The Federal Reserve has smashed all prior records of money creation. The Treasury has smashed all prior records of financing government budget deficits with an expanding national debt. The private versus government parameters of economic debate are gone, replaced by de facto debates over the size, duration, and appropriate beneficiaries or targets of government interventions, monetary and fiscal.

Of course, government interventions in the economy were needed, solicited, and obtained across US history by its private capitalists. But the latter feared that widening and eventually universal suffrage could turn government toward serving the interests of labor (the majority) rather than capital (the minority). So it was important to demonize the government’s economic interventions, to compare their effects unfavorably to what private capitalism had accomplished and could yet achieve. But now what remains of private capitalism increasingly depends upon and expects government interventions as the equivalent of life support in medically extreme situations. The old demonization of government economic intervention sounds increasingly hollow and out of touch with reality. To modernize Nixon, we might say, “We are all interventionists now.” And this has its inevitable effects on economic debates in academia, politics, and the media.

The die-hard libertarians and other supporters of free-market, private capitalism increasingly lump together liberals, social democrats, insufficient ‘conservatives’, Keynesians, socialists, and communists. They comprise an evil, awful bloc of “the other,” advocates for government economic intervention. While there are gradations among them, ranging from Xi Jinping to Donald Trump to Joe Biden, they are all viewed as advocates of massive government economic intervention. By articulating such a perspective, the die-hards inadvertently isolate and marginalize themselves as well as the economic debates defining them.

Excerpted: ‘Why the Neoliberal Drive to Privatize Everything Is Running Out of Gas’

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