

University College London ~ IIPP Debates An Economics Reformation

Neoclassical economics has become an unquestioned belief, dominating decision-making from money and savings to migration and sovereignty. This seminar challenged this view, proposing a reformation.

To celebrate the 500th anniversary of Martin Luther's 95 Theses, a group of free-thinking Economists and students challenged the current dogma in economics and investigated the shaky foundations of the neoclassical faith. The session challenged assumptions about the nature of the economy, the creation of money, the behaviour of markets, the origins of growth, and the causes of crises.

IIPP hosted this lively debate that proposed a new '*95 Theses of the Economics Reformation*', and nailed its demands to the door of the economics establishment to mark the beginning of a new economics reformation.

See: <https://www.ucl.ac.uk/bartlett/public-purpose/news/2017/dec/iipp-debates-economics-reformation>

See also: [Larry Elliott ~ Heretics welcome! Economics needs a new Reformation ~ The Guardian](#)

For Him Art, Research, Creation And Politics Were The Same Thing

- In Memory Of Paul Boccara



Paul Boccara 1932 -2017

Face à l'énorme complexité des ces questions, il es urgent d'y aller, au risque d'essuyer les plâtres, des se tromper ; car il y a une béance formidable, et un appel!

Paul Boccara ended with these words the 'Nine Lessons of Systemic Anthroponomy'. They can be seen as legacy of a great thinker. He was born in Tunis in 1932 - he finally left us on November 26 th 2017. Although he became entirely French in his attitudes, this Mediterranean origin shaped his way of thinking in a peculiar way. I remember one of our meetings in Ivry, where he lived; we went for lunch and there was no hesitation in choosing a seat. "I'm from Tunisia - I need light," and so we settled right next to the window. This urge to light was guiding his life, in a metaphorical sense: it was the strive for enlightenment. This was about a very bright light, illuminating the entire socio-historical space and at the same time it was the spotlight, which made it possible to take a close look at details.

Paul Boccara was educated as economist and mastered the tiresome depths of the bourgeois profession as well as the peaks of political economics. The latter was never a flattened shortcut for complex socio-historical constellations. It was only through knowledge of complex relationalities possible to achieve a truly creative application - a Marxist approach in the best possible sense. His profound thinking was also characterised by the fact that he studied in addition to economics also history and anthropology.

Three outstanding works have to be mentioned:

The Études sur le capitalisme monopoliste d' État, sa crise et son issue [Éditions

sociales, 1973] were probably part of the compulsory reading of the left at that time. Boccara's work was ground-breaking, but at the same time it was part of a wider discourse concerned with the changing role of the state. This has to be understood against the historical background: on the one hand, at least throughout Europe, the 'special conditions' of the post WWII period came to an end and the West had to settle down with a consolidating East-West relationship. What existed as a socialist state and their coalition could not be met by capital alone - if the state would not have existed already, it would have been invented at that time to complement and consolidate the hegemonic claims of the monopoly capital. In fact, such a re-invention of the string state took place in the sense of a close, organic interweaving of economy and state.

The Théories sur les crises, la suraccumulation et la dévalorisation du capital [Delga, 2013/2015] are nearly a late work. Hardly perceived, unfortunately not translated so far, the two volumes show the misery of the economy and of economics. It is noteworthy that the current crisis is analysed in a very fundamental way as a fundamentally structural crisis. Boccara's oeuvre goes beyond other works, because it makes use of the very basics of economic theory: accumulation, theory of value, production and consumption, the long waves and the differentiated consideration of predator, casino and profit of capitalist economy are analysed in principle and assessed in connection with the techno-economic processes ['information technologies of new type'].

Neuf Leçons sur l'anthroponomie systémique [Delga, 2017], the last book, which is the assets we inherit - and the appeal, an urgent call obliging us to concrete and detailed analysis. Importantly Boccara emphasises the role of anthroponomy - these questions occupied him intensively in recent years. This is refreshingly different from many 'identity and value discussions' also in the left.

Strengthening the left can barely rely on hoping for insight into the necessity of a different way of life - questions of faith and pure good will and related hopes should be left to religion. Boccara, on the other hand, puts forward a clear analysis of the interplay between politics and economy and society. And it is not an appeal for such a way of life, but rather an appeal to a culture of debate.

It is always interesting to familiarise oneself with the intermediate steps that had been leading up to these works. In the most positive sense of the word, he always understood all his writing as 'work in progress'. Especially the readers of the journal *économie et politique*, the journal with which he was inseparably linked, benefited from this. A general remark should be added: Instead of chasing

ranking points, many works are considered contributions to current debates and challenges, marking the real points of historical responsible academic performance.

A general note should be added: Instead of chasing ranking points, many papers have been published as contributions to current debates and challenges. And here, too, one book is outstanding – the advance that Boccara made with it was also an uproar of the French political scene: *Une sécurité d'emploi ou de formation. Pour une construction révolutionnaire de dépassement contre le chômage* (Le Temps des cerises, 2002). The aim was to make alternatives to the working society again comprehensible and to put them on the agenda as a well-elaborated concept. As such it entered French politics and policies; and as such it should surely employ us when we look at the new economic developments [digitisation, new technologies etc.].

This book is an expression of the fact that theoretical work must always be as well an experiment: experiment, not least in the sense of active participation in the political struggles of the time. This found its expression in being member of the Central Committee of the French Communist Party for some time, and it also meant to be actively involved in a wide range of areas.

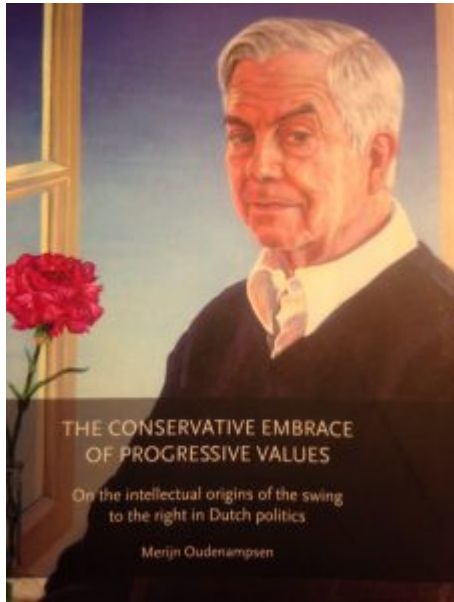
Finally, the theory work also meant listening – as part of a study trip I organised with students from Ireland [if I am not mistaken in 2013], a meeting with Paul was scheduled in the in the headquarter of the PCF. For the students, this was a unique experience – studies of social policy gained a completely new dimension: social policy outside the seminar rooms, and at the same time the experience that communists are open to discussion. It was also an unforgettable experience for me, seeing Paul in top form: in all his explanations, answers to questions, the students were hardly aware of the extent to which they were partners and teachers at the same time: because as much as they listened, as much they reported, elaborated together ‘meaning’ in the spirit of the experiment in the sense of an awakening active participation in the political battles of the time’, in which now seminar work immediately gained a new relevance.

The left lost a great thinker and a great personality. Now we are facing the challenge of lifting the great treasure that can be found scattered as working material. Working material means two things: it is Paul Boccara’s notes and thoughts, and it is now the ideas that we don’t have to arrange in the sense of a recipe book, but rather that we take as a challenge for leftist science – if we are

open to it. This openness is precisely what leads back to the sentence quoted at the beginning which is also an invitation to allow and admit mistakes. The dossier in the January issue of the *Journal economie et politique* contains a list of obstacles to be overcome, one of which is directed against 'phraseology' and the repetition of empty phrases - they have always been a thorn in his eyes. Here too, he was committed to the principle that it is better to look for real innovation than to move on supposedly safe terrain. The biggest mistake is not to move.

And, as the *Nine Lessons* have shown, the movement must be a movement of interdependence between politics and economy and society. Just as this unity has shaped Paul's life. Frédéric Boccara summed it up at the funeral in Ivry: « *L'art, la recherche, la création, la politique, pour lui c'était tout un* » "For him, art, research, creation and politics were for him an entity."

Merijn Oudenampsen ~ The Conservative Embrace Of Progressive Values. On The Intellectual Origins Of The Swing To The Right In Dutch Politics



To talk of ideology in the Netherlands is to court controversy. The Dutch are not exceptional in that sense. Ideology is known internationally to have a bad reputation. After all, the word first came into common use when it was employed by Napoleon as a swearword. But the Dutch distaste for ideology seems to have taken on particularly sharp features. The country lacks a prominent tradition of political theory and political ideology research and often perceives itself as having achieved the end of ideology. Taking recourse to Mannheim's sociology of ideas, I have attempted to contest that image and

fill a small part of the lacuna of Dutch ideology studies. The book started out with an attempt to formulate - in broad strokes - an explanation for the peculiarly apolitical atmosphere in Dutch intellectual life.

The relative absence of ideological thought in the Netherlands, I have argued, can be traced back to the historical dominance of one particular form of ideological thought: an organicist doctrine that considers Dutch society as a differentiated, historically grown, organic whole. It considers the state and the media as the passive reflection of societal developments, with elites serving as conduits. Organicism is a sceptical, relativist ideology that stresses harmony and historical continuity. Shared by the twentieth-century elites of the different currents in the Netherlands, this ideology has been depicted as the metaphorical roof uniting the different pillars. It has filtered through Dutch intellectual history in complex forms, to emerge in more contemporary manifestations such as Lijphart's pluralist theory of accommodation.

The thesis of this book is that this has resulted in a lingering tendency in the literature to downplay conflict, rupture and ideology in Dutch history. And instead to favour more harmonious portrayals of Dutch society developing gradually and continuously as a unity, as an organic whole. When it comes to the Fortuyn revolt, a similar inclination has resulted in depoliticized interpretations of the revolt as the exclusive imprint of secular trends that Dutch politics and media simply needed to reflect. Hans Daalder, the doyen of Dutch political science, argued that there is a political incentive to depoliticize matters in the Dutch political system. In the context of the close relationship between politics and social science in the

Netherlands, this has given rise to a paradoxical reality: the more politically involved social science becomes, the more depoliticized it needs to become. Ironically, this means that a more autonomous social science will need to repoliticize its account of Dutch political transformation to some degree. That is what this study has sought to do.

See: https://pure.uvt.nl/Oudenampsen_Conservative.pdf

Boxing Humans



Well, moving in the academic realm is too often about boxing humans - yes, both sides going together: putting people into boxes and brutally beating them up. The following is a letter I sent to relevant newspapers as comment on what is going on, how students [and lecturers] are maltreated, disrespectful encounters when

students are following their curiosity. It makes me increasingly sad, and I feel deeply ashamed ...

Dear colleagues,

adding to the various discussions on ranking and formalistic approaches to studying, admission to universities and performance of third-level teaching and research, one point is easily overlooked - the following example is perhaps extreme, though not necessarily completely exceptional.

I worked for two years as professor of economics at Bangor College China, Changsha [BCC] before taking up my current position as research fellow at the Max-Planck Institute for Social Law and Social Policy in Munich, Germany. Still, one persisting bond to the previous job is concerned with writing references for

some students. Some universities where students applied, accepted only references, requiring my mail-address from the previous job - but shouldn't universities at this time and age accept that scholars are moving, following ambitions and calls in other positions? This means: they should also accept that mail addresses change, and one may even prefer to use a non-institutional address. Anyway, I mentioned the BCC-mail address - however, sending a mail to that address is answered by an auto-reply referring the sender to another address. This is the first point where the institution that was seeking the reference - the Graduate School, The Chinese University of Hong Kong - failed. They ignored the auto-reply and I did not know about the request they sent. Finally I was made aware of it [by the bright applying student], checked the dormant mail box and continued to the website for the submission of the reference. A form opened [after going through a more or less cumbersome procedure], asking for replies to multiple choice questions. I still think students are not made up of multiple choice elements, instead: they are real beings, humans with a multifaceted personality that cannot be squeezed into such forms - even when considering data-processing as an at-times appropriate tool. So, instead of ticking the boxes I preferred skipping them, attaching a recommendation letter instead. However, the system did not allow me to submit the letter unless I would first answer the multiple-choice questions which would feed into a one-dimensional profile. I complained, sent the letter as a mail attachment - and did not receive a reply by the said office of the Hong Kong University. At some stage, I agreed - honestly disgusted by the lack of qualification and respect towards students - ticked the boxes and attached the letter [again cumbersome, as one had to enter a code which was not clearly legible, not allowing to distinguish 0 and O]. I sent another letter of complaint to the Graduate School, The Chinese University of Hong Kong - which was again answered to the BCC address, and again they failed to resend the mail to the e-mail address mentioned in the auto-reply.

If these are the standards of entering higher education, one should not be surprised that at the other end, i.e. at the time of finishing studies, many people have difficulties. They feel their creativity being limited by the requirements of publishing, acquiring funding and the competition along lines of subordination under expectations instead of striving for innovation [see Maximilain Sippenauer: Doktor Bologna; Sueddeutsche Zeitung, 20.10.2017: 11]

Still, it is a bit surprising that all this is well known and still not much is changing. Surprising ... ? Perhaps it is not really surprising if we consider that the income of top-administration posts increase while the income of lecturers does not follow accordingly [see for instance the article titled: Times Higher Education pay survey 2016 in [The Times Higher Education](https://www.timeshighereducation.com/features/times-higher-education-pay-survey-2016%5D); <https://www.timeshighereducation.com/features/times-higher-education-pay-survey-2016%5D>].

It seems that there is a long way towards 'supporting the brightest by open systems', overcoming the dominant *administrative* policy of 'wedge the narrowest by furthering their smart submission'.

Sincerely

Peter Herrmann

Imagining A New Social Order: Noam Chomsky And Robert Pollin In Conversation



Prof.dr. Robert Pollin

We live in an age of illegitimate neoliberal hegemony and soaring political uncertainty. The evidence is all around: citizen disillusionment over mainstream

political parties and the traditional conservative-liberal divide, massive inequality, the rise of the “alt-right,” and growing resistance to Trumpism and financial capitalism.

Yes, the present age is full of contradictions of every type and variety, and this is something that makes the goals and aims of the left for the reordering of society along the lines of a true democratic polity and in accordance with the vision of a socialist reorganization of the economy more challenging than ever before.



Noam Chomsky ~ Photo:
en.wikipedia.org

In this context, the interview below, with Noam Chomsky and Robert Pollin, which appeared originally in Truthout in *three* separate parts, seeks to provide theoretical and practical guidance to the most pressing social, economic and political issues facing the United States today. It is part of an effort to help the left reimagine an alternative but realistic social order in an age when the old order is dying but the new has yet to be born.

Noam Chomsky is professor emeritus of linguistics at MIT and laureate professor in the department of linguistics at the University of Arizona. Robert Pollin is distinguished professor of economics and co-director of the Political Economy Research Institute at the University of Massachusetts at Amherst. These two thinkers are pathbreakers in the quest to envision a humane and equitable society, and their words can provide a helpful framework as we strive — within an oppressive system and under a repressive government — to fathom new ways of

living together in the world.

C.J. Polychroniou: Noam, the rise of Donald Trump has unleashed a rather unprecedented wave of social resistance in the US. Do you think the conditions are ripe for a mass progressive/socialist movement in this country that can begin to reframe the major policy issues affecting the majority of people, and perhaps even challenge and potentially change the fundamental structures of the US political economy?

Noam Chomsky: There is indeed a wave of social resistance, more significant than in the recent past — though I'd hesitate about calling it "unprecedented." Nevertheless, we cannot overlook the fact that in the domain of policy formation and implementation, the right is ascendant, in fact some of its harshest and most destructive elements [are rising].

Nor should we overlook a crucial fact that has been evident for some time: The figure in charge, though often ridiculed, has succeeded brilliantly in his goal of occupying media and public attention while mobilizing a very loyal popular base — and one with sinister features, sometimes smacking of totalitarianism, including adoration of The Leader. That goes beyond the core of loyal Trump supporters.... [A [majority of Republicans](#)] favor shutting down or at least fining the press if it presents "biased" or "false news" — terms that mean information rejected by The Leader, so we learn from polls showing that by overwhelming margins, Republicans not only believe Trump far more than the hated mainstream media, but even far more than their own media organ, the extreme right Fox news. And half of Republicans would back postponing the 2020 election if Trump calls for it.

It is also worth bearing in mind that among a significant part of his worshipful base, Trump is regarded as a "wavering moderate" who cannot be fully trusted to hold fast to the true faith of fierce White Christian identity politics. A recent illustration is the primary victory of the incredible Roy Moore in Alabama despite Trump's opposition. ("Mr. President, I love you but you are wrong," as the banners read). The victory of this Bible-thumping fanatic has led senior party strategists to [conclude](#) "that the conservative base now loathes its leaders in Washington the same way it detested President Barack Obama" — referring to leaders who are already so far right that one needs a powerful telescope to locate them at the outer fringe of any tolerable political spectrum.

The potential power of the ultra-right attack on the far right is [\[illustrated\]](#) by the fact that Moore spent about \$200,000, in contrast to his Trump-backed opponent, the merely far-right Luther Strange, who received more than \$10 million from the national GOP and other far-right sources. The ultra-right is spearheaded by Steve Bannon, one of the most dangerous figures in the shiver-inducing array that has come to the fore in recent years. It has the huge financial support of the Mercer family, along with ample media outreach through Breitbart news, talk radio and the rest of the toxic bubble in which loyalists trap themselves.

In the most powerful state in history, the current Republican Party is ominous enough. What is not far on the horizon is even more menacing.

Much has been said about how Trump has pulled the cork out of the bottle and legitimized neo-Nazism, rabid white supremacy, misogyny and other pathologies that had been festering beneath the surface. But it goes much beyond even that.

I do not want to suggest that adoration of the Dear Leader is something new in American politics, or confined to the vulgar masses. The veneration of Reagan that has been diligently fostered has some of the same character, in intellectual circles as well. Thus, in publications of the conservative Hoover Institution at Stanford University, we learn that Reagan's "spirit seems to stride the country, watching us like a warm and friendly ghost." Lucky us, protected from harm by a demi-god.

Whether by design, or simply inertia, the Republican wrecking ball has been following a two-level strategy. Trump keeps the spotlight on himself with one act after another, assuming (correctly) that yesterday's antics will be swept aside by today's. And at the same time, often beneath the radar, the "respectable" Republican establishment chips away at government programs that might be of benefit to the general population, but not to their constituency of extreme wealth and corporate power. They are systematically pursuing what Financial Times economic correspondent Martin Wolf calls "pluto-populism," a doctrine that imposes "policies that benefit plutocrats, justified by populist rhetoric." An amalgam that has registered unpleasant successes in the past as well.

Meanwhile, the Democrats and centrist media help out by focusing their energy and attention on whether someone in the Trump team talked to Russians, or [whether] the Russians tried to influence our "pristine" elections — though at

most in a way that is undetectable in comparison with the impact of campaign funding, let alone other inducements that are the prerogative of extreme wealth and corporate power and are hardly without impact.

The Russian saboteurs of democracy seem to be everywhere. There was great anxiety about Russian intervention in the recent German elections, perhaps contributing to the frightening surge of support for the right-wing nationalist, if not neo-fascist, “Alternative for Germany” [AfD]. AfD did indeed have outside help, it turns out, but not from the insidious Putin. “The Russian meddling that German state security had been anticipating apparently never materialized,” [according to Bloomberg News](#). “Instead, the foreign influence came from America.” More specifically, from Harris Media, whose clients include Marine Le Pen’s National Front in France, Benjamin Netanyahu in Israel, and our own Donald Trump. With the valuable assistance of the Berlin office of Facebook, which created a population model and provided the needed data, Harris’s experts micro-targeted Germans in categories deemed susceptible to AfD’s message — with some success, it appears. The firm is now planning to move on to coming European races, it has announced.

Nevertheless, all is not bleak by any means. The most spectacular feature of the 2016 elections was not the election of a billionaire who spent almost as much as his lavishly-funded opponent and enjoyed fervent media backing. Far more striking was the remarkable success of the Sanders campaign, breaking with over a century of mostly bought elections. The campaign relied on small contributions and had no media support, to put it mildly. Though lacking any of the trappings that yield electoral success in our semi-plutocracy, Sanders probably would have won the Democratic Party nomination, perhaps the presidency, if it hadn’t been for the machinations of party managers. His popularity undimmed, he is now a leading voice for progressive measures and is amassing considerable support for his moderate social democratic proposals, reminiscent of the New Deal — proposals that would not have surprised President Eisenhower, but are considered practically revolutionary today as both parties have shifted well to the right [with] Republicans virtually off the spectrum of normal parliamentary politics.

Offshoots of the Sanders campaign are doing valuable work on many issues, including electoral politics at the local and state level, which had been pretty much abandoned to the Republican right, particularly during the Obama years, to

very harmful effect. There is also extensive and effective mobilization against racist and white supremacist pathologies, often spearheaded by the dynamic Black Lives Matter movement. Defying Trumpian and general Republican denialism, a powerful popular environmental movement is working hard to address the existential crisis of global warming. These, along with significant efforts on other fronts, face very difficult barriers, which can and must be overcome.

Bob, it is clear by now that Trump has no plan for creating new jobs, and even his reckless stance toward the environment will have no effect on the creation of new jobs. What would a progressive policy for job creation look like that will also take into account concerns about the environment and climate change?

Robert Pollin: A centerpiece for any kind of progressive social and economic program needs to be full employment with decent wages and working conditions. The reasons are straightforward, starting with money. Does someone in your family have a job and, if so, how much does it pay? For the overwhelming majority of the world's population, how one answers these two questions determines, more than anything else, what one's living standard will be. But beyond just money, your job is also crucial for establishing your sense of security and self-worth, your health and safety, your ability to raise a family, and your chances to participate in the life of your community.

How do we get to full employment, and how do we stay there? For any economy, there are two basic factors determining how many jobs are available at any given time. The first is the overall level of activity — with GDP as a rough, if inadequate measure of overall activity — and the second is what share of GDP goes to hiring people into jobs. In terms of our current situation, after the Great Recession hit in full in 2008, US GDP has grown at an anemic average rate of 1.3 percent per year, as opposed to the historic average rate from 1950 until 2007 of 3.3 percent. If the economy had grown over the past decade at something even approaching the historic average rate, the economy would have produced more than enough jobs to employ all 13 million people who are currently either unemployed or underemployed by the official government statistics, plus the nearly 9 million people who have dropped out of the labor force since 2007.

In terms of focusing on activities where job creation is strong, let's consider two important sets of economic sectors. First, spending \$1 million on education will

generate a total of about 26 jobs within the US economy, more than double the 11 jobs that would be created by spending the same \$1 million on the US military. Similarly, spending \$1 million on investments in renewable energy and energy efficiency will create over 16 jobs within the US, while spending the same \$1 million on our existing fossil fuel infrastructure will generate about 5.3 jobs — i.e. building a green economy in the US generates roughly three times more jobs per dollar than maintaining our fossil fuel dependency. So full employment policies should focus on accelerating economic growth and on changing our priorities for growth — as two critical examples, to expand educational opportunities across the board and to build a green economy, while contracting both the military and the fossil fuel economy.

A full employment program also obviously needs to focus on the conditions of work, starting with wages. The most straightforward measure of what neoliberal capitalism has meant for the US working class is that the average wage for non-supervisory workers in 2016 was about *4 percent lower than in 1973*. This is while average labor productivity — the amount each worker produces over the course of a year — has more than doubled over this same 43-year period. *All of the gains* from productivity doubling under neoliberalism have therefore been pocketed by either supervisory workers, or even more so, by business owners and corporate shareholders seeing their profits rise. The only solution here is to fight to increase worker bargaining power. We need stronger unions and worker protections, including a \$15 federal minimum wage. Such initiatives need to be combined with policies to expand the overall number of job opportunities out there. A fundamental premise of neoliberalism from day one has been to dismantle labor protections. We are seeing an especially aggressive variant of this approach today under the so-called “centrist” policies of the new French President Emmanuel Macron.

What about climate change and jobs? A view that has long been touted, most vociferously by Trump over the last two years, is that policies to protect the environment and to fight climate change are bad for jobs and therefore need to be junked. But this claim is simply false. In fact, as the evidence I have cited above shows, building a green economy is good for jobs overall, much better than maintaining our existing fossil-fuel based energy infrastructure, which also happens to be the single most significant force driving the planet toward ecological disaster.

It is true that building a green economy will not be good for everyone's jobs. Notably, people working in the fossil fuel industry will face major job losses. The communities in which these jobs are concentrated will also face significant losses. But the solution here is straightforward: Just Transition policies for the workers, families and communities who will be hurt as the coal, oil and natural gas industries necessarily contract to zero over roughly the next 30 years. Working with Jeannette Wicks-Lim, Heidi Garrett-Peltier and Brian Callaci at [the Political Economy Research Institute], and in conjunction with labor, environmental and community groups in both the states of New York and Washington, we have developed what I think are quite reasonable and workable Just Transition programs. They include solid pension protections, re-employment guarantees, as well as retraining and relocation support for individual workers, and community-support initiatives for impacted communities.

The single most important factor that makes all such initiatives workable is that the total number of affected workers is relatively small. For example, in the whole United States today, there are a total of about 65,000 people employed directly in the coal industry. This represents less than 0.05 percent of the 147 million people employed in the US. Considered within the context of the overall US economy, it would only require a minimum level of commitment to provide a just transition to these workers as well as their families and communities.

Finally, I think it is important to address one of the major positions on climate stabilization that has been advanced in recent years on the left, which is to oppose economic growth altogether, or to support "de-growth." The concerns of de-growth proponents — that economic growth under neoliberal capitalism is both grossly unjust and ecologically unsustainable — are real. But de-growth is not a viable solution. Consider a very simple example — that under a de-growth program, global GDP contracts by 10 percent. This level of GDP contraction would be five times larger than what occurred at the lowest point of the 2007-09 Great Recession, when the unemployment rate more than doubled in the United States. But even still, this 10 percent contraction in global GDP would have the effect, on its own, of reducing carbon dioxide (CO₂) emissions by precisely 10 percent. At a minimum, we would still need to cut emissions by another 30 percent within 15 years, and another 80 percent within 30 years to have even a fighting chance of stabilizing the climate. As such, the only viable climate stabilization program is to invest massively in clean renewable and high energy

efficiency systems so that clean energy completely supplants our existing fossil-fuel dependent system within the next 30 years, and to enact comparable transformations in agricultural production processes.

The “masters of the universe” have made a huge comeback since the last financial crisis, and while Trump’s big-capital-friendly policies are going to make the rich get richer, they could also spark the next financial crisis. So, Bob, what type of progressive policies can and should be enforced to contain the destructive tendencies of finance capital?

Pollin: The classic book *Manias, Panics, and Crashes* by the late MIT economist Charles Kindleberger makes clear that, throughout the history of capitalism, unregulated financial markets have persistently produced instability and crises. The only deviation from this long-term pattern occurred in the first 30 years after World War II, roughly from 1946-1975. The reason US and global financial markets were much more stable over this 30-year period is that the markets were heavily regulated then, through the Glass-Steagall regulatory system in the US, and the Bretton Woods system globally. These regulatory systems were enacted only in response to the disastrous Great Depression of the 1930s, which began with the 1929 Wall Street crash and which then brought global capitalism to its knees.

Of course, the big Wall Street players always hated being regulated and fought persistently, first to evade the regulations and then to dismantle them. They were largely successful through the 1980s and 1990s. But the full, official demise of the 1930s regulatory system came only in 1999, under the Democratic President Bill Clinton. At the time, virtually all leading mainstream economists — including liberals, such as Larry Summers, who was Treasury Secretary when Glass-Steagall was repealed — argued that financial regulations were an unnecessary vestige of the bygone 1930s. All kinds of fancy papers were written “demonstrating” that the big players on Wall Street are very smart people who know what’s best for themselves and everyone else — and therefore, didn’t need government regulators telling them what they could or could not do. It then took less than eight years for hyper-speculation on Wall Street to once again bring global capitalism to its knees. The only thing that saved capitalism in 2008-09 from a repeat of the 1930s Great Depression was the unprecedented government interventions to prop up the system, and the equally massive bail out of Wall Street.

By 2010, the US Congress and President Obama enacted a new set of financial regulations, the Dodd-Frank system. Overall, Dodd-Frank amount to a fairly weak set of measures aiming to dampen hyper-speculation on Wall Street. A large part of the problem is that Dodd-Frank included many opportunities for Wall Street players to delay enactment of laws they didn't like and for clever lawyers to figure out ways to evade the ones on the books. That said, the Trump administration, led on economic policy matters by two former Goldman Sachs executives, is committed to dismantling Dodd-Frank altogether, and allowing Wall Street to once again operate free of any significant regulatory constraints. I have little doubt that, free of regulations, the already ongoing trend of rising speculation — with, for example, the stock market already at a historic high — will once again accelerate.

What is needed to build something like a financial system that is both stable and supports a full-employment, ecologically sustainable growth framework? A major problem over time with the old Glass-Steagall system was that there were large differences in the degree to which, for example, commercial banks, investment banks, stock brokerages, insurance companies and mortgage lenders were regulated, thereby inviting clever financial engineers to invent ways to exploit these differences. An effective regulatory system today should therefore be guided by a few basic premises that can be applied flexibly but also universally. The regulations need to apply across the board, regardless of whether you call your business a bank, an insurance company, a hedge fund, a private equity fund, a vulture fund, or some other term that most of us haven't yet heard about.

One measure for promoting both stability and fairness across financial market segments is a small sales tax on all financial transactions — what has come to be known as a Robin Hood Tax. This tax would raise the costs of short-term speculative trading and therefore discourage speculation. At the same time, the tax will not discourage “patient” investors who intend to hold their assets for longer time periods, since, unlike the speculators, they will be trading infrequently. A bill called the Inclusive Prosperity Act was first introduced into the House of Representatives by Rep. Keith Ellison in 2012 and then in the Senate by Bernie Sanders in 2015, [and] is exactly the type of measure that is needed here.

Another important initiative would be to implement what are called asset-based reserve requirements. These are regulations that require financial institutions to

maintain a supply of cash as a reserve fund in proportion to the other, riskier assets they hold in their portfolios. Such requirements can serve both to discourage financial market investors from holding an excessive amount of risky assets, and as a cash cushion for the investors to draw upon when market downturns occur.

This policy instrument can also be used to push financial institutions to channel credit to projects that advance social welfare, for example, promoting investments in renewable energy and energy efficiency. The policy could stipulate that, say, at least 5 percent of banks' loan portfolios should be channeled into clean-energy investments. If the banks fail to reach this 5 percent quota of loans for clean energy, they would then be required to hold this same amount of their total assets in cash.

Finally, both in the US and throughout the world, there needs to be a growing presence of public development banks. These banks would make loans based on social welfare criteria — including advancing a full-employment, climate-stabilization agenda — as opposed to scouring the globe for the largest profit opportunities regardless of social costs.... Public development banks have always played a central role in supporting the successful economic development paths in the East Asian economies.

Noam, racism, inequality, mass incarceration and gun violence are pathologies that run deep inside American society. How would a progressive government begin to address these problems if it found itself in a position of power in, say, the next decade or so?

Chomsky: Very serious problems, no doubt. In order to address them effectively, it's first necessary to understand them; not a simple matter. Let's take the four pathologies in turn.

Racism certainly runs deep. There is no need to elaborate. It's right before our eyes in innumerable ways, some with considerable historical resonance. Current anti-immigrant hysteria can hardly fail to recall the racist immigration laws that at first barred [Asians] and were extended in the 1920s to Italians and Jews (under a different guise) — incidentally, helping to send many Jews to gas chambers, and after the war, keeping miserable survivors of the Holocaust from US shores.

Of course, the most extreme case for the past 400 years is the bitter history of African Americans. Current circumstances are shameful enough, commonly held doctrines scarcely less so. The hatred of Obama and anything he touched surely reflects deep-rooted racism. Comparative studies by George Fredrickson show that doctrines of white supremacy in the US have been even more rampant than in Apartheid South Africa.

The Nazis, when seeking precedents for the Nuremberg laws, turned to the United States, taking its anti-miscegenation laws as a model, though not entirely: [Certain] US laws were too harsh for the Nazis because of the “one drop of blood” doctrine. It was not until 1967, under the impact of the civil rights movement, that these abominations were struck down by the Supreme Court.

And it goes far back, taking many strange forms, including the weird Anglo-Saxon cult that has been prominent for centuries. Benjamin Franklin, the great American figure of the Enlightenment, pondered whether Germans and Swedes should be barred from the country because they are “too swarthy.” Adopting familiar understanding, he [observed](#) that “the Saxons only [are] excepted” from this racial “defect” — and by some mysterious process, those who make it to the United States may become Anglo-Saxons, like those already accepted within the canon.

The national poet Walt Whitman, honored for his democratic spirit, justified the conquest of half of Mexico by [asking](#), “What has miserable, inefficient Mexico ... to do with the great mission of peopling the New World with a noble race? Be it ours, to achieve that mission!” — a mission accomplished by the most “wicked war” in history, in the judgment of General-President U.S. Grant, who later regretted his service in it as a junior officer.

Coming to recent years, Henry Stimson, one of the most distinguished members of the FDR-Truman cabinets (and one of the few to oppose atomic bombing) “consistently maintained that Anglo-Saxons were superior to the ‘lesser breeds’,” historian Sean Langdon Malloy observes in his book, *Atomic Tragedy: Henry L. Stimson and the Decision to Use the Bomb* — and again reflecting not-uncommon views, asked to have one of his aides reassigned “on the slight possibility that he might be a Hebrew,” in his own words.

The other three maladies that you mention are also striking features of US society

— in some ways, even distinguishing features. But unlike racism, in all three cases, it is partially a contemporary phenomenon.

Take inequality. Through much of its history, the US did not have high inequality as compared with Europe. Less so, in fact. That began to change in the industrial age, reaching a peak in 1928, after the forceful destruction of the labor movement and crushing of independent thought. Largely as a result of labor mobilization, inequality declined during the Great Depression, a tendency continuing through the great growth period of regulated capitalism in the early postwar decades. The neoliberal era that followed reversed these trends, leading to extreme inequality that may even surpass the 1928 peak.

Mass incarceration is also period-specific; in fact, the same period. It had reached high levels in the South in the post-reconstruction years after an 1877 North-South compact gave the South free rein to institute “slavery by another name,” as Douglas Blackmon calls the crime in his study of how the former slave-owning states devised techniques to incarcerate much of the Black population. By doing so, they created a renewed slave labor force for the industrial revolution of those years, this time with the state, rather than private capital, responsible for maintaining the slave labor force — a considerable benefit to the ownership class. Turning to more recent times, 30 years ago, US incarceration rates were within the range of developed societies, a little towards the high end. By now they are 5 to 10 times as high, far beyond those of any country with credible statistics. Again, a phenomenon of the past three decades.

The gun cult is also not as deeply rooted as often supposed. Guns were, of course, needed to conduct the two greatest crimes of American history: controlling slaves and exterminating [Native Americans]. But the general public had little interest in weapons, a matter of much concern to the arms industry. The popular gun cult was cultivated by gun manufacturers in the 19th century in order to create a market beyond governments. Normal capitalism. Methods included concoction of “Wild West” mythology that later became iconic. Such efforts continue, vigorously, until the present. By now, in large sectors of the society, swaggering into a coffee shop with a gun shows that you are really somebody, maybe a Wyatt Earp clone. The outcomes are sobering. Gun homicides in the US are [far beyond](#) comparable countries. In Germany, for example, deaths from gun homicide are at the level of deaths in the US from “contact with a thrown or falling object.” And even these shocking figures are misleading. Half of suicides in

the US are with firearms, more than [20,000 a year](#), amounting to two-thirds of all firearm deaths.

Turning to your question about the four “pathologies” — the four horsemen, one is tempted to say — the questions virtually answer themselves with a careful look at the history, particularly the history since World War II. There have been two phases during the postwar period: regulated capitalism through the '50s and '60s, followed by the neoliberal period from the late '70s, sharply accelerating with Reagan and his successors. It is the latter period when the last three of four pathologies drove the US off the charts.

During the first postwar phase, there were some significant steps to counter endemic racism and its devastating impact on the victims. That was the great achievement of the mass civil rights movement, peaking in the mid-1960s, though with a very mixed record since. The achievements also had a major impact on the political system. The Democratic Party had been an uneasy coalition, including Southern Democrats, dedicated to racist policies and extremely influential because of seniority in one-party states. That's why New Deal measures [were] largely restricted to whites; for example, household and agricultural workers were barred from Social Security.

The alliance fell apart in the '60s with the fierce backlash against extending minimal rights of citizenship to African-Americans. The South shifted to Republican ranks, encouraged by Nixon's overtly racist “Southern strategy.” The period since has hardly been encouraging for African Americans, apart from elite sectors.

Government policies could go some way towards ameliorating these social pathologies, but a great deal more is needed. Such needs can only be fulfilled by dedicated mass popular activism and educational/organizational efforts. These can be facilitated by a more progressive government, but, just as in the case of the civil rights movement, that can be only a help, often a reluctant one.

On inequality, it was low (by comparative standards) during the period of regulated capitalism — the final era of “great compression” of income as it is sometimes called. Inequality began to increase rapidly with the advent of the neoliberal era, not only in the US, though the US is extreme among developed societies. During the tepid recovery from the Great Recession of 2008, virtually all

gains went to the top few percent, mostly 1 percent or a fraction thereof. “For the United States overall, the top 1 percent captured 85.1 percent of total income growth between 2009 and 2013,” [an Economic Policy Institute Study revealed](#). “In 2013 the top 1 percent of families nationally made 25.3 times as much as the bottom 99 percent.” And so, it continues. The latest Federal Reserve studies show that “The share of income received by the top 1 percent of families rose to 23.8 percent in 2016, up from 20.3 percent in 2013. The share of the bottom 90 percent of the distribution fell to 49.7 percent, the lowest on record in the survey’s history.” [Other figures are grotesque](#). Thus, “Average wealth holdings for white families in 2016 were about \$933,700, compared with \$191,200 for Hispanic families and \$138,200 for black families,” a product of deep-rooted racism exacerbating the neoliberal assault.

The gun culture, too, has expanded rapidly in recent decades. In 1975, the NRA formed a new lobbying arm — a few years later, a PAC — to channel funds to legislators. It soon became [one of the most powerful interest-group lobbies](#), with often fervent popular participation. In 2008, the Supreme Court, in an intellectual triumph of “originalism,” reversed the traditional interpretation of the Second Amendment, which had previously respected its explicit condition on the right to bear arms: the need for “A well regulated Militia, being necessary to the security of a free State....” That provision was understandable in 1790. There was almost no standing army. The world’s most powerful state was still an enemy. The slave population had to be controlled. And the invasion of the rest of what became the national territory was about to be unleashed. Not exactly today’s circumstances.

Since 2008, our “constitutional right to bear arms,” as declared by the right-wing Roberts Court, has become Holy Writ.

There are many contributing factors to the sharp break between the two postwar periods — neither [of] which began to approach what is surely possible in the richest society in world history, with incomparable advantages.

One leading factor is the financialization of the economy, creating a huge bloc of largely predatory institutions devoted to financial manipulations rather than to the real economy — a process by which “Wall Street destroyed Main Street,” in the words of Financial Times editor Rana Foroohar. One of her many illustrations is the world’s leading corporation, Apple. It has astronomical wealth, but to become even richer, has been shifting from devising more advanced marketable

goods to finance. Its R&D as a percentage of sales has been falling since 2001, tendencies that extend widely among major corporations. In parallel, capital from financial institutions that financed business investments during the postwar growth period now largely “stays inside the financial system,” Foroohar [reports](#), “enriching financiers, corporate titans, and the wealthiest fraction of the population, which hold the vast majority of financial assets.”

During the period of rapid growth of financial institutions since the '70s, there seem to have been few studies of their impact on the economy. Apparently, it was simply taken for granted that since it (sort of) accords with neoliberal market principles, it must be a Good Thing.

The failure of the profession to study these matters was noted by Nobel laureate in economics Robert Solow after the 2008 crash. His tentative judgment was that the general impact is probably negative: “the successes probably add little or nothing to the efficiency of the real economy, while the disasters transfer wealth from taxpayers to financiers.” By now, there is substantially more evidence. A 2015 paper by two prominent economists found that productivity declines in markets with rapidly expanding financial sectors, impacting mostly the sector most critical for long-term growth and better jobs: advanced manufacturing. One reason, Foroohar observes, is that “finance would rather invest in areas like real estate and construction, which are far less productive but offer quicker, more reliable short-term gains” (hence also bigger bonuses for top management); the Trump-style economy, palatial hotels and golf courses (along with massive debt and repeated bankruptcies).

In part for related reasons, though productivity has doubled since the late '70s when finance was beginning to take over the economy, wages have stalled — for male workers, declined. In 2007, before the crash, at the height of euphoria about the grand triumphs of neoliberalism, neoclassical economics and “the Great Moderation,” real wages of American workers were lower than they had been in 1979, when the neoliberal experiment was just taking off. Another factor contributing to this outcome was explained to Congress in 1997 by Fed Chair Alan Greenspan, when testifying on the healthy economy he was managing. In his own words, “Atypical restraint on compensation increases has been evident for a few years now and appears to be mainly the consequence of greater worker insecurity.” Insecurity that was, as he noted, markedly increasing even as employment prospects improved. In short, with labor repressed and unions

dismantled, workers were too intimidated to seek decent wages and benefits, a sure sign of the health of the economy.

The same happened to the minimum wage, which sets a floor for others; if it had continued to track productivity, it would now be close to \$20 an hour. Crises have rapidly increased as deregulation took off, in accord with the “religion” that markets know best, deplored by another Nobel laureate, Joseph Stiglitz, in a World Bank publication 20 years ago, to no effect. Each crisis is worse than the last; each following recovery weaker than the last. None of this, incidentally, would have come as a surprise to Marxist economists, who pretty much disappeared from the scene in the United States.

Despite much lofty rhetoric about “free markets,” like other major industries (energy, agribusiness, etc.), financial institutions benefit enormously from government subsidy and other interventions. An IMF study found that the profits of the major banks derive substantially from the implicit government insurance policy (“too big to fail”), which confers advantages far beyond the periodic bailouts when corrupt practices lead to a crash — something that did not happen during the earlier period, before bipartisan neoliberal doctrine fostered deregulation. Other benefits are real but immeasurable, like the incentive to undertake risky (hence profitable) transactions, with the understanding that if they crash, the hardy taxpayer will step in to repair the damage, probably leaving the institutions richer than before, as after the 2008 crash for which they were largely responsible.

Other factors include the accelerated attack on unions and the radical reduction in taxes for the wealthy, both natural concomitants of neoliberal ideology. Another is the particular form of neoliberal globalization, particularly since the '90s, designed in ways that offer very high protection and other advantages to corporations, investors and privileged professionals, while setting working people in competition with one another worldwide, with obvious consequences.

Such measures have a mutually reinforcing effect. As wealth becomes more concentrated, so, automatically, does political power, which leads to government policies that carry the cycle forward.

A primary goal of the neoliberal reaction was to reverse the falling rate of profit that resulted, in part, from growing labor militancy. That goal has been achieved

with impressive success. The professed goals, of course, were quite different. And as always, the reaction was buttressed by ideology. One staple has been the famous thesis of Simon Kuznets: that while inequality increases in early economic development, it begins to decrease as the economy reaches a more advanced level. It follows, then, that there is no need for redistributive policies that interfere with the magic of the market. The Kuznets thesis soon became conventional wisdom among economists and planners.

There are a few problems, however. One, as [American University economics professor] [Jon Wisman observes](#), is that it wasn't a thesis, but rather a conjecture, very cautiously advanced. As Kuznets explained, the conjecture was based on "perhaps 5 percent empirical information and 95 percent speculation, some of it possibly tainted by wishful thinking." This slight qualification in the article was overlooked in a manner not uncommon when there is doctrinal utility in so doing. Other justifications fare similarly.

One might almost define "neoliberalism" — a bit cruelly, but not entirely unfairly — as an ideology devoted to establishing more firmly a society based on the principle of "private affluence, public squalor" — John Kenneth Galbraith's condemnation of what he observed in 1958. Much worse was to come with the unleashing of natural tendencies of capitalism in the neoliberal years, now enhanced as its more [brutal] variants are given virtually free rein under Trump-Ryan-McConnell Republicanism.

All of this is under human control, and can be reversed. There are many realistic options, even without looking beyond short-term feasibility. A small financial transaction tax would sharply reduce the rapid trading that is a net loss to the society while benefiting a privileged few, and would also provide a progressive government with revenue for constructive purposes. It's common knowledge that the deterioration of infrastructure has reached grotesque proportions. Government programs can begin to address these serious problems. They can also be devoted to improving rather than undermining the deteriorating public education system. Living wage and green economy programs of the kind that Bob Pollin has developed could go a long way toward reducing inequality, and beyond that, creating a much more decent society. Another major contribution would be [an equitable] health care system. In fact, just eliminating the exorbitant patent protections that are a core part of the neoliberal "free trade agreements" would be a huge boon to the general economy — and the arguments for these highly

protectionist measures are very weak, as economist Dean Baker has shown convincingly. Legislation to put an end to the “right to scrounge laws” (in Orwellian terminology, “right to work laws”) that are designed to destroy unions could help revive the labor movement, by now with different constituencies, including service and part-time workers. That could reverse the growth of the new “precariat,” another matter of fundamental importance. And it could restore the labor movement to its historic role as the leading force in the struggle for basic human rights.

There are other paths toward reviving a vital and progressive labor movement. The expansion of worker-owned and managed enterprises, now underway in many places, is a promising development, and need not be limited to a small scale. A few years ago, after the crash, Obama virtually nationalized a large part of the auto industry, then returning it to private ownership. Another possibility would have been to turn the industry over to the workforce, or to stakeholders more broadly (workers and community), who might, furthermore, have chosen to redirect its production to what the country sorely needs: efficient public transportation. That could have happened had there been mass popular support and a receptive government. Recent work by Gar Alperovitz and David Ellerman approaches these matters in highly informative ways. Conversion of military industry along similar lines is also quite conceivable — matters discussed years ago by Seymour Melman. [There are all] options under progressive initiatives.

The “right to work” legislation that is a darling of the far right will probably soon be established solidly by the Roberts Court now that Neil Gorsuch is in place, thanks to some of Mitch McConnell’s more sordid chicanery in barring Obama’s nominee. The legislation has an interesting pedigree. It traces back to the Southern Christian American Association, an extreme racist and anti-Semitic organization that was bitterly opposed to unions, which its leaders condemned as a devilish contrivance in which “white women and white men will be forced into organizations with black African apes.” Another enemy was “Jewish Marxism,” the “Talmudists” who were planning to Sovietize the world and were already doing so in the US through the “Jew Deal,” known elsewhere as the “New Deal.”

An immediate objective of moderately progressive policy should be to sharply cut the huge military budget, well over half of discretionary spending and now expanding under the Republican project of dismantling government, apart from service to their wealthy/corporate constituency. One of many good reasons to trim

the military budget is that it is extremely dangerous to our own security. A striking illustration is the Obama-Trump nuclear weapons modernization program, which has sharply increased “killing power,” a very important [study in the Bulletin of Atomic Scientists](#) reported last March. Thereby, the program “creates exactly what one would expect to see, if a nuclear-armed state were planning to have the capacity to fight and win a nuclear war by disarming enemies with a surprise first strike.” These developments, surely known to Russian planners, significantly increase the likelihood that they might resort to a preemptive strike — which means the end — in case of false alarms or very tense moments, of which there are all too many. And here, too, the funds released could be devoted to badly needed objectives, like quickly weaning ourselves from the curse of fossil fuels.

This is a bare sample. There’s a long list.

The United States spends more money on health care than any other nation in the world, yet its health care system is highly inefficient and leaves out millions from even basic coverage. What would a socialized health care system look like in the US, and how can the opposition from the private insurance sector, big pharma and the medical industries in general be overcome?

Chomsky: The facts are startling. It’s an international scandal, and not unknown. A recent [study](#) by the US-based Commonwealth Fund, a nonpartisan health policy research group, found that once again, as repeatedly in the past, the US health care system is the most expensive in the world, far higher than comparable countries, and that it ranks last in performance among these countries. To have combined these two results is a real triumph of the market. The roots of the achievement are not obscure. The US is alone in relying on largely unregulated private insurance companies. Their commitment is to profit, not health, and they produce huge waste in administrative costs, advertising, profit and executive compensation. The government-run component of the health system (Medicare) is far more efficient, but suffers from the need to work through the private institutions. The US is also alone in legislation barring the government from negotiating drug prices, which, not surprisingly, are far above comparable countries.

These policies do not reflect popular will. Poll results vary, depending on how questions are formulated, but over time, they show considerable, often majority

support for a public health system of the kind found elsewhere. Usually, Canada is the model because so little is known about the rest of the world, though it is not ranked as the best. That prize has regularly been won by the British National Health Service, though it, too, is reeling under the neoliberal assault. When Obama's [Affordable Care Act] was introduced, it included a public option, supported by almost two-thirds of the population. It was unceremoniously deleted. Popular opinion is particularly striking in that [it] receives so little mainstream support, even articulation; and if even brought up, is usually condemned. The main argument against the far more successful systems elsewhere is that adopting their framework would raise taxes. [However, single-payer usually results in] cutting expenses considerably more and benefitting the large majority — so the experience of other countries indicates, [as does] US Medicare.

The tide may be turning finally. Sanders has received considerable support, even within the political system, for his call for universal health care to be achieved step-by-step in his plan, by gradual extension of Medicare and other means. The temporary collapse of the fanatic seven-year Republican campaign to destroy "Obamacare" may provide openings as well — temporary collapse, because the extremist organization in power has means to undermine health care and are likely to use it in their passionate dedication to destroying anything connected to the [reviled Black president](#).... Nevertheless, there are new openings for some degree of [reason], which could greatly enhance people's welfare, as well as improving the general economy.

To be sure, there will be massive opposition from private power, which has extraordinary influence in our limited class-based democracy. But it can be overcome. The historical record shows that economic-political elites respond to militant popular action — and the threat of more — by endorsing ameliorative measures that leave their basic dominance of the society in place. New Deal measures of social reform are one of many illustrations.

Bob, you produced recently an economic analysis for the backing of a single-payer bill in California (SB-562) and worked on Bernie Sanders's proposal for universal health care, so what are your own views on the previous question?

Pollin: A socialized health care system for the US — whether we call it "single-payer," "Medicare-for-All" or something else — should include two basic features. The first is that every resident ... should be guaranteed access to decent health

care. The second is that the system achieves significant overall savings relative to our existing system through lowering administrative costs, controlling the prices of prescription drugs and fees for physicians and hospitals, reducing unnecessary treatments and expanding preventive care.

In our study analyzing the California single-payer proposal, we estimated that providing decent coverage for all state residents — including, in particular, the roughly 40-45 percent of the state's population who are presently either uninsured or who have inadequate coverage — would increase total costs by about 10 percent under the existing system. But we also estimated that operating the single-payer system could achieve overall savings in the range of 18 percent relative to the existing system in the areas of administration, drug prices, fees for providers and cutting back on wasteful service delivery. Overall then, we found that total health care spending in California would fall by about 8 percent, even with the single-payer system delivering decent care for everyone. My work on the Sanders's Medicare for All bill is ongoing as of now, so I will hold off on providing estimates of its overall impact.

Let's consider how transformative the California-type outcomes would be. Under single-payer in California, decent health care would be established as a basic human right, as it already is in almost all other advanced countries. Nobody would have to forego receiving needed treatments because they didn't have insurance or they couldn't afford high insurance premiums and copays. Nobody would have to fear a financial disaster because they faced a health care crisis in their family. Virtually all families would end up financially better off and most businesses would also experience cost savings under single-payer relative to what they pay now to cover their employees.

How can the opposition from the private health insurance sector, big pharma and the medical industries in general be overcome? It obviously will not be easy. Health care in the US is a \$3 trillion business. Profits of the private companies are in the hundreds of billions, even while most of the funding for our existing health care system comes from the federal, state and local government budgets. As one example of how to respond to this political reality, we can learn from the work of the California Nurses Association/National Nurses United. The nurses' union has been fighting for single-payer for over 20 years. They bring enormous credibility to the issue, because their members see firsthand how the health and financial well-being of especially non-wealthy people in the US suffer under our current

system.

There is no secret as to how the nurses' union fights on behalf of single-payer. They believe in their cause and are highly effective in the ways they organize and advance their position. The basics are as simple as that.

Noam, higher education in the US is a terribly expensive affair, and hundreds of billions are owed in student loans. First, do you think that a system of free higher education can coexist alongside tuition-charging universities? Secondly, what could and should be done about student debt?

Chomsky: The educational system was a highly predictable victim of the neoliberal reaction, guided by the maxim of "private affluence and public squalor." Funding for public education has sharply declined. Tuition has exploded, leading to a plague of unpayable student debt. As higher education is driven to a business model in accord with neoliberal doctrine, administrative bureaucracy has sharply increased at the expense of faculty and students, developments reviewed well by sociologist Benjamin Ginsburg. Cost-cutting dictated by the revered market principles naturally leads to hyper-exploitation of the more vulnerable, creating a new precariat of graduate students and adjuncts surviving on a bare pittance, replacing tenured faculty. All of this happens to be a good disciplinary technique, for obvious reasons.

For those with eyes open, much of what has happened was anticipated by the early '70s, at the point of transition from regulated capitalism to incipient neoliberalism. At the time, there was mounting elite concern about the dangers posed by the democratizing and civilizing effects of 1960s activism, and particularly the role of young people during "the time of troubles." The concerns were forcefully expressed at both ends of the political spectrum.

At the right end of the spectrum, the "Powell memorandum" sent by corporate lobbyist (later Supreme Court Justice) Lewis Powell to the Chamber of Commerce called upon the business community to rise up to defend itself against the assault on freedom led by Ralph Nader, Herbert Marcuse and other miscreants who had taken over the universities, the media and the government. The picture was, of course, ludicrous but it did reflect the perceptions of Powell's audience, desperate about the slight diminution in their overwhelming power. The rhetoric is as interesting as the message, reminiscent of a spoiled three-year-old who has a

piece of candy taken away. The memorandum was influential in circles that matter for policy formation.

At the other end of the spectrum, at about the same time, the liberal internationalists of the Trilateral Commission published their lament over “The Crisis of Democracy” that arose in the “terrible” ’60s, when previously apathetic and marginalized parts of the population — the great majority — began to try to enter the political arena to pursue their interests. That posed an intolerable burden on the state. Accordingly, the Trilateral scholars called for more “moderation in democracy,” a return to passivity and obedience. The American rapporteur, Harvard professor Samuel Huntington, reminisced nostalgically about the time when “Truman had been able to govern the country with the cooperation of a relatively small number of Wall Street lawyers and bankers,” so that true democracy flourished.

A particular concern of the Trilateral scholars was the failure of the institutions responsible for “the indoctrination of the young,” including the schools and universities. These had to be brought under control, along with the irresponsible media that were (occasionally) departing from subordination to “proper authority” — a precursor of concerns of the far-right Republican Party today.

The right-liberal spectrum of concerns provided a good indication of what was to come.

The underfunding of public education, from K-12 through colleges and universities, has no plausible economic rationale, and in fact is harmful to the economy because of the losses that ensue. In other countries, rich and poor, education remains substantially free, with educational standards that rank high in global comparisons. Even in the US, higher education was almost free during the economically successful years before the neoliberal reaction — and it was, of course, a much poorer country then. The GI bill provided free education to huge numbers of people — white men overwhelmingly — who would probably never have gone to college, a great benefit to them personally and to the whole society. Tuition at private colleges was far below today’s exorbitant costs.

Student debt is structured to be a burden for life. The indebted cannot declare bankruptcy, unlike Trump. Current student debt is [estimated](#) to be over \$1.45 trillion, [more than] \$600 billion more than total credit card debt. Most is

unpayable, and should be rescinded. There are ample resources for that simply from waste, including the bloated military and the enormous concentrated private wealth that has accumulated in the financial and general corporate sector under neoliberal policies.

There is no economic reason why free education cannot flourish from schools through colleges and university. The barriers are not economic but rather political decisions, skewed in the predictable direction under conditions of highly unequal wealth and power. Barriers that can be overcome, as often in the past.

Bob, what's your own response to the question I posed above?

Pollin: Student debt in the US has exploded in the past decade. In 2007, total student debt was \$112 billion, equal to 0.8 percent of GDP. As of 2016, total student debt was [more than] \$1 trillion, equal to 5.6 percent of GDP. Thus, as a share of GDP, student debt has risen approximately seven-fold. As of 2012, nearly 70 percent of students left college carrying student loans, and these loans averaged \$26,300.

The rise in student debt reflects a combination of factors. The first is that the private costs of attending college have risen sharply, with public higher education funding having been cut sharply. Average public funding per student was 15 percent lower in 2015 than in 2008, and 20 percent lower than in 1990. The burden of the public funding cuts [has] been worsened by the stagnation of average family incomes. Thus, in 1990, average tuition, fees, room and board amounted to about 18 percent of the median household income. By 2014, this figure had nearly doubled, to 35 percent of median household income.

Despite these sharply rising costs, college enrollments have continued to rise. There are many good reasons for young people to go off to college, open their minds, develop their skills and enjoy themselves. But probably the major attraction is the fact that income disparities have increased sharply between those who go to college versus those who do not. This pattern corresponds with the stagnation of average wages since the early 1970s that we discussed [previously]. The reality under neoliberalism has been that, if you want to have a decent shot at a good-paying job with a chance for promotions and raises over time, the most important first step is to get a college education. The pressures to go to college would be much less intense if working-class jobs provided good pay

and opportunities to advance, as was the pattern prior to the onset of neoliberalism.

Virtually all student debt in the US is now held by the federal government. It would therefore be a relatively simple matter to forgive some, if not all of it. This would enable young people to transition much more easily into creating their own households and families. At the same time, if the government is going to enact a major program of student debt forgiveness, it should be at least equally committed to relieving the heavy mortgage debt burdens still carried by tens of millions of non-affluent households in the aftermath of the 2007-09 financial crash and Great Recession. Similarly, the government should also be at least equally committed to both lowering the costs of college education in the first place, and [supporting] better wages and work opportunities for people who do not attend college.

The [blueprint for a progressive US](#) that the two of you have sketched out requires that a certain course of political action is carried out ... which includes educating the masses in getting from here to there. How is this to be done, especially given not only the peculiarities of American political culture, but also the balkanization of progressive and left forces in the country?

Chomsky: The answer is both easy and hard. Easy to formulate (and familiar), and hard to execute (also familiar). The answer is education, organization [and] activism as appropriate to circumstances. Not easy, but often successful, and there's no reason why it cannot be now. Popular engagement, though scattered, is at quite a high level, as is enthusiasm and concern. There are also important elements of unity, like the Left Forum, novel and promising. And the movements we've [already mentioned](#). Significant efforts are underway, such as those alluded to briefly [before], and there's no reason why they cannot be extended. While the left is famous for constant splits and internal disputes, I don't think that's more so now than in the past. And the general mood, particularly among young people, seems to me conducive to quite positive changes.

I don't feel that there is anything deep in the political culture that prevents "educating the masses." I'm old enough to recall vividly the high level of culture, general and political, among first-generation working people during the Great Depression. Workers' education was lively and effective, union-based — mostly the vigorous rising labor movement, reviving from the ashes of the 1920s. I've

often seen independent and quite impressive initiatives in working-class and poor and deprived communities today. And there's a long earlier history of lively working-class culture, from the early days of the industrial revolution. The most important radical democratic movement in American history, the populist movement (not today's "populism"), was initiated and led by farmers in Texas and the Midwest, who may have had little formal education but understood very well the nature of their plight at the hands of the powerful banking and commercial sectors, and devised effective means to counter it....

I've been fortunate enough to have seen remarkable examples elsewhere. I recall vividly a visit to an extremely poor, almost inaccessible rural village in southern Colombia, in an area under attack from all sides, where I attended a village meeting that was concerned with protecting their resources, including irreplaceable water supplies, from predatory international mining corporations. And in particular, a young man, with very little formal education, who led a thoughtful and very informed discussion of sophisticated development plans that they intended to implement. I've seen the same in poor villages in West Bengal, with a handful of books in the tiny schoolroom, areas liberated from landlord rule by Communist party militancy. The opportunities and, of course, resources are vastly greater in rich societies like ours.

I don't think it is idle romanticism to recognize the potential that can be awakened, or arise independently, in communities that free themselves from indoctrination and passive subordination. The opportunities I think are there, to be grasped and carried forward.

Pollin: I think it is inevitable that leftist forces in the US would be divided, if not balkanized, to some extent. Among the full range of people who are committed to social and economic equality and ecological [justice] — i.e. to some variant of a leftist vision of a decent society — it will always be the case that some will be more focused on egalitarian economic issues, others around the environment and climate change, others on US imperialism, militarism and foreign policy, others on race and gender equality, and still others on sexual identity.

I certainly do not have the formula for how to most effectively knit all these groups together. But I do think we can learn a lot from the major successes out there. The 2016 Bernie Sanders presidential campaign is a first obvious example. Another is the California Nurses Association/National Nurses United (CNA/NNU)

that I mentioned [before]. This is a union, fighting first for the well-being of its members, who are overwhelmingly women, with a high proportion being women of color. At the same time, CNA/NNU has been in the forefront of campaigns for single-payer health care and even the Robin Hood Tax on speculative Wall Street trading.

There are other progressive organizations that have proven track records of success. One is the Los Angeles Alliance for a New Economy (LAANE), which has long been active around both living wage and other worker rights issues, as well as community economic development and environmental justice. A more recently formed coalition is NY Renews, which is comprised of 126 organizations in New York State who have come together to advance a serious program in the state to both dramatically reduce greenhouse gas emissions and expand good job opportunities. The Washington State Labor Council — part of the AFL-CIO — has also been committed and innovative in bringing together coalitions of labor and environmental groups.

The US left needs to learn and build from the achievements and ongoing work of these and similar groups. In fact, as Margaret Thatcher used to say, “there is no alternative” — if we are serious about successfully advancing a left alternative to the disasters caused by 40 years of neoliberal hegemony.

Editor's note: This interview has been lightly edited for length and clarity.

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