On Capitalism, Authoritarianism and What Is New about Trumpism

written by Frieda Afary | February 1, 2019

Below is a revised version of a presentation given to a panel on "Mass Incarceration and the Global Rise of Authoritarian Capitalism" at the Los Angeles Peace Center on September 23, 2017.

In this paper, I would like to address four questions:

1. Is capitalism inherently authoritarian, and if so, why?

2. What economic and ideological factors can account for the current rise of authoritarianism in the U.S.?

3. What is new about Trump's Authoritarianism?

4. How can it be effectively challenged?

Is Capitalism Inherently Authoritarian?

If we begin with Marx's *Capital* and his *Economic and Philosophical Manuscripts*, we will learn that capitalism is not simply an unjust mode of distribution. It is a mode of production based on alienated labor, an extreme mental /manual division of labor that turns work into a meaningless, undifferentiated, monotonous activity, and turns the human being into a cog in a machine. It alienates us not only from our products but also from our potential for free and conscious activity and from other human beings. Since labor under capitalism is alienated and mechanical, it is expressed in a uniform and undifferentiated symbol such as value or money.

Based on Marx's *Capital*, we can sum up the logic of capital in the following way: Alienated labor (not limited to factory or manufacturing labor but also including a variety of service sector jobs) which produces value leads to a system in which the goal becomes the expansion of value as an end in itself. To meet this goal, capitalism introduces more and more machinery and technology to increase labor productivity and extract more and more surplus value from human or living labor.

This process also leads to the concentration and centralization of capital in fewer hands to the point where within a single country, Marx anticipated, capital could even be accumulated in the hands of a single capitalist or a single capitalist corporation.

At the same time, this process leads to an imbalance for capitalism itself. Relatively more and more technology and machines are used at the expense of living human labor which is the only source of value. This imbalance leads both to an increasing rate of unemployment relative to investment, and a

tendency toward a decline in the rate of profit and periodic economic crises. These crises can lead to war between competing capitalist entities or states.

Even without an outright war, in order to overcome crises, capitalism needs to resort to more and more authoritarian means, physically and ideologically, to extract more surplus value from labor and to quell the dissatisfied unemployed. These means can be seen in the form of using slave labor, a more extensive use of the prison-industrial complex, more policing, and in general greater militarization of society in life and in thought.

However, there is more to why capitalism leads to authoritarianism. The logic of capital also promotes authoritarianism by devaluing critical and independent thinking. Its reduction of the concept of time to value production time, devalues the time spent on thinking and analyzing issues outside the context of profit. It reduces thought itself to mathematical formulas or computer algorithms. It reduces human reason to the application of formulas and to calculation for pure and narrow self-interest or what the Frankfurt School thinkers have called "instrumental rationality."

Marx thought that capitalism, by bringing workers together, would create national and international solidarity among them to uproot the capitalist system and to replace it with a humanist alternative of which he had given us some signposts in his work. At the same time, he as a Hegelian dialectical philosopher was able to see that reality develops in contradictory ways and that racism, sexism, intra-class divisions and ideological brainwashing are used to divide the working class and all those who suffer from capitalism's ills. We can still learn from his writings and activities to address these issues and to offer solutions.

In that spirit, let's analyze some of the reasons for the current rise of authoritarianism in the U.S.

What economic and ideological factors can account for the current rise of authoritarianism in the U.S.?

According to the Marxist economist, Michael Roberts, author of *The Long Depression* (2016), after the "three glorious decades" of the post-World War II boom in economic growth in the 1940s, 50s and 60s, a crisis of profitability caught up with the Western economies. This, he argues, is what led to what we know as the "neoliberal reforms" starting in the early 1980s. Neoliberalism included an assault on labor rights and regulations and massive cuts in social services through privatization of the state sector of the economy which provided these services. It also included "globalization," the flight of capital to Mexico and then mostly to China, India and South East Asia in search of cheaper labor costs and higher profits.

Roberts shows that capitalism's incessant drive to cut labor costs and increase the rate of profit is also the basis for what some economists are calling the "Second Machine Age" in which computers and robotics are being used to replace living human labor on a scale much greater than the First Machine Age in the 19th Century. This phenomenon however, he argues, will lead to deeper crises of profitability for capitalism.

The above-mentioned changes in Western economies since the mid-1970s/early 1980s have been accompanied by a massive decline in formerly "good paying" manufacturing jobs, longer recessions characterized by rising unemployment/underemployment, and a sense of increasing alienation and hopelessness on the part of the U.S. working class.

The 2008 global economic crisis was also a major turning point for capitalism. It showed that even the neoliberal reforms were not sufficient to generate high enough profits to overcome the depth of the crisis of profitability.

According to Ryan Avent, the author of *The Wealth of Humans* (2017), it is the search for a higher rate of profit that explains why some U.S. and European multi-national companies which had gone to China during the past 30 years to benefit from the cheap labor and lack of regulations, are now returning to build or re-open manufacturing plants in their home countries. They have discovered that there is much more value to be made from the proximity of production to research and development. (pp. 173-177)

Avent explains that this proximity of production to research and development however, will not lead to mass employment in manufacturing in the economically developed countries because the new jobs created are too high-skilled and relatively too few. Thus, what he anticipates as the future for Western economies is that a small sector of high-skilled professionals will benefit from the return of manufacturing jobs. The low-skilled laid off workers however, will continue to compete for low-skilled work. (pp. 45-46)

Thus he argues that today the problem is not only that in the industrially developed countries, well-paying manufacturing jobs have severely declined and that in Europe unemployment is on the rise (in Europe 20% of adults over age 25 are unemployed and even in Germany where the unemployment rate is low, job security is low) or that the share of income going to workers as opposed to businesses and property owners has fallen. (p. 3) It is that the idea of a career will not even be a meaningful concept in 50 years.

It is in the context of these changes that we need to understand the rise of Trump in the U.S. and the appeal of authoritarian state capitalism in the formerly welfare state or liberal and neoliberal models of the West.

What is New About Trump's Authoritarianism?

In the words of Jamil Khader, Professor of English literature at Bethlehem University in Palestine: "Trump's objection to outsourcing, rejection of free-trade treaties, and his call for more government economic intervention are all symptoms of the fact that neoliberal economic policies and the democratic values associated with them can no longer drive capitalist growth. As a result, the crisis of global capitalism today is driving nations worldwide toward new forms of politico-economic organization—namely authoritarian capitalism."

While one can challenge Khader's association of neoliberal economic policies with democratic values, Khader's claim about the inadequacy of neoliberal policies in driving capitalist growth is an important one. It helps us see that Trump's economic promises represented a global phenomenon. It reflected the current stage of capitalism and its need to go beyond neoliberal globalization toward further concentration and centralization of capital in the form of monopoly capitalism and state capitalism in order to increase capitalism's insatiable drive for the self-expansion of value.

A careful study of the current direction of the U.S. economy and the global economy (which is outside the scope of this presentation) can show that monopoly capitalism and state capitalism dominate the world economy today. Indeed, Thomas Piketty's *Capital in the 21st Century* argues that today states have more influence over the global economy than ever before. (p. 473) Even as the public sector shrinks, state-owned enterprises are becoming more powerful globally. Monopoly capitalism dominates not only manufacturing but also the service sector in the U.S.

Thus, Trump did not only use racism, sexism, homophobia, Islamophobia, immigrant bashing and xenophobia to appeal to large segments of the white working class. Trump's talk of anti-globalization and his promise to bring good-paying manufacturing jobs back to the United States also appealed to 30% of Latino voters, 15% of African American male voters, 45% of women voters, and many of the

white working-class voters who had voted for Obama in 2008 and 2012.

However, Trump's victory can still not be adequately explained by the above arguments. His victory was also very much rooted in the "instrumental rationality" and the devaluation of thinking itself which the logic of capital promotes. He used the concept of "post-truth" to devalue any idea of objectivity and reason and to free himself of the need to prove his claims and offer logical arguments.

David Brooks, the conservative *New York Times* columnist who thoroughly supports capitalism, nevertheless offers an instructive critique of Trumpism and warns Trump's opponents not to follow the same model: "The modern lowbrow (think Sean Hannity or Dinesh D'Souza) ignores normal journalistic or intellectual standards. He creates a style of communication that doesn't make you think more; it makes you think and notice less. He offers a steady diet of affirmation, focuses on simple topics that require little background information and gets viewers addicted to daily doses of righteous contempt and delicious vindication."

How to Challenge the Current Rise of Authoritarian Capitalism

I would argue that a successful challenge would require addressing these issues:

1. Understanding Marx's critique of capitalism as a mode of production which is based on alienated labor and hence leads to the logic of capital.

2. Understanding how the logic of capital uses racism, sexism and homophobia.

3. Reclaiming the concepts of reason and objectivity to promote critical and independent thinking.

First, a critique of capitalism that only demands a more equitable distribution of wealth without challenging the very alienated labor that is at the root of the logic of capital, cannot challenge the authoritarianism emanating from this system. It will only limit our goal to another version of state capitalism.

Secondly, opposing racism, sexism and homophobia needs to also address the ways in which capitalism uses them to make people from oppressed and exploited sectors of society act against their own interests.

Thirdly, we need to critique capitalism's "instrumental rationality" and the limitations of positivist and capitalist versions of reason and objectivity, without falling into mere relativism and the dangerous concept of "post-truth."

In sum, opposing the current rise of authoritarianism and creating global solidarity between labor struggles, the movements for social and environmental justice, for an anti-racist multiracial and multi-ethnic existence, and for an end to patriarchy, sexism and homophobia cannot take place without understanding the logic of capital and developing a humanist alternative to it. If our anti-capitalism does not offer an alternative to alienated labor and does not promote critical dialectical reason, we will never be able to overcome the logic of capitalism and its consequent authoritarianism.

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