

The Decade of Transformation Is Here: Remaking the Economy for the People

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The pandemic, economic collapse and the government's response to them are going to not only determine the 2020 election but define the future for this decade and beyond. People are seeing the failure of the US healthcare nonsystem and the economy. The government was able to provide trillions for big business and Wall Street without asking the usual, "Where will we get the money?" However, the rescue bill recently passed by Congress provides a fraction of what most people need to get through this period. Once again, a [pandemic will reshape](#) the course of history.

[Last week, we wrote](#) about the failings of the healthcare system and the need for a universal, publicly-funded system. This week, we focus on the need to change the US economic system. The economic crisis in the United States is breaking all records. The class war that has existed for decades is being magnified and sharpened. The failings of financialized, neoliberal capitalism is being brought into focus at a time when people in the United States have greater support for socializing the economy than in recent times.

This Thursday, there was a [record 3.3 million applications for unemployment](#), an increase of three million from the previous week, but on the same day, there was a record rise in the stock market. This contradiction shows the divide between the economic insecurity of the people and investors profiting from the crisis. The 11.4 percent increase in the stock market on Thursday was the largest increase since 1933 while the record rise in unemployment was 40 percent higher than ever recorded. Projections are for 30 percent unemployment this quarter, which is five percent higher than the worst of the Great Depression.

The response to the economic crisis reveals who the government represents. While people's economic insecurity grew, the government acted to primarily benefit the wealthiest. This realization should spur an uprising like the United States has never seen before. Perhaps the most dangerous to the ruling class is their incompetence has been exposed. As [Glen Ford writes](#),

"The capitalist 'crisis of legitimacy' may have passed the point of no return, as the Corporate State proves daily that it cannot perform the basic function of protecting the lives of its citizens."



Disaster Aid: Crumbs For The People, Trillions For The Wealthiest

Congress unanimously passed [a \\$1.6 trillion coronavirus disaster aid bill](#) this week. This is almost equal to the 2009 Recovery Act and the 2008 Wall Street rescue combined. Democrat's votes were essential to passing the bill so they could have demanded whatever they wanted. This bill shows the bi-partisan priority for big business.

The bill is too little too late for people who have lost their jobs and for small businesses that have been forced to close. The law includes a one-time \$1,200 payment to most people. This payment will arrive after rent and other debt payments are due for a US population with record debt. Congress does not understand the economic realities of people in the United States. [Nobel Prize-winning economist Joseph Stiglitz](#) explained what was needed saying, "The answer is we need no evictions, no foreclosures on all properties, and the government should guarantee pay." In addition, credit card companies should also put "a stay on interest on all debt."

When COVID-19 first began, we pointed out that the [US healthcare system was not prepared](#) to respond and showed the [problems of putting profits before health](#). The COVID-19 rescue bill did not pay for coronavirus testing or treatment. Millions of people who lose their jobs will lose their health insurance, demonstrating why healthcare should not be tied to employment. Adding to health problems, the law did not increase the SNAP food program for the poor.

Roughly one-third of the funding goes to direct payments to people, unemployment insurance for four months, hospitals, veterans' care, and public transit. Two-thirds go to government and corporations. [Adam Levitin describes](#) the law as "robbing taxpayers to bail out the rich."

Congress allotted at least \$454 billion to support big business in addition to \$46 billion for specific industries, especially airlines. Some of these funds will also bail out the fossil fuel industry. According to [the way the Federal Reserve operates](#), they will be allowed to spend ten times the amount Congress allocated to support big business, \$4.5 trillion. [Jack Rasmus writes](#) that the Federal Reserve had already "allocated no less than \$6.2 Trillion so far to bail out the banks and investors." He summarizes the disparity: "Meanwhile Congress

provides one-fourth that, and only one-third of that one fourth, for the Main St., workers, and middle-class families.”

Trump shows the disdain government has for the people and its favoritism for big business and investors as he [objected to paying for 80,000 life-saving ventilators](#) because they cost \$1 billion while the government provides trillions to big business and investors. Governors and hospitals are issuing dire warnings of what is to come, but the federal government is not listening.



Economic Collapse Shows The Need For Transformational Change

The economic collapse is still unfolding. The US is already in a deep recession that is likely to be worse than the 2008 financial crisis and could develop into a greater depression if the COVID-19 economic shutdown lasts a long time.

Already, the crises, the government’s support for Wall Street and its failure to protect the 99% are creating louder demands for system change. We need to put forward a bold agenda and agitate around it to demand economic security for all. As [Margaret Kimberly writes](#), we are entering a period of revolutionary change because we know returning to normal is “the opposite of what we need.” Or as Vijay Prashad says, “[Normal was the problem.](#)”

While the urgent health and economic crises dominate, the climate crisis also continues. The climate crisis already required replacing the fossil fuel era with a clean and sustainable energy economy and remaking multiple sectors of the economy such as construction, transportation, agriculture, and infrastructure. Now, out of these crises, a new sustainable economic democracy can be born where people control finance, inequality is minimized and workers are empowered, along with creating public programs that meet the necessities of the people and protect the planet.

The US Constitution gives the government the power to create money; Article I, Section 8 says: “The Congress shall have power ... to coin money, regulate the value thereof, and of foreign coin.” [Congress needs to take back that power](#) so the government can create debt-free money. Currently, the Federal Reserve, which was created by Congress in 1913, is the privately-owned US central bank that produces money and sets interest rates. It puts the interests of the big banks first. The Fed can be altered, nationalized or even dismantled by Congress. Its functions could be put into the Department of the Treasury.

Monetary actions need to be transparent and designed to serve the necessities of the people and the planet. Money should be spent by the government into the economy to meet

those needs while preventing inflation and deflation. In this way, the government would have the funds needed to transform to a green energy economy, rebuild infrastructure, provide education from pre-school through college without tuition, create the healthcare infrastructure we need for universal healthcare and more. In addition, through a network of state and local public banks, people would be able to get cost-only mortgages and loans to meet their needs.

Moving money creation into the federal government would place it within the constitutional system of checks and balances where the people have a voice to ensure it works for the whole society, not only for the bankers and the privileged. This could end the parasitic private banking system and replace it with a democratic public system designed for the people's needs [as Mexico is doing](#).

[Globalization must be reconsidered](#). Corporate globalization with trade agreements that favor corporate power is a root cause of this global pandemic. We need trade that puts people and the planet first and encourages local production of goods. This includes remaking agriculture to support smaller farms and urban farming using [organic and regenerative techniques](#) that increase the nutritional value of foods and sequester carbon.

What we need instead is popular globalization - developing solidarity and reciprocity between people around the world. We can learn from each other, collaborate and provide mutual aid in times of crisis as [Cuba](#) and other countries are doing now.

As businesses are bailed out by the government, they could be required to protect and empower workers. Workers' rights have been shrinking since the 1950s as unions have become smaller and more allied with business interests. The right to collective bargaining needs to be included as a requirement for receiving government funds. For large public corporations, workers should be given a board seat, indeed the government should be given a board seat and an equity share in any corporation that is bailed out. For smaller businesses, as they reopen, it is an opportunity to restructure so worker ownership and workers sharing in the profits become the norm.

The US needs to build the economy from the bottom up. The era of trickle-down economics that has existed since the early 80s has failed most people in the United States. The government needs to create a full-employment economy with the government as the employer of last resort. The American Society of Civil Engineers gives US infrastructure a grade of D+ requiring [a \\$2 trillion dollar investment](#) that would create millions of jobs. The [Green New Deal](#) would create 30 million jobs over ten years according to [the detailed plan](#) put forward by the Green Party's Howie Hawkins.

The coronavirus disaster aid includes a payment to every person in the US earning under \$70,000. While the one-time \$1,200 check is grossly insufficient, it demonstrates the possibility of a universal basic income. This would lift [people out of poverty](#) and protect them from the coming age of robots and artificial intelligence that will impact millions of existing jobs. The evidence is growing that a [basic income works](#). A World Bank [analysis](#) of 19 studies found that cash transfers have been demonstrated to improve education and health outcomes and alleviate poverty

The United States economy is in a debt crisis that demands quantitative easing for the people. Personal, corporate and government debt is at a record high. While the economic collapse is being blamed on the coronavirus, the reality is that the pandemic was [a trigger](#)

that led to a recession that was already coming. The US needs to correct those fundamentals — massive debt, a wealth divide, inadequate income, poverty — as part of restarting the economy. Just as the Fed has bought debts to relieve businesses of debt burden, [it can do the same for the personal debts of people](#). We should start by ending the crisis of student debt, which is preventing two generations from participating in the economy. While we make post-high school vocational and college education tuition-free, we should not leave behind the generations suffering from high-priced education.



Rise-Up and Demand Change

To create change, people must demand it. Even before the coronavirus collapse, people were demanding an end to inequality, worker rights, climate justice, and improved Medicare for all, among other issues. In the last two years, the United States has seen [record numbers of striking workers](#). The climate movement is blocking pipelines and infrastructure and shutting down cities. Protests against inequality and debt resistance have existed since the occupy movement.

Now, with the economic collapse, protests are increasing. [It's Going Down reports](#): “with millions of people now wondering how they are going to make ends meet and pay rent, let alone survive the current epidemic, a new wave of struggles is breaking out across the social terrain. Prisoners and detention center detainees are launching hunger strikes as those on the outside demand that they be released, tenants are currently pushing for a rent strike starting on April 1st, the houseless are taking over vacant homes in Los Angeles, and workers have launched a series of wildcat strikers, sick-outs, and job actions in response to being [forced onto the front lines](#) of the pandemic like lambs to the slaughter.”

Workers at the [Fiat Chrysler Windsor Assembly Plant walked off the job](#) over concerns about the spread of coronavirus. [Pittsburgh garbage collectors refused to pick up trash](#) because their health was not being protected. Chipotle employees [walked off the job](#) and publicly protested the company for allegedly penalizing workers who call in sick. Perdue employees in Georgia [walked off](#) their jobs on a production line over a wage dispute and management asked workers to put in extra hours without a pay increase during the pandemic. Some Whole Foods workers announced a collective action in the form of a “[sick out](#),” with workers using their sick days in order to strike. In Italy, [wildcat strikes erupted](#) to demand that plants be closed for the duration of the virus. [Postal workers in London](#) took strike actions due to the risks of the virus.

The [pandemic requires creativity in protest](#). Technology allows us to educate and organize online, as well as to protest, petition, email, and call. There have also been car marches, public transport drivers have refused to monitor tickets, collective messages have been sent

from balconies and windows. People are showing they can be innovative to get our message across to decision-makers. We can also build community and [strengthen bonds with mutual aid](#).

If the ownership class continues its call to re-open the economy despite the health risks, the potential of a general strike can become a reality. When Trump called for returning to work the hashtags [#GeneralStrike](#) and [#GeneralStrike2020](#)— calling on workers everywhere to walk off the job — began trending on Twitter. Rather than a strike against one corporation, people would strike across multiple businesses and could also include a rent and mortgage strike as well as a debt strike. The coronavirus has shown that essential workers are among the lowest-paid workers and that they make the economy function. We also understand that if people refuse to pay their debts or rent, the financial system will collapse. Understanding those realities gives a new understanding of the power of the people.

A [general strike, as Rosa Luxemburg described it](#) in 1906, is not ‘one isolated action’ but a rallying call for a campaign of “class struggle lasting for years, perhaps for decades.” A general strike could take many forms, including a global day of action. Before the current crises, we saw the decade of the 2020s as a decade of potential transformational change because on multiple fronts movements were growing and demanding responses to an array of crises. Now, the triggers for the economic collapse could also be the trigger for transformational revolt.

We are all in this together. We are all connected and share a common humanity. If we act in solidarity during this time of crisis and in this decade of transformation, we can create the future we want to see for ourselves and future generations.

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