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Francis Fukuyama and the â€~absent left'

- Features -

Publication date: Tuesday 21 August 2012

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Whatever the (well deserved) derision heaped on the head of Francis Fukuyama for his $\hat{a} \in \tilde{e}$ and of history' thesis, he has the merit of posing the big questions. In his $\hat{a} \in \tilde{e}$ The Future of History' article (Foreign Affairs, Jan-Feb) he poses two big questions that are vital for Marxists: Is the neoliberal undermining of the social position of the employed working class and poorer sections of the middle class compatible with liberal democracy? and What explains what he calls the $\hat{a} \in \tilde{a}$ absent left' – the lack in theory or practice of a powerful left/populist alternative to neoliberalism in a period of such drastic economic collapse and moral bankruptcy of the dominant neoliberal model?

His answer to the first question is clearly †yes'. Such vast inequality, hargues, undermines trust and community and deepens social conflict – so much so that democracy is put in peril. He's right about that and we'll look more closely at its consequences later.

On the reason for the $\hat{a} \in a$ benchmark in the state of explanation. First is the apparent impossibility of shaking off the right wing Tea Party-type populism that ensnares so much of the American proletariat. Second is the intellectual bankruptcy of the left that is - allegedly - incapable of coming up with ideas that can mobilise mass support.

On the inability of the left to mobilise Fukuyama hasn't looked much outside the United States and certainly not southwards towards Venezuela and Bolivia or indeed other parts of Latin America where he would have discovered plentiful attempts to mobilise mass opposition and alternatives to neoliberalism (how successfully is another question).

Also he wrote his article before the dramatic electoral rise of Syriza in Greece or the challenge the Left Alternative in France. An $\hat{a} \in \hat{a}$ absent left' is a huge exaggeration of the situation in Europe or Latin America; his dismissal of the $\hat{a} \in \hat{c}$ occupy' movement in the United States (which elsewhere he describes as "the same kind of anti-capitalist kids who were at the Seattle protests" [1] mis-assesses the links and interactions that existed between the core youth activists and the labour movement.

But in any case his argument that the left is much weaker than might have been expected given the depth of the neoliberal crisis is sure correct. But Fukuyama's line that left weakness is due to a poverty of ideas is way off the mark.

Fukuyama's main argument is this: the present crisis needs a new form of left of centre populism, which has yet to be thought of. It cannot however be based on the old leftist formulas that can no longer be afforded.

First he dismisses socialism (aka Marxism): "The main trends in left-wing thought in the last two generations have been, frankly disastrous either as conceptual frameworks or tools for mobilisation. Marxism died many years ago, and few old believers still around are ready for nursing homes. The academic left replaced it with postmodernism, multiculturalism, critical theory and a host of other fragmented trends...It is impossible to generate a mass progressive movement on the basis of such a motley coalition..." [2]

Then social democracy gets short shrift: "Over the past two generations, the mainstream left has followed a social democratic program that centers of state provision of a variety of services, such as pensions, health care and education. That model is now exhausted: welfare states have become big, bureaucratic and inflexible; they are often

Francis Fukuyama and the †absent left'

captured by the very organisations that administer them, through public sectors unions; and most important, they are fiscally unsustainable given the aging populations virtually everywhere in the world. Thus, when existing social democratic parties come to power, they no longer apsire to be more than custodians of a welfare state that was created decades ago; none has a new exciting agenda around which to rally the masses." [3]

The problem with all this is of course that in apparently breaking with the neoliberalism he previously so ardently defended, Fukuyama bases himself on some its lamest and most fatuous central dogmas. They include the supposed superiority of private provision over public, the unaffordability of decent, pensions, health and welfare services, the $\hat{a} \in \hat{f}$ fact' that more older people means public health and pensions are unaffordable etc etc. These are central tenets of so-called $\hat{a} \in \hat{f}$ capitalist realism', a set of axioms that constrict all social choices within the framework of privatised neoliberalism. In fact all these things are the subject of conscious political choices, but political choices the neoliberal right don't want to accept.

Decent public services and decent minimum incomes are perfectly possible provided you are prepared to accept the logic of economic redistribution away from the wealthy towards the poor. That's where the problems start, especially for the social democrats (perhaps we should call them post-social democrats) themselves. In Fukuyama's own country, the United States, the pitiful level of taxation for the super-rich (in practice 0% for many) and the huge expenditure on the military makes it of course extremely difficult to sustain welfare programmes. But Fukuyama is expecting someone to come up with a populist alternative which both challenges the neoliberals and accepts their fundamental arguments.

Contrary to Fukuyama the problem with actually existing social democracy in power is precisely that it doesn't aspire to be the custodian of the welfare state, but has largely gone along with neoliberal cuts and privatisation, although usually at a slower rate than right-wing parties. A period of economic crisis makes it much more difficult to defend the welfare state without being prepared to make inroads into the wealth of the rich and powerful.

Marxism, socialism, doesn't get even a summary dismissal from Fukuyama but just ritual abuse. What then might be elements of a Fukuyama alternative? His "ideology of the future" (aka "exciting new agenda") includes no denunciation of capitalism as such, but a change in the type of capitalism. This is explained in the following way:

"Globalization need be seen not as an inexorable fact of life but as a challenge and opportunity that must be closely controlled politically. The new ideology would see markets not as an end in themselves; instead it would value global trade and investment to the extent that they contributed to a flourishing middle class, not just aggregate national wealth.

"It is not possible to get to that point however without providing a serious and sustained critique of much of the edifice of modern neoclassical economics, beginning with the fundamental assumptions such as the sovereignty of individual preferences and that aggregate income is an accurate measure of national well-being. This critique would have to note that people's incomes do not necessarily represent their true contributions to society (sic). It would have to go further however and recognize that even if markets were efficient, the natural distribution of talents is not necessarily and that individuals are not sovereign entities but beings heavily shaped by their surrounding societies. Most of these ideas have been around in bits and pieces for some time...(sic again)" [4]

You could re-write this as saying: "Left to themselves markets do not ensure fair or efficient outcomes. Society needs to take control of the economy to a significant degree." Fukuyama does add a little to this by talking about †Buy America' campaigns and the like, and insisting that the †new ideology' must be †populist', but in reality it's at least social democratic. And it would be resisted furiously by the US political, business and media establishment, especially the two major parties, both of them parties not of the millionaires but of the billionaires.

The populist alternative to Marxism and social democracy that Fukuyama seeks doesn't exist because it can't. It is absolutely pointless waiting for a radical populist alternative that accepts major concepts of neoliberalism – especially the idea of the superiority of private provision over public. It is like waiting for a mythical land that has constant cloudless sunshine every day with absolutely no water supply problems. Such a paradoxical beast does not and cannot exist.

The strange non-death of neoliberalism

This issue is addressed in Colin Crouch's book *The Strange Non-Death of Neoliberalism* [5]. Why is it, asks Crouch, that after such a catastrophic economic crisis neoliberalism is still dominant politically? At first blush this seems an enigma: after all when the Keynesian mixed-economy/welfare state model went into crisis in the mid-1970s the bourgeoisie got rid of it, replacing it by the mid-1980s with full-blown neoliberalism. Why haven't they done the same with neoliberalism?

Crouch, although writing from within a pro-capitalist framework, provides an important part of the answer. He argues that neoliberalism isn't the untrammelled working of the free market, despite the neoliberals doffing their hats to von Hayek, Milton Friedman and Ayn Rand (who claimed that the state had no right doing anything except militarily defending its citizens).

No says Crouch, we don't have the free market, we have a $\hat{a} \in \hat{c}$ controlled free marketism' in which the giant corporations wield gigantic power, especially in the form of government lobbying, to fix markets in their own interests, against other companies, small businesses and workers. The business lobby is mega powerful in the US, where most of the Congress is bought and paid for. In effect big business has massive access to government power – not just in the US. And their interests lie in maintaining the neoliberal framework from which they derive such massive profits.

But Crouch's concentration on the big corporations, while important, is not the whole story. Financial capital, Wall Street, the masters of the universe, have just as much to do with it. They are more powerful than any giant corporation. And neoliberalism is the unfettered dominance of financial capital, the bankers - provided we understand that under neoliberalism the state can and must intervene economically and politically, but only to defend the interests of big banks and big companies.

The contrast with the end of Keynesianism is this. In getting rid of the Keynesian model the bourgeoisie was doing something in the short-term and long-term interests of key components of its own class, the monopoly corporations and the bankers. To get rid of neoliberalism would be to do something against the perceived interests of those self-same sectors. Any attempt to go beyond neoliberalism will be fought tooth and nail by the banks, finance houses, monopolistic corporations and the dominant right-wing political forces that defend them.

Obstacles to left advance

Francis Fukuyama wrote his article before the victory of the Socialist Party in the French elections (and the rise of the Left Front) and the left upsurge in Greece focussed on the radical alliance Syriza. However few on the left would deny that despite the global upsurge of protest, political progress for the radical left has been at best uneven and often slow and halting. Massive demonstrations by the indignados in Spain are wonderful, but where is the left politically in Spain? A huge vote for a radical left alternative in Greece is fantastic, but why does the right wing hang

on to power, when working class living standards are being massacred? Why does it seem that protest movements in many countries seem to result in no permanent political or organisational gains? Why do promising left formations like Die Linke in Germany make significant gains and then get thrown back?

Some of the answers to these questions are obvious. Defeats of the left and the workers movement in the 1980s and 1990s have objectively weakened the base of the workers movement and the left and, combined with the fall of the Soviet bloc and the political collapse of social democracy, subjectively undermined socialist credibility. Changes in the production process undermined bastions of the labour movement as manual jobs were shipped out to Asia, in countries with no or weak independent workers movements.

The working movement has far less credibility than 30 or 40 years ago as an alternative $\hat{a} \in \hat{s}$ social subject'. This factor is a crucial one in the evolution of mass protest movements. Tens of thousands who came into politics during the 1960s could immediately and obviously see the centrality of the working class as the instrument for society-wide social change. In Europe the general strike in France in 1968, the prolonged upsurge of the Italian workers movement into the 1970s and mass strike movements in Britain and elsewhere meant the discourse of the far left organisations – the $\hat{a} \in \hat{c}$ orientation to the working class' – had immediate and clear relevance. This is much less so today, although of course to imagine the labour movement and protests movements are totally separate and that there is no interchange between them would be to strongly overstate the case. [6]

And of course the international capitalist class, despite the discrediting of the bankers and capitalism itself, have launched a ferocious fightback. The dominance of the virulent right-wing media today is unparalleled and its influence is often under-estimated by the left, as is the specific task of fighting back against it, as has been recently done in exemplary fashion by the mass movement of Mexican students against political fixing in the main television channels [7]. An explicit purpose of the Fox News/shock-jock type of media is to demonise, de-legitimise and ridicule protest movements and the left.

Harsh semi-militarised repression of protest movements is very widespread and is reaching new levels, so much so that the most familiar figure on the TV news (when it's not an Olympic athlete) is the riot policeman...in Athens, Barcelona, Cairo, New York and Berkeley California.

All these things combine to make the progress of anti-capitalism slow and halting. But there is an ideological factor, the significance of which is also underplayed by some on the left – the persistence of anti-partyism, $\hat{a} \in$ horizontalism' and networking $\hat{a} \in$ movementism' which has been absolutely dominant in, for example, the Occupy movement in the US and elsewhere. In fact it has been dominant in the anti-capitalist protest movement since the anti-WTO demonstration in Seattle in November 1999.

Much has been written about this from a revolutionary socialist perspective, although some of it has been too organisational in tone, excessively rehearsing the dialectical compatibility or non-comparability of democratic centralism and networks [8]. Paul Mason's now infamous turn of phrase – "a network usually overcomes a hierarchy" – has been quite correctly criticised as far too optimistic about †social network driven activism' [9] For example how does this aphorism stand up in the light of the situation in Egypt 18 months after the January 25 overthrow of Mubarak? When the army hierarchy has withstood the siege of numerous dissident †networks'?

But the real source of the left's weakness is that precisely identified by Crouch – the lack of an alternative society-wide hegemonic project that has mass support. Crouch himself thinks that such an alternative project is impossible because "The combination of economic and political forces is much too strong to be fundamentally dislodged from its predominance". However "there is no need to despair" because giants corporations can be held to account and pressurised into some sort of social responsibility by the power of civil society. Note here that for Crouch it is not mainly a left intellectual failure that creates the lack of an alternative hegemonic project, merely that the

dominance of the big corporations is too powerful, too entrenched to be challenged. He thinks however that while the big corporations cannot be overthrown, their wings can be clipped:

"Whether they like it or not, and whether it can be justified by economic theory or nor, firms are increasingly being seen as politically and socially responsible actors. There is a whole new politics around corporations, as campaigners expose their undesirable actions and try to influence customers and sometimes investors or employers. This can, given the right pressure from activists and regulators, turn corporate social responsibility from being an aspect of corporate public relations to a sharp and penetrating demand for corporate accountability."

And moreover, "Rarely before in human history has so little difference been shown to authority, so much demand for openness, so many cause organisations, journalists and academics devoted to criticising those who hold power and holding up their actions to scrutiny. New electronic forms of communication are enabling more and more causes to express themselves in highly public ways." [10]

This is indeed a forlorn hope, and much less radical than what Fukuyama is saying. But think about it for a moment, and Crouch's view is certainly one widely held in the NGO milieu. And a significant number of radical campaigners, journalists and academics at least act as if this were true, giving no thought to global alternatives and focusing everything on the creation of civil society campaigning in the here and now.

Further along the spectrum many even conscious anti-capitalist campaigners explicitly reject alternative society-wide projects and make the absence of such things a positive virtue. This was certainly true of the Occupy movement in the US and UK.

Far from being a strength this is a devastating weakness. If you demand the end of one system, even if it's just the end of one type of capitalism and not the end of capitalism as such, you have to be able to say something about what should replace it. At least something. The Marxist left cannot be sanguine about this weakness and has to wage an ideological struggle about it, albeit from a minority situation within the movement, and at the cost of temporary unpopularity.

Again, this problem is not of course universal. In countries where Marxism has a stronger tradition, often signalled by the existence of a strong Communist Party, the issue of programme and party is better understood- the examples of Greece and France stand out here.

Can democracy withstand the crisis of neoliberalism?

By the end of his article Fukuyama has forgotten to explicitly answer the question he posed at the beginning: can democracy survive what is being done to the †middle class' (ie the middle class and the employed working class)? The nearest he come is his account of the deepening social exclusion that maintenance of neoliberalism will necessarily involve:

"..there are lots of reasons to think that inequality will worsen. The current concentration of wealth in the United States has already become self-reinforcing: as the economist Simon Johnson has argued, the financial sector has used its political clout to avoid more onerous forms of regulation. Schools for the well off are better than ever; those for everyone else continue to deteriorate. Elites in all societies use their superior access to the political system to protect their interests, absent a countervailing democratic mobilization to rectify the situation. American elites are no

Francis Fukuyama and the †absent left'

different" [11].

On the more directly political front, there is good reason to believe that the kind of economic attacks being suffered by working and middle class people in countries like Greece and Spain are incompatible with the †normal' function of liberal democracy. These take a number of related forms:

Social and economic priorities are being dictated from †outside', by what the EU, the bankers and the international rating agencies will accept.

Violent austerity projects are being implemented without ever having been approved by the voters, in the Greece through the mechanism of a $\hat{a} \in \hat{a}$ national government'.

Growing police authoritarianism and repressive violence is being unleashed in several countries against protest movements, most notably where the crisis is deepest, in Greece and Spain.

The failure to resolve the crisis creates multiple morbid symptoms, including depoliticisation and the growth of the radical right and racism.

If no way out of the crisis is forthcoming, other than the brutal austerity determined by the bankers, in the long term $\hat{a} \in \hat{n}$ ormal' liberal democracy will come under threat and the system is likely to break - either to the left or with the imposition of come sort of right wing authoritarian regime. The liberal democracy that dominated in all of Western Europe after the fall of the dictatorships in the mid-1970s, and to some extent in the Untied States, was premised on an overall social compact.

Capitalist political democracy relied on maintaining living standards at least to an historically determined minimum. Once the social pact breaks down politics will be transformed, as Karl Polanyi explained in his book The Great Transformation about the political changes of the 1930s. Polanyi called the 1930s †revolutionary', including in this definition extreme right transformation, as well as left wing and progressive.

Perspectives

So Francis Fukuyama, to give the devil his due, wants to break with neoliberalism, sees deepening inequality, especially in the US, as catastrophic, and wants someone to come up with an alternative, that is not however social democratic or – worse still – socialist. This will not happen however:

"...as long as the middle classes of the developed world remain enthralled by the narrative of the past generation: that there interests will be best served by even freer markets and smaller states. The alternative is out there, waiting to be born." [12]

The alternative is certainly out there, but it was born a long time ago (in the 1840s if you want to put a date on it). Fukuyama is limiting himself to discussion of advanced capitalist countries, but if his discussion had more involved looking south, he would have found some people trying to put alternatives to neoliberalism into practice – in Venezuela and Bolivia at least. There has never been a more relevant time to challenge †capitalist realism' in the name of a systematic ideological alternative, one that already knew that neoliberalism and the neocons were bankrupt at the time that Fukuyama championed them.

^[1] Interview with Der Spiegel

^[2] The Future of History, Foreign Affairs, January-February 2012 p60

[<u>3]</u> Ibid p61.

[<u>4]</u> Ibid

- [5] Colin Crouch, The Strange Non-Death of Neoliberalism, Polity Press 2011.
- [6] See for example The Life and Times of Occupy Wall Street, International Socialism issue 135 http://www.isj.org.uk/index.php4?id...
- [7] See http://upsidedownworld.org/main/mex...
- [8] See for example The Shock of the New, Jonny Jones, International Socialism 134.
- [9] Why It's Kicking Off Everywhere, the new Global Revolutions, Paul Mason Verso 2012.
- [10] Crouch, op cit pp 162ff.
- [11] Fukuyama p61
- [12] Fukuyama ibid