

A Progressive Political Economy Guide To Inflation



*CJ
Polychroniou*

Mainstream economics failed miserably in addressing the financial crisis of 2007-08, so why would it be any different now when it comes to making sense of the rising inflation of the past 18 months?

Since 2021, prices have surged dramatically across countries and inflation has become a global challenge.

Global central banks delivered historic rate hikes in 2022 in order to tame inflation and continued doing so even when inflation was falling, thereby risking a global recession.

Indeed, for the past five months, [average inflation in the U.S. has been at 2.4%](#). Across Europe, inflation has also been dropping. In [Spain](#), for instance, consumer prices rose 5.8% in December, down from 6.8% in the previous month. The December figure represented the fifth consecutive month of declining inflation in Spain. Yet, the [European Central Bank](#)—which like the U.S. Federal Reserve has also set the target rate for inflation at the arbitrary number of 2% per year—plans to continue raising interest rates “significantly further” as it deems that inflation “remains far too high and is projected to stay above the target for too long.”

Meanwhile, both the U.S. and European economies are expected to enter a recession in 2023. For what it’s worth, the head of the [IMF](#) expects a full one-third of the world to slide into recession this year.

What has been causing the upward trends in inflation and why do central banks around the world keep raising interest rates, a policy which will slow economic

growth and result in lower wage increases and fewer jobs? Several factors are at play in causing a surge in prices, which include the Covid-19 pandemic, geopolitics, and corporate mark-ups and profit margins, while pure capitalist logic and interests explain why central banks are raising interest rates to fight inflation.

These were some of the conclusions reached by the progressive economists who participated in an international conference on "[Global Inflation Today](#)" organized by the renowned Political Economy Research Institute (PERI) at the University of Massachusetts Amherst and held from December 2-3, 2022.

To start with, a co-authored paper by Robert Pollin (Distinguished Professor of Economics and Co-Director of PERI at UMass Amherst) and Hanae Bouazza shows convincingly that there is no justification why the Federal Reserve and other central banks aim for an inflation target of 2%. Indeed, their research finds "no consistent evidence supporting the conclusion that economies at any income level will achieve significant GDP benefit when they maintain inflation within low single digits, i.e., between the 0 - 2.5 percent inflation range." Not only that, but the "evidence... suggests that, in general, economies are more likely to achieve higher GDP growth rates in association with inflation ranges in the range of 2.5 - 5 percent, 5 - 10 percent and, for the most part, 10 - 15 percent."

These are significant findings which raise serious questions about the goals of macro policy. Indeed, if inflation-targeting policy is not conducive to promoting economic growth, what is its primary aim? Citing the work of scholars who have done extensive research around this question, such as Gerald Epstein (Professor of Economics and Co-Director of PERI at UMass Amherst) and others, Pollin and Bouazza suggest that corporate profitability is the primary aim of inflation-targeting policy. "Protecting the wealth of the wealthy" is the reason why the Fed has taken aggressive steps to tame inflation by raising interest rates, Epstein pointed out in a recent [joint interview](#) with Pollin.

Needless to say, the mainstream economic paradigm keeps silent on such matters, and one will never find answers in it on the most important processes that affect the workings of the real world and on the issues that are of paramount importance to the lives of working people.

To be sure, mainstream economics failed miserably in addressing the financial crisis of 2007-08, so why would it be any different now when it comes to making sense of the rising inflation of the past 18 months?

With regard to the actual causes of inflation in 2021-22, a paper co-authored by Asha Banerjee and Josh Bivens of the Economic Policy Institute identifies the Covid-19 pandemic and the Russian invasion of Ukraine as key factors in the inflationary surge of the past 18 months or so but argues that profit mark-ups added immensely to inflationary pressures over the same period. Of equal importance here is that the authors present more than sufficient evidence to counter the mainstream economic perspective that lays the blame for the rise of inflation in the U.S. on the American Rescue Plan. Indeed, the data they present, on both the domestic and international fronts, does not support the claim that too much fiscal spending overheated the economies, fueling runaway inflation.

Another paper presented at the PERI conference, co-authored by C. P. Chandrasekhar and Jayati Ghosh, on how low-and middle-income countries can respond to inflation, also argues that there are more important factors than the pandemic and Russia's invasion of Ukraine behind the current inflation crisis. The sharp rise in global prices of food and fuel, Chandrasekhar and Ghosh contend, was driven by "profiteering, price expectations, and associated speculation." They show, for instance, that while there were sharp spikes in the prices of food and fuel between February and July 2022, "the supplies of oil and gas to Europe remained largely unaffected."

The analyses on inflation and its causes, as well as the actual aims of inflation-targeting policy, made by all of the presenters at the PERI conference (which included many leading progressive economists such as William Spriggs, Gerald Epstein, Thomas Ferguson, Nancy Folbre, James K. Galbraith, Servaas Storm, and Isabella Weber, among others) can be described as a *Progressive Political Economy Guide to Inflation*. Indeed, they show how powerful heterodox economic approaches are in disclosing the real forces driving inflation and the actual reasons for central banks raising sharply interest rates. And, by extension, they also reveal the flaws and limitations of mainstream economics, which is in dire need of a major overhaul.

Source: <https://www.commondreams.org>

C.J. Polychroniou is a political economist/political scientist who has taught and worked in numerous universities and research centers in Europe and the United States. His latest books are *The Precipice: Neoliberalism, the Pandemic and the Urgent Need for Social Change* (A collection of interviews with Noam Chomsky;

Haymarket Books, 2021), and *Economics and the Left: Interviews with Progressive Economists* (Verso, 2021).

Which Government Does The United States Recognize In Venezuela?



*Vijay Prashad - Photo:
Wikipedia*

On January 3, 2023, [Shaun Tandon](#) of Agence France-Presse [asked](#) U.S. State Department spokesperson Ned Price about Venezuela. In late December, the Venezuelan opposition after a fractious debate [decided](#) to dissolve the “interim government” led by Juan Guaidó. From 2019 onward, the U.S. government [recognized](#) Guaidó as the “interim president of Venezuela.” With the end of Guaidó’s administration, Tandon [asked](#) if “the United States still recognize[s] Juan

Guaidó as legitimate interim president.”

Price’s [answer](#) was that the U.S. government recognizes the “only remaining democratically elected institution in Venezuela today, and that’s the 2015 National Assembly.” It is true that when the U.S. government supported Guaidó as the “interim president” of Venezuela, it did so because of his role as the rotating president in that National Assembly in 2019. Since the presidency of the National Assembly rotates annually, Guaidó should have left the position of “interim president” by the end of 2020. But he did not, going against Article 233 of the Venezuelan Constitution of 1999, which he [cited](#) as the basis for his ascension in 2019.

Price [said](#), “The 2015 National Assembly has renewed its mandate.” However, that assembly was dissolved since its term expired and it was replaced—after an election in December 2020—by another National Assembly. The U.S. government [called](#) the 2020 election a “political farce.” But when I met the leaders of Venezuela’s two historic opposition parties in Venezuela in 2020—Pedro José Rojas of Acción Democrática (AD) and Juan Carlos Alvarado of Comité de Organización Política Electoral Independiente (COPEI)—they [told](#) me that the 2020 election was legitimate and that they just did not know how to overrun the massive wave of Chavista voters. Since the members of the new assembly took their seats, the 2015 assembly has not set foot in the Palacio Federal Legislativo, which houses the National Assembly, near Plaza Bolívar in Caracas.

In essence, then, the U.S. government believes that the real democratic institution in Venezuela is one that has not met in seven years, and one whose political forces decided—against the advice of AD and COPEI—to [boycott](#) the 2020 election.

Meanwhile, in early January 2023, Venezuela’s President Nicolás Maduro spoke with veteran journalist Ignacio Ramonet. Maduro [told](#) Ramonet that he is “prepared for dialogues at the highest level and with relations of respect.” He hoped that “a halo of light” would reach the office of U.S. President Joe Biden and allow the United States to put its “extremist policy aside.” Not only did Ned Price refuse this olive branch, but he also said that the U.S. approach to “Nicolás Maduro is not changing.” This is an awkward statement since members of Price’s own government went to Caracas in [March](#) and [June](#) of 2022 to meet with the Maduro administration and talk about the normalization of oil sales and the

release of detained U.S. citizens.

Meanwhile, Tandon's question hangs over the White House.

Author Bio:

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Vijay Prashad is an Indian historian, editor, and journalist. He is a writing fellow and chief correspondent at Globetrotter. He is an editor of [LeftWord Books](#) and the director of [Tricontinental: Institute for Social Research](#). He is a senior non-resident fellow at [Chongyang Institute for Financial Studies](#), Renmin University of China. He has written more than 20 books, including [The Darker Nations](#) and [The Poorer Nations](#). His latest books are [Struggle Makes Us Human: Learning from Movements for Socialism](#) and (with Noam Chomsky) [The Withdrawal: Iraq, Libya, Afghanistan, and the Fragility of U.S. Power](#)>

Source: Globetrotter

'They Shot Them Down Like Animals': Massacre At Peru's Ayacucho



Zoe Alexandra - Picture: YouTube

Survivors and family members of victims of the massacre in Ayacucho on December 15 denounce that the army treated protesters like war targets, reminiscent of violence faced during the internal armed conflict.

On December 15, 2022, while helicopters flew overhead, members of Peru's national army [shot down civilians](#) with live bullets in the outskirts of the city of Ayacucho. This action was in response to a national strike and mobilization to [protest the coup d'état](#) that deposed President Pedro Castillo on December 7.

On December 15, hundreds of university students, shopkeepers, street vendors, agricultural workers, and activists gathered at the center of Ayacucho to express their discontent over the removal of Castillo and continued their mobilization toward the airport. Similar action was witnessed in several other cities across the southern Andean region of the country.

As protesters approached the airport, members of the armed forces opened fire and shot tear gas canisters directly at them. The firing by the army from the helicopters proved to be the most lethal. As the hundreds of unarmed people ran for their lives, the shooting continued.

Ten people were killed as a result of this violence inflicted by the army, and dozens more were injured, according to [official numbers](#) provided by the ombudsman's office. At least [six people](#) are still fighting for their lives in hospitals in Peru's capital [Lima](#) and in Ayacucho. Autopsies of 10 of those who died in Ayacucho [show](#) that six of the victims died from gunshot wounds to the chest. The youngest was just 15 years old.

On December 27, Reuters reported how one of these fatal victims in Ayacucho, 51-year-old Edgar Prado, was shot and killed while attempting to help someone else who had been shot down during the protests.

The exceedingly violent response of the security forces to the anti-coup protests across Peru was widely condemned. A [delegation](#) of the Inter-American Commission on Human Rights (IACHR) visited the country from December 20 to 22 to receive testimonies from local human rights organizations and victims about the violent repression suffered by protesters and also spoke to families of the [28 fatal victims](#). The delegation traveled to Ayacucho on December 22.

More than a dozen other family members, Ayacucho inhabitants, organizers, and

a couple of independent journalists, including myself, waited on the sidewalk of one of the city's narrow and colorful streets as the meeting was underway. As people came and went, much of the events and tragedies of December 15 were recounted.

The Massacre

"They won't show you this on the news here," Carmen (name changed) told me as she showed me a video on her phone of a young boy with blood all over his shirt being dragged to safety by fellow protesters. "That's her nephew," she said, pointing to a woman sitting on the ground.

Pedro Huamani, a 70-year-old man who is a member of the Front in Defense of the People of Ayacucho (FREDEPA), was accompanying the victims waiting outside the IACHR meeting. "We have suffered a terrible loss," he told me, "I was present that day in a peaceful march toward the airport."

"When they began to shoot tear gas grenades and bullets at us, I started to choke, I almost died there," Huamani said. "I escaped and went down to the cemetery, but it was the same, we were trying to enter and they started to shoot at us from behind. Helicopters were flying overhead and from there they shot tear gas grenades at us, trying to kill us."

Carmen brought over some of her friends and one of them, who was wearing a gray sweatsuit, told me, "We all live near the airport, and saw everything happen. You should've seen how they shot them down like animals. We tried to help some of the injured, but it was hard."

The massacre in Ayacucho, as well as the violent repression across the country, has only intensified people's [demand](#) that Dina Boluarte step down. Boluarte was sworn in on December 7 immediately following the coup against Castillo. In interviews and public addresses, she has justified the use of force by police against protesters calling their actions as acts of "[terrorism](#)" and "[vandalism](#)."

Huamani, while shaking and holding back tears, said: "She is a murderous president and in Huamanga, we do not want her, nor do we recognize her as president because this woman ordered the police and the army to shoot at us Peruvians. And these bullets, these weapons, are really bought by us, not by the army, nor the soldiers, but by the people. And for them to kill us is really

horrible.”

The anger felt by Ayacucho residents is also linked to the historical undermining of Peruvian democracy and the economic exclusion suffered by the regions outside of Lima. Huamani explained: “They took out our president [Castillo] so this is not a democracy. We are not a democracy, we are in [state of] war, but not just in Ayacucho and Huamanga, but also in Arequipa, Apurímac, Cusco. In these regions, we are suffering from poverty, we can no longer survive, we are dying of hunger... and these right wingers want to make us their slaves, but we won’t permit this because we are responding and resisting.”

Old Wounds Ripped Open

December 15 was not the first time civilians in Ayacucho were massacred by the Peruvian armed forces. Many who were present on December 15 said that the warlike treatment received by the peaceful protesters was reminiscent of the days of the [two-decades-long](#) internal armed conflict that Peruvians suffered through more than 20 years ago.

“They still treat us as if we were all terrorists,” a family member of one of the victims of the protests pointed out.

As part of the state’s [campaign](#) against the guerrilla insurgency, it tortured, detained, disappeared, and murdered tens of thousands of innocent peasants and Indigenous people, accusing them of supporting or being part of the insurgency.

The population of Ayacucho was one of the hardest hit. According to [reports](#) by the Truth and Reconciliation Commission, which was set up to look into the human rights violations, of the estimated 69,280 fatal victims of the internal armed conflict in Peru from 1980-2000, 26,000 were killed or disappeared by state actors or insurgent groups in Ayacucho. Thousands of people that fled their towns for the city of Ayacucho during the conflict continue to search for their loved ones and demand justice.

One of them is [Paula Aguilar Yucra](#), who I met outside the IACHR meeting. Like more than [60 percent](#) of people in Ayacucho, Indigenous Quechua is her first language. The 63-year-old is a member of the Ayacucho-based National Association of Relatives of Kidnapped, Detained and Disappeared of Peru (ANFASEP). She fled her rural community in Usmay for Ayacucho in 1984 after

her mother was killed and her brother was taken by soldiers and never seen again.

Nearly 40 years later, she mourns again. Her grandson, 20-year-old José Luis Aguilar Yucra, father of a two-year-old boy, was killed on December 15 by a bullet to the head as he attempted to make his way home from work.

In a vigil held on the afternoon of December 22, Paula stood tall with the other members of ANFASEP and held a sign reading: “Fighting today does not mean dying tomorrow.”

Author Bio:

This article was produced by [Globetrotter](#).

Zoe Alexandra is a journalist and co-editor of [Peoples Dispatch](#)

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Noam Chomsky: Another World Is Possible. Let's Bring It To Reality



Noam Chomsky

It's a truism that the world is in a dismal state; indeed, there are too many great challenges facing our world and the planet is in fact at a breaking point, as Noam Chomsky elaborates on an exclusive interview below for *Truthout*. What's less widely recognized is that another world is possible because the present one is simply not sustainable, says one of the world's greatest public intellectuals.

Chomsky is institute professor emeritus in the Department of Linguistics and Philosophy at MIT and laureate professor of linguistics and Agnese Nelms Haury Chair in the Program in Environment and Social Justice at the University of Arizona. One of the world's most-cited scholars and a public intellectual regarded by millions of people as a national and international treasure, Chomsky has published more than 150 books in linguistics, political and social thought, political economy, media studies, U.S. foreign policy and world affairs. His latest books are *Illegitimate Authority: Facing the Challenges of Our Time* (forthcoming; with C.J. Polychroniou); *The Secrets of Words* (with Andrea Moro; MIT Press, 2022); *The Withdrawal: Iraq, Libya, Afghanistan, and the Fragility of U.S. Power* (with Vijay Prashad; The New Press, 2022); and *The Precipice: Neoliberalism, the Pandemic and the Urgent Need for Social Change* (with C.J. Polychroniou; Haymarket Books, 2021).

C.J. Polychroniou: Noam, as we enter a new year, I want to start this interview by asking you to highlight the biggest challenges facing our world today and whether you would agree with the claim that human progress, while real and substantial in some regards, is neither even nor inevitable?

Noam Chomsky: The easiest way to respond is with the Doomsday Clock, now set at 100 seconds to midnight, likely to advance closer to termination when it is reset in a few weeks. As it should, considering what's been happening in the past year. The challenges it highlighted last January remain at the top of the list: nuclear war, global heating, and other environmental destruction, and the collapse of the arena of rational discourse that offers the only hope for addressing the existential challenges. There are others, but let's look at these.

Washington has just agreed to provide Ukraine with Patriot missiles. Whether they work or not is an open question, but Russia will assume a worst-case analysis and consider them a target. We have few details, but it's likely that U.S. trainers come with the missiles, hence are targets for Russian attack, which might move us a few steps up the escalation ladder.

That's not the only possible ominous scenario in Ukraine, but the threats of escalation to unthinkable war are not just there. It's dangerous enough off the coast of China, particularly as Biden has declared virtual war on China and Congress is seething at the bit to break the "strategic ambiguity" that has maintained peace regarding Taiwan for 50 years, all matters we've discussed

before.

Without proceeding, the threat of terminal war has increased, along with foolish and ignorant assurances that it need not concern us.

Let's turn to the environment. On global warming, the news ranges from awful to horrendous, but there are some bright spots. The Biodiversity Convention is a major step toward limiting the lethal destruction of the environment. Support is almost universal, though not total. One state refused to sign, the usual outlier, the most powerful state in world history. The GOP, true to its principles, refuses to support anything that might interfere with private power and profit. For similar reasons, the U.S. refused to sign the Kyoto Protocols on global warming (joined in this case by Andorra), setting in motion a disastrous failure to act that has sharply reduced the prospects for escape from catastrophe.

I don't mean to suggest that the world is saintly. Far from it. But the global hegemon stands out.

Let's turn to the third factor driving the Doomsday Clock toward midnight: the collapse of the arena of rational discourse. Most discussion of this deeply troubling phenomenon focuses on outbursts in social media, wild conspiracy theories, QAnon and stolen elections, and other dangerous developments that can be traced in large part to the breakdown of the social order under the hammer blows of the class war of the past 40 years. But at least we have the sober and reasoned domain of liberal intellectual opinion that offers some hope of rational discourse.

Or do we?

What we see in this domain often defies belief — and evokes ridicule outside of disciplined Western circles. For example, the leading establishment journal of international affairs soberly informs us that a Russian defeat “[would reinforce the principle](#) that an attack on another country cannot go unpunished.”

The journal is referring to the principle that has been upheld so conscientiously when we are the agents of aggression — a thought that surfaces only among those who commit the unpardonable crime of applying to ourselves the principles that we valiantly uphold for others. It's hard to imagine that the thought has never surfaced in the mainstream. But it's not easy to find.

Sometimes what appears is so outlandish that one is entitled to wonder what may lie behind it, since the authors can't believe what they are saying. How, for example, can someone react to a story headlined "[No conclusive evidence Russia is behind Nord Stream attack](#)," going on to explain that, "World leaders were quick to blame Moscow for explosions along the undersea natural gas pipelines. But some Western officials now doubt the Kremlin was responsible," even though the Russians probably did it in order to "strangle the flow of energy to millions across the continent"?

It's true enough that much of the West was quick to blame Russia, but that's as informative as the fact that when something goes wrong, Russian apparatchiks are quick to blame the U.S. In fact, as most of the world recognized at once, Russia is about the least likely culprit. They gain nothing from destroying a valuable asset of theirs; Russian state-owned Gazprom is the major owner and developer of the pipelines, and Russia is counting on them for revenue and influence. If they wanted to "strangle the flow of energy," all they would have to do is to close some valves.

As the sane parts of the world also recognized at once, the most likely culprit is the only one that had both motive and capability. U.S. motive is not in question. It has been publicly proclaimed for years. President Biden explicitly informed his German counterparts, quite publicly, that if Russia invaded Ukraine the pipeline would be destroyed. U.S. capability is of course not in question, even apart from the huge U.S. naval maneuvers in the area of the sabotage just before it took place.

But to draw the obvious conclusion is as ludicrous as holding that the noble "principle that an attack on another country cannot go unpunished" might apply when the U.S. attacks Iraq or anyone else. Unspeakable.

What then lies beyond the comical headline "No conclusive evidence Russia is behind Nord Stream attack" — the Orwellian translation of the statement that we have overwhelming evidence that Russia was not behind the attack and that the U.S. was.

The most plausible answer is the "thief, thief" technique, a familiar propaganda device: When you're caught with your hands in someone's pocket, don't deny it and be easily refuted. Rather, point somewhere else and shout "thief, thief,"

acknowledging that there is a robbery while shifting attention to some imagined perpetrator. It works very well. The fossil fuel industry has been practicing it effectively for years, as we've discussed. It works even better when embellished by the standard techniques that make U.S. propaganda so much more effective than the heavy-handed totalitarian variety: foster debate to show our openness, but within narrow constraints that instill the propaganda message by presupposition, which is much more effective than assertion. So, highlight the fact that there is skepticism about Russian depravity, showing what a free and open society we are while establishing more deeply the ludicrous claim that the propaganda system is seeking to instill.

There is, to be sure, another possibility: Perhaps segments of the intellectual classes are so deeply immersed in the propaganda system that they actually can't perceive the absurdity of what they are saying.

Either way, it's a stark reminder of the collapse of the arena of rational discourse, right where we might hope that it could be defended.

Unfortunately, it's all too easy to continue.

In short, all three of the reasons why the Clock had been moved to 100 seconds to midnight have been strongly reinforced in the past year. Not a comforting conclusion, but inescapable.

Scientists are warning us that global warming is such an existential threat to the point that civilization is headed toward a major catastrophe. Are apocalyptic claims or views about global warming helpful? Indeed, what will it take to achieve successful climate action, considering that the most powerful nation in history is actually "a rogue state leading the world toward ecological collapse," as George Monbiot aptly put it in a [recent op-ed](#) in The Guardian?

The Yale University Climate [program on climate and communication](#) has been conducting studies on how best to bring people to understand the reality of the crisis facing humanity. [There are others, from various perspectives.](#)

It is a task of particular importance in the "rogue state leading the world toward ecological collapse." It is also a task of difficulty, given that denialism not only exists in some circles but has been close to official policy in the Republican Party ever since this extremist organization succumbed to the offensive of the Koch

energy conglomerate, launched when the party seemed to be veering toward sanity during the 2008 McCain campaign. When party loyalists hear their leaders, and their media echo chamber, assuring them “not to worry,” it’s not easy to reach them. And though extreme, the GOP is not alone.

It seems to be generally agreed that apocalyptic pronouncements are not helpful. People either tune off or listen and give up: “*It’s too big for me.*” What seems to be more successful is focusing on direct experience and on steps that can be taken, even if small. All of this is familiar to organizers generally. It’s a hard path to follow for those who are aware of the enormity of the crisis. But efforts to reach people have to be tailored to their understanding and concerns. Otherwise, they can descend to self-serving preaching to a void.

Recently, we discussed in another interview [the aims and effects of neoliberal capitalism](#). Now, neoliberalism is often enough conflated with globalization, but it is rather obvious that the latter is a multidimensional process that has existed long before the rise of neoliberalism. Of course, the dominant form of globalization today is neoliberal globalization, but this is not to say that globalization must be structured around neoliberal policies and values, or to think that “there is no alternative.” There are indeed continuous struggles across the world for democratic control over states, markets and corporations. My question thus is this: Is it utopian thinking to believe that the status quo can be challenged and that another world is possible?

Globalization simply means international integration. It can take many forms. The neoliberal globalization crafted mostly during the Clinton years was designed in the interest of private capital, with an array of highly protectionist investor-rights agreements masked as “free trade.” That was by no means inevitable. Both the labor movement, and Congress’s own research bureau (the Office of Technology Assessment, or OTA) proposed alternatives geared to the interests of working people in the U.S. and abroad. They were summarily dismissed. The OTA was disbanded, according to reports, because [Newt Gingrich’s GOP regarded it](#) as biased against them, though it may be that Clintonite New Democrats shared the sentiment about fact and reason. Capital flourished, including the mostly predatory financial system. Labor was severely weakened, with consequences that reverberate to the present.

Globalization could take a very different form, just as economic arrangements can

quite generally. There is a long history of efforts to separate the political from the economic domain, the latter conceived as purely objective, like astronomy, guided by specialists in the economics profession and immune to the agency of ordinary citizens, labor in particular. [One very impressive recent study](#), by Clara Mattei, argues persuasively that this dichotomy, typically taking the form of austerity programs, has been a major instrument of class war for a century, paving the way to fascism, which was indeed welcomed by Western elite opinion, with enthusiasm by “libertarians.”

There is, however, no reason to accept the mythology. The political domain in a broad sense, including labor and other popular activism, can shape the economic system in ways that will benefit people, not profit and private power. The rise of social democracy illustrates that well, but there is also no reason to accept its tacit assumption that capitalist autocracy is a law of nature. To quote Mattei, “either the organizations of people can move beyond capitalist relations [to economic democracy], or the ruling class will reimpose its rule.”

The status quo can certainly be challenged. A far better world is surely within reach. There is every reason to honor the slogan of the World Social Forum that “Another world is possible,” a far better one, and to devote our efforts to bring it to reality.

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C.J. Polychroniou is a political scientist/political economist, author, and journalist who has taught and worked in numerous universities and research centers in Europe and the United States. Currently, his main research interests are in U.S. politics and the political economy of the United States, European economic integration, globalization, climate change and environmental economics, and the deconstruction of neoliberalism’s politico-economic project. He is a regular contributor to *Truthout* as well as a member of *Truthout’s* Public Intellectual Project. He has published scores of books and over 1,000 articles which have appeared in a variety of journals, magazines, newspapers and popular news websites. Many of his publications have been translated into a multitude of different languages, including Arabic, Chinese, Croatian, Dutch, French, German, Greek, Italian, Japanese, Portuguese, Russian, Spanish and Turkish. His latest books are *Optimism Over Despair: Noam Chomsky On Capitalism, Empire, and Social Change* (2017); *Climate Crisis and the Global Green New Deal: The*

Political Economy of Saving the Planet (with Noam Chomsky and Robert Pollin as primary authors, 2020); *The Precipice: Neoliberalism, the Pandemic, and the Urgent Need for Radical Change* (an anthology of interviews with Noam Chomsky, 2021); and *Economics and the Left: Interviews with Progressive Economists* (2021).

We Can't Combat Inequality Without First Valuing Care Work



*Nancy Folbre - Photo:
wikipedia*

A feminist political economy addresses gender inequalities, but also seeks to rectify inequalities in labor division

Patriarchy and capitalism are class-based systems that serve to compound inequalities of all sorts, including gender inequality. A feminist political economy not only addresses gender inequalities, but also seeks to rectify inequalities in the division of labor. Of course, there are different branches of feminism, but a strong case can be made that a socialist feminist perspective of political economy, such

as that adopted by renowned feminist economist Nancy Folbre, is best equipped to combine theory and praxis for understanding and overcoming capitalist inequalities of class, gender and race. Indeed, Folbre's work is defined by the construction of an intersectional socialist feminist perspective.

Nancy Folbre is professor emerita of economics and director of the Program on Gender and Care Work at the Political Economy Research Institute (PERI) at the University of Massachusetts, Amherst. She is the author of scores of academic articles and numerous books, including *For Love and Money: Care Provision in the U.S.* and, most recently, *The Rise and Decline of Patriarchal Systems: An Intersectional Political Economy*.

C.J. Polychroniou: I want to start this interview by asking you to elaborate a bit on the socialist feminist perspective of political economy, which you essentially helped to institutionalize, and explain how it differs from mainstream feminist political economy. Indeed, why bring socialism into feminism?

Nancy Folbre: I wish I could agree that a socialist feminist perspective has been "institutionalized." I do think it has gained some visibility, and with that, some political leverage. I am also convinced that it is gaining traction and will ultimately shape the political future.

Socialist feminism is not a newcomer to political economy. Many of its principles were laid out in the early 19th century by two Irish radicals who are often lumped in with the pre-Marxian "utopian socialists," William Thompson and Anna Wheeler. They are sometimes mentioned in history books as early advocates of women's right to vote, famous for their *Appeal of One Half of the Human Race, Women, Against the Pretensions of the Other Half, Men, to Retain Them in Political, and Thence in Civil and Domestic Slavery* in 1825. Yet they reached far beyond the issue of women's rights to insist that no economic system based primarily on individual competition could ever achieve gender equality, because tasks of child-rearing and family care require social cooperation and commitment to the well-being of future generations.

This claim lies, implicitly or explicitly, at the heart of socialist feminism. It helps explain the economic vulnerability of those who specialize in care provision in a capitalist society and the need to collectively invest in sustainable forms of development that do not prioritize profit maximization. Socialist feminists are

closely aligned with ecological and climate activists in their emphasis on the need to develop more cooperative institutions. Socialist feminist political economy suggests that inequality can be a serious impediment to what might be termed (to evoke a Marxian term) “socially necessary” cooperation — or (to apply neoclassical economic jargon) “socially optimal” cooperation.

Socialist feminist political economy also suggests that capitalist societies are headed for intensified crises, not because of a falling rate of profit or a rising rate of exploitation, but because they encourage disregard for the physical and social environment in the pursuit of short-term self-interest. The degradation of human capabilities through violence, exploitation and poverty is one example of the many forms of pollution that are fouling our nest.

Gender inequality has existed throughout human history, and U.S. capitalism clearly perpetuates gender inequality. Why is gender inequality so pervasive and how does social class figure into gender discrimination?

I wouldn't universalize gender inequality to the same extent you imply here. Yes, it is a persistent theme of recorded human history, but it has often taken different forms, linked to and crosscut by differences based on race, ethnicity and class.

The historical record suggests that some early gatherer-hunter societies were relatively nonhierarchical, egalitarian groups, even with respect to gender differences. Some such societies — such as the Hadza of Tanzania — persist today. Likewise, some societies today follow matriarchal practices — not the mirror image of patriarchal practices, but ones in which women and mothers control significant property — such as the Khasi of India.

Anthropologist Sarah Hrdy argues that the advantages of cooperative child-rearing were an important impetus to the evolution of other forms of in-group cooperation.

Sadly, patriarchal groups who sent young men into combat to claim new territory and capture young women successfully preyed on more peaceful and egalitarian groups, a dynamic intensified by the development of private property and new hierarchies based on race and class.

Gerda Lerner has argued persuasively that the institution of slavery evolved from the seizure of women. Plutarch's account of the founding of Rome fits this story,

which also features in the Old Testament of the Holy Bible: Deuteronomy 21 specifies that women captured during war could be “taken as wives” after one month.

Once firmly established, patriarchal institutions proved remarkably persistent: A division of labor that disempowered women was imposed upon young people at an early age, enforced by physical force as well as religious doctrine. It is entirely possible that these exploitative institutions conferred some military and demographic advantages on the groups that adopted them, facilitating their expansion.

The emergence of class differences based on property ownership had contradictory effects on gender inequality. The two dimensions of inequality reinforced each other in some respects. By offering distinct economic privileges to women family members, while keeping them under tight sexual control, male rulers kept women divided. At the same time, their guarantees of patriarchal power offered lower-class men at least a semblance of compensation for class exploitation. One of the most memorable illustrations of this is Sir Robert Filmer’s *Patriarcha* published in 1680, which explicitly based the divine right of kings on the divine right of fathers. And indeed, many fathers in that day enjoyed considerable legal and economic power over their adult children.

On the other hand, the emergence of intensified differences based on race and class weakened patriarchal institutions in some respects, putting some women and young adults in contradictory positions, where they enjoyed privileges as members of elite families and gained at least some cultural voice. John Locke wrote a scathing attack on Sir Robert Filmer, and while his liberal theories provided an ideological justification for private property and wage employment, they also undermined allegiance to the divine right of fathers.

Historically, I see a complex dialectic between class, race and nationality, and gender, age and sexuality, sometimes leading to uneven but significant weakening of patriarchal institutions. I lay out some evidence pertaining to western Europe in my book *The Rise and Decline of Patriarchal Institutions*, emphasizing the perverse consequences of colonization and slavery.

You have produced an enormous amount of work on the care economy. How do we define care work and how does it contribute to gender inequality? Moreover,

what policy solutions do you propose for dealing with the problem of unpaid care work?

“Care” is a big, complicated word that can mean a lot of things, and “care work” gets defined in many different ways by different people. So let me start by saying that I propose a very broad definition — it goes beyond child care to include the care of other people, especially (but not exclusively) people who need help taking care of themselves (which is actually, most of us, at one time or another). While a lot of care work is unpaid, a fairly large number of paid jobs in health, education and social welfare also involve care provision. And care work can take different forms: Direct care typically involves face-to-face, hands-on, personal interaction. Indirect care is less interactive, but supplies the environment in which direct care is provided, such as providing food, cleaning up messes and guaranteeing safety. Supervisory care is less an activity than a responsibility — being on call, physically and emotionally available to provide assistance if needed.

So, what makes care work distinctive? First of all, it has a distinctive “output” — the production, development and maintenance of human capabilities. The concept of capabilities, developed by Amartya Sen, Martha Nussbaum, and others, goes way beyond economists’ typical use of the term “human capital,” because capabilities don’t necessarily “pay off” in the labor market. They encompass a range of capacities and contribute to many forms of social well-being through cooperative contributions to families, communities and the polity. Capabilities also have intrinsic value as means of self-realization and creative expression.

This definition of capabilities fits under the rubric of what is sometimes called “social reproduction” that is necessary for capitalism (or any other system) to reproduce itself over time. Yet the production of capabilities can’t be reduced to the “production of labor power” because its implications reach far beyond the realm of wage employment. Direct care work is literally embodied in care recipients. Indirect care work develops and protects the opportunities for care recipients to successfully protect, exercise and expand their capabilities. Both direct and indirect care work can be interpreted as a form of investment that generates large personal and social returns.

The distinctive features of care “output” help explain why it involves a distinctive labor process that is also central to the definition of care work. Since care providers seldom have a direct claim on the value of capabilities they create —

and since care recipients don't always know ahead of time what they want or need — care provision can seldom be squeezed into a process of impersonal exchange dictated by the forces of supply and demand. The quality of care provision often depends on some level of concern for the well-being of the care recipient — something biologists tend to call altruism and economists sometimes refer to as prosocial preferences.

The importance of concern for others is an obvious element of successful family and community life. Yet it is also apparent, though often in less personal forms, in the provision of paid care services. We value health care providers who care about their patients, educators who care about their students and social workers who care about their clients precisely because if they don't care, they're not likely to do a great job — especially since they are not paid by the market value of what they produce.

The distinctive features of both its output and its labor process help explain why care work tends to be economically devalued or undervalued by a capitalist marketplace. The social benefits that it produces pay off enormously in the long run, but they are difficult to measure or to individually capture. And because commitments to provide care are deeply embedded in very gendered social norms and preferences, it is easy to take them for granted. Care workers can ask for reciprocity and respect, but it is difficult for them to threaten to withdraw their services if they aren't paid more — after all, they are, almost by definition, committed to helping others. As a result, they are often short on individual and collective bargaining power.

To resort to econo-speak, both unpaid and paid care providers are typically disadvantaged by a big gap between social contribution and private reward, especially in an economic and cultural environment in which private rewards are commonly interpreted as a measure of social contribution. In the world we live, it's not hard to hear people thinking: "You earn a lot of money? Wow, you must be really productive! You don't earn a lot of money? You must not be producing much."

The most common objection that I hear to this argument is "What about doctors? They are care workers, according to your definition, and yet they are among the most well-paid people in the country." Good point. It's important not to overgeneralize. A lot of specific personal and institutional factors influence

earnings in the U.S. economy. Doctors overall have gained significant bargaining power in a very unhealthy health care system driven by a combination of market forces and bureaucratic collusion.

Still, the relative pay of different kinds of doctors illustrates my point: The most [highly paid](#) medical specialty in the U.S. is cosmetic surgery, where upscale patients are willing to pay enormous sums out-of-pocket to improve their personal appearance. The least highly paid medical specialty in the U.S. is public health, which includes prevention of infectious disease. Hardly anyone pays out of pocket for this enormous benefit, and it generates few profits of the type that investors can pocket for themselves.

So, to come back to your question about policy solutions, whether we're talking about unpaid or paid care, we need more public support for the provision of public benefits. We also need more equitable sharing of both the private and the public costs. Even a quick look at the Build Back Better legislation proposed by the Biden administration in the fall of 2022 — which would have extended public support for families *and* raised wages for child care and elder care workers — shows that at least some Democrats are trying to help out the care economy.

In contemporary social, economic and political struggles in the U.S., gender, class, race and ethnicity do not intersect often enough, and surely not with enough energy and dynamism. Is this a case of theory running ahead of praxis? How do we bring intersectionality to the fight against capitalism and patriarchy?

This is such a crucial question and top priority — linking intersectionality to political strategy. Yet my take on it is almost the opposite of yours — I think that praxis has been running ahead of theory. Most progressive activists in the U.S. are very committed to challenging many dimensions of oppression, ranging from racism to reproductive rights, sexual harassment to homophobia to exploitation in employment. However, there is a lingering tendency to put issues related to race, gender and sexuality in a box called “identity” and issues related to exploitation in employment in a box called “class.”

The “identity” box highlights attitudes and language — what people say and who they side with. The “class” box highlights structural economic differences — real wages, unemployment, family income. This categorization causes problems — it pushes “identity” into furious debates about attitudes and language, and pushes

“class” into something that can be reduced to economics. Instead, I think we need to acknowledge the economic consequences of group identity and the cultural construction of class.

There are two ways to put this — first, that class is an “identity” and, second, that socially assigned identities such as race or gender have very significant economic consequences (including exploitation, and not just by employers). This leads to a more complex picture of social division, one that helps explain why it is so difficult to overcome.

Let me put this in a less abstract way. As a feminist economist, I have argued, for years, that women have some common economic interests as women. Many critics (including feminists) have retorted that women can’t be categorized as an economic group because so many of them pool income with men. My response is, “Yes, but so what?” Everyone belongs to more than one economic group. Members of the U.S. working class enjoy significant benefits as citizens of the most economically powerful country in the world. (Marx and Lenin recognized the importance of the “aristocracy of labor” long ago.) Also, many members of the working class enjoy significant benefits based on their race, their gender and their level of “human capital” in the form of educational credentials. This does not imply that they lack common interests based on class.

It does imply that many people inhabit somewhat contradictory positions, making it difficult for them to assess political strategies: Wins for one of the groups they belong to can mean losses for other groups they belong to, and it is not easy to figure out the net effects. “Make America Great Again” sounds like an empty (and hypocritical) slogan to me, but it effectively signals promises to restrict free trade and immigration that are both feasible (they have been implemented successfully in the past), and tangible (less competition for me and my kids in the workplace), even if they won’t really pay off in the long run.

I think this is what you are getting at when you say “struggles ... do not intersect enough.” Another way of putting it is that we are living through a period in which group interests don’t overlap enough — that is, enough to effectively mobilize progressive change. This problem doesn’t result from the theory of intersectionality; it’s a real-world problem that intersectional political economy tries to explain.

Of course, this explanation can be used to justify a fatalistic, even nihilist stance. But it should be used to think creatively about the need to better explain multidimensional inequalities without simply attributing them to bad attitudes. Most importantly, it should be used to develop political coalitions around principles of economic justice that emphasize the perverse consequences of the global concentration of capitalist power, but go beyond simple prescriptions like “end capitalism.”

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C.J. Polychroniou is a political scientist/political economist, author, and journalist who has taught and worked in numerous universities and research centers in Europe and the United States. Currently, his main research interests are in U.S. politics and the political economy of the United States, European economic integration, globalization, climate change and environmental economics, and the deconstruction of neoliberalism’s politico-economic project. He is a regular contributor to Truthout as well as a member of Truthout’s Public Intellectual Project. He has published scores of books and over 1,000 articles which have appeared in a variety of journals, magazines, newspapers and popular news websites. Many of his publications have been translated into a multitude of different languages, including Arabic, Chinese, Croatian, Dutch, French, German, Greek, Italian, Japanese, Portuguese, Russian, Spanish and Turkish. His latest books are *Optimism Over Despair: Noam Chomsky On Capitalism, Empire, and Social Change* (2017); *Climate Crisis and the Global Green New Deal: The Political Economy of Saving the Planet* (with Noam Chomsky and Robert Pollin as primary authors, 2020); *The Precipice: Neoliberalism, the Pandemic, and the Urgent Need for Radical Change* (an anthology of interviews with Noam Chomsky, 2021); and *Economics and the Left: Interviews with Progressive Economists* (2021).

South Africans Are Fighting For Crumbs: A Conversation With Trade Union Leader Irvin Jim



Zoe Alexandra & Vijay Prashad - Photo: Twitter

In mid-December, the African National Congress (ANC) held its national conference where South Africa's President Cyril Ramaphosa was [reelected](#) as leader of his party, which means that he will lead the ANC into the 2024 general elections. A few delegates at the Johannesburg Expo Center in Nasrec, Gauteng—where the party conference was held—shouted at Ramaphosa asking him to resign because of a scandal called [Farmgate](#) (Ramaphosa [survived](#) a parliamentary vote against his impeachment following the scandal).

Irvin Jim, the general secretary of the National Union of Metalworkers of South Africa ([NUMSA](#)), told us that his country “is sitting on a tinderbox.” A series of crises are wracking South Africa presently: an unemployment crisis, an electricity crisis, and a crisis of xenophobia. The context behind the ANC national conference is stark. “The situation is brutal and harsh,” Irvin Jim said. “The social illness that people experience each day is terrible. The rate of crime has become very high. The gender-based violence experienced by women is very high. The statistics show us that basically people are fighting for crumbs.”

At the ANC conference, five of the top seven posts—from the president to treasurer general—[went](#) to Ramaphosa's supporters. With the Ramaphosa team in place, and with Ramaphosa himself to be the presidential candidate in 2024, it is

unlikely that the ANC will propose dramatic changes to its policy orientation or provide a new outlook for the country's future to the South African people. The ANC has governed the country for almost 30 years beginning in 1994 after apartheid ended, and the party has won a commanding [62.65](#) percent of the total vote share since then before the 2014 general elections. In the last general election in 2019, Ramaphosa [won](#) with 57.5 percent of the vote, still ahead of any of its opponents. This grip on electoral power has created a sense of complacency in the upper ranks of the ANC. However, at the grassroots, there is anxiety. In the municipal elections of 2021, the ANC support fell [below 50 percent](#) for the first time. A national opinion poll in August 2022 [showed](#) that the ANC would get 42 percent of the vote in the 2024 elections if they were held then.

Negotiated Settlement

Irvin Jim is no stranger to the ANC. Born in South Africa's Eastern Cape in 1968, Jim threw himself into the anti-apartheid movement as a young man. Forced by poverty to leave his education, he worked at Firestone Tire in Port Elizabeth. In 1991, Jim became a NUMSA union shop steward. As part of the communist movement and the ANC, Jim observed that the new government led by former South African President Nelson Mandela agreed to a "negotiated settlement" with the old apartheid elite. This "settlement," Irvin Jim argued, "left intact the structure of white monopoly capital," which included their private ownership of the country's minerals and energy as well as finance. The South African Reserve Bank committed itself, he told us, "to protect the value of white wealth." In the new South Africa, he said, "Africans can go to the beach. They can take their children to the school of their choice. They can choose where to live. But access to these rights is determined by their economic position in society. If you have no access to economic power, then you have none of these liberties."

In 1996, the ANC did make changes to the economic structure, but without harming the "negotiated settlement." The policy known as [GEAR](#) (Growth, Employment, and Redistribution) created growth for the owners of wealth, but [failed](#) to create a long-term process of employment and redistribution. Due to the ANC's failure to address the problem of unemployment—[catastrophically](#) the unemployment rate was 63.9 percent during the first quarter of 2022 for those between the ages of 15 and 24—the social distress being faced by South Africans has further been aggravated. The ANC, Irvin Jim said, "has exposed the country to serious vulnerability."

Solidarity Not Hate

Even if the ANC wins less than 50 percent of the vote in the next general elections, it will still be able to form a government since no other party will attract even comparable support (in the 2019 elections, the Democratic Alliance won merely [20.77 percent](#) of the vote). Irvin Jim told us that there is a need for progressive forces in South Africa to fight and “revisit the negotiated settlement” and create a new policy outline for South Africa. The 2013 [National Development Plan 2030](#) is a pale shadow of the kind of policy required to define South Africa’s future. “It barely talked about jobs,” Jim said. “The only jobs it talked about were window office cleaning and hairdressing. There was no drive to champion manufacturing and industrialization.”

A new program—which would revitalize the freedom agenda in South Africa—must seek “economic power alongside political power,” said Jim. This means that “there is a genuine need to take ownership and control of all the commanding heights of the economy.” South Africa’s non-energy mineral reserves are [estimated](#) to be worth \$2.4 trillion to \$3 trillion. The country is the world’s [largest](#) producer of chrome, manganese, platinum, vanadium, and vermiculite, as well as [one of the largest](#) producers of gold, iron ore, and uranium. How a country with so much wealth can be so poor is answered by the lack of public control South Africa has over its metals and minerals. “South Africa needs to take public ownership of these minerals and metals, develop the processing of these through industrialization, and provide the benefits to the marginalized, landless, and dispossessed South Africans, most of whom are Black,” said Jim.

No program like this will be taken seriously if the working class and the urban poor remain fragmented and powerless. Jim told us that his union—NUMSA—is working with others to link “shop floor struggles with community struggles,” the “employed with the unemployed,” and are building an atmosphere of “solidarity rather than the spirit of hate.” The answers for South Africa will have to come from these struggles, says the veteran trade union leader. “The people,” he said, “have to lead the leaders.”

Author Bio:

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Vijay Prashad is an Indian historian, editor, and journalist. He is a writing fellow

and chief correspondent at Globetrotter. He is an editor of [LeftWord Books](#) and the director of [Tricontinental: Institute for Social Research](#). He is a senior non-resident fellow at [Chongyang Institute for Financial Studies](#), Renmin University of China. He has written more than 20 books, including *The Darker Nations* and *The Poorer Nations*. His latest books are *Struggle Makes Us Human: Learning from Movements for Socialism* and (with Noam Chomsky) *The Withdrawal: Iraq, Libya, Afghanistan, and the Fragility of U.S. Power*.

Zoe Alexandra is a journalist and co-editor of [Peoples Dispatch](#).

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