Subject: Re: Modern Monetary Theory
Posted by Rusty on Sun, 13 Oct 2024 17:09:20 GMT
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An excellent discourse broaching several issues in our world right now. Ukraine, Israel and how our capitalist system is maintained. Counter productively to what long term issues the world is facing.

An excerpt midway in the transcription of Wolff and Hudson on the show Dialogue Works. Hosted by Nima Alkhorshid. Both these two senior economists have given glimpses of how our country and the worlds economic and geopolitical positioning are being played out. The motivations and reactions. Its fascinating to get their perspective. As you will not be able to glean much from our entrenched corporate media to give anything more than a homogenized version of world and public affairs.

RICHARD WOLFF: Yeah, let me come at this from a slightly different perspective that might be of interest to folks. Capitalism as a system has built into its structure an imperative to grow. Every capitalist understands that unless they can expand their business and thereby get their hands on bigger profits, they run the risk of being competed out of existence by somebody who can and will do that. And so they all have to grow. And we know that this has become internalized by the political leaders of all capitalist countries.

I'll use the example that they teach in elementary school: If an economy is like a pie, and different people and different groups have different pieces, if you grow the pie, everybody's piece can get bigger and we will all be happy.

If you don't grow the pie, then a growth in some requires a diminution in the others and then we will be at each other's throats. Very old idea, been around for centuries.

And in capitalism, that idea, together with the way capitalism works, means that countries with employers and employees and enterprises that produce and compete in markets have a drive to grow. That's why it's a national emergency if the statistics show the GDP isn't growing fast enough. Oh my god, alarm, alarm.

Okay, now let's stop and take a step back. For ecological reasons and climate change reasons, we now know we've got to stop growing it's threatening our survival. The people of the world have already figured it out because the birth rate of our planet is now zero. We're not growing anymore. The United States, Asia. Only in Africa is there a net positive birth rate, and it's shrinking there too. Okay, now we have a problem that a long-repressed part of the world, the global south, wants to have its standard of living be where it should have been two centuries ago. They're not waiting anymore. So they are demanding a bigger piece of the pie. This, of course, threatens the United States because it can't grow the way it wants to because it now has a serious competitor. China and the BRICS is already a richer entity than the United States and the G7. Okay, here's then a solution. We question don't everybody yell we question capitalism. Why don't we change to a system that doesn't have a built-in imperative to grow, because it's killing us? It's killing us ecologically, but it's also killing us because the genuine and deserved demand of the global south for a place in the sun to raise their families, have an education, be decently cared for, medically

and so on, is not going to be stopped with or without a world war. All right, so let's accommodate: Give them a bigger piece and rearrange in the way that socialists have always advocated to a much less unequal distribution of the resources of the world. That way we can stop growing, thereby meet our ecological danger and do away with the competition that threatens a war between a rising standard of living in the global south and a resharing that the rest of us here in the global north will have to undergo. But we do so because it saves our planet, and it saves us from war, and that's worth it.

That's a plan, but it requires the taboo be broken. Employer-employee is not the only way to organize the production and distribution of goods and services. It's the capitalist way. It was what we got when we got rid of the lords and serfs, and masters and slaves we replaced it with employers and employees. But we can do better than that and we are at a point where we have to. And so the issue of a socialism beyond capitalism comes right back on the agenda. It never really left, it just needs a little goosing from those of us who see it to make it become, again, what we're all talking about and struggling to figure out how to achieve.

MICHAEL HUDSON: What Richard described is occurring on a number of planes. He talks about the drive of capitalism is to grow. Well, that's certainly the dynamic of industrial capitalism, but somehow that hasn't been the drive of the United States recently. Richard, how do you grow by out competing your rivals? You cut costs, you make things cheaper, or less expensively, and better. But the United States has been losing its race. It's true. Last month the US GDP is going to grow and next month it's going to really grow because the hurricanes hit South Carolina and now they're going to hit Florida. That's going to be a big jump in GDP. It's not going to increase America's dominance or competitiveness.

The American idea of growing today I think certainly the neo-con idea, the Democratic and Republican idea isn't the kind of growth Richard is talking about capitalism. It's a purely exploitative growth: America can only grow by arranging the international economic order in a way that siphons off the real growth in other countries China, Russia, the global south and taking their economic surplus and transferring it to itself.

This is not a growth of part of the production sector of the economy. It's a growth of the circulation sector of the economy. Marx drew those two distinctions production, circulation, which is part of the distribution. The American growth has been parasitic. The NATO-U.S. unity is like a parasite on the body of the global majority and they call that growth for the United States in Europe, but it's parasitism. All of that, as Richard just said, we're facing the overhead of global warming. How do you prevent it? Well, China has taken the lead according to yesterday's Wall Street Journal in cutting way back carbon emissions, way back coal, and by taking the lead and creating solar power and atomic power. The U.S. position is to oppose the importation of Chinese solar panels because that's not their philosophy. The oil lobbyists are now backing both political parties in the United States to make sure that any agreements like the Paris Agreement that America signed will not be followed in practice.

You have the United States and Europe pushing the growth and pollution. You have the green party in Germany saying that coal is the fuel of the future. It's coal and cutting down the forests. It's not oil, it's not gas, it's not power. It's simply that. And you achieve this global fix-up by war.

Somehow the anti-war party is supposed to be a key precondition catalyst for all of this

environmental change. You're having this bizarre conflation of ideas in the U.S.- NATO, as opposed to the rest of the world, just as Richard has pointed out.

These two economists consistently point out the flaws in our system that are ignored and or denigrated as too radical. But as we all know intuitively in our lives is that the way things are, either aren't working or working against us. Its both of course. At least we have some outlet that can counter the mind numbing narrative we're fed.
