The Next American Revolution?

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Reflections on Gar Alperovitz, What Then Must We Do?

Abstract Marx is concerned with theory that not only interprets but also changes the world. A central issue is thus the transition from capitalism to communism, a topic rarely considered by critics of capitalism today. An important exception is Gar Alperovitz, who, although eschewing the word “communism,” argues that we need “a new system” and sketches a transition strategy for moving “beyond capitalism.” This paper elaborates and evaluates this strategy.

Keywords crisis, capitalism, revolution, transition, evolutionary reconstruction

1 Introduction

For the last forty years or so, Marxism has faced a fundamental theoretical challenge. Ever since it became clear that the economic system put in place in the Soviet Union and then later in Eastern Europe was not going to be so productive that it would “bury” capitalism (as Soviet Premier Nikita Khrushchev famously predicted), the question always posed to Western Marxists was, “What then is your alternative?” Soon enough, the question became a blunt assertion, abbreviated, during the Thatcher-Reagan years, as TINA: “There is no alternative.”

The bulk of my academic work (beginning with my dissertation research in the early 1970s) has focused on this challenge. I have elaborated and defended an alternative, initially called “worker-control socialism,” then “economic democracy,” a form of market socialism featuring workplace democracy and collective, democratic control of investment. The model has held up surprisingly well (surprising even to me) since its initial formulation four decades ago.

But even if we know what an economically viable, ethically desirable
alternative to capitalism might look like (which I think we do), we are faced with another fundamental challenge: the transition question. How might we get there? The classical Marxist answer is, of course, “revolution!”—which is the theoretically correct response, since moving beyond capitalism would certainly be revolutionary. But what exactly would such a revolution look like? The word conjures up images the storming of the Winter Palace in Russia, or peasant armies encircling cities, forcing governments to flee, as in China or Cuba. But a moment’s reflection makes clear that no such scenario is possible in an advanced capitalist country. Suppose our guys succeeded in storming the White House, or capturing the headquarters of the big banks on Wall Street—what then? What then would we do?

Of course it is worth remembering that those young men who wrote a Manifesto back in 1848 suggested a different strategy. The working class, in their own country, must “win the battle for democracy” and then must begin to institute reforms which appear economically insufficient and untenable, but which, in the course of the movement, outstrip themselves, necessitate further inroads upon the old social order and are unavoidable as a means of entirely revolutionizing the mode of production. (Marx and Engels 1994, 175)

Marx and Engels then provided a list of ten reform proposals—some of which have been adopted in social democratic societies, some of which are dated, some of which still look good. But that was 1848. More recently, just last year, another political economist has raised the banner of revolution, and offered a similar strategy for getting from here to where we want to go. His book is entitled What Then Must We Do? Straight Talk About the Next American Revolution (Alperovitz 2013). It is worth our careful consideration.

2 Gar Alperovitz’s Four-Pronged Strategy

Gar Alperovitz, Lionel R. Bauman Professor of political economy at the University of Maryland, has always been a person of the Left, but, until recently, Left-liberal, not radical. His first book, the now-classic critique of President Truman’s decision to drop the A-bomb on Japan, Atomic Diplomacy: Hiroshima and Potsdam, was a revision of this Ph.D. dissertation, written at Cambridge University under the direction of the great Left-Keynesian economist, Joan Robinson. (“It wasn’t economics,” he told me recently, “but she said, ‘Go with it!’”)
Aperovitz has served as a legislative director in both the House and Senate, and as a special assistant in the State Department. He has written many books and articles, some of the latter published in the major mainstream press: *The New York Times, The Washington Post* and the *Los Angeles Times*. He has been a guest on numerous network TV and cable news programs.

In recent years Alperovitz has moved further left. The title of his 2005 book, *America Beyond Capitalism*, not only includes a word rarely used in polite liberal circles, i.e., “capitalism,” but suggests that there might be something better beyond capitalism. The book is subtitled, *Reclaiming our Wealth, Our Liberty, and Our Democracy*.

His latest book goes even further, the subtitle, noted above, promising *Straight Talk about the Next American Revolution*. Think about that for a moment. Here is a (relatively) mainstream “public intellectual” calling for revolution! And feeling rather optimistic that it can be achieved. “We Shall Overcome,” he says, “is not simply a slogan, but in fact the likely, though not inevitable, outcome of the long struggle ahead.”

A non-sectarian, non-Marxist, well-respected academic calling for revolution? For going “beyond capitalism”? And, moreover, laying out a strategy for accomplishing this goal. This is something we need to think about.

Our present “system,” says Alperovitz, no longer works. For several decades following World War II, the U.S. system could be characterized as “managed corporate capitalism”—corporate power balanced by big labor, the conflict mediated by the very large government that had developed during the war. But since 1980 that balance has given way to “fairly pure corporate domination”—and is now out-of-control. Out of control of the people, that is, and on a path that is unsustainable. Corporations now dominate the political system to such a degree that traditional political solutions to our urgent problems—primarily progressive legislation at the national level—are no longer available.

Alperovitz lists many systemic problems that have been with us now for decades, which indicate deep structural problems, the two most pressing being ever increasing inequality and ever more severe environmental degradation. These issues he raises will not surprise anyone who has been paying attention, so let’s consider “what is to be done.”

Things have to change, he tells us. Things are going to change. The present system is unsustainable. If we want change for the better and not for the worse, we have to act. We have to act now. Alperovitz argues for a four-pronged strategy:

- Evolutionary Reconstruction
- Checkerboard Strategies
Crisis Transformations
Big Crisis Transformations

Let me elaborate:

(1) Evolutionary Reconstruction

“Evolutionary reconstruction” is essentially a matter of building alternative institutions now, on the ground. Much of this “reconstruction” is already underway. “Quiet democratization everywhere,” Alperovitz tells us:

- Worker cooperatives: more and more coming into being; some of the nation’s business schools are now offering courses on worker ownership and other ways to democratize business structures that they never offered before;
- Credit unions: essentially one-person, one-vote banks, with assets now totally $1 trillion—that “lie at the heart of a new and potentially explosive movement to break down traditional barriers to funding non-traditional business models”;
- Community development corporations—public enterprises serving mostly as low-income housing developers and incubators for small businesses—some 5000 now in existence;
- Land trusts: non-profit corporations that own housing and other property in ways that prevent gentrification and turn development profits into support for low- and moderate-income housing—255 now operating in 45 states;
- B Corporations: a new corporate structure that allows an enterprise to pursue social goals, and not be legally bound to maximize shareholder value; laws permitting such corporations have been enacted in 12 states. (Alperovitz 2013, 35ff)

“Note carefully,” Alperovitz says, “we are talking here about developing institutions, not just trying to change policy. And the institutions we are talking about are directly concerned with the critical system question of who owns (and how to democratize) productive wealth” (Alperovitz 2013, 34).

(2) Checkerboard Strategies

Since some cities, states and regions are, at present, more amenable to progressive change than others, “checkerboard strategies” involve making gains where we can, at “different squares on the board,” gradually enlarging “captured
territory.” We should focus attention on what governments can and should do in such places. “If you are going to get serious about systemic change—not just ‘projects’—you are ultimately going to have to consider what government does and how it can be used to further the vision and model you affirm” (Alperovitz 2013, 55).

Of course, state and local governments are already deeply involved in economic activities, usually at the behest of large corporation demanding tax breaks and other subsidies to lure them to your region—away from other regions—or to keep them from relocating. Essentially bribery and blackmail.

It is no secret that in the United States today most cities and states are in financial difficulty, and are cutting back services to the most vulnerable. So defensive efforts are needed. But we must do more than that. We need to be gathering support for positive efforts to rebuild communities. Among Alperovitz’s suggestions:

- The use of city, school, hospital, university and other purchasing power to help stabilize jobs in a manner that is both anchored and democratized in terms of ownership, and also benefits low-income neighborhoods and small- and medium-sized businesses.
- The use of public and quasi-public land trusts to capture development profits for community use.
- Taking over electrical utilities, making them public, so as to improve services and reduce costs.
- Improving the local economy though the development of local, public Internet and cable services.
- Expand “participatory lease” arrangements that make money for the city though ownership of other forms of property and in other ways than taxation.

(Alperovitz 2013, 69–70)

(3) Crisis Transformations

Certain crises can be used to promote the public agenda. Alperovitz focuses on two in particular, the on-going health-care crisis and the likely-to-reoccur banking crises. A sensible, universal health care program is impossible at the national level right now, given the pathetic state of congressional dysfunction, but the outlook isn’t so grim at the state level. There are possibilities. Vermont has already enacted a bill that would ultimately allow residents to move into a publicly-funded insurance pool. In California a “Medicare for all” bill failed in the Senate by only two votes.

Regarding banking, Alperovitz urges that “we simply tell the truth. The really
big banks need to be taken over before they really crash the system—the sooner, the better” (Alperovitz 2013, 81). We should also work to build public understanding of how public banking works, beginning with publicizing the success of the Bank of North Dakota, a state-owned bank that has been operating with broad public support for over a hundred years.

(4) Big Crisis Transformations

When Alperovitz writes of “big crisis transformations,” he is thinking primarily about nationalizing certain large corporations, as was done in many countries at the end of World War II. Although the “inefficiencies” of state-owned enterprises became, from the Thatcher-Reagan era on, a matter of dogma among both traditional conservatives and “New Democrats,” recent research suggests that this concern has been much exaggerated. A recent Harvard International Review report concludes that in the modern era many public enterprises have been “efficient, even in comparison to their private counterparts” (Alperovitz 2013, 95).

Alperovitz points out that

- publicly-owned corporations worldwide produce 75 percent of all oil;
- efficient high-speed rail systems are run by governments in many countries;
- two hundred public and semi-public banks control a fifth of all bank assets in the European Union;
- public telecommunications companies are common in most parts of the world.

The list could go on. If another big crisis erupts, let’s put nationalization back on the agenda. Actually we did effectively nationalize both General Motors and the insurance giant AIG during the crisis of 2008, but we then reprivatized them when they became profitable again. The next time—don’t give them back. Democratize them.

3 Conclusion/Evaluation

So, might revolution be on the agenda in the United States? Is Alperovitz’s four-pronged strategy a plausible strategy for system change? Is there anything of significance missing? Is there anything here that strikes you as wrong? I, personally, find little wrong with what Alperovitz presents here. No—even that’s too weak. I find nothing wrong with what he says. If we are going to talk about
moving beyond capitalism, which we must if our species is to have a human future—the alternative being an increasingly brutal, ever more non-democratic form of capitalism that take us over the ecological cliff—then we have to have a reform strategy that will take us there. Violent revolution of the type that brought socialism to Russia, China, Vietnam and Cuba (all poor, underdeveloped countries at the time) is no longer a viable option for a developed country.

So, might such a non-violent effort as proposed by Alperovitz succeed? Might the United States move “beyond capitalism”? Might there be another “American Revolution” in the not-too-distant future?

Impossible to say with any certainty, of course. But let me mention two things, not discussed by Alperovitz, that I would worry about if I were a member of the capitalist class:

The first is all those students out there, saddled with debt—which now totals $1 trillion, more than all the outstanding credit-card debt in the country. They were told to borrow to finance their education. By increasing the value of their “human capital,” they would earn a healthy return on their “investment,” since there would be all those nice, high-paying jobs waiting for them. But those jobs aren’t there. They feel betrayed. Alperovitz notes that three polls in recent years have shown increasing sympathy to socialism among young people. A 2011 Pew Research poll, for example, found 49% of Americans under 30 having a favorable reaction to “socialism,” as opposed to only 46% having a favorable reaction to “capitalism.” (Alperovitz 2013, 195, N10)

The second concerns nationalism. It has been argued, correctly, in my view, that Marx vastly underestimated the appeal of nationalism as a counter to socialist internationalism. The workers of the world did not unite to overthrow the capitalist classes of their countries in 1914, but instead enthusiastically rushed into battle (in Europe at least), to slaughter one another. And of course, during the Cold War American workers (unionized or not, it made no difference) rallied to defend “the American way” against the menace of International Communism—which, in 1959, established a beachhead “in our backyard,” i.e., in Cuba.

But it is now crystal clear that capitalist corporations have no loyalty to their communities, or even to the nation as a whole. They play one city or state against another; they out-source and off-shore American jobs; they play accounting games to avoid paying taxes. It is also becoming clear that the capitalist class as a whole has no “grand plan” for resolving any of the deep problems now surfacing—not only in the poorer regions of the world—but in capitalism’s
I would argue that there once existed a “rational” segment of the capitalist class, a segment with major political influence, that concerned itself with the overall well-being of the country—so as to inoculate American workers against that Communist “virus” that might take hold among them, if sufficient precautions were not taken. That rational segment no longer exists, or at any rate, has dwindled to the point of insignificance. In the words of Marx and Engels in the Manifesto, the ruling class is showing itself to be “unfit to rule” (Marx and Engels 1994, 168). They no longer have “a grand plan.”

Marx’s characterization, in Capital, has once again become true: “‘Apre moi, le deluge’ is the watchword of every capitalist and every capitalist nation” (Marx 1992, 257).

So, what will be our future? Let me close with words from two poets. The first is a line from a poem by Carolyn Forché, which I long ago pasted to the top of my office bulletin board:

It is either the beginning or the end of the world. The choice is ourselves—or nothing.

The second is a short poem by the Irish poet, Seamus Heaney, who just died recently, quoted, interestingly enough, by Nobel-laureate economist Amartya Sen in his recent book, The Idea of Justice:

History says, Don’t hope
On this side of the grave,
But then, once in a lifetime
The longed-for tidal wave
Of justice can rise up,
And hope and history rhyme.

References
