

# Global Rollback

## AFTER COMMUNISM

Lately we have been hearing a great deal about "blowback." But the real menace we face today is global rollback. The goal of conservative rulers around the world, led by those who occupy the seats of power in Washington, is the systematic rollback of democratic gains, public services, and common living standards around the world.

In this rabidly anticommunist plutocratic culture, many left intellectuals have learned to mouth denunciations of the demon Soviets, thereby hoping to give proof of their own political virtue and acceptability. For decades they have been fighting the ghost of Josef Stalin, flashing their anticommunist credentials in tireless diatribes or elaborately casual asides, doing fearless battle against imaginary hordes of "doctrinaire" Marxist-Leninists at home and abroad.

The downfall of socialist governments in the Soviet Union and Eastern Europe caused much rejoicing not only in U.S. ruling circles but among those who claim to inhabit the Left. Here now was a window of opportunity, a new beginning, they said. Freed forever from the stigma of "Stalinism," the US Left supposedly would grow in legitimacy and influence. Taken by these notions, they seemed not to have noticed how the destruction of socialism has shifted the center of political gravity in a drastically reactionary direction. Some of us did not join the chorus of liberals, libertarians, leftists, conservatives and reactionaries who hailed the establishment of monopoly capitalist "democracy" in Eastern Europe. We feared that it was a historic defeat for the people of the world. And now we are beginning to see evils coming to full bloom that the Communists and their allies had been holding back.

In some ways, the twentieth century was a period of retreat for Big Capital. In 1900, the United States and most other capitalist nations were part of the "Third World" well before the term had been invented. Within the industrialized nations could be found widespread poverty, high unemployment rates, low wages, child labor, 12-hour workdays, six- and seven-day work weeks, malnutrition, and the dis-

eases of poverty such as tuberculosis and typhoid. In addition, there were no public services, occupational safety regulations, consumer protections, or environmental safeguards to speak of. Only after decades of struggle, mostly in the 1930s and again in the aftermath of World War II, did we see dramatic advances in the conditions of those who had to work for a living.<sup>1</sup>

### THREAT OF A GOOD EXAMPLE

One of the things that helped workers win concessions was "the threat of communism." The pressure of being in competition with socialist nations for the allegiance of peoples at home and abroad helped to set limits on how thoroughly Western leaders dared to mistreat their own working populations. A social

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contract of a sort was put in place, and despite many bitter struggles and setbacks, working people made historic gains in wages, benefits, and public services.

In the late 1940s and 1950s the U.S. ruling class took great pains to demonstrate that workers under U.S. capitalism enjoyed a higher living standard than their opposite numbers chafing under the "yoke of communism." Statistics were rolled out showing that Soviet proletarians had to toil many more hours than our workers to buy various durable-use consumer goods. Comparisons were never made in regard to medical care, rent, housing, education, transportation, and other services that are

Michael Parenti

relatively expensive in capitalist countries but heavily subsidized in socialist ones. The point is, the gains made by working people in the West should be seen in the context of capitalism's world competition with communism.

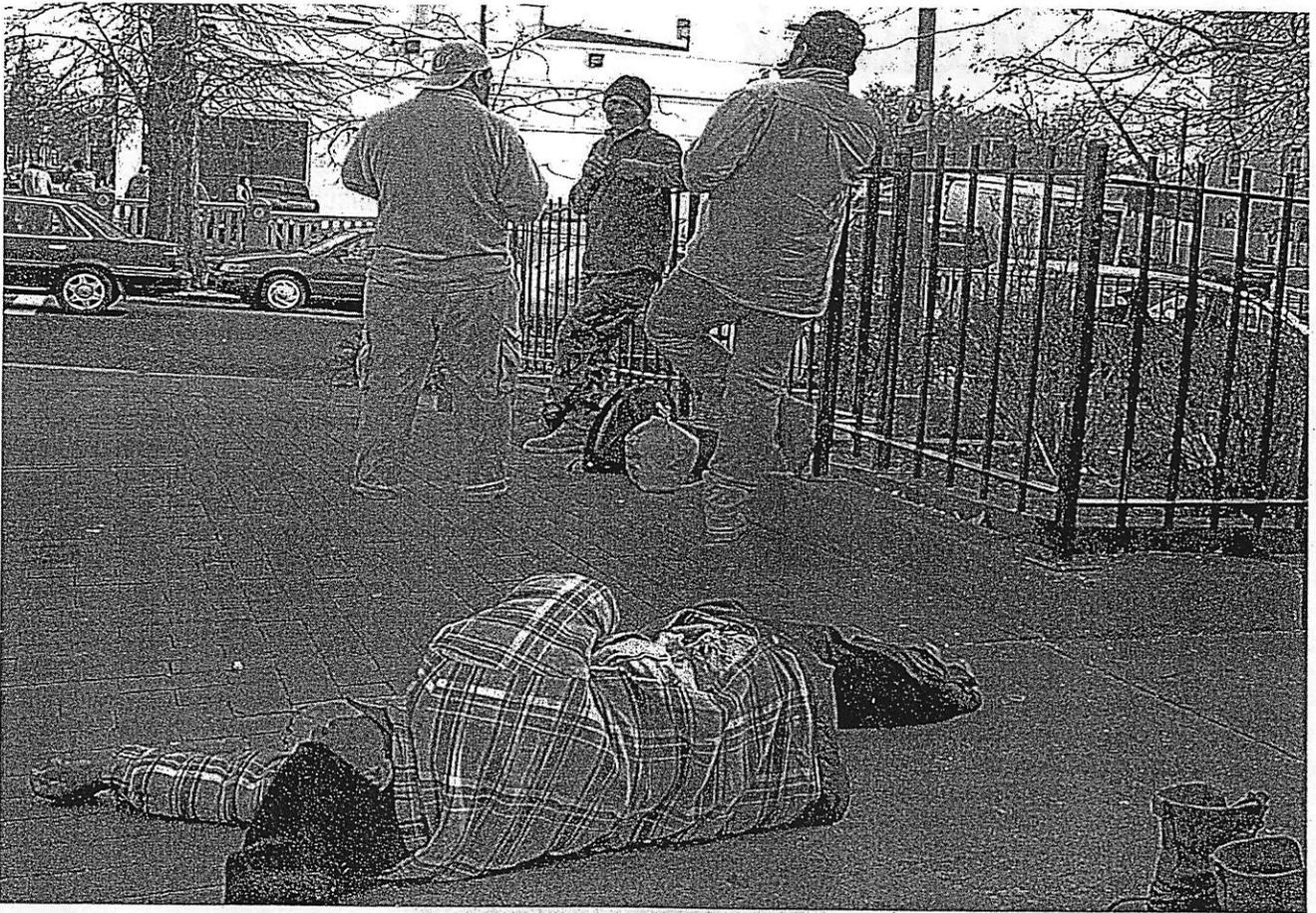
That competition also helped the civil rights struggle. During the 1950s and 1960s, when US leaders were said to be competing with Moscow for the hearts and minds of nonwhites in Asia, Africa, and Latin America, it was considered imperative that we rid ourselves of Jim Crow and grant equality to people of color in the US. Many of the arguments made against segregation were couched in just that opportunistic rhetoric: not racial equality for justice's sake but because it would improve America's image in the Cold War.

With the overthrow of socialism in 1989-91, transnational corporate capitalism now seemed to have its grip on the entire globe. Yet an impatient plaint soon could be detected in conservative publications. It went something like this: "If everywhere socialism is being rolled back by the free market, why is there no rollback here in the United States? Why do we have to continue tolerating all sorts of collectivist regulations and services?" By 1992, it became clear to many conservatives that now was the time to cast off all restraint and sock it to the employee class. The competition for their hearts and minds was over. Having scored a total victory, Big Capital would be able to write its own reactionary ticket at home and abroad. There would be no more accommodation, not with blue-collar workers, nor even white-collar professionals or middle management.

Throughout history there has been only one thing that ruling classes have ever wanted—and that is everything: all the

### ABOUT THE AUTHOR

Michael Parenti's most recent books are *The Terrorism Trap (City Lights)*, *To Kill a Nation: The Attack on Yugoslavia (Verso)*, *History as Mystery (City Lights)*, and the 7th edition of *Democracy for the Few (Wadsworth)*.



Jeremy Bigwood

April 8, 2002, Washington, DC. To see the results of neoliberal orthodoxy in the capital of capital, one need only step out the door of the White House.

choice lands, forests, game, herds, harvests, mineral deposits and precious metals of the earth; all the wealth, riches, and profitable returns; all the productive facilities, gainful inventiveness, and technologies; all the surplus value produced by human labor; all the control positions of the state and other major institutions; all public supports and subsidies, privileges and immunities; all the protections of the law with none of its constraints; all the services, comforts, luxuries, and advantages of civil society with none of the taxes and costs. Every ruling class has wanted only this: all the rewards and none of the burdens.

Instead of worrying about lowering unemployment, as during the Cold War, the plutocrats who preside over this country now seek to sustain a sufficiently high level of joblessness in order to weaken unions, curb workers, and maximize profits. What we are witnessing is the Third Worldization of the United States, the downgrading of a relatively prosperous population. Corporate circles see no reason why millions of working people should enjoy a middle-class living standard, with home ownership, surplus income, and secure long-term employment. They also see no reason why the middle

class itself should be as large as it is.

As the haves would have it, people must work harder ("maximize productivity") and lower their expectations. The more they get, the more they will demand, until we will end up with a social democracy—or worse. It's time to return to nineteenth-century standards, the kind that currently obtain throughout the Third World, the kind that characterized America itself in 1900—specifically, an unorganized working populace that toils for a bare subsistence without benefits, protections, or entitlements; a mass of underemployed, desperate poor who help to depress wages and serve as a target for the misplaced resentment of those just above them; a small, shrinking middle class that hangs on by its bleeding fingers; and a tiny, obscenely rich, tax-free owning class that has it all. For the haves, deregulation, privatization, and rollback are the order of the day. "Capitalism with a human face" has become capitalism in your face. While commentators announce "the end of class struggle" and even "the end of history," in fact, U.S. politico-economic elites are waging class war more determinedly than ever.

## SECOND, THIRD, FOURTH WORLDS

The collapse of socialism has abetted a reactionary rollback not only in the United States but throughout much of Western Europe, Scandinavia, Canada, Australia, and New Zealand. Rollback also has accelerated the current economic collapse in many Third World countries. During the Cold War era, U.S. policymakers sought to ensure the economic growth and stability of anticommunist regimes. But Third World development began to threaten U.S. corporate profitability. By the late 1970s, governments in Brazil, Mexico, Taiwan, South Korea, and other nations were closing off key sectors of their economies to U.S. investment. In addition, exports from these countries were competing for overseas markets with U.S. firms, and for markets within the United States itself. At the same time, growing numbers of Third World leaders were calling for more coordinated efforts to control their own communication and media systems, their own resources, markets, air space, and seabeds.

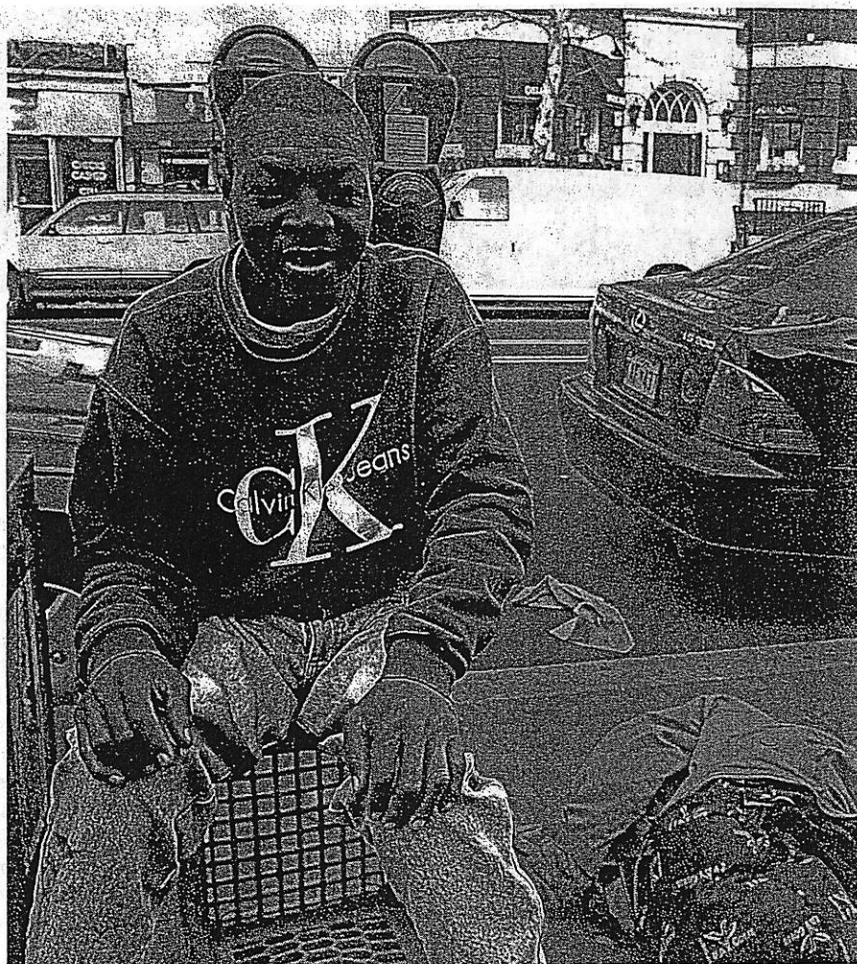
By the 1980s, U.S. policymakers were rejecting the view that a more prosperous, economically independent Third World

would serve the interests of U.S. capitalism. And once there no longer was a competing socialist world to which Third World leaders might threaten to turn, the United States felt freer than ever to undo any kind of autonomous development in Asia, Africa, and Latin America. One rollback weapon is the debt. In order to meet payments and receive new credits from the US-dominated World Bank and International Monetary Fund (IMF), Third World governments have had to agree to merciless "structural adjustment programs," including reductions in social programs, cuts in wages, the elimination of import controls, the removal of restrictions on foreign investments, the privatization of state enterprises, and the elimination of domestic food production in favor of high-profit export crops.

Such measures are ostensibly designed to curb inflation, increase exports, and strengthen the fiscal condition of the debtor nation. By consuming less and producing more, debtors supposedly will be better able to pay off their debts. In fact, these structural adjustments work wonderfully for the transnational corporations by depressing wages, intensifying the level of exploitation, and boosting profit rates. They also leave the economies and peoples of these various countries measurably worse off. Domestic production loses out to foreign investors. There is a general deindustrialization as state enterprises fall by the wayside or are handed over to private owners to be milked for profits. Many small farmers lose their subsidies and import protections and are driven off the land. No wonder that, as western investment in the Third World increases, so does poverty and misery.

In time, Third World countries like the Philippines, Brazil and Mexico slip deeper into the desperately absolute destitution of what has been called the "Fourth World," already inhabited by countries like Haiti the Congo and Afghanistan. Thus, malnutrition in Mexico City has increased six-fold. As many as one-fifth of Mexico's ninety million people are now considered "severely undernourished," while the incidence of cholera, dengue, and other diseases related to malnutrition is nearly ten times higher than in 1990. The Mexican public health system that had begun to improve markedly in recent years is now at the point of complete collapse, with overcrowded, underfinanced, and understaffed hospitals no longer able to provide basic medicines.

As a further blow, the industrial nations began making substantial cuts in nonmilitary foreign aid to poor countries. These



Jeremy Bigwood

April 8, 2002, Washington, DC. According to economist Istvan Meszaros, capitalism boils down to this: privatization of profits, socialization of losses.

include sharp reductions in funds for education, environmental protection, family planning, and health programs. As noted in the *Los Angeles Times*, "With the decline of the Soviet threat, aid levels fell off."<sup>2</sup> Measured as a percentage of gross national product, the United States gives the least foreign assistance of all industrialized nations, less than .02 percent.

To make things worse, popular resistance movements that might challenge the takeover of their countries by western global investors no longer have the benefit of material support from socialist countries. Nelson Mandela frequently spoke of the "essential aid" that the African National Congress had received from the Soviet Union. Today, rather than aiding anti-imperialist rebellions, the former socialist countries join NATO and send armed units to participate in US-inspired military interventions. This represents a serious loss for popular forces and a real gain for repressive plutocracy.

Reformist governments are being further undermined by the General

Agreement on Tariffs and Trade (GATT), and other "free trade" agreements that are neither free nor have much to do with trade, allowing transnational corporations to bypass whatever democratic sovereignty might exist within individual nations. Not only are Third World economies now more successfully penetrated but the governments and peoples themselves are being marginalized by the whole process of economic globalization in what amounts to a global coup d'état by the transnational corporate powers. Under the guise of abolishing "restraints of trade," "unfair competition," and "lost market opportunities," corporate-dominated trade councils are wiping out Third World import protections, public services, local industries, and local decision-making.

Finally, it should not go unmentioned that nowhere has global rollback been more thorough than in the former socialist countries themselves. The "Second World" of socialist nations has fallen into Third and Fourth World depths. In the former Soviet Union, Bulgaria, Hungary, Poland,

**IN TIME, THIRD WORLD COUNTRIES LIKE THE PHILIPPINES, BRAZIL AND MEXICO SLIP DEEPER INTO THE DESPERATELY ABSOLUTE DESTITUTION OF WHAT HAS BEEN CALLED THE FOURTH WORLD, ALREADY INHABITED BY COUNTRIES LIKE HAITI, CONGO AND AFGHANISTAN**

Latvia, and elsewhere, the capitalist paradise has brought massive privatization and deindustrialization, the defunding of public services, rampant inflation, and dramatic increases in poverty, hunger, unemployment, illiteracy, homelessness, crime, prostitution, disease, alcoholism, suicide, and depopulation—along with the emergence of small self-enriched coteries of gangster capitalists.

Reformist governments are attacked not only economically but, if need be, militarily, as has been the fate of more than a dozen nations in the last decade or so. In some cases, they are subjected to dismemberment as with Yugoslavia or complete absorption as with East Germany and South Yemen. Yugoslavia's relatively prosperous industrial base—with an economy that was three-fourths publicly owned—could no longer be tolerated to compete with western capitalist production. Secession and war accomplished the goal of breaking up Yugoslavia into small right-wing client states under the economic suzerainty of transnational corporations.

### **SUPERPOWER UNLIMITED**

The overthrow of the Soviet Union has given the world's only remaining superpower a completely free hand to pursue its diplomacy by violent diktat. The record of US international violence just in the last decade is greater than anything that any socialist nation has ever perpetrated in its entire history. US forces or proxy mercenary forces wreaked massive death and destruction upon Iraq, Mozambique, Angola, Nicaragua, El Salvador, Guatemala, East Timor, Libya, and other countries. In the span of a few months, President Clinton bombed four countries: Sudan, Afghanistan, Iraq repeatedly, and Yugoslavia massively. At the same time, the US national security state was involved in proxy wars in Angola, Mexico (Chiapas), Colombia, East Timor, and various other places. And US forces occupied Macedonia, Bosnia, Kosovo, and Afghanistan, and were deployed across the globe at some 300 major overseas bases—all in the name of peace, democracy, national security, counter-terrorism, and humanitarianism.

Again we might note the connection between the collapse of the Soviet Union and the arrogance and brutality with which the United States has pursued its international agenda throughout the 1990s and early 2000s. Earlier dreams of a US global hegemony—an "American Century"—were frustrated by the constraints imposed by a competing superpower. But today, policymakers in Washington and in academic think tanks all over the country are declaring that the United States has a historically unprecedented opportunity to establish through the use of its unanswerable military and economic power a position of world dominance. Third World economic nationalism will no longer be tolerated in the New World Order. US "leadership" can now remove all barriers to the reorganization of the global economy on the basis of market principles, as interpreted and dominated by the giant transnational corporations.

Given all this, maybe it is time that certain personages on the Left put aside their anticommunism and acknowledge the magnitude of the loss that has been sustained and the real dangers we face with the downfall of Eastern European socialism. The life chances of hundreds of millions of people throughout the world have been seriously and irreparably damaged. It is time to see that our real and urgent enemy is not Stalin (who incidentally is dead) but the Western "democratic" leaders who are running the cruelest scam in history, pursuing policies of concerted rapacity, creating a world totally free for maximizing profits irrespective of the human and environmental costs. With the fall of socialism, we have global rollback, the creation of more wealth for the few and more poverty for the many, the creation of powerlessness by the powerful—a cycle that cannot be effectively opposed by those who remain mired in the class collaborationist rhetoric of anticommunism.

### **NOTES**

1. See the discussion "Toward 1893" in Michael Parenti, *Against Empire* (San Francisco: City Lights, 1995), pp. 168-74.
2. *Los Angeles Times*, June 13, 1995.

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