

Recovery hype: American capitalism's weapon of mass distraction

You don't have to be a Marxist to see how the 1% tries to fool us that we too are sharing in their renewed wealth. But it helps.

From President Obama on down, defenders of the status quo insist that the US economy has “recovered” or “is recovering”. Some actually see the world that way. They inhabit, imagine they inhabit, or plan to soon inhabit the world of the infamous top 1%. Others simply seek security in life by loyally repeating whatever that 1% is saying.

Here is the “recovery” that they see. The top 1% of income-earners in the US took 19% of the national income in 2012, the largest share since 1928. That 1% also saw their average income rise by 31.4% from the current crisis's low point in 2009, through 2012. The top 1% certainly enjoyed a recovery.

In total contrast, income for the other 99% rose by an average of 0.4% during the same period. Many of those people actually saw their earnings drop. That was not a recovery, not even close. For the vast majority of Americans, the recovery hype is just a weapon of mass distraction. [...] From 2007 – the last year before the current recession hit – until now, the median income of Americans has dropped by nearly 10% with no recovery evident. [...] Hying a recovery helps politicians to boost their popularity (or at least, slow its decline). It also serves to give masses of people with growing economic difficulties the impression that “other people” are experiencing a recovery. So they blame themselves (their age, skill set, education and so on) for missing out. The recovery hype thereby functions as a massive “blame-the-victim” program, in which a dysfunctional capitalism escapes criticism, while its victims instead turn criticism inward upon themselves.

Hying recovery pleases those seeking reassurance about the state of capitalism. They want to hear that it is – or will shortly be – the secure, near-perfect economic system they always thought and said it was. They want to see the system's flaws, imperfections, and ongoing crisis – stressed by capitalism's critics – as merely minor and passing irritations. Calming references to recovery – used often and said as authoritatively as possible – nicely suggest that capitalism is either healing itself or being healed by a benevolent government. Academic economists, with careers built celebrating capitalism's efficiency, growth, and optimality for everyone, need urgently to hype recovery just as they have long hyped capitalism. They want to escape the ridicule of agitated students who keep taking on more crushing debt to pay for school, while their job and income prospects deteriorate. These students turn a critical eye toward the economic system and quickly discover the rich and diverse literature of criticism of capitalism.

Why, they increasingly demand, have their teachers never taught them about all that?

Mainstream economics professors fear the exposure of their longstanding intolerant exclusion of most strong critics of capitalism from teaching and research opportunities. Students are beginning to demand the open, balanced education long denied them. They want to hear and read the academic critics alongside the academic celebrants of capitalism; they want to decide for themselves which perspective – or combination of perspectives – to use and develop.

Hying recovery is also supported from darker, more cynical motives. Leaders of large corporations who have already moved many of their operations out of the US call the current situation a “mature” economy. This euphemism reflects their sense that rapid growth now happens more outside the US than inside and, therefore, higher profits beckon overseas where wages and taxes are lower. They want to keep freely relocating over the coming years with minimal opposition as they depart.

The leaders of these companies especially prefer to be less heavily invested here when the American working class is realizing that the capitalism that raised their wages across earlier decades of growth is fast departing for more profitable opportunities abroad. That departure abandons the American working class to steady decline – as countless indicators show: falling real wages, reduced public services, high unemployment, etc.

Business leaders and their elected friends fear workers' rage and resentment, should they be able to identify who and what did them in. Hying recovery provides “delaying cover” as business executives relocate their facilities abroad, their homes and offices inside “gated communities”, and their workplaces into “heavily secured enterprise zones”. [...]

The recovery hype performs the same service of mass distraction in this crisis as the accumulation of consumer debt provided since the 1970s. From the 1970s to the economic collapse in 2008, household debt accumulation distracted American workers from the stagnation of their real wages. As the requisite accumulation demanded by the American dream slipped increasingly out of reach of wages and salaries, it was acquired instead through borrowing. Eventually, rising household debt levels could no longer be sustained by wages and salaries that had stopped rising.

Crisis ensued. Since 2009, the recovery hype has replaced debt accumulation as the chief distraction, sustaining the illusion that capitalism adequately serves the 99%. (843 words)

Annotations

- line 0:** **hype** – *disappr:* manipulating people into believing that something is good or bad by focusing on it a lot in the media
- line 0:** **distraction** – something that keeps people from focusing on important things
- line 5:** **status quo** – the present state of something
- line 46:** **benevolent** – kind and generous
- line 53:** **to deteriorate** – to get worse
- line 73:** **to beckon** – *here:* to attract or entice someone
- line 78:** **invested** – *here:* put money, effort, time, etc. into something to make a profit or get an advantage
- line 82:** **to abandon** – to leave people alone neglecting responsibility for them
- line 88:** **to do sb in (infrm)** – to harm or even kill sb else
- line 97:** **accumulation** – the process of gaining more and more of sth
- line 98:** **requisite** – necessary
- line 103:** **sustained** – *here:* maintained

Tasks

1 Content/Comprehension

- Explain what the author means by recovery hype.
- Summarise what purposes the recovery hype serves, according to the author.

2 Form/Analysis

- State the author's position on the hype and analyse how he emphasises his point of view.
- Examine the structure of the newspaper article and how it supports the author's message.

3 Comment/Text production

Choose one of the following tasks:

- Write an email to the author in which you discuss the role of the recovery hype in the US from the German perspective.
- "As the requisite accumulation demanded by the American dream slipped increasingly out of reach of wages and salaries, it was acquired instead through borrowing." (ll. 98–101)
Comment on this quotation from the article by referring to the importance of the values enshrined in the American Dream for ordinary Americans.
- Discuss the impact of the recovery hype on students in the US and on your own attitudes towards the future.

Erwartungshorizont

Textinformation

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1 Content/Comprehension

a) Explain what the author means by recovery hype.

According to the author the 'recovery hype' in the US:

- ♦ is the belief that the American economy is improving and is going to reach the same level it achieved before the last recession
- ♦ applies to 1% of the American population which took 19% of the national income in 2012, a rise of 31.4% from 2009
- ♦ does not account for the 99% of the population whose incomes rose merely 0.4% from 2009 to 2012, which means their relative income has fallen by nearly 10% since 2007.

b) Summarise what purposes the recovery hype serves, according to the author.

The recovery hype serves to:

- ♦ improve politicians' reputation and popularity
- ♦ make people who are unsuccessful feel bad and blame themselves for their failure
- ♦ spread the belief that the capitalist economic system can heal itself or it can be healed by the government
- ♦ calm students with educational debt and few employment prospects
- ♦ prevent students from criticising the economic system and from deciding for themselves
- ♦ cover up the fact that corporations prosper outside the US and that more corporations are moving offshore
- ♦ hide the fact that American workers will have to face falling wages/salaries in future with corporations shirking their own responsibility toward them
- ♦ postpone a worker uprising against the gap between the rich and the poor for as long as possible
- ♦ the hype serves to distract people from what is really going on: capitalist society has stopped serving 99% of the population

2 Form/Analysis

a) State the author's position on the hype and analyse how he emphasises his point of view.

Author's position:

The author disapproves of the recovery hype because it manipulates the majority of the population and whitewashes the flaws in the economic system.

The author:

- ♦ compares the hype to a "weapon of mass distraction": this is a play on the words 'weapons of mass destruction', which are designed to kill (cf. headline)
- ♦ is being ironic when he refers to the behavioural patterns ordinary Americans adopt because they want to live like the rich 1% – he repeats the word "inhabit"
- ♦ contrasts facts and figures about the lives of the 1% and the 99% by referring to statistics
- ♦ enumerates the purposes of the "recovery hype" by repeating "hying a recovery", "hying recovery" several times at the beginning of each argument
- ♦ makes use of anaphora and enumeration to emphasise his points e.g. the impact of outsourcing on ordinary people
- ♦ is clear when he describes the intentions CEOs have to prevent ordinary people from discovering the truth of this economic development quoting them/using their own words
- ♦ asks a rhetorical question (ll. 56ff) and hints at manipulation even at institutions of higher education

- ✦ refers to the American Dream as the symbol of an illusion that subsequent generations prosper more than the previous ones
- ✦ alludes to the hype of consumer debt accumulation, which has served the same purposes since the 1970s
- ✦ labels the two hypes as a distraction from reality, which refers back to the word choice in the headline
- ✦ uses quite sophisticated words like “status quo” (l. 5), “benevolent” (l. 46), “cynical motives” (l. 68), “euphemism” (l. 71), “abandon” (l. 92) etc. which help to characterise the recovery hype, its purposes and its impact, especially on people with a decent education

b) Examine the structure of the newspaper article and how it supports the author’s message.

- ✦ The newspaper article has a headline stating the author’s disapproval of the recovery hype and a subheading specifying it.
- ✦ The introduction describes the present state of the economy including income distribution.
- ✦ The main part enumerates purposes the recovery hype serves in self-contained paragraphs.
- ✦ The conclusion supports the idea that the hype distracts ordinary people from reality and makes their economic position even worse.
- ✦ Message: It is an illusion that the overwhelming majority of the population can take advantage of the economic system, which is the illusion that the recovery hype tries to make them believe.
- ✦ With an essay-like structure Richard Wolff ensures that the reader can follow his logical line of thought so that people will remember his message.

3 Comment/Text production

a) Write an email to the author in which you discuss the role of the recovery hype in the US from the German perspective.

- ✦ formal style
- ✦ subject line: state the point you intend to make and reference the article
- ✦ describe your individual future plans and assess your future prospects
- ✦ create a logical line of thought by:
 - supporting the author’s view and criticising the recovery hype by arguing e.g.
 - people are betrayed, fall victim to economic development, are unable to help themselves, do not face reality
 - people’s education is dependent on income instead of abilities; equal opportunities are not provided
 - promises of the American Dream are not kept
 - in Germany people have the right to get benefits even in times of crisis
 - Americans often believe a social welfare state promotes an “entitlement culture” with probable negative impacts on individuals
 - or disagreeing with the author’s criticism and arguing that the author’s view is exaggerated
 - referring to the importance of the American Dream for individual Americans and the society as a whole which justifies the hype
 - people who are left to their own devices need a dream to hold on to, especially in times of crisis
 - even if students receive student loans, at least some of them will have better employment prospects

b) “As the requisite accumulation demanded by the American dream slipped increasingly out of reach of wages and salaries, it was acquired instead through borrowing.” (ll. 98–101)

Comment on this quotation from the article by referring to the importance of the values enshrined in the American Dream for ordinary Americans.

The comment requires an essay-like structure. The introduction should refer to the paraphrased quotation/statement and explain it in detail and should state whether the S approves or disapproves. The main part should include at least three arguments in three self-contained paragraphs. It should end with a conclusion in a separate paragraph.

It should also include a paraphrased version of the statement: “As there has not been an increase in the development of people’s income, the American Dream has been achieved on credit.”

Students might refer to all the facts studied in the course referring to the American Dream, its origin, its importance and the chances American have to achieve it come true in their lifetime.

c) Discuss the impact of the recovery hype on students in the US and on your own attitudes towards the future.

According to the text, students in the US:

- ♦ realise that there is no real recovery they can profit from to pay off their loans
- ♦ have to spend more and more money on education for fewer employment prospects
- ♦ have become more critical of the economic situation and the system
- ♦ want to learn something about the critics of capitalism at university as well so that they form their own opinions
- ♦ have realised that mainstream professors are afraid of student demands for presenting different points of view
- ♦ Marxism and Liberalism often have negative connotations in America, and universities sometimes discriminate against professors who espouse those ideas

Students in Germany:

- ♦ realise that they have better employment prospects than people without a degree even if not all jobs for graduates are well-paid
- ♦ pay administrative or tuition fees which are quite low compared with the US
- ♦ have access to scholarships depending on student performance/achievement as well as student loans so that they can have easy and fair access to higher education
- ♦ the loans have quite good conditions, which help graduates pay them off
- ♦ have access to balanced teaching and are often challenged to make their own decisions and develop their own opinions, especially in institutions of higher education
- ♦ Marxism does not generally evoke negative associations
- ♦ do not really get involved in politics or criticise the system