

Inequality and the fight for socialism

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In the face of plummeting approval ratings and mounting popular opposition, the Obama administration has launched a public relations campaign to present itself as an opponent of inequality.

Speaking Wednesday in Washington, DC, Obama called income inequality the “defining challenge of our time” and declared that “over the course of the next year, and for the rest of my presidency,” the administration would “focus all our efforts” on narrowing the gap between rich and poor.

To complement its empty rhetoric, the administration has pledged its support to a proposal by congressional Democrats to raise the minimum wage from its current level of \$7.25 an hour to \$10.10—a measure that neither the White House or either big business party expects will actually be passed by Congress.

That such a miserable measure—which would leave the minimum wage lower in real terms than it was in 1968—is presented as a serious effort to combat inequality only underscores the fact that no section of the political establishment has any serious proposals to address mass unemployment and poverty.

Obama’s speech was an exercise in cynicism, a transparently calculated move to shore up his poll numbers and provide a cover for his right-wing policies. In typical fashion, Obama decried the growth of inequality in America as though he were an innocent bystander and had absolutely no role in the process he was criticizing—just as earlier in the year he criticized his own program of drone assassinations, only to continue the extrajudicial killings in Afghanistan, Pakistan, Yemen and elsewhere.

Obama’s attempt to present himself as an opponent of inequality has been promoted by the various liberal and pseudo-left organizations that operate in the orbit of the Democratic Party, such as the *Nation* magazine and the International Socialist Organization. The speech was coordinated with protests Thursday calling

for an increase in the US minimum wage, which were organized by the Service Employees International Union and other union-affiliated organizations, along with their pseudo-left allies. While attendance was relatively small, the demonstrations were prominently featured by the media and endorsed by Obama administration officials.

That Obama felt compelled to make a gesture toward addressing social inequality reflects the fact that the immense chasm between rich and poor is ever more clearly the defining feature of social life, in the United States and internationally. While inequality is generally ignored or covered over in the media—amidst enthusiastic coverage of a soaring stock market and a supposed “recovery”—it is the dominant reality for the vast majority of the people in the US and around the world.

What can never be acknowledged, however, is that social inequality is rooted in the capitalist system, and that the immense growth of inequality over the past five years is the direct and intended result of the policies of the ruling class, implemented in the US by its chief political representative, Obama.

The events that bracketed Wednesday’s speech underscore the hypocritical character of Obama’s remarks. On Tuesday, a federal bankruptcy court judge, with the support of the White House, gave the go-ahead for the city of Detroit to proceed with the largest municipal bankruptcy in US history, setting the stage for sweeping attacks on the pension benefits of workers throughout the US. Within hours of the ruling, the Illinois legislature passed a bill that slashes \$160 billion in state pension benefits over 30 years.

On Friday, the White House said it would not make the extension of long-term jobless benefits a precondition for a budget deal with the Republicans. This sets the stage for the elimination of federal jobless benefits for 1.3 million people immediately after the

holidays, affecting an additional 3.6 million people in the first half of 2014.

Since taking office, Obama has done everything in his power to transfer wealth from the majority of society to the super-rich. Over the past five years, social inequality has grown at an unprecedented pace. Since 2009, the median household income in the US has dropped 4.2 percent, while the top one percent of income earners has captured 95 percent of income gains.

The vast redistribution of wealth is international in scope, and the policies of the Obama administration—combining endless bank bailouts with brutal austerity—have been repeated in every major capitalist country.

The growth of social inequality has assumed the most malignant forms, to the point where the self-enrichment of a parasitic financial aristocracy stands as the greatest impediment to the satisfaction of elementary social needs. In every country, governments are dominated by corporate-financial oligarchs whose interests they slavishly serve.

As a result, the combined net worth of the world's billionaires has doubled since 2009, and the total number of billionaires has grown from 1,360 to 2,170. The total share of economic output that goes to workers, meanwhile, has been falling throughout the world for decades.

This unprecedented concentration of wealth at the very top of society is connected to every element of policy, from the destruction of democratic rights revealed in the global spying apparatus headed by the NSA, to a foreign policy of international gangsterism that is threatening to spark another global war.

This international process is an expression of the failure of the capitalist system and its incompatibility with the basic social needs of the vast majority of the world's people.

In contrast to the array of pseudo-left and liberal organizations that anchor their politics in race, gender and other forms of identity politics—a brand of politics that is invariably linked to the interests of more privileged sections of the middle class—the International Committee of the Fourth International (ICFI) has based itself on an understanding of the centrality of social inequality. The divide between the rich and poor is an expression of the division of society into two great

classes, the working class and the bourgeoisie.

The emphasis on social inequality is embodied in the very name of the national sections of the ICFI. When the Workers League in the US formed the Socialist Equality Party eighteen years ago, it noted that “the dominant feature” in political life was “the widening gap between a small percentage of the population that enjoys unprecedented wealth and the broad mass of the working population that lives in varying degrees of economic uncertainty and distress.”

The intervening 18 years have confirmed this evaluation. The past five years have been years of deepening economic crisis, and the response to this crisis has been determined by the social interests of a ruling class that dominates economic and political life.

The basis for a genuine struggle against social inequality is an offensive by the working class aimed at expropriating the corporate-financial elite and ending its stranglehold over society.

The defense of the most basic social needs—jobs, decent wages, pensions, education, access to culture—poses the need for the independent political mobilization of the working class against the capitalist system. The aim must be the taking of state power by the working class and the reorganization of economic life on a new basis—the satisfaction of social needs, not private profit.



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