

# An old debate and the US elections

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IN January 1973, Paul Sweezy, a renowned Marxist economist, published an article in the *Monthly Review Magazine* on the causes of the decline of the US economy, and why stagnation and increasing dependence on a permanent state of war had become its regular features. He further asserted that this tendency is integral to the nature of monopoly capital in the 20th Century. This article reflected the central argument of his and Paul Baran's famous book *Monopoly Capital: An Essay on the American Economic and Social Order* published in 1966. During the height of the Cold War and the heyday of monopoly capitalism, such a critique of mainstream economic order could not go unchallenged. As expected, the response was predictably vigorous and, to an extent, vicious.

In March 1973, Paul Samuelson and Kenneth J. Arrow, two Nobel Laureate economists, followed by a few others, published several scathing critiques of Sweezy's article in *The New York Times*. They argued that in the Keynesian era, the chances of the reoccurring of the ancient scourge of intermittent shortage-of-purchasing-power are remote or next to impossible even in the distant future. Samuelson further argued that military spending and wars were no longer necessary to stimulate the economy, as the Keynesian economists knew how to generate demand through prudent fiscal policy in peacetime that virtually guarantees crisis-free reliable economic growth.

Arrow also refuted the claim by the Paul duo that in an advanced capitalist economy, the government can ensure full employment only through socially wasteful and destructive means such as war. He pointed out that in the 60s, while the US spent less on defense and more on social sectors, it experienced an apparently booming economy. Sweezy responded by presenting figures that if the increase in the share of military related employment in 1970 compared with 1938 was eliminated, the US economy would have real unemployment levels equal to those of the Great Depression. He also empirically demonstrated that the incredible growth of the US economy in the second half of the 20th Century was due to WWII and the subsequent Cold War. The much celebrated successes of Keynesian economics had really been heavily dependent on military spending. Thus, a key lesson of monopoly capital's global reach in the 20th Century was that it only thrives on a permanent state of war.

The internal impact of monopoly capital's ever increasing grip on the socio-economic and political arenas in the advanced capitalist states, especially

in the US, over the past three to four decades resulted in several developments. First, massive profits are no longer derived from investments in the manufacturing sector (the Smithian model), but through manipulation of finance, service, and bureaucratic paper-shuffling. Profits without production became the new mantra of the ultra-rich. Thus, bank and insurance company executives, lawyers, merger specialists, speculators, hedge fund managers, investment and portfolio handlers, stock market players and the exchange rate manipulators (together with some

Second, the globalisation of production and exchange has changed many of the previous country-specific analyses that had been attempted by classical and neo-classical economists. Moreover, as the world economy has become more integrated, the problems in one major economy has a ripple effect on the rest of the world in immediate and profound ways, and economic policies in just one country cannot fully protect it from the ravages of capitalism elsewhere. Also, the frequency of monopoly capital's inborn tendency of periodic boom-bust cycles

oriented production and supply where free competition and transparent mechanisms were supposed to make the economy competitive, dynamic and fair. Moreover, there would be no coercion and the people would be free to make their own decisions about work, consumption and leisure. Now, workers are increasingly denied that choice. They are paid at progressively meagre rates, work is outsourced to countries where wages are cheaper and working conditions less safe, advertising can be manipulative and false, there is price-fixing and collusion, and the system is wilfully blind to environmental degradation unsustainable for the planet. The glitter of capitalism can sometimes blind us to its ugly realities. The pursuit of profits, fundamental to capitalism, has never been as ferocious, as insensitive, or as disruptive.

If we consider the recession of recent times, we see that there is very little sign of recovery in spite of massive transfer of wealth in the form of bail-outs from the taxpayers to the wealthy (which really translates into private profits at public risk, i.e., economic successes are enjoyed by individual capitalists, failures are borne by all citizens). After 50 years, Paul Sweezy and Paul Baran's predictions of monopoly capital's inborn pitfalls rooted in Marxian analysis of capital stand vindicated, while Samuelson and Arrow, the two famous neoclassical economists in the second half of the last century have been proven wrong. On the positive side, concerns about the crises inherent in monopoly capital, and all the havoc that it entails, has now entered the mainstream discourse. Bernie Sanders and Jeremy Corbyn are its political manifestation, while economists such as Krugman, Stiglitz, and Piketty are raising sharp and pertinent questions.

The broad lesson is simple - unbridled capitalism riding on the shoulders of unregulated *laissez faire* goes on accumulating thus, inevitably, turning monopolistic. And for preserving the control over this monopoly, and to satisfy its need for further profits, it must go on waging wars, and manufacturing enemies, foreign or domestic. One wonders if the war on terror or the aggressive attempts by the Pentagon to trigger a new cold war with Russia and China stem, at least partly, from this consideration. Does Eisenhower's warning of a military-industrial complex ring a bell?

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ILLUSTRATION: ANDY SINGER

service entrepreneurs and high-tech convenience providers became part of the new wealthy 1 percent who amassed huge fortunes. The rest of the economy stagnated, and the condition of the working class worsened in terms of wages, comparative buying power, social satisfaction or their hopes for the future. No wonder they are venting their pent up rage and frustration at the political establishment through supporting the Trump platform in spite of all the deplorable and damaging aspects of the candidate that have come to light.

has only increased since its sudden appearance in the Great Depression of the 30s, and has become globalised. Though Keynes had only patched up that open wound with much insight and expertise, he couldn't offer any permanent solution to the problems inherent in capitalism itself, or ways in which it is manifesting itself today.

Third, modern capitalism has been unhinged from the "moral anchor" on which it had been originally based. Initially, capitalism had been considered to be an ethical system of market-

## Turag on the death throes

Utter disregard for national resources

WE can only write a requiem for the once mighty river that has been one of the capital's lifeline sustaining its population. It is all but dead and nothing can resuscitate it back to life unless some drastic measures are taken.

We have been highlighting Turag's woes for several years, as we have been of the other three important rivers which are so very vital for the city, depicting how a nature's gift to man was being plundered gradually by the powerful and the rich river grabbers, who seem to have outdone their counterparts - the land grabbers - in their most nefarious activity.

It is frustrating that the many initiatives taken by the Parliament and the judiciary should have come to naught. The sad part of the story is how the court rulings have been blatantly violated not giving two hoots for the law. We cannot believe that such a gross destruction of this and other rivers can be effected without the complicity of the relevant departments of the administration. These grabbers become more powerful than the state agencies only because those responsible to protect the interest of the state abdicate their duty and succumb to pecuniary temptations. Otherwise how does one account for the present condition of the river?

Very recently, a strong committee under the Navy Chief has been formed to free the rivers around the capital from pollution and illegal encroachment and increase their navigability. It should get to work immediately. But that apart, those that have brought the rivers to near death must be held to account as also those in the administration who have allowed this to happen.

## Child stolen from hospital

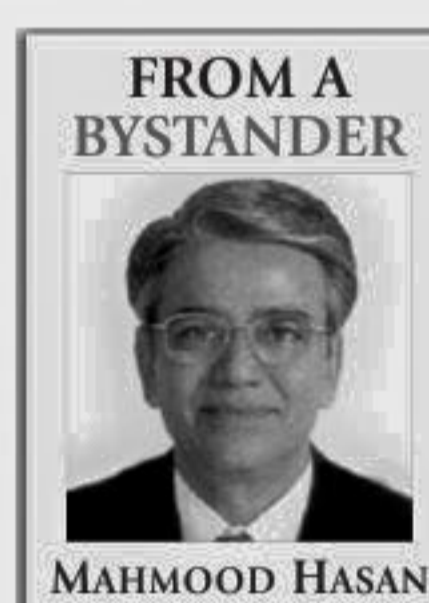
Lax security

MORE than a month has gone by since a three-month old girl was stolen from Dhaka Medical College Hospital without the authorities being able to trace her. And the parents, feeling helpless, are staying at a hallway of the hospital, refusing to leave until they get their baby daughter back. Nobody knows how that's going to work out but unfortunately that's the only option they are left with. The mother had filed a case with Shahbagh Police Station after the baby went missing. The hospital administration provided the investigators with footage of CCTV cameras in which she identified the woman who stole her baby. Why haven't the police been able to zero in on the suspect or find the baby despite such solid evidence?

The entire episode is shocking, although not new. We are extremely disturbed to note that hospitals around the country have frequently been in the news lately for reasons other than medical, such as theft of medicine, absenteeism of medical care practitioners, gross negligence of patients and of course, occasional stealing of newborn children. But this time, the baby was not born at DMCH; her father had gone there to seek treatment. So here is the situation: hospitals are turning into places where patients and visitors are not only being deprived of the services but also falling victim to such horrifying crimes.

Providing the police with video footage is a step in the right direction but hardly enough. The hospital administration should make sure that nobody other than patients and their visitors can get inside the hospital premises. And the police should ramp up their effort to find the missing child.

# Rohingya crisis deepens in restive Rakhine



MAHMOOD HASAN

ON October 9, 2016, hundreds of people attacked three

Myanmar police stations simultaneously near Maungdaw and Rathedaung townships, close to the border with Bangladesh, killing nine police officers. Several policemen were injured and one was said to be missing. The attackers looted

dozens of weapons and huge quantities of ammunition. No group has claimed responsibility for the attack.

The press release by the Bangladesh Foreign Ministry on October 16 stated: "Bangladesh finds these developments in Rakhine State, bordering Bangladesh disturbing and Bangladesh unequivocally condemns the attack on Myanmar forces..." Bangladesh has closed Teknaf land port and BGB has strengthened border patrols.

A statement from the office of Myanmar President Htin Kyaw blamed unknown extremist group "Aqa Mul Mujahideen" (AMM), which is suspected to be an offshoot of the defunct Rohingya Solidarity Organisation (RSO) for the attack. "They persuade the young people using religious extremism and they have financial support from outside. . . They now have 400 insurgents fighting in Maungdaw region", said the statement. Five soldier and 33 insurgents (Rohingyas) have been killed in clashes with the group.

The statement from the president's office also said that interrogation of two captured suspects handed over by Border Guards of Bangladesh (BGB) to Myanmar forces revealed links with militants in Pakistan. Apparently, Havitoohar is the ring leader, who had trained with Taliban in Pakistan and received funds from individuals in the Middle East.

When asked about the attack and the statement made by the Myanmar president's office, Aung San Suu Kyi, attending BIMSTEC Summit in Goa on October 16, said, "We don't know the full details. . . that is just information from just one source, we can't take it for granted that it's absolutely correct". Clearly, Suu Kyi was uncomfortable with the statement from the president's office.

The president's office obviously pointed fingers towards Rohingya Muslims, who have been denied every human right and live in utter deprivation in the Buddhist majority Rakhine. The condition of 1.2 million indigenous but stateless Rohingya Muslims in Rakhine is well known, as even the United Nations has described the Rohingyas as one of the most persecuted communities in the world.

It is extremely difficult to get a correct picture of

what is happening in upper Rakhine, as journalists, human rights monitors and aid workers were locked out from the area. Who was responsible for the attack and what the military is doing is unclear. However, given the past brutal approach of the military towards the Rohingyas, many of the accounts trickling through social media seem credible.

Immediately after the incident military poured into northern Rakhine, the search for the attackers and lost weapons was launched. Military has designated the area as an "operation zone". What has drawn international attention are media reports of systematic human rights violation against Rohingyas by the military during their combing operations.

According to unconfirmed reports, at least 133 unarmed Rohingyas, mostly women and children,

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have been killed or have died in custody. Dozens of women have been raped and tortured. Hundreds of Rohingyas have been arrested, villages burnt down and mosques desecrated. Over 15,000 people have been displaced so far. Curfews have been imposed and movement of Rohingyas is severely restricted. Apparently, the military has resorted to collective punishment. Recent satellite images of the area bear out media reports.

The attack reveals that an armed group has probably surfaced from among the oppressed Rohingya Muslim community. So far there were communal riots between the Rohingya and the Buddhist communities. Now an armed insurgency threat seems to have emerged in the state. Myanmar

*Times* (October 14) warned that a Chimaera has been born out of oppression, fear, deliberate provocation (against the Rohingyas).

The Organisation of Islamic Cooperation (OIC) issued a statement calling for calm after receiving "disturbing reports of extra-judicial killings of Rohingya Muslims." Amnesty International and Human Rights Watch called upon the Myanmar government to invite the United Nations to participate in a thorough and impartial investigation into the deadly attacks and military operations. The 11-member Commission formed by the Arakan State Parliament to address the Maungdaw attack does not include any Rohingya representative.

Suu Kyi is under international pressure to address the Rohingya issue. The incident is a serious challenge to Suu Kyi's fledgling democracy as she tries to establish civilian authority over the powerful military. The military continues to ignore Suu Kyi's call to abide by the rule of law and respect human rights. She seems powerless against Home Minister Lt. General Kyaw Swe. It probably serves the military to demonstrate to Suu Kyi that Rohingya insurgency can only be handled by ruthless force and not through a peaceful democratic process.

Members of the Kofi Annan led Advisory Commission on Rakhine met Defence and Home Ministry officials on October 19 to discuss the situation in Maungdaw, but did not give any reaction. Suu Kyi arranged a visit by diplomats based in Myanmar to the affected areas in Rakhine from November 2-3, 2016. It is unlikely that they will find any violation of human rights. On November 3, Suu Kyi said that her government was dealing with Rakhine "as per the law".

The incident has brought two interlinked issues to the fore - human rights violation of Rohingyas and the possible rise of an insurgent group - which are likely to affect Bangladesh. If Myanmar gives arms and training to non-Muslims, as reported, it will certainly increase sectarian violence. Bangladesh needs to tell Myanmar not to create a situation in Rakhine that may trigger another exodus of Rohingya refugees into this country. And BGB must remain vigilant against any attack on them from across Myanmar.

Myanmar should accept Bangladesh's proposal of a legal framework for cooperation to deal with cross border security issues. Aung San Suu Kyi must take steps to arrest further deterioration of a volatile situation, reign in the military from violating human rights of unarmed Rohingyas and immediately restore the rights of this oppressed community.

The writer is a former Ambassador and Secretary.

## LETTERS TO THE EDITOR

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### Sectarianism must be removed

The attacks on Hindu minorities and their shrines are evidence of communal disintegration. Such incidents besmirch not only the perpetrators, but our entire community as well. We feel embarrassed to face our Hindu friends and colleagues, ashamed of the harm caused by our community to their lives.

Firstly, the Government must immediately find out the reason behind these attacks and stop them. The victims, on the other hand, should be compensated. We hope the Government will take crucial steps to re-establish the friendly environment of secularism in our country.

Shihab Ahmed  
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### ICDDRDB needs parking arrangements

The ICDDRDB is internationally renowned in the field of treating diarrhoeal diseases and quality diagnosis in pathology.

However, the present capacity of the centre is inadequate to cope with the high number of patients and orders received by blood drawing counters. Moreover, patients arriving by private transport are strictly barred from parking their vehicles inside the gate, but traffic police don't allow them to park on the roadside either. It's impossible to send the vehicle back home given that we don't know how long we might have to stay inside for.

We request the ICDDRDB authorities to either allow parking with token payment inside the premises, or make arrangements with the traffic police department for parking alongside the outer wall for a while.

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