

Biden's Increase in Government Spending Won't Touch Capitalists' Power

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Joe Biden's turn to supporting large-scale government spending, after rallying the Democratic Party establishment to defeat Bernie Sanders in the primary, has stunned much of the Left. After signing a \$1.9 trillion COVID relief bill, he is now advancing an additional \$1.7 trillion infrastructure bill, to be spent over the next eight years. These bills include far more than the base level measures necessary to address the pandemic or to simply repair highways and bridges. Surprisingly, Biden has sought to expand the definition of infrastructure to include spending on elderly care, housing, schools, childcare, and other social programs.

This level of social welfare spending goes beyond anything we've seen in the neoliberal period. Obama's stimulus, enacted immediately after the 2008 crisis, amounted to \$831 billion. All the social programs funded through these bills would make the United States a kinder and more civilized place to live.

So it's understandable that the Left, still stinging from Sanders's defeat, has been put on the back foot by this offensive — especially as Biden initially seemed to show an unexpected willingness to eschew bipartisanship (although even this limited boldness is fading with time).

While impressive, this spending will still leave the measly US safety net well behind even the least generous European welfare states. And Biden has not embraced the core left demand for universal health care nor aggressively supported a \$15 per hour minimum wage. Despite his campaign promises and the explicit support of a broad range of congressional Democrats, he also refused to support lowering the Medicare eligibility age, expand benefits, or even allow the program to negotiate lower drug costs with pharmaceutical companies. Likewise, his “green” measures come nowhere near what is needed to address the climate emergency.

But the problem with Biden’s “stimulus” bills is not that they will fail to bring about social democracy in the United States, nor that they “aren’t big enough.” Simply calling for more spending, given the size of the bills and the stark contrast with Republican reaction, is not sufficient.

For socialists, social democracy, and reforms within capitalism alone, are not the goal. Socialists struggle for reforms to improve the lives of working-class people, as well as to build the capacity and organization to fundamentally transform society — to move toward a democratic economic system organized to meet human needs rather than serving private profit. Biden’s spending does little to move us toward that goal.

The Impasse of Social-Democratic Politics

The inadequacy of social democracy to meet human and ecological needs — and even to win sustainable reforms — is not merely a matter of speculation, but historical experience. In the decades following World War II, social-democratic parties around the world won important victories, expanding welfare states to include universal health care, pensions, unemployment insurance, and nationalizing some industries.

Yet by the late 1970s, it was clear that these parties couldn’t effect a fundamental transformation in the social order. They became integrated with capitalist states, disciplining workers and limiting their horizons to what was possible within capitalism.

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This had much to do with the fact that these social-democratic parties were top-down and bureaucratic, relegating workers to a passive role in activities like voting and knocking on doors. Once elected, party leaders would supposedly secure the best deal possible for workers. They remained firmly committed to a politics of “class compromise,” systematically marginalizing socialists and the Left as “unserious.” Such parties were incapable of cultivating the democratic capacities, creative energies, and organizational force of the working class that would be necessary to transition to socialism. Rather than struggling to democratize the state, they disciplined workers to accommodate its capitalist constraints.

Social democracy supposedly reduces the “market dependence” of workers, allowing them to fall back on social programs rather than take on underpaid or otherwise undesirable labor to survive. Yet social democrats also accepted the dependence on

corporate competitiveness and private capital accumulation for maintaining the reforms they had won.

As a result, when the postwar boom crashed in the 1970s into a fiscal crisis of the state and corporate profitability crisis, social democrats saw little alternative to embracing cuts and restructuring. Such parties began a marked move to the right, and by the 1990s openly embraced market reforms through the neoliberal “third way.”

The only way we can hope to make permanent gains is by going further. Reforms within capitalism are vitally important for improving people’s lives right now. But the Left has to articulate a broader project — which requires educating workers about the necessity of socialism, readying them for the challenges ahead, and building up a layer of activists and organizers prepared to demand more. Above all, this requires sober analysis of the limits of reforms and the scale of the challenges we face, to build the organizational strength, confidence, and cohesion of the working class to press for more fundamental social transformation.

The policies advanced by Biden today, helpful though they are in ameliorating some of the worst miseries average Americans are facing, won’t help us do this. They do not open the way to challenge private ownership of capital, democratize the state, or shift the balance of class forces. Far from increasing popular awareness of the need to move beyond capitalism, and building the strength and independence of the working class, Biden’s policies are calculated to avoid a confrontation with capital. Aside from some grumbling about his proposed tax increases — which would not even fully reverse Trump’s cuts — business has reacted positively to his stimulus.

No doubt, this is partly because these programs do not include components that could inspire workers to become more active. The fact that working-class mobilization remains at a nadir is partly what makes such stimulus spending possible: there seems to be little reason to fear that workers will push up inflation with new demands.

Even the limited pro-union policies Biden has supported, such as the PRO Act, will require an organized and independent left to amount to more than very narrow supports for conservative and undemocratic unions. Sustained, organized struggle by socialists is needed for unions to become vehicles for building the *class*, rather than merely seeking gains for particular groups of workers.

Non-Reformist Reforms

Only a strong socialist left can lead a struggle for what Andre Gorz famously called, in a 1968 *Socialist Register* essay, “non-reformist reforms.” The challenge for socialists today is to connect the fight for universal health care to a longer-term struggle for a fundamental transformation of the political and economic system.

This requires more than simply proclaiming socialist bona fides. It entails a concrete commitment to building the working class’s organizations, consciousness, and democratic capacities to eventually effect a socialist transition. Whether reforms can serve as the

basis for a broader struggle is always a matter of what lessons are learned, and what capacities are developed, along the way. The fight for universal health care, therefore, must also be a struggle to democratize unions, develop community activist networks, and build a base for socialist ideas among workers.

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The need for universal health care has become more obvious with the pandemic. But the public health crisis has also made it clear that this demand must be extended to encompass greater public control over pharmaceutical companies, which have racked up huge profits as a result of their ownership of publicly funded medical technologies. And the ecological emergency in the pandemic's background heightens the urgency of transforming our political and economic institutions to allow for the democratic planning of what we produce and how we produce it.

The ever-present danger is that in focusing on winning particular reforms, the question of socialism is indefinitely postponed and becomes empty rhetoric. The threat of "social democratization" is also very real: rather than *transforming* the state, socialist parties and movements are more likely to be transformed by it. The immensity of the task of overcoming the constraints of capitalism and the disciplines of the state opens the way to accepting these constraints as immutable, while limiting our political vision to winning gains at the margins.

Recent attempts to build new left parties — Syriza in Greece, Podemos in Spain, Bloco in Portugal — illustrate these dangers clearly. Although they had promising beginnings and many good socialists remain within them, their transformative potential today seems to have been blunted. These experiences should serve as cautionary tales to the Democratic Socialists of America in the United States, and Momentum in the UK.

Even if decorated with socialist slogans, individual reforms can all too easily be seen as ends in themselves, rather than steps toward broader and deeper change. And there is nothing *inherently* radical about particular reforms. Universal health care can be a way for US corporations to socialize health care costs, or it could become a first step toward a larger progressive struggle. On its own, it does not pose a threat to the ruling class, except insofar as it serves to raise expectations and encourage workers to go further.

Social democracy says these expectations must conform to the limits imposed by capitalism and the capitalist state. Socialism seeks to use reforms as a springboard for a deeper and wider transformation.

Obviously, there is no guarantee that we will ever achieve socialism — in fact, if we're honest, we must acknowledge that the odds are against it. But it is only by maintaining what Leo Panitch referred to as our "revolutionary optimism of the intellect" in the face of uncertainty and defeat — imagining a concrete utopia, thinking strategically, and creatively searching for openings from within our historical present — that we have any hope of building a better future.