

Every month since February 1987 the Olympia Fellowship of Reconciliation has produced one-hour TV programs on issues related to peace, social justice, economics, the environment, and nonviolence. The Olympia FOR's program airs several times every week for the entire month on Thurston Community Television (TCTV), channel 22 for Thurston County's cable TV subscribers. You can see TCTV's schedule at [www.tctv.net](http://www.tctv.net).

You can also watch the program described below (**and many more than 100 of our previous interview programs and special programs**) at the Olympia FOR's website, [www.olympiafor.org](http://www.olympiafor.org). Simply click the **TV programs** link, scroll down, and click the program you want to watch. Many of our website's TV program listings also include links to documents describing the program in Word and/or .pdf format.

# FEBRUARY 2016

## "Understanding Socialism"

by Glen Anderson, this TV series' producer and host

The American people know that the economic status quo is dysfunctional and are open to alternative ways of meeting our economic needs.

The U.S.'s dominant economic system has persisted for a very long time. Many people assume that the status quo must always exist. But growing numbers of people are pointing out problems, such as:

- The declining middle class
- The widening gap between the very rich and everybody else;
- Big business' abuse of our environment and climate; and
- The reckless – and sometimes illegal – wheeling-dealing of Wall Street's biggest banks that crashed our economy in 2008 but instead of being held accountable – and instead of being prosecuted for their crimes – the government treated these giant banks as “too big to fail,” so they were bailed out and now are even bigger.

More and more people are pointing out these problems and demanding economic reforms that will stop concentrating wealth and political power in a few very rich hands – and instead serve ordinary people.

This shift in public opinion is further illustrated by American voters' growing support for candidates who actually campaign as socialists:

- Seattle's voters elected – and re-elected – Kshama Sawant to the Seattle City Council. She ran as an active candidate of the Socialist Alternative and has moved the City Council to take bold actions.
- Vermont's voters have been electing an explicit socialist, Bernie Sanders, to a number of offices, and U.S. voters rank this socialist high in the polls for the presidency.

This TV program is produced by a strictly nonpartisan organization, so we are absolutely NOT trying to support any candidate or party. Rather, we are responding to the growing public interest in exploring better economic alternatives to the status quo. That's why this month's TV topic is “Understanding Socialism.”

Two guests explored this topic on the Olympia Fellowship of Reconciliation's February 2016 TV program. **Peter Bohmer** and **John Regan** have studied economics for many years and have worked in various ways to lift up alternatives that will better serve the broad public interest. They share their knowledge and insights during this interview.

## **How is the U.S.'s economy functioning now? What problems are we seeing?**

Many politicians and mainstream news media keep telling us that the economy is doing well and jobs are increasing, but that is **not** what ordinary people are experiencing. Many middle class people are slipping downward, and there is a whole generation of young adults who have never been able to start careers or even earn any kind of livable wage. John and Peter explained why there is such a disparity – such a disconnect – between what politicians and mainstream media tell us vs. what real people actually experience.

John mentioned that – despite the “free market” rhetoric – when corporations get bigger and bigger we have less real competition, so they become monopolistic. This is especially true of “intellectual property” (patents, copyrights, entertainment products, etc.). John illustrated this by holding up a small tube of a prescription skin cream that recently cost \$158 for a small tube but now costs more than \$2,000, just because the pharmaceutical company that owns the patent can get away with that exorbitant price.

The supposed “trickle-down” economic system is not working. The gap between the extremely rich and everyone else is widening. John pointed out that the poorest 28% of the population has negative net worth. In other words, their debts are more than their assets.

## **How capitalism functions:**

Peter explained the basic principles about how capitalism functions. It is designed **not** to meet all people's needs but rather to maximize profits for only some people. The disparities have been widening.

In recent decades the international capitalist model has shifted to what has been called “neoliberalism” – and that has spread to many parts of the world, including through international “free trade” schemes such as NAFTA, the WTO, and the TPP. John and Peter explained how “neoliberalism” is different from traditional capitalism.

## **What underlying values should guide our economy?**

Rather than merely yield to the status quo in any realm of society (economics or any other big issue), we can make better decisions when we first recognize the opportunity to explore our best values – the underlying values that should guide our decisions about how to design our society.

Peter encouraged us to think of democracy in all aspects of life. Therefore, we should consider “economic democracy” as a guiding value or principle. Ordinary people's needs and interests should guide our decisions about the economy, so ordinary people should be making the decisions. We should design our economic system from the bottom up, not from the top down.

## **What is socialism? What varieties of socialism have been practiced?**

In the modern era, although “capitalism” has been one dominant model, the other dominant model seems to be various kinds of “socialism.” Within the broad concept of “socialism,” there are many varieties. Peter summarized socialism's basic features, and he and John explained some of the ways socialism has been practiced and could be practiced in the future.

Within the concept of socialism, a dominant value has been empowering workers and local communities to make the important decisions and enjoy the benefits of their workplaces. John explained how cooperatives – whether owned by workers or owned by community members – empower ordinary people to protect our own economic, social and environmental interests.

John has been working with local cooperatives in the Olympia area, in El Salvador, and in Venezuela. In Venezuela, the CECOSOLA exchange started small and expanded into several kinds of worker-owned busi-

nesses providing several kinds of goods and services, including agriculture, furniture and more. CECOSE-SOLA has been interacting with the Olympia Food Co-op, and they have sent delegations back and forth. Also, within the Olympia area, the Olympia Food Co-op and several other local co-ops have created a local networks for mutual support.

### **The U.S. has included socialist practices for hundreds of years:**

Americans should not dismiss “socialism” as a foreign concept. We already enjoy some “socialized” elements in our society now:

- The U.S. Constitution requires our national government to run post offices.
- We enjoy socialized fire departments, police departments, Medic One systems, libraries, streets, bridges, local bus systems, city-owned water and sewer utilities, etc.
- Our taxes and fees pay for these public goods and services. We elect local government officials to be accountable to the public in running them for **our** benefit, **not** for private profit.

Despite the current right-wing mania for “privatizing” public resources, these public services are popular, and we must protect them from being “privatized.”

### **Socialism is actually part of American history:**

While many Americans think of socialism as a foreign concept, actually it is part of American history, as mentioned above. Our history includes grassroots organizing for changing our economics and campaigning for socialist political parties and candidates. Peter and John gave some examples.

In the early 1900s Eugene Debs ran for president four times, sometimes earning close to a million votes, and one of those times he ran his campaign from federal prison, where he was serving a sentence for opposing U.S. participation in World War I, which he denounced from his socialist and anti-imperialist perspective.

Also in the 1900s a good number of socialists were elected to local governments on platforms of stopping corrupt political machines, improving municipal services (water, sewers, public health, building safety, etc.), and converting some abusive private ownership to publicly owned utilities.

### **We actually have opportunities to “socialize” additional public services:**

Instead of “privatizing” public resources, there are some strong reasons why we should “**socialize**” some entities that are **currently private**.

For example, there is a movement to have more state governments create “state banks” like North Dakota has had for a century, and for cities to create city-owned banks like some people are proposing for Seattle, and for having the post offices again offer “postal banking.” Banks owned by the public and managed for our benefit could provide a decent alternative to the giant capitalistic banks that abuse us:

- This would keep money in the local community instead of siphoning the assets away from the local community to be loaned to nasty projects elsewhere.
- This would provide a pot of money to be used locally for worthy projects that otherwise have difficulty getting financing, such as low-cost loans to college students, small farmers, cooperatives and small businesses.
- Local democratic control would keep it accountable to the public.

Just like many cities operate local bus services, so states or the nation could operate a publicly owned bus system to provide better transportation from city to city throughout our nation.

Instead of the inefficient insurance companies that run our health care, we could have an efficient single-payer system that could afford to cover everyone if we eliminated insurance companies altogether and if the government were to use its nationwide bargaining power to bring down the cost of prescription drugs.

A few years ago we had a local campaign for the Thurston County Public Utility District – a publicly owned water utility – to buy out all or part of the electrical service currently provided by Puget Sound Energy, a giant capitalistic corporation based in Australia and owned by investors in Australia and elsewhere. The Olympia FOR's May 2012 TV program explored this when people were just starting to talk about this. People can watch it at the "TV Programs" part of [www.olympiafor.org](http://www.olympiafor.org). Click "TV Programs" and scroll down to May 2012 to watch the TV interview or read a printed summary of what we said, next to the link for watching the program.

### **"Free markets" do not really exist under modern big capitalism, and they do not work well:**

Part of the ideology that some people assume and don't want challenged is the notion that "free markets" work best and that they are "self-correcting." Actually, with big business's monopolistic characteristics and excessive economic and political power, we do not really have "free markets," and they do not self-correct.

Some market-based systems – such as the deregulated dominance of extremely rich individuals and businesses that fund electoral campaigns – actually corrupt not only our economic system, but also our political system, and hurt ordinary people and our environment because giant wealth overrules our "democracy."

### **What is "social democracy"?**

Along with "socialism," some people also talk about "social democracy." Peter explained the difference. Basically, "social democracy" includes some social values in a basically capitalist society. In Scandinavia, for example, or in Bernie Sanders' vision, big businesses exist, but they are somewhat constrained from running rampant all over us. In a "social democracy," laws protect the rights and serve the interests of workers, individuals and families. Publicly guaranteed health care, family leave, and other public services create a better standard of living for everyone. But ownership remains pretty much the same as now.

### **Variations of "socialist" activities in other countries:**

Some other countries have been using socialist principles very effectively to serve the broad public interest.

In some countries worker-owned businesses and cooperatives do very well.

Starting in 1989 in Porto Alegre, Brazil, "Participatory Budgeting" is a way to directly involve ordinary people in proposing how a government could possibly spend its tax dollars – and then actually voting to make the spending decisions. The "Participatory Budgeting" model has spread to many other cities worldwide. This movement even has people in Seattle working toward it. This website has much information: <http://www.participatorybudgeting.org/> Also, watch this engaging, informative interview on the Laura Flanders TV program: <http://www.truth-out.org/news/item/32428-laura-flanders-participatory-budgeting-an-economy-for-the-99>

### **Capitalism hurts the environment and climate, but socialism would be more sustainable:**

Many people who see modern capitalism as fundamentally unfair – unjust – also see that it hurts the environment and the climate. Capitalism requires endless "growth," which is impossible in a world with finite resources, so capitalism is inherently **not** sustainable. People want a better economic system that – besides being socially and economically just – would also be sustainable for our ecosystems and our climate.

John pointed out some interesting insights. For example, our current system promotes more consumption instead of better use of resources. We should eliminate sales tax on the parts and labor for repairing used items,

and eliminate sales tax on the sale of second-hand items. Applying socialist values to several aspects of our political and economic systems could reduce strain on the environment and promote sustainability.

Many issues on the progressive agenda are simply reacting to issues that are emerging (*e.g.*, economic inequality, reducing consumption for sustainability), but we have not necessarily reacted from the standpoint of a **socialist** economic vision. Let's become more proactive in setting the agenda, not merely reacting to the problems in our economic and political systems. We can apply socialist values to many sectors of our society.

### **Envisioning a better economy is creative and enjoyable. Let's experiment and innovate!**

Peter and John support engaging people in envisioning what kind of economy we want. Both of our guests have spent time in El Salvador and Venezuela, where grassroots people have become increasingly disillusioned about fixing the economy through the national government. Instead of hoping a national government will fix our problems, people are increasingly organizing from the grassroots base. They urge us to build an alternative economy from the ground up. People need to see the world differently and build different institutions so people can take control of their own economic activities. John explained that this is what CECOSOLA is doing. He sees similar thinking in El Salvador. He sees similar thinking in Olympia, moving toward a "social economy."

When people discuss big political and economic problems, some people want to reform the current system to eliminate its worst abuses bit by bit, while other people want to organize to replace the current system altogether with a new one. In any case, John urged us to move ahead and be proactive for what we want, not just negative about what we oppose.

Some people might think that envisioning a better system is not realistic. But actually, our current system is not realistic. It is grossly dysfunctional, often cruel, and not sustainable. Therefore, exploring alternative economics is both practical and necessary!

Based on recent public opinion polling, the American people really are willing to entertain alternatives to the dominant capitalistic system. Not too many years ago "socialism" was a dirty word, carrying baggage from the McCarthyism era from the early-to-mid 1950s. That era of bias seems to have passed. Public opinion polling shows much support for socialism in the U.S., especially among people in their 20s and 30s and among African-Americans.

Voters have shown they are willing to elect socialists, such as in Seattle, where voters elected – and re-elected to the Seattle City Council Kshama Sawant, an explicit socialist with a very bold agenda. Public opinion polling shows strong support for the presidential campaign of Bernie Sanders, another explicit socialist.

### **Further encouragement:**

I am grateful to Peter Bohmer and John Regan for sharing their knowledge, insights, and encouragement. And I am grateful to all of the people watch this conversation on TCTV cable channel 22 in Thurston County WA, or on the Olympia Fellowship of Reconciliation's website, [www.olympiafor.org](http://www.olympiafor.org).

We grow up in a political culture that shows us only a **very limited range of choices**. Most people choose from this very limited range, so our political culture remains stuck. We can make progress only if we use our best values and our best thinking to **create a much wider range of choices** – and then actually choose the wisest, most compassionate new choices. Let's also encourage and empower other people to explore wider possibilities too.

We experience many kinds of unfairness and craziness in our economic lives. There has got to be a better way. Let's find ways to apply our best values to **all** aspects of life, including economics. Let's practice "economic democracy" and create an economic system that:

- Is profoundly nonviolent;
- Respects all people's human dignity and human rights; and
- Respects the environment, the climate and sustainability.

You can get information about a wide variety of issues related to peace, social justice and nonviolence by contacting the Olympia Fellowship of Reconciliation at (360) 491-9093 or [www.olympiafor.org](http://www.olympiafor.org)

*Thank you!*