

'THE EIGHTIES AND THE LEFT: AN AMERICAN VIEW*

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The 80s start in an unusual way, unlike the beginnings of the 60s and 70s. Shocks, enormous uncertainties, trouble are expected. Of course, turmoil and surprises marked the two previous decades: the unrest of 1968 and the emergence of OPEC were not minor occurrences. Other decades or eras have begun with false confidence about what would occur in the next years. A few had an air of change about them. But deep disturbances were largely unanticipated. By contrast, all agree that great if unclear difficulties will characterise the 80s.

This unease is important of itself as well as **reflecting** the visible piling up of problems and a highly unsettled world. The sense of uncertainty is the dominant beginning context, clouding judgements, making economists more cautious than is their wont, leading to rapid and great swings in public opinion. In this situation, the Left experiences great difficulties because it does not know how to orient itself to a world uncertain, wanting to avoid that recurrent Left delusion of apocalyptic predictions but suspecting that upheavals, turmoil and radical changes may emerge.

The widespread, disturbing uncertainty of the present calls for avoiding rigid directions of action. Rather, enormous flexibility and sensitivity will be necessary; they require an interpretation of what might be the basic lines of development of the 80s. Much of this essay is certain to appear commonplace; putting issues together in one loose **framework—even** if the theoretical scaffolding is absent—is its potential contribution. While the essay concentrates on the experience of the United States and to a lesser extent, of the United Kingdom, some contentions may apply to other countries as well. In any case what happens to the US will influence strongly many other nations. But the 80s will be experienced and interpreted very differently by Asians or Africans or South Americans or even Italians or the French. I apologise in advance for its US-centre bias.

Thinking About the Future

How to think about the future? Predictions about the future mainly rely on three approaches. One method utilises a crystal ball where the

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courageous or foolhardy peer into the dim future and predict events which are far from visible at the present time. For the Marxist, the emphasis is upon contradictions, or, in the language of functional sociology, structural strain and poor articulation within and between the economy and the state. Some Marxists manifest an unfortunate proclivity to see capitalist decline as inevitably unfolding because of contradictions. Few counter-vailing forces are discerned, even though Marx emphasised such tendencies. Deductions are made largely from Marxist economic analysis. 'Accidents' have little role in this perspective. This mode of **analysis** is a form of radical functionalism.

The dotted line approach to prediction plots the already exhibited trends and projects them into the future with the same, increasing, or lower rates of change. Simple-minded predictions can lead us into the technological determinist absurdities of Herman Kahn in an early period of his intellectual peregrination when he centred on the unfolding of projectable tendencies or the insurgency of inexorable trends rather than on the tension of political and economic difficulties. A more complicated view transmutes straight-line projections by covertly employing standards that affect forecasting. Thus, how we view the 80s will be a refraction of how we view the 70s. Just as the needs of the 70s coloured and shaped interpretations of the **60s**, the needs of the 80s will colour how we think about the 70s and how we think of the 70s should affect the 80s. For example, if the notion prevails that the US has been too weak and vacillating on the international scene, a widespread view at the beginning of 1980, a more forceful and adventurous foreign policy is likely in the 80s. If it is believed that Americans have not tried enough to conserve energy and to lower their standard of living to deal with problems, then the likelihood is that coercive ways will be adopted to lower standards of living. What becomes the received wisdom about what went wrong in the past affects what is done at a later time. If generals fight the last war, politicians and economists fight what they interpret as the mistakes of recent elections and policies. Old policies never die; they are reborn as their antithesis.

An important question in the projection approach to predictions is what unit of time should be projected? Should one only look at the 70s and try to ascertain what developments in the 80s would perhaps be accentuated? Should we look at the period from the 60s to the end of the **70s**? Or are decades not useful periods for structuring thinking? Or should the post-war period since 1945 be the centre of our concern in interpretation? Or should a longer time period serve as the base of the projections? Since I think current domestic changes break with much of the policy of governments in the post-World War II period, this longer period has my attention.

One can be critical of the projections-of-the-past approach without necessarily embracing the crystal ball. A third way of guessing at the

future is much more constrained than either approach and is disdained by most Marxists. The argument here is that the long-run and the middle-run are largely shaped by short runs. Rather than focussing on dominant trends or tendencies or utilising a crystal ball, this orientation stresses that short run activities and consequences shape what in retrospect turns out to be the middle-run or long-run. One variant of this approach denies that one can predict very far into the future because short-run incidents pile on each other and affect in unpredictable ways following events. In a less limited variant it is possible to discern underlying significant tendencies while recognising that the long-run structures the way these tendencies are specifically manifested and modified as well as what their consequences may be. Radical thinkers underplay both variants because they stress the importance of the short-run. Although this essay concentrates on longer-term tendencies, I believe that it is always important to pay attention to the exigencies of the moment, the short-run pressures, accidents and events which build up into longer-term effects.'

The stress on long-term forces rather than events contributes to economic determinism or radical functionalism. What specifically happens is regarded as so structured by particular long-term strains, contradictions or processes that no alternative or offsetting action can operate. In the radical functionalist approach, which was quite popular for a period, a frequent assertion is that 'It is no accident that. . .' In a highly differentiated society like the US, accidents and the unanticipated often occur and 'the system' is loosely articulated so that what happens in one part of society may be insulated from other parts. In highly dynamic, complex, differentiated societies, interactions are not always simple, direct, determined or invariant. In thinking, then, about the future, it is important to move away from one of the errors of the 70s—an overly-deterministic radical functionalism.

What Happened in the Seventies?

The 70s were characterised by extraordinary economic difficulties. Inflation hit; unemployment increased. An economic experience, new at least in the post-war capitalist world, appeared—that of stagflation, rising prices with economic decline. Unsettled and unsettling economic conditions are likely to prevail in much of the 80s.

Confidence in the state's ability to handle economic and social difficulties weakened during the 70s. Corruption became more visible, especially in the United States. This decline in both legitimacy and belief in the competence of the state is likely to continue. The state is going to be increasingly directed toward handling the problems of the day and will find it very difficult to be effective.

Although the private economy performed poorly, public esteem for business, at least in the USA, did not decline rapidly as criticism of government deepened and spread.

Left groups have had a mixed record, certainly not the large successes which disturbed economic conditions are expected to produce. While they succeeded in some local actions in both countries and have been able to mobilise sizeable groupings in the USA on particular issues such as the Equal Rights Amendment (for women), environmental abuse and occupational safety, they have not had much influence on **macro-economic** decisions. Indeed, at the end of the decade, economic policy had moved to a pro-business course which heavily penalised workers and the poor. In the United States the anti-war movement had some effect but it has not fully understood the nature of that effect. For example, the anger at the Cambodian 'incursion' probably limited the activities that **Nixon** and Kissinger intended to pursue.

The overall picture at least in the United States is of a largely unfocussed left and a record of limited successes. The outstanding actions were the growth of feminist, environmental and energy groupings but such single interest organisations do not always follow left policies and do not generally work in concert.

Mood as Content

The profound sense of uncertainty as the 80s begin is extensive: Peace or war; short- or long-run inflation and/or deflation, some measure of domestic tranquillity or rebellious public outbursts? The feeling is not only generally pessimistic—things will get worse—but also of a great loss of confidence in the political and administrative capacity of government to clear away the dark clouds.

Under what circumstances does uncertainty grow? When there is a sense that great changes are occurring which are not fully shaped or visible; when the response of governments to change and threat is affected by many domestic and foreign considerations which run in competing directions; when institutionalised political activity seems little or simplistically related to important issues; when the possibility of an environmental disaster, whether of earthquake, nuclear or chemical origins, is high even if the likelihood of any particular upheaval in any particular locality is low; when disturbing and important events can occur in so many places and in so many ways **e.g.**, shutoff of Mideast oil supplies or the bankruptcy of financially over-extended non-OPEC Third World nations.

In such circumstances the sense of control over personal destiny and confidence in the efficacy of national action wither. In itself, the uncertainty is a significant economic, political and psychological circumstance. It can be an ominous political sign, inviting quick solutions through military action. Or it can cause great and rapid swings in popular opinion so that national figures can swiftly gain and lose support for their actions.

Mood becomes content as well as context. A search for stability, order, tradition and efficiency can become attractive catch-words regardless of

their coerciveness or emptiness. A time of uncertainty can be a dangerous age searching for the chimera of order and confidence or it can be a period where creativity is high, imagination unencumbered and political movements bloom as difficult circumstances demand new and bold measures. This uncertainty demands a non-deterministic outlook. What happens will be to some extent shaped by what left groups do.

But certainly not completely. This essay centres on the possible consequences of heterogeneity among nations and within nations, on 'outside the nation'/'inside the nation' struggles. Not only is US hegemony declining but the interests of capitalist nations are more clearly **conflictful** and tense. Within many nations what is the national interest is increasingly an unsettled and unsettling issue, particularly as the interests of internationally-oriented enterprises and smaller firms more sharply collide. Of course, struggle among and within nations is nothing new. What is new is that the world 'system' is in difficulty and that many nations at the same time are forced to confront the question, about which there is much disagreement, of how to deal with their acutely growing problems of declining political consensus and severe economic difficulties. Since domestic economic problems deeply involve world economic and political relations, **the outside-inside** struggles interweave more strongly than in many other eras.

To a major extent the issue is what is 'the national interest?' At one level, that is the abiding issue raised by radical movements. At another level, it is one that radical movements elucidate poorly. This period of uncertainty will force left groups to clarify their perspectives or decline even further.

Some left writers seem to argue that American national economic interests are those of the multinational corporations. What is necessary for the multinationals is what is necessary for the American capitalist economy. This view, of course, is what the multinationals in all capitalist nations assert—not heeding their interests will plunge the nation into economic ruin. That seeming convergence does not make this left analysis *ipso* facto misleading but it should cause rethinking of the proposition or at least to differentiate it more sharply from the self-serving propaganda of the multinationals, their paid hacks and uncritical economists who follow the Pied Piper of the market. Nor does this analysis provide lines of action, at least in the short-run, for building support for alternative lines of development.

THE INTERNATIONAL SCENE

In this section relations among capitalist nations are first discussed, then US-USSR relations, and finally some Third World issues.

Tensions among Capitalist Nations

After the 1957 launching of Spumik which demonstrated that the Soviet Union's surprising technological capacity rivalled that of the United States, the American historian William **Appleman** Williams published an article on the implications of the Soviet Union's becoming the first nation in space exploration. While the article disappointed, the title did not. It was prophetic: 'The American Century, 1946-56.' The United States and the world are struggling to live through that decline in American hegemony and the response to it of the USA, the USSR, and the rest of the world.

The erosion is occurring over a long period and will continue perhaps for a longer time. The decline in American supremacy does not necessarily mean that Soviet dominance is **growing**.² Nor is the decline steady and continuous. At times US power may grow or its decline may slow while in other periods it may speed up. The long-term decline is clear: nonetheless, attention must be paid to the current efforts to rebuild American domination through adventurous actions and to its attaining of temporary hegemonic influence.

The contracting of American economic supremacy is revealed in these items: in 1945, the United States produced perhaps a half of the total output of capitalist **countries**; in 1980, perhaps a **third**.³ The US dollar is in grave difficulty as the world reserve currency and the US can no longer force the rest of the world to accept its export deficit.

The defeat in Vietnam is the most obvious military manifestation of US decline. More important perhaps was the development of OPEC, the ending of the era of low energy prices and the inflationary pressures and threats of shortages that the oil producers have created. The new energy era requires deep-seated changes in the capitalist west.

In the period of US dominance, it appeared that most capitalist nations had similar economic and political interests: the promotion of economic growth, the expansion of foreign trade, the maintaining of cheap raw material prices, stable exchange rates, the mobility of capital, the increasing scope of government as economic regulator, the expansion of welfare state policies to produce domestic consensus. As the 80s begin, not only have domestic disagreements intensified in many countries but the apparent mutuality of interest among capitalist nations is breaking up. US capitalist allies are not always willing to follow the American lead, **e.g.**, in the response to the Iranian hostages issue, exemplifying the continuing diminution of US dominance over the capitalist world as well as over the Third World.

The emergence of West Germany and Japan as great economic powers has led some important **business-political** leaders to develop the Trilateral Commission to foster cooperation, joint action and joint sharing of burdens among the capitalist Big Three. **Trilateralism** is still largely symbolic but it is a significant indication that the United States is no longer the controlling

power of even the capitalist world.

Can the United States, West Germany and Japan work together and concert their policies to yield joint benefit? That goal is extremely difficult to achieve as US pressures to reduce imports from Japan attest. As John Maynard Keynes pointed out in *The General Theory of Employment, Interest and Money* (1936), nations with less than full employment have great difficulty permitting imports which might further increase unemployment levels. The recurrent economic difficulties of the US and other capitalist nations will likely intensify the conflicts among the Big Three as each strives to maintain domestic employment.

One important way that the United States maintains a trilateral attitude with West Germany and Japan is in sewing as the Hessians for them. In the American rebellion against Britain, the latter hired Hessian troops to do some of the fighting. Similarly, but on a much grander and leading scale, the United States serves as 'the shield' protecting Western Europe and Japan from the 'Soviet menace', providing not only a counter threat of nuclear weaponry but also sizeable ground forces for and leadership of the NATO forces. West Germany and Japan can, consequently, keep their military expenditures at a low level. As the American economy falters, American military activity makes trilateralism attractive and bolsters the weakened political significance of the United States. If the Cold War wanes or the economic price of trilateralism becomes too great for West Germany and Japan, then the subdued competition among the Big Three is likely to come to the fore.⁴

Trilateralism in the sense of shared, coordinate costs and actions among the Big Three with continuing American 'leadership' but with a more decisive role for the other two, is not likely to be realised. Great tensions exist among the Big Three. The Soviet Union may attempt to play on these tensions in order to reduce US domination; anti-Americanism may grow; the US may try to force West Germany and Japan to heed American directives by strong economic and military manoeuvres. The breakup of trilateralism would be a severe blow to the US.

The difficulties will be compounded by conflict between the Big Three and the other capitalist nations. The heterogeneity among the capitalist nations makes it difficult for Trilateral 'coordination' to reconcile successfully the interests of the Big Three with the other capitalist nations. A weaker, less successful capitalist set of nations—Britain, Italy, the Southern tier of Europe—will likely find the policies of the Big Three difficult to accept. Their needs call for increasing protection against imports, the lowering of food prices (in contrast to European Community policies), the planned development of particular industries, world economic growth to sustain employment levels, and a sizeable public sector for domestic tranquillity.

The heterogeneity of the capitalist world is widened by the recent

emergence of satellite capitalist or export platform nations.' The Hong Kongs, Taiwans, South Koreas, Singapores, and even larger countries like Brazil are becoming the locale of manufacturing firms whose capital and control come from the larger capitalist countries. In a reversal of classic Leninist imperialism of providing the markets for the manufactured products of the colonial powers, these satellite capitalisms are producing manufactured goods to be sold in the colonial nations.

Cheap labour, low regulation, and special tax incentives, conspire to attract manufacturing from the established capitalist nations to these new industrial bases with their difficult mixes of industrialised cities and still large rural bases.

The effect in the older capitalist nations, especially the US, has been devastating. Whole regions are being deindustrialised as industries (or sections of them) move out or decline and are restarted in the satellite nations. The rationale is that the market, in this case the world market, must prevail and that over the long run the older capitalist nations will expand in the new high-technology fields and thereby provide employment as well as right the balance of payments.

This is a very contestable proposition. More likely is high, continuing levels of unemployment which will further undermine the effort to maintain free trade and the mobility of capital.

If the export of capital to or the import of products from the satellite capitalist nations is curtailed by the larger capitalist nations, the former will be in great economic and political difficulties. New regimes may emerge which may be more concerned with national internal developments. Even without the pressure of external constraints on capital and exports, the uneven development within these satellites is likely to result in turmoil in the coming decade. Since Western investments are heavy in these nations, the possibilities of intervention are considerable.

The economic growth of the 60s and 70s involved an enormous expansion of trade among nations and the emergence of new trading nations, especially the satellite capitalist nations. It is highly questionable whether many capitalist countries can have an effective domestic policy that meets economic and political needs and still be so heavily involved in foreign trade. Among the Big Three, West Germany has been the most successful because of the willingness of German workers to accept slow **increases** in their wages in order to curb inflation and improve German competitiveness. Japan is already undergoing strains because of internal pressures for wage increases and social improvements. The US is having the greatest difficulties in maintaining or developing an effective competitive stance in many fields, most notably at this time automobile production. The weaker capitalist nations are suffering and the satellite capitalist nations may be in **difficulty**.⁶

A continuation of a heavy engagement in and expansion of foreign

trade will strain increasingly the internal economics and politics of most capitalist nations. The obvious capitalist need is for some way of regulating world trade. Multinational banks and corporations fear, however, that any restraint on free movement will spread and adversely affect them. Consequently, there will be great debate in many countries, obviously the US, over protectionism, selective controls, quotas, and the like. While the Cambridge Economic Policy Group has made a case, surprisingly scanty at this point, for selectivity in imports and capital outflow for the UK, in other nations, again the US, a left approach and analysis are lacking. Piecemeal protectionism, as in steel and auto, are encouraged by particular unions but a broad-scale analysis of the problems of foreign trade remains to be done. Foreign trade will be a prime economic and political issue of the 80s; left groups are unprepared to deal with it, analytically or politically. Some unions are setting policy by supporting the regulation of foreign trade and investment but the long-run interests of workers are not being examined. My view is that the great expansion of trade is unsettling and requires some selectivity to make internal economic policy work. I will come back to the issue in the domestic section.

In sum, the capitalist nations have diverse and competing interests as the American umbrella suffers wide rips. Trilateralism seeks to mend the tears among the Big Three **while** OECD attempts to sew together all the main capitalist countries. The struggle over developing and maintaining each country's national economic interest in the context of the vast and strained world economic network will be a pronounced feature of the 80s. Leading business interest groups and most orthodox economists have a simple solution to free trade. The alternative in the current scene is piecemeal protectionism as visible problems of one industry or another emerge. Some left writers have been obsessed with the 'world economic system' but have so far failed to consider it as a basic issue of left political education and action. This is partly because of the mechanical interpretation of world economic activities and the neglect of conflict among and within the capitalist nations.

The US-USSR Rivalry?

In mid-1980 Cold War II has supplanted quasi-detente. US and USSR tensions are high at the beginning of the decade. They may abate during the next years; indeed, it is likely that at least the first half of the 80s will experience recurrent manoeuvres about a new rapprochement. Such efforts, however, are not certain to lead to a detente-like state; nor do they mean that military and political confrontation will be avoided for such pressures can be important elements in negotiations. A tense period is likely to continue to corrode international relations and to dominate domestic economics and politics.

Cold War II, as it is developing, differs in important respects from

Cold War I, the period roughly from the Berlin crisis of 1947 to the Berlin Wall.

First, the US-USSR rivalry clearly shifted in the 60s and 70s from its 1950s centring in both Western and Eastern Europe. Few now expect Soviet troops to swoop through Germany to France; Berlin is no longer the sticking point that it was in the 50s when the two Germanies had not worked out a **modus vivendi**. The US acceptance of the Soviet invasion of Czechoslovakia **definitely** marked what was already clear, that the US had no intention of 'rollback' Soviet hegemony over Eastern Europe (although Yugoslavia may be a contested terrain). The emergence of Eurocommunism, especially in Italy where the Communist Party is openly critical of many Soviet foreign interventions, has toppled the belief in monolithic Communism and the 'fifth column' fear of communist parties in Western Europe.

The scene of struggle is in the Third World. Vietnam, Ethiopia, Iran, Afghanistan have been the locale of recent military **and/or** political strife between the US and USSR (with China heavily involved against Soviet influence in Southeast Asia). The Korean War, of course, was the beginning of the shift of contention away from Europe, but the almost complete displacement of rivalry to the Asian and African perimeters in recent years is striking.

Vietnam with US forces and Afghanistan with Soviet troops have been the only two situations where the two big powers have directly and openly committed their own troops to battle in the Third World. Fighting through proxies is often difficult and may **lead the** two big powers to use increasingly their own troops. If the US and USSR directly involve themselves in Third World battles, tensions will grow mightily.

In Europe, then, the spheres of influence and power have been rather well demarcated and observed. In the Third World that is far from the case. The big powers will seek to take advantage of internal conflicts among Third World nations and the sporadic conflicts among them. That is where the great dangers are. In most of the Third World, the economic stakes for the big two are not very great.' This is particularly true for the USSR. The main, glaring disturbing exception is, of course, the Middle East. That is where the major jockeying for power between the US and USSR will occur. While nuclear war is unlikely between the US and USSR, many other kinds of battles could occur.

Second, the smouldering USSR-China dispute may emerge into warfare, particularly if the US plays 'the China card' and encourages China to battle against the Soviet Union or if the USSR preemptively responds to that threat. The present Chinese leadership is unlikely to engage in provocative action but Soviet military strength is stretched as long as the Chinese-USSR border seems a threatening zone to both sides. The Soviet Union might play 'the American card' against China by negotiating a close

detente with the US, but that appears unlikely. The general point is that China is important in US-USSR relations and its role is changeable.

Third; both US and USSR have trouble with their Allies. At least Japan, West Germany and France are reluctant to follow what often seem to them to be adventurous US policies, especially when they learn of them after the fact. The possibilities of foreign policy splits within the capitalist nation are **considerable** and will grow if the US pursues the adventurous and aggressive policies many of its leading politicians advocate. An independent foreign policy line, in somewhat disguised form, may develop.

The Eastern European nations are in growing economic difficulties, particularly as the USSR's oil prices approximate those of the world market. These strains will debilitate further the political legitimacy of the governments. The Soviet foreign policy lead may be opposed if troops or a lowering of the standard of living are imposed.

Fourth, neither the USA nor the USSR are in a good position for expanding military expenditures. In the US, economic growth is ebbing and inflation is a recurrent danger, which would be fed by rising military outlays. The Soviet Union is having difficulty in maintaining or improving living standards and achieving efficient production. The economic and political price of rapidly increasing military expenses will be high for both sides.

The prospect that the US cannot economically afford big, new military activity without reducing the standard of living is only beginning to be sensed. But it is becoming recognised and may become an active political force in US-USSR tensions. Some would argue that military adventurism is a way of taking an unsettled citizenry's mind off its domestic troubles. But that tactic is unlikely today to contribute to the health of the state or the economy. External aggression by the US government may engender domestic hostility.

A major cost of war or near-war is that most nations can only pay attention to one major problem at a time. If the US engages in intense and expensive military posturing, its ability to deal effectively with its mounting economic and social problems will decline further. The same is probably true of the USSR.

Fifth, US foreign policy and American public attitudes are in an extremely fluid and frequently dangerous state. Although often jingoistic, there is also a tendency to draw back from the policy outburst. President Carter's ridiculous characterisation of the Soviet invasion of Afghanistan as producing the worst crisis since World War II did not receive the full measure of jeering that it deserved. Indeed, there was an instantaneous heating up of war emotions. But notice two things. First, the resulting measures against the USSR were extremely weak—the limitations on materials to be exported from the US (but not its allies), the boycott of the Moscow Olympics and the effort to obtain Congressional approval for

very limited draft registration. These puny measures indicate the limits of American power. Second, the Afghan crisis rapidly receded in public interest and detente-like murmurs again appeared.

I do not want to minimise American warmongering but it is a 'sometime thing', frequently offset over time by a great desire to avoid war. **Policy-makers** also have to consider the possibilities and damage of confrontational resistance to a full scale draft and to serving in an unpopular shooting war abroad.

These considerations lead me to the conclusion that the US and USSR will engage in turbulent manoeuvring, making an unstable environment for other nations, and exacting heavy costs in Third World nations which become proxy battlefields. In the past the US and USSR have largely been **out of** phase in their desires for relaxation of tensions, curbing of new armaments and the like. When the two have had somewhat similar phases, some progress of relaxation has occurred. Domestic economic needs may push both powers to a more common phase during the 80s.

Western Europe could play an important role if it develops a position more independent from the US than in the past. Signs of this move exist in 1980. Whether this tendency will grow depends on Western Europeans' estimate of their need for American Hessians. In any case, many groups in Western Europe, not only leftists, are likely to have room for advocating new policies.

Unfortunately, left groups in most nations do not have a well-developed position about the US-USSR struggle. For example, left groupings in the US have an ambiguous relationship to the Cold War and the Soviet Union. On the one hand, they denounce American military expenditures, imperialism, intervention and hegemony as not only undemocratic but also as unsettling the world scene and producing a major war threat. It is not difficult (and certainly not unpopular in left circles) to be critical of the United States. What to make of the Soviet Union? One can have no doubts about denouncing intervention in Czechoslovakia or Afghanistan but what are the implications of Soviet power moves for detente and easing the **Cold War**? To take a completely American **perspective—can** the attack **on** military expenditures rest with a denunciation of the wastefulness and inefficiency of these enormous outlays? What is a reasonable military force for the US? What concessions, compromises or sacrifices **should** be made for detente—or rejected? What are the national interests of the USSR that other nations should accept as legitimate? What is the American (or Soviet) 'national interest' in Third World nations, if any? If unilateral disarmament is not an adequate answer to the Cold War and the nuclear bomb, is absolute non-involvement in the Third World an adequate position?

Certainly these are disturbing formulations but a left striving for wide and deep political support and for **a useful** and continuing detente has to face such issues and **evolve** a broad intellectually and politically responsive

position on how the Cold War might wane and US-USSR relations move into a phase less damaging to the two powers and less destructive to the Third World.

Left groups do not have a rich intellectual heritage to draw from in thinking through these issues. Rather, they have frequently resorted to a simple-minded economic determinism in analysing international relations. That approach certainly helps although not completely to understand relations with oil-rich nations (remember US policy on Israel); much of what occurs elsewhere in the world is, however, not basically related to access to important raw materials. Strategically placed geographic areas are important even if offering little in the way of economic resources. Notions of systems threats, balance of power, spheres of influence—which have a political and sometimes more long-range orientation—can have considerable impact on international relations. The complicated 80s will require this broader understanding.

A useful and continuing detente requires an outlook on international relations which may differ importantly from the US and USSR positions. Two decades ago the Polish foreign Minister Rapacki advocated attractive policies to diminish military threats in Central Europe. They did not receive the support from Western European nations that they deserved (although they foreshadowed some later developments). In the **80s**, proposals of similar merit are likely to emerge. While the left generally has not wielded great influence on foreign relations, it can help some Western European nations move towards a more independent policy which would cool tensions.

The Third Worlds

The Third World is increasingly differentiated. The situation of the **oil-rich** nations is far different from those of the Sahels, the countries at desperate levels with few prospects of improvements. In between, are nations with sizeable manufacturing industries coupled with enormous poverty in both their rural and urban areas. Their industrial achievements are not sufficiently recognised, partly because the most common indicator of growth, Gross National Product per capita, is a poor measure in nations with high birth rates. The internal tensions in these countries are considerable, as the expanding manufacturing sectors do not eliminate poverty but may aggravate it.

Aggravating the internal tensions is the difficult international economic situation of many Third World countries. The dependency of the **newly-industrialising** sectors of Third World countries upon a buoyant and expanding world market for their goods becomes painfully clear in times of world economic stagnation. These nations depend on external markets. When there are world economic contractions, they cannot fall back upon a large domestic market for their manufactured goods.

As the 80s begin, many of these nations are further imperilled by enormous international debt burdens. As their economic conditions worsen, repayment of this debt is unlikely. The bankers' national governments (primarily US-based banks are involved) or the International Monetary Fund will undoubtedly step in to save the banks in case of major defaults. The added price to the Third World countries will be the imposition of the typical **IMF-deflationary** policies which promote internal political strains. In addition the private loans that have financed substantial portions of Third World oil imports will no doubt be curtailed as the riskiness of their position becomes apparent. Again reduced domestic consumption can only lead to social and political unrest in these countries.

Some orthodox writers have outlined the shared future of the developing and developed countries. The latter will shed their older manufacturing industries, ranging from textiles to television, and will invest in Third World nations' capacities to produce cheaply commodities which are a large part of the West's consumption standards. The **high-**technology industries built around computers and automation will become the economic base of the developed countries as they shift to a new stage of industrial production. To a limited extent this process can be seen in the growth of satellite capitalist nations or export platforms discussed earlier. But the process has certainly not been even or effective. Union resistance to de-industrialisation of regions and sectors of the older capitalist economies is likely to grow as unemployment rises. Continuing Western investment is not assured. Capitalist investment in the Third World will go where the return is greatest so that individual Third World 'success' at this form of industrialisation depends upon competing with each other by keeping taxes and wages low. The result will again be political and social unrest within both the winners and losers. Some of the satellite capitalist nations will fade as other Third World nations underbid them. In any case new waves of manufacturing investment do not guarantee domestic peace in the Third World.

The Third World will be forced to join the capitalist nations on the economic roller coaster. What will be their response? Can the longer-time common interests of the Third World nations be marshalled into effective coalitions? Can raw materials producers organise price-fixing cartels as the OPEC nations have? Can the Third World organise to force a new international economic order on the rest of the world? So far, only limited political success has been achieved. A deep, prolonged recession in the capitalist nations will further undermine the economic strength of any potential Third World producer cartels. The US and other capitalist nations **will no** doubt oppose new producer cartels more aggressively and effectively than they did the OPEC initiatives.

The Third World might organise against the economic and political intervention of the capitalist West **and/or** the Soviet Union. Regional

alliances, although not effective as yet in Latin America and presently impossible in South Asia, have had success in Africa. In particular, the organising of African states around the **Rhodesia/Zimbabwe** civil war seems to have been the crucial factor in securing a just and relatively peaceful transition to black rule. Whether this form of political alliance will be successful again and in different circumstances is uncertain. Regional cooperation rather than cut-throat competition for Western investment among Third World control over their own development.

The more likely development strategy is, however, the persistence of the nationalistic and competitive economic and political alignments in the Third World. Given the economic exigencies discussed above, the immediate future of many Third World nations is bleak. Internal political and social strains will no doubt multiply. The struggle over political power will almost inevitably follow from the economic hardship that most Third World nations, and certainly those who compete unsuccessfully for Western investment, are likely to experience. As in the past, the tendency in many Third World countries will be the emergence of left-oriented insurgency movements, with varying levels of mass support, facing opposition by local and international capitalist powers. Frequently the unsettled domestic situation in many Third World nations will make it difficult for those on the left to decide which internal group to support. The US-USSR rivalry will complicate the line-up and outlooks of domestic groups.

The impact of many of these movements will be affected by US foreign policy which is presently in disarray. Old cold-warriors who favour direct military intervention are struggling against the new breed of foreign policy experts who advocate a more balanced approach. The recent events in Nicaragua and El Salvador highlight this shift in US foreign policy. In Nicaragua, after many years of supporting a cruel and unpopular government, the US withdrew its financial and political support of the Somoza regime when it appeared inevitable that the coalition of leftist insurgents were going to win control. Again, in El Salvador the US recently thwarted a rightist coup and demanded that the ruling government instituted land and banking reform (albeit of unknown consequences) rather than allow that nation to follow the path just trod in Nicaragua. US foreign policy incorporates (at least for a moment) the realisation that one can not simply fight, whether directly or through surrogates, ones 'enemies' to the death but must also pull out and cut losses when defeat seems inevitable. This was the lesson learned too late from the Vietnam experience. Intervention is not as easily accepted or as effectively pursued as it was in the 50s.

The United States can be counted on to continue through surrogates to oppose most left insurgencies, but it seems less likely to commit itself to prolonged military interventions. 'Surgical strikes', such as the failed attempt to free the hostages in Iran, will most likely be attempted by the

US in times of political need. Whether or not the first few of these 'cowboy and indian' manoeuvres are definable as 'successes' will influence the future of American military intervention in the Third World.

INTERNAL STRAINS

The Re-Capitalisation Turn

The post-World War II era has ended. Economic growth and an expanding social sector were pursued in the period from the 1950s to the early 1970s. Keynesian demand management through monetary and fiscal policies aimed at stimulating and regulating the economy while versions of William Beveridge's welfare state provided expanding public programmes so that the 'social wage' became an important part of individuals' 'command over resources over time', Richard Titmuss's well-known phrase.

A new social ideology is being developed in both the US and Great Britain. It is a drastic turn from growth with welfare statism; it seeks to restructure the economy. Its goal is 'the re-capitalisation of capitalism'⁹ and includes (1) decreasing the importance of the public sector relative to the private—re-capitalisation in the political-economic sense of private enterprise becoming relatively more important as the public social sector declines; (2) promoting investment in the private sector, hopefully in the export manufacturing sectors, by increasing savings and thereby investment through lowered taxation on the well-to-do and corporations—re-capitalisation in the physical capital sense of increased and more productive capacity. These aims are being pursued while strong inflationary pressures are curbed by slowing economic growth.

Coupled with re-capitalisation are the objectives of (a) reducing regulations of businesses that assertedly interfere with productivity and competition (e.g., occupational safety requirements for factories; governmental regulation of airlines) and (b) over time, containing the rise in real wages in order to promote the greater competitiveness of American and British exports in world markets and to reduce the attractiveness of imports which undersell domestic goods.

With the strong and continuing pressure of inflation, re-capitalisation is also offered as a way of dealing with this threat. Increasing investment will increase productivity which will lead to lower costs per unit of production which will result in lower prices. This orientation is now termed 'supply-side economics' in contrast to 'the demand-side economics' of Keynesianism. It is presented as though oligopoly did not exist and prices were set by an automatic competitive market now damaged by governmentally steamed-up demand outstripping capacities to supply goods and as though Keynesianism in practice had not provided major reductions in taxation to stimulate investment.

The re-capitalisation strategy underlies the break with the **Keynesian-**

Beveridge, New Deal liberal, right-wing social-democratic hope which prevailed in post-World War II Britain and America. The expectation was that Keynesian demand management would increase the economic pie and produce 'full' or high-level employment. This enlarged economic pie would provide bigger slices to all while financing through taxation an expanding public social sector—the 'welfare state'—which would be used to improve the position of those at the bottom and would provide a 'social wage packet' or inlay of social services and cash transfers that would benefit the working and middle classes.

This marriage of Keynes and Beveridge was aimed at keeping the social peace through expanded consumption. It generally succeeded, even if very spottedly. Living standards did advance for a great many; government expanded schooling, pensions, housing; the relative numbers in abject **poverty** were **probably** reduced. It also greatly extended the role of government, made important changes in the functioning of enterprises as taxation affected business policies. On the other hand, it did not decrease many inequalities and produced new ones.

'**Capitalism** with a human face'—'You never had it so good', the Macmillan slogan of 1959: 'the peaceful revolution' as some propagandists termed it—was an important political force. It provided the source of legitimacy for post-war capitalism: everyone was to benefit and perhaps the poor most of **all**, as in **John Kennedy's** imagery the rising tide (of economic growth) lifted all boats (including, it was believed, the leaky vessels of the poor). Capitalism was no longer raw in tooth and claw, chewing up its wage-slaves in dark, satanic mills. It was shiny, hopeful, and improving the conditions of most. Keynesianism assumed a successful economic performance; Beveridge, a caring society.

This political-economic outlook had an important innings. While Britain had a less successful post-World War II capitalism than the US, West Germany, Japan, France, living standards did advance even in the UK. But social peace was not fully achieved. In the **60s**, the United States experienced racial upheaval; Britain has known many strikes at national and local levels. In the main, however, the social **democratic-liberal** strategy was effective. The disturbances like those of May 1968 in France did not deeply or persistently push policies from their course.

Now, the social democratic strategy is in great difficulty and business leaders and many economists have convinced political leaders that re-capitalisation with deflation or slowed growth is the appropriate course to eradicate obstinate inflation and to improve gloomy long-term economic prospects. The theme is that slowed growth, even if it results in immediate **decline** in living standards, is necessary to combat inflation; high-level unemployment must be borne indeed instigated by government at times, if inflation is to be tamed. High profits through reduced taxation and contained wage rises are necessary to induce investment and thereby

enhance industrial productivity. The anti-inflation campaign requires that governmental expenditures be lowered to match lower tax revenues; reduced public services are the necessary consequence. The implicit social compact of the post-war era built around the Keynes-Beveridge strategy is, at least for a long period, ended.

The anti-inflation actions are not restricted to draconian measures of deflation. They are linked to a policy of increasing productivity in industry through the re-privatisation of the Gross National Product, *i.e.*, a reduction in the percentage of GNP that flows through government. The language that is beginning to be used is that of 're-investment', new physical capacity in industry. Physical investment in private concerns is to be stimulated in order to improve productivity and international competitiveness. What is implied is the expansion of capitalism, the private control of economic activity with the multi-national enterprises and banks having precedence. A great economic-political-social change is under way.

The 80s starts then with an effort to rekindle capitalism by burdening vast sections of the population through slowed increases in real wages, rising unemployment, and reductions in public services and transfers. What will be the economic and political course of these policies during the decade? The likelihood is that the **stop-go** actions that Britain suffered in the 60s and 70s will characterise both countries as sporadic political resistance and economic difficulties make longer-term policies difficult to maintain.

Major difficulties will surround the issue of unfettering or deregulating enterprise and economic activity. The theme is that government is incompetent and that the market can better achieve needed investments, improvements in productivity, expansion of exports, and containment of inflation. This policy is unlikely to sail smoothly to its destination.

The re-capitalisation strategy emerges in a period when strong inflationary pressures exist. The need then is for curbing inflation while re-structuring the economy. The achievement of either goal would be a great feat; a combined achievement requires extraordinary luck, economic skill and political acquiescence.

Decreasing taxation on corporations and the well-to-do in order to increase profits and savings in the hope of increasing productive investment is likely to have other results than those claimed for it. Rather than promoting investment in manufacturing, less useful economic activity will result. Heavy speculation (as in the real estate boom of Britain), unproductive investment in sectors other than manufacturing, and the flow of capital to more profitable foreign locales is likely to be the result if the movement of capital is not restricted.

Since such outward flows thwart the aim of increased domestic investment and productivity, there will be sizeable pressures to regulate **trade**—to promote exports and to discourage imports and capital outflow. The

conflicting desires of different business and banking groups will collide and make policy difficult to keep on course.

One of the basic contradictions in the re-capitalisation strategy is that it is presented in the mood of the less regulation the better, let the market work its magic. This outlook wins broad-scale support which withers if only some particular industries benefit. But the needs of the current situation call for selectivity, increasing prospects for exports in specific industries with high export promise. The threats of speculation, capital outflow and imports and the need to develop industries with dim short-run but good long-term prospects require the channelling of investment funds and curbs on imports.

In the 80s a two-fold struggle will take place, (a) between selectivity and specific subsidies and across-the-board non-selectivity, non-interfering incentives and (b) between selective import **controls** and 'free trade'. To protect domestic industry from imports raises prices but it also maintains domestic firms and jobs, at least in the short run. To impose tariffs or quotas runs the danger of retaliation by other countries which would threaten exports and the ability of banks, increasingly international, to move their capital as they wish. But without controls or subsidies, some industries will wither; potentially important industries might not grow.

A reluctant, slow movement towards selectivity during the decade will occur as across-the-board solutions prove ineffective. The left position on these difficult issues is always troubled and will be increasingly so in the decade. The left as well as labour unions lacks a coherent view of how to move within capitalism to a situation that furthers the position of workers and the poor without entrenching capitalist institutional formations and mentalities.

A second set of contradictions involves the wage bargain or class struggle. For central to the re-capitalisation/anti-inflationary/pro-export efforts is the containment of real wage increases. A variety of measures are in place or in prospect: a high, continuing level of unemployment 'disciplines' union leaders and members and bends them to accept lower increases. Low growth resulting from restrictions on the money supply forces employers to refuse wage increases; governmental restrictions (or withdrawal of protection) will make union organising and negotiating more difficult; low minimum wage requirements will not push up wage rates from the bottom, the willingness of corporations to sustain lengthy strikes will have long-term discouraging effects on unions in general.

The re-capitalisation strategy may encounter a further set of difficulties arising from the interests of the non-multinational corporations. Unfortunately, left analyses have not been helpful in understanding the heterogeneity of corporations. Many Marxists speak of 'capital' as though it were an actor. This anthropomorphising obscures the important point that specific factions (not fractions) of capital are moved in particular ways

by particular entrepreneurs and managers. This differentiation in the control over kinds and levels of capital is very important.

Again, to act as though the capitalist economy were dominated by the 1,000 largest enterprises and to consign the rest of American firms to a weak 'competitive capitalist sector' is to underestimate the significance for investment, employment and politics of what are important firms outside the top 1,000. Recent Marxist analyses have been obsessed with the multinational corporation and have obscured political and economic currents.

The re-capitalisation/anti-inflationary approach is presented as though it were of benefit to all enterprises. But not all **firms** benefit from free trade for many are endangered by imports or are unlikely to be successful exporters. Further, low growth to conquer inflation means that many medium-size and small businesses will suffer and be extinguished for they do not have the resources to play for the long haul as do larger firms.

One possibility in the 80s is that the interests of small- and **medium-sized** businesses and those of businesses in particular sectors may diverge from important elements of the re-capitalisation/anti-inflationary strategy. That is already evident in the efforts to restrict imports in several sectors. If the interests of particular types of businesses conflict increasingly with the dictates of the re-capitalisation/anti-inflationary strategy, which will primarily benefit the larger corporations; if the former organise to press for changes—a big if, no doubt—then there may be possibilities of joint action to push for more expansionary policies, which would result in higher levels of employment as a by-product of survival of these firms. **

Not to be ignored in this examination of the possible unravelling of the economic strategy which is being put in place in Britain and the United States is the financial instability of banks and corporations. The largest American banks now make more than half their profits from abroad. As John **McKinlay** and Don Devey have pointed out, they are heavily invested in Third World countries which have faint prospects of repayment. The banker-as-conservative-gentleman probably never widely existed; today, it is clear that bankers are rash speculators, inventing new ways to manufacture money, damning the risks involved. Central banks would try to prevent bank failures but a **sudden** and broad collapse of the speculative mania in a fragile situation could overturn policies and destabilise some capitalist economies. Although that statement does not imply a 1929 depression with a 20 per cent unemployment rate; it does point to the susceptibility to pressure of many capitalist economies and the difficulty of maintaining a consistent economic policy.

A second possible event for the United States is interruption in the flow of oil from the Middle East or big jumps in its price. Although the US is slowing its rate of growth in consumption of oil and may develop other energy sources, for some years its foreign oil dependence will remain heavy. Military intervention in the Middle East may cut the flow of oil or

a swift surge of oil prices may rekindle a brutal inflation.

Over time, the anti-inflationary concern will lead to controls over prices and wages, overturning the 'free market' approach. In addition to the problems of oil supply and prices oligopolistic pricing by larger sections of industry pushes up prices. Obviously, wage push would press prices (if that vaunted productivity increase did not offset increases in labour costs). Also of significance is the response of politicians to popular pressure by stimulating the economy to reduce unemployment, increase incomes and improve re-election possibilities.

Political Responses

The discussion so far has underplayed the importance of politics, stressing rather economic structures and forces. The success of the re-capitalisation anti-inflationary policies largely depends on their political acceptability. On that score, they start the decade with impressive gains.

First is the widespread acceptance of the contention that improvements in the standard of living must be sacrificed if the performance of the economy is to be improved. In the United States, the recognition of the end of an era of cheap energy has led to the politically important characterisation of the 80s and beyond as 'an age of scarcity'. In this difficult time of 'limits', another catch phrase, less must be accepted. Lowered standards of living or, at least, a lower growth in living standards than in the past, are in the **offing**. Expectations are being lowered.

This analysis is presented frequently as a radical one, particularly but not exclusively by those who are attracted to counter-cultural leftism and new styles of living. Having less will lead people, it is asserted, to live more simply, basically and profoundly. In a reversal of classical Marxism, scarcity rather than abundance will lead to positive transformation. This view does not deal with whose living standards are not to rise, how the decisions will be made, how the burden of re-structuring is to be shared and other distributive and power questions which in part characterise a radical analysis. The motif that 'there is nothing wrong with America that lowered expectations cannot solve' is increasingly accepted and cushions reactions to policies which will produce high unemployment, lower real income, reductions in public services and the like. The engineering of consent has moved frightfully fast. Conservative and neo-conservative thought is having a fete in the US, to some extent created by the mass media. American liberalism and right-wing social democracy are in eclipse as a new ideological hegemony sweeps through and conservative thought gains academic respectability as the higher wisdom and more practicable advice.

An important element of conservative ideology is that governments, especially the national government, **are** incompetent, wasteful and over-extended. Both liberals and Left have an inadequate reply to this contention. The final section will discuss this issue.

Left groups do not seem to have an answer to the difficulties of the present period. They lack a politically attractive, economically viable, short-run economic orientation. That statement does not imply that the Left has to offer a detailed set of specific policies. But to gain support it has to seem able to grapple with important issues. Mrs. Thatcher is undoubtedly wrong about how to deal with inflation but she offers a way. The Left, at least in the US, seems weak and fumbling on the inflation issue. Those on the Left who offer controls as the solution are confronted by strong arguments about their ineffectiveness and the bungling of government. Weak left and liberal responses to such contentions are not likely to win support.

The issue is not only inflation but more deep-seated difficulties of left and liberal-social democratic economic analyses and policy lines. The Keynesian schema, at both analytical and policy levels, is in disarray, weakening the persuasiveness of liberal-right-wing-social democratic recommendations. **Marxian** economic analyses were built around developments in 19th Century (British) capitalism and have lacked specificity and immediacy. The orientation is to **criticise** establishment policy rather than to offer serious alternatives to them. The call to nationalisation of industries lacks broad appeal and does not deal with important issues of inflation. Some changes, however, are occurring. In Britain, more than the US, some more basic or radical shorter-run economic policy analysis is occurring, but it is not comprehensive. The need is for shorter- or **medium**-run policies which move in transformational directions and build support, no easy task.

The glimmers of a shorter- or medium-term orientation are becoming evident: equitable price-wage-profits controls coupled with, rather than as a substitute for, monetary controls; controls over imports and capital outflow, coupled with a world-wide effort to reduce the unsettling effect of high reliance on international trade; supervision of investment to ensure development of particular sectors, moving away from stimulating aggregate savings and investment to selective expansion of those sectors which could serve longer-range economic growth and employment; worker involvement in decision-making in large enterprises coupled with work redesign. In general, the move will be towards affecting not only the level of GNP but its content and the way that it is produced. In effect, what will be developing is a radical supply-side **economics**, a restructuring of industry and macro-micro policies, to rival the conservative approach to generally higher profits, unselective investment and productivity.

It will take time for this approach to develop technically and politically. At least the first half of the 80s is likely to see the working class and poor heavily burdened by the re-capitalisation/anti-inflationary policies. The 'but' is that the present ideological hegemony of many conservative formulations could be **beswept** aside by reactions to the effects of these policies.

Lowered standards of life, disappointed hopes, high unemployment especially of minority youth, may lead to strong reactions. The social policies of unemployment insurance, job training, public assistance or supplementary benefits are social stabilisers. How effective they will be in cooling discontent is uncertain: as the 80s wear on, they may be curtailed and provide less of a floor for economic losers or a political safeguard against violence and unrest, the confrontational elements of non-electoral political activity. The likelihood is that the state will pursue efforts to adjust social policies so as to accommodate temporarily electoral or confrontational pressures. If economic policies are somewhat successful, there is more room for accommodation and less likelihood of strong opposition. The amount of resistance to the losses suffered by many groups, then, is uncertain.

Strong reactions to events and more general anger may result in turmoil in the 80s. 'Long, hot summers', resistance by blacks and Hispanics, may occur in many American cities. Britain may also experience urban strife, particularly if the police pressure minority groups. An important new possibility is that high and continuing unemployment rates among whites as well as minorities may lead to confrontational actions. Most important perhaps for the US is the possibility of debilitating labour strikes.

While the possibilities of disturbances and turbulence are great, the likelihood is that they will be sporadic and **confined**, producing minor changes. One reason for limited outbursts is that conservative governments and political climates make it clear that the payoff to reduce rebellious activities will not be very satisfying. In a subtle way, this atmosphere reduces the likelihood of a spark setting off an angry night. Second, minority localities that have experienced destruction as a result of rioting seldom—or at least in the US—have a similar second experience in the next years. If this generalisation holds, then the number of localities in which the containment of unrest fails will be importantly limited. Third, police and political sophistication in defusing or delineating outbursts have grown.

These three reasons indicate a limited number and scope of rebellions. The other issue is whether the response to rebellion will produce significant changes in the conditions of turbulent populations. A reason for doubting that significant change will occur is that the outbursts are local and unfocussed. While underlying issues may involve basic discrimination, poverty, and unemployment, the trigger for the rebellion is usually immediate and local, **e.g.**, specific acts of police brutality. Not much has to be done to mute anger, particularly since no far-reaching demands are enunciated and rebellious communities are not organised to continue struggling on basic issues. **If** anger persists on a national basis, mild placatory acts by government, **e.g.**, increased expenditures on public assistance or low-paid temporary public jobs, may calm the turmoil. In the absence of a compelling issue and political centre, such social cushions are

not only likely to defuse tensions but to split local support for resistance. Governments still have a lot of room for manoeuvre.

Unless new tactics and new balances between 'spontaneous' acts of rebellion and effective continuing organisational forms emerge and unless repressive actions result in events which mobilise large numbers, the 80s will be characterised in retrospect as largely exhibiting troubled acquiescence rather than disequilibrating rebellious events."

A more significant area of unrest may be strikes and plant sabotage. One strand of US business is willing to go to the brink and confront unions, asking them to give up gains that they have won over the years. Other firms are less willing to face the threat of long strikes. The likelihood is of difficult, bloody strikes in the early part of the decade and then a business-union accord premised on a lower level of expectations by unions and their members.

In both Britain and the United States the key to the economic policies being set out to deal with inflation and restructuring depends on the willingness of the underlying populations to live with them for a long period. Intense labour strife and popular discontent would interfere with the working out of these policies. Dealing with these pressures while striving to maintain re-capitalisation strategies will be the dominant political motif of the 80s.

The Movements

At the beginning of the 80s political vitality in the US is around other issues. For unions and black organisations are neither militant nor effective. Actions by union members are likely to take the form of insurgencies while black communities surge with leaderless anger. Current political life is occurring around feminist, environmental and neighbourhood issues.

All three movements are raising basic transformational questions. The feminist movement faces employment discrimination and, in the US, is broadening analysis and policy by constructing an argument about 'comparable work', which goes beyond 'equal pay for equal work' or 'equal access to jobs', to differences in pay in different jobs which require similar levels of skill. The crowding of women into 'female jobs' keeps wages in such jobs below 'male jobs' which do not require any higher levels of skill.

The radical feminist movement points to fundamental tensions in the nature of production and reproduction. Are routinisation and hierarchy the only or even the most efficient ways of organising work? How does patriarchal family structure harm all members of the family unit? Some important changes have occurred in consciousness of both men and women, despite backlash and the anti-abortion movement. The most profound issues of structural and psychological change are raised by some sections of the movement. The feminist movement will face important difficulties in

the **80s**, and will become sharply focussed on employment issues. Some issues will gain wide support because all stand to gain, as in the effort to 'take back the night', which endeavours to protect women (and men) against assault in city streets in the evening. On the other hand, the declining economy will support arguments that women should be at home taking care of families. As the birth rate continues low and perhaps even dropping in poor or uncertain economic conditions, with the new outlooks of many women, and as the percentage of women in the paid labour force increases, the argument is not likely to be persuasive. But reduced employment opportunities may make concentration on the family a forced alternative for many women.¹²

High levels of unemployment and increasing competition for the limited number of good jobs are likely to result in weakened affirmative action to open up jobs to women. Competition with blacks over jobs may increase, as the divide between good and poor jobs becomes more extensive and deep. The re-structuring of industry is likely to reduce the number of jobs available to entry-level workers, to wider inequalities among jobs, and to make internal promotion more difficult. A segmented labour market in a period of high unemployment creates grave tensions. The beginning gains in reducing employment discrimination against women may erode in the 80s unless political pressures by organised groups of women grow strongly.

The environmental movement has engaged many people. Though frequently denigrated as a middle-class movement about consumption not production issues, it does directly involve production issues in the case of occupational safety and health. The environmental movement is also very broad, having concern for air and water pollution, nuclear energy dangers, the disposal of poisonous wastes. It confronts potential threats to most people even if they are reluctant to envisage them. The environmental movement raises fundamental questions about the right of present and future generations to a decent, unrisky environment and about the balance between material gains in goods and a safer environment.

A variety of other formations exists. But I will move on to urban social movements, local or neighbourhood organisations. Peter Dreier¹³ has argued that relatively more people are involved in such activities than were participating in political and quasi-political organisations in former years in the United States. Apathy, his argument runs, does not characterise the American situation despite the decline in participation in electoral politics. In other countries, urban social movements are important though beginning to wane in the turn into the 80s.

The strength of these movements is their local basis; that may also be their weakness. They mobilise people around immediate, close, visible, personal issues. Frequently, they are 'against' movements, trying to prevent something from happening rather than advocating a positive set of actions. They are usually short-lived. As they win their point, make a gain or lose on

an issue, they dissolve, become shells, or have an organisational form without active supporters. They are small in size, tend to be unconnected to other organisations, lack a national agenda and eschew national action. They are of, for, and by the neighbourhood.

In the US some neighbourhood-oriented organisations like Massachusetts Fair Share and Ohio Public Interest Campaign seem to be overcoming many of these difficulties. They are staying afloat for a longer period, no minor accomplishment; they deal with more than one issue, e.g., plant closings as well as fuel price adjustments or **traffic** lights; they are becoming politically effective, and are developing a broader political and economic agenda. They may become potent political forces although they currently avoid partisan electoral politics. That is likely to shift as members run for elective office, which is beginning to happen, and as their issues become ballot and legislative questions.

Many of the effective organisations concentrate on white working-class and lower middle-class neighbourhoods and avoid divisive social issues of race, public assistance or abortion. Some organising is occurring in black and poorer communities. The economic and political strains of the 80s will likely facilitate such organising.

A major problem of the 80s is to draw the neighbourhood groupings toward a national economic and political agenda without weakening their strength in the neighbourhoods. That is no easy matter and the movement can become encapsulated in its neighbourhoods or lose its base by wandering in the corridors of power. ■

A great hope of the neighbourhood movement is that it demonstrates the possibilities of local citizens taking charge, of new forms of democratic participation. Decentralisation and 'empowerment' are the themes. One difficulty is that decentralisation and neighbourhood forms may not be internally democratic and may be manipulated by organisers, despite the latter's good intentions, since they have a different orientation from the neighbourhood members. Some of the more successful organisations have a very conventional organisational structure. A second problem is that local empowerment or **control** can result in local exclusion, keeping out undesired ethnics, resisting efforts at desegregation and the like. These doubts should not obscure the potentials of the neighbourhood movement in affecting political and economic life and demonstrating new organisational forms.

They are likely to have continual success in the basic organising of neighbourhoods because of crass business policies that exploit consumers by raising oligopolistic prices and that disrupt communities by closing down plants without consultation with the workers or the community and because of governmental **policies** of reducing public spending and services. Successes in such struggles may lead neighbourhood-oriented organisations to become emboldened and to broaden their outlook and construct a national political and economic agenda. The linking of neighbourhood-

based organisations to each other, now beginning to occur, and to national organisations and issues, especially around economic policies dealing with inflation and employment, will be the key organising question for the left.

The three movements briefly discussed above, especially the first two, are frequently described as single-issue movements. They are regarded as narrowly focussed because they are largely unconnected to national political parties, mainly deal with specific issues in specific localities, and do not exclusively revolve around workplace issues. But the single-issue term is not accurate when, for example, the feminist movement affects over 50 per cent of the population and ranges over a wide set of problems.

Two contrasting views of the movements exist. The positive view is that they do achieve important gains or reduce losses for important sections; consciousness is raised; people who have been inactive become active and develop **organising** skills; they serve as socialist demonstration projects, indicating what a better world could be like; over time the specific or local actions will connect up with broader, national economic and political issues as it becomes clear that problems cannot be resolved at the local level. The opposing view is that these activities compete with each other, divide ethnic and racial communities, dissipate energies, become becalmed at the local level and have little spread effects. That is, they do not reshape other political formations and movements.

An important tendency within each of the movements is the recognition of the need to broaden out, to face national economic issues. (The US environmentalist movement contains an organisation called Environmentalists for Full Employment which directly addresses broad economic issues, seeking to join environmental concerns with economic concerns and not to treat them as in competition.) Many feminist leaders are concerned with broad economic policy which affects employment possibilities. These tendencies are not dominant but they are likely to become stronger as economic conditions decline.

Two institutionalised forces have been underplayed in the foregoing discussion: unions and political parties. Their behaviour will have important effects on the three movements and more broadly. Unions in the US are undergoing important changes as non-manufacturing unions grow, and minority and women members become more numerous. In a difficult economic environment, they are likely to face militant corporate opposition as the larger firms try to break down the tolerated area of agreement which prevailed through the late 50s and 60s and to win back some of the gains that unions have won. As pointed out earlier, internal conflict is likely to expand within unions as corporations toughen their resistance to raising wages or improving or even maintaining working conditions. Some unions, perhaps a majority, are likely to concentrate on fighting internal dissent and placating employers but there are already signs that at least a few unions will be broadening their **agendas**¹⁴ and **seeking** allies among

the movements. Joint action on specific issues rather than continuing and broad coalitions is the likely form of mutual aid because the agendas of the unions and movements do not fully converge and suspicions of each other are still strong.

The possibility of large-scale change through political parties is discouraging. First, can a left or even a liberal-oriented faction win the continuing support of the Democratic Party? (In somewhat different terms, the same question applies to the Labour Party.) Second, can its programme be the basis of winning elections? And, third, if elected, will the party be able to carry through its left-leaning programme without substantial dilution? To carry through a left-liberal programme requires broad and strong popular sentiment and support and low business resistance (because companies see some gains coming from the left policies as in the Keynes-Beveridge proposals). In the 80s these conditions are unlikely unless the economy plunges to such lows that the current conventionalities of economic policy and political life are smashed.

Two non-institutional forces may be important in the 80s. One, already mentioned, is militancy and violence on racial lines that would be politically disturbing, particularly for the US, as 'the leader of the Free World'. The other is new insurgencies around unemployment, social programmes (e.g., new welfare rights movements), or foreign and military actions (e.g., failed Middle East military intervention). One does not have to agree with all of the arguments of Frances Fox Piven and Richard Cloward in *Poor People's Movements* to recognise the impact that non-institutionalised action can have. It can create shocks to political life—especially for a hegemonic power that needs internal cohesion for foreign adventures. While the timing and specific character of this insurgent shock cannot be predicted, it is likely to happen during the troubled 80s. It should be recognised, as mentioned above, that governments are much better prepared strategically and logistically to handle such shocks than they were a decade ago. But even the potentiality of such actions unhinges much of organised political life.

Finally, the Left as organised political force may influence the intensity and character of political life in the 80s. The following, concluding discussion **takes up** some issues facing the Left.

The Left

At the beginning of the decade, two surprising developments are evident. Distressing economic conditions which usually are regarded as building left support are not having that consequence. Left groups appear to many to be sectarian, ineffective or irrelevant to the economic and social difficulties of the day. (Note: 'irrelevant' was a powerful radical epithet in the 60s; now, it is used against radicals.) The Left does not seem to have a confidence-building approach. At the same time, the public seems **critical** of

established political parties, political leaders and of business, government and unions. Dissatisfaction is high and widespread but the Left is unsuccessful in responding to it. Therefore, this discussion does not refer only to the small radical caucuses and parties in the US but also to the much greater number of persons of Old or New Left persuasions who maintain radical outlooks but who feel politically homeless.

The other unexpected development is that intellectual life on the Left is lively, interesting and informative in contrast to left political life. Left analyses and studies today are much more penetrating and less dogmatic than the literature of the 30s, certainly in the US, and probably in Britain and France. In recent years, left scholarship and analyses in many fields have made great gains and are influencing orthodox scholarly work. This is particularly true in historical analysis. I do not want to lure myself into portraying this period as a golden age of left writing but even a cursory glance at 1930s work suggests great gains, even if off-the-Marxian-Bible deductionism and textualism still abound.

But the growingly rich left **corpus**¹⁵ is largely unconnected to the interesting actions of the day. That is not true of some socialist feminist writing and other exceptions exist like the work of the Institute for Workers' Control. But by-and-large political practice, e.g., the spread in the US of neighbourhood groups, is unconnected to radical theorising. Urban social movements are being studied, I should add, by many sociologists and planners who have been stimulated by Manuel Castells. The connections of such studies to action is very thin in the US and UK.

Linking theory and action is an old call. Two things that are frequently ignored will be particularly important in the 80s. One is that often (most of the time?) action precedes and influences theory; the theoretically-inclined then respond to clarify recent and current actions and to debate alternatives and consequences. Practice is never a simple derivative of theory. Frequently, theory is the late response to 'spontaneous action' though it may be important in later developments.

The other neglected point is that when the break between theory and practice is discussed, intellectuals and academics are usually castigated for their unwillingness, incompetence, arrogance, or class biases in not overcoming the break. These are important, frequently on-the-target points, but much of the difficulty arises because action movements feel too busy to try to connect with intellectuals or do not know how, or want to use them only in propagandistic or sectarian ways, or do not pay attention to where the action or organisation is going ('the action-action' mentality), so there is little need for trying to understand what is or might be happening. The theory-practice-praxis break occurs then at two points not only one. While I do not believe in the magical effect of the connection, it is an important link which has not been made effectively as the 80s begin.

The theory-and-practice split does have an immediate significance. An

important strand of left theory in recent years has stressed the role of the state in aiding monopoly capital and the importance of the issue of the legitimation of the state. These orientations lead to strong criticism of government and approval of the weakening of support for the state as an institution. On the other hand, the re-capitalisation strategy results in contracting public social expenditures. **Left** groups then are fighting for at least maintaining governmental services. But the theoretical perspective is of sharp attacks on these services and on liberal or social democratic governments in general. It is not a paradox to be critical of inadequate or coercive or coopting public services and to feel nonetheless that they are needed and should be defended. But the theoretical analysis and political rhetoric have not faced the practical situation of defending public services against massive reductions, while denouncing the capitalist state.

The defence against social service cuts—at least in the US—has not been sophisticated or politically wise. The support for Proposition 13 measures which reduce taxation and public social expenditures shows the widespread dislike of how the welfare state functions, its economic burden, and its reputation. Liberals and radicals share much of the critique. The welfare state has to be defended while criticised. Social programmes have to be changed while protected. The public employees' unions have been slow, at least in the US, in recognising the new political terrain and the need for improvement in public services, not just the continuation of past practices. Nor have the Left and liberals proposed wider changes.

That last sentence suggests two important issues. One is that it asserts that liberals, right-wing social democrats and radicals may have a similar concern for public services. That outlook leads to questions of coalitional activities, joint actions, overcoming the divides between liberals and radicals in a perilous situation, especially for poor people. (Earlier, a parallel point was made about the clash in interests of multinational **firms** and smaller companies. Can the latter be connected to a socially-useful agenda?) The hoary, unresolved, perhaps unresolvable troubling point of the role of reform is again to the fore. In the 60s in the US, 'reform' was an epithet for many on the Left, In the **80s**, it might be a vain hope. All eras have to confront the issue of reform in specific, concrete, historical terms. That will be a prime issue in the **80s**, though I have the impression that many radical groups are sliding into reform **and** coalition with less radical groups, even if their (implicit) theories do not explain their behaviour.

The other issue is that liberals and radicals are on the intellectual defensive. As I said above, they do not have a politically attractive, economically viable set of alternatives about the welfare state nor economic policy. **Nationalising a firm** or sector does not address inflation or assure employment. Nor do price-wage controls settle issues of which kind of growth. The absence of an attractive alternative is an immediate defect.

For radicals (and for liberals and social democrats too) a longer-run question is the vision of the better society for which they strive. Bureaucratic, authoritarian socialism is repellent even if not grounds for a life-threatening Cold War. Creeping socialism through nationalisation offers few transformational possibilities. The mobilised communitarian models of China, Cuba, and Tanzania, once deeply attractive to many, have been tarnished. Where is the 'good socialism?'

The picture is not completely bleak, for decentralised visions of a 'socialism' seem to be emerging. Frequently, they are naive about the need for centralised economic and political activity. For which industries and regions should be aided to grow? Or, how to limit inequalities if there is no attempt to smooth out regional imbalances? Decentralists ignore Bertram Gross's rule that every act of decentralisation requires an act of centralisation and vice versa. The decentralist perspective implies greater democracy but small places can be coercive and authoritarian too, sometimes even more personally intimidating than large, impersonal pressures.¹⁶

Despite the limitations of the decentralists, they attempt a transformational perspective, a vision of a society attractive of itself, not only a patch-up of what is visibly wrong with the workings of a capitalist economy. Some vision of this kind is needed even if the 80s will be largely dealing with immediate, disturbing questions of protecting vulnerable populations, preventing devastating wars and ecological catastrophes.

The 80s will likely see a variety of interesting experiments (e.g., workers' control situations which attempt to change the labour process as well as protect jobs). They do not add up to a socialist vision but they could be the proving ground for a non-bureaucratic, democratic, economically effective and just society. One of the great tasks—which radicals have avoided until recently—is the effort to learn how to build or convert larger-scale organisations to a human and humane scale. The study and transformation of bureaucracy as a prime socialist project for smallness cannot be the answer to everything.

This essay will be notable as one of the few political economy articles written in and about the 80s which does not display the word 'crisis'. Of course, whether a crisis does emerge partly depends on the definition of that term. But I eschew the definitional quarrel. What seems more important is that despite their economic difficulties British and American capitalisms will not experience great political strain unless there is strong opposition to economic policies. Whether that will occur is the great although not the only issue of the 80s.

The Left has to learn how to deal with the developing policies and forces of re-capitalisation in ways that contribute to the mobilisation of opposition. Unrest may emerge regardless of what the Left does and the most appropriate left efforts may not shape unrest. But it is clear what the tasks of the Left are—to provide a way of understanding the unfolding

issues, helping to organise actions, sketching a vision of a better society. Paul Sweezy and Perry Anderson separately have pointed out that social systems do not suddenly collapse; they are supplanted over centuries. In that perspective, the 80s are a very short period. But they are still likely to be a crucial one for consciousness may be deeply changed and lower standards of living accepted as necessary and fair; private enterprise may be given fuller sway and levers of control over it dismantled; and left proposals may be further marginalised as ineffective and impractical. These would not be minor shifts. While there is much useful action occurring, the Left is ill-prepared for this new and uncertain economic and political phase. But events and political **organising** may make a radical movement in the 80s.

NOTES

1. In thinking about structural developments in the **80s**, it might be useful to think about what could have been predicted in 1970 about the course of the 80s. To what extent were accidents (of at least the exact timing) such as the formation of OPEC crucial in what took place? Was the impact of Watergate something that could not be anticipated? Was inflation inevitable in the 70s or could it have been avoided if the Vietnam war had not continued or if Nixon had not tried to make himself electable by heating up the economy in **1972**? Was the failure of the Heath and the Wilson-Callaghan governments to improve the economy inevitable? Could the failure have been less pronounced? (Roy Bennett and I did talk about the possibility of an OPEC-type action in an essay **criticising Harry Magdoff's *The Age of Imperialism*** but we did not believe that it would occur only three years later and in an already inflationary situation. Timing does make a difference.) ('Does the US Economy Require Imperialism?' *Social Policy*, September-October and November-December 1970.)
2. Editors' Review, 'U.S. Foreign Policy in the 1980s' does a good job of dispelling the belief that **international** relations form a **zero-sum** game where a decline in US power necessarily means a gain in USSR power. *Monthly Review*, 31, 11, April 1980, pp. 1-12.
3. See R.W. Wilson, 'The end of the American Era', *New Society*, 24 April 1980. The similarity of Johnson's title to Williams' shows how long the decline has been under way (or at least envisaged).
4. American economic and political weakening is **paralleled** by its intellectual and academic decline. In the Fifties, social science was regarded as largely what occurred in the USA. That **was** always a gross misunderstanding; today it is completely out-of-date. In the **70s**, American social science (and literature) no longer dominated, **e.g.**, the emergence of French structuralism, and in the 80s the US will be further eclipsed. To a large extent, intellectual and academic fashions follow the flag.
5. Richard **Barnett** and Ronald **Mueller**, *Global Reach: The Power of the Multinational Corporations*, New York: Simon and Schuster, 1974.
6. The degree of success of the European Community in reducing systematically steel production, capacity and, therefore employment among its members will be a good indication of the ability of the capitalist countries to concert their activities and deal with their long-term problems.
7. In focussing on Cold War issues and symptoms, the internal problems of the

Soviet Union and Eastern Europe are largely undiscussed and Cuba and China ignored. The heterogeneity among socialist nations is considerable and deserves attention

Eastern Europe and the Soviet Union face grave economic difficulties. They are caught in the contradiction between the need or desire for controls to combat inflation, to **direct investment**, and to limit inequalities and the need for the relaxation of central planning in order to increase efficiency and consumer sensitivity. **Allocational** priorities and efficiency are often in conflict.

8. I know that this statement is alien to much left thinking. Instead of an extended discussion, I can refer readers to my and Roy Bennett's disagreements with Harry Magdoff's analysis in *The Age of Imperialism*. While the data in the articles are not **up-to-date**, they do point to a different mode of analysis in differentiating among the participants in trade and capital flow. See 'Does the US Economy Require Imperialism', *Social Policy*, September-October and November-December 1970; also, *A Neo-Imperialism Critique: Does the Rich Nation Need the Poor?*, *Policy Papers*, New York University Centre for International Studies, 1971.
9. S.M. Miller, 'The Re-Capitalisation of Capitalism', *Social Policy*, November-December 1978. An earlier version appeared in *The Journal of Urban and Regional Research*, 1978.
10. The importance of small- and medium-sized firms is discussed in S.M. Miller, 'Notes on **Neo-Capitalism**', *Theory and Society*, 2, 1, 1975.
11. See the debate about this contention in the May-June and September-October 1980 issues of *Social Policy*.
12. The decline in birth rates may result in labour shortages by the end of the decade. If demographers were not predicting such an occurrence, I would have more confidence in its happening. Despite demographers' poor prediction record, demographic factors are important and neglected in left analysis. Certainly a very important one is the growth in the number of one-parent families.
13. 'Socialist Incubators', *Social Policy*, 10, 5, May-June 1980.
14. Despite left denigration of unions in the recent past, the AFL-CIO has been in the forefront of many economic and social issues and George Meany, its late president, early and vociferously attacked the economic policies of the Carter Administration as harming workers and the poor. The Progressive Alliance, a union-led alliance of trade unionists, environmentalists and minority groups is a second example of union leadership in the current US political scene.
15. I deliberately say 'Left' rather than 'Marxist' or 'Marxism' to underline that an analysis need not be conceived or be defined as in a Marxist tradition to be important and useful to radical political movements. That set of blinders is sectarianism incarnate.
16. The problems of small, communally-oriented formations are honestly analysed in John Case and Rosemary Taylor, eds., *Coops, Communes and Collectives*, New York, Pantheon, 1979.