

## **A Dangerous Period\***

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For over half a century after the second world war, fascism had ceased to be a serious political force anywhere. There were no doubt many authoritarian, even murderous, regimes, and military dictatorships, especially in the third world, often installed through CIA-backed coups against progressive nationalist governments, and enjoying the tacit support of the U.S. But these must be distinguished from fascist regimes, which rely on mass political mobilization by arousing hatred against some hapless minority. For people of my generation, and several succeeding ones, the main contest appeared to be between liberalism and socialism.

There were I believe, two major factors behind this eclipse of fascism. One was the utter repugnance it had aroused by pushing mankind into the most devastating war in its history: fascism had become synonymous in people's minds with extreme bellicosity resulting in war. The second was the fact that the conditions of mass unemployment and destitution in which fascism had grown in the inter-war period had become history: Keynesian "demand management" under the aegis of social democracy in the advanced capitalist world had ushered in what has been called the "Golden Age of Capitalism", and dirigisme in the post-colonial third world had brought new hope and a better life to most people after the horrors of colonial exploitation.

It is unfashionable these days to accept the latter fact. But the Indian case itself establishes the point. Per capita annual foodgrain absorption which was about 200 kg. in "British India" around 1900 and had fallen to 136.8 in 1945-46, rose to about 180 by the end of the 1980s. (Since then it has fallen to about 165 now under neo-liberal "reforms"). Piketty and Chancel, using Indian income tax data, estimate that the share in total income of the top 1 percent of the population which was 21 percent in the late 1930s, had fallen to 6 percent by the early-80s (and has increased to 22 percent in 2014).

Even after the triumph of neo-liberalism, which put an end to dirigisme both in the advanced and the underdeveloped world, the formation of the "dotcom" and the housing bubbles in the U.S., kept up the level of activity in the world economy for some time. With the collapse of the housing bubble, however, world capitalism has entered a period of protracted crisis. There is periodic talk, as at present, of a revival; but, as someone has said using the analogy of a ball bumping along the floor, such talk collapses when the ball falls towards the floor. Even the present revival is based on a rise in consumption in the U.S. which is well above disposable incomes, and hence not sustainable for long.

This crisis in world capitalism has once again, as in the inter-war period, provided a fresh stimulus to the growth of fascism world-wide. One cannot of course view the matter in a simplistic manner: the recent growth of fascism in Germany for instance has to be explained with reference to the crisis in world capitalism, and its refracted effects on Germany, rather than any crisis in Germany itself, which has indeed been less affected than most. But it is clear that mass political mobilization on the basis of

blaming the “other”, rather than the functioning of the system, has gained widespread ascendancy, including in India.

This does not mean that fascist regimes will necessarily come to power in many places, or, where they do come to power, will necessarily succeed in setting up fascist States and thereby perpetuate their rule. Michal Kalecki’s famous remark that “under fascism there is no next government” may not hold true this time, as it had done in the earlier period in the context of which the remark was made. But it does mean that contemporary fascism is going to be around for some time.

Neither of the two conditions mentioned above which had marginalized fascism in the post-war era, holds at present. Contemporary fascism is unlikely to burn itself (while inflicting immense destruction on mankind) through a war. Rivalry between the big capitalist powers, or what Lenin had called “inter-imperialist rivalry”, is obviously muted, and likely to remain so, thanks above all to the fact that finance capital, unlike in Lenin’s time, is now international, and opposed to any division of the world into separate spheres of influence that might impede its free cross-border flow. And notwithstanding Donald Trump’s sabre-rattling against China (not to mention North Korea), a war does not seem imminent; also in the event of some limited conflicts breaking out, fascisms in other countries that are not directly involved will not get discredited.

Likewise, any return to pre-crisis years, let alone to the Golden Age of capitalism, is out of the question; indeed the liberals have no credible answers to the current crisis. Most liberals even shy away from recognizing that there is a crisis. While Trump during his election campaign at least talked of the crisis and blamed the “outsiders” for it, stoking animosity against them, Hilary Clinton scarcely even recognized the existence of a crisis, let alone address it.

Boosting aggregate demand through State expenditure, even if such expenditure is incurred for military purposes, is possible only if it is financed either through a fiscal deficit or through a tax on capitalists (since taxing workers, who consume much of their income anyway, to finance State expenditure, hardly has any net demand-expanding effect). Both these ways of financing enhanced State expenditure are eschewed under neo-liberalism, since they are anathema for globalized finance capital, and the liberals are no less solicitous towards it than the fascists. Indeed if anything they are more committed to neo-liberalism which privileges globalized finance than even the fascists (though this is not true in the Indian case where the “communal-fascists” in power are as committed to neo-liberalism as the “liberal” Congress).

Under these circumstances we are stuck with a perennial presence of fascism as long as neo-liberal capitalism lasts. This makes the current period a dangerous one. If fascism presses on towards a fascist State, the danger is obvious. Even if it plays the “electoral game”, and quits power when voted out, it will continue to remain an alternative, and periodically return to power, leading to a sure though gradual “fascification” of the polity and society.

Within neo-liberal capitalism therefore there seems to be no way of extinguishing or marginalizing the fascist presence. Fascism thus is neo-liberal capitalism’s “gift” to

mankind in the period of its maturity, when it submerges the world economy in a crisis, and reaches a dead-end from which there is no obvious escape.

The only way of transcending the fascist presence is to transcend neo-liberal capitalism. The Left can do this, and proceed towards a socialist alternative, but only by winning over the liberal constituency. For that however it has to have an understanding with the liberal political forces against fascism, even while insisting on an economic programme that takes the people beyond what neo-liberal capitalism offers. The latter requires a degree of delinking from the current globalization, in the form for instance of controls on capital flows. The Left must overcome its economic and political hesitations to play its potential role.

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