

Occupy Wall Street Movement: An Anatomy of a Headless Movement

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Abstract

The Occupy Wall Street Movement is a curious and singular case of societal juggernaut. The case is unique because for the first time in the 21st Century, people have questioned the capitalistic structure itself, which for a change is not contemplated by a vertical organization like the State. The movement has been fuelled by a sardonic tone where people have resented the economic structure created by their own self-fulfilling prophecy. This has created a sense of alienation in a horizontal way and the ties are deeply embedded in the sub consciousness of the society. The paper tends to present a comparative analysis of the Occupy Wall Street Movement and the European Union Austerity Drive with the traditional norms of a revolution and its application in the societal realm of a post-modern adventurous yuppie being.

Part I of the paper will give a brief introduction of the origins of this headless movement (implying lack of centralized leadership and hierarchy) and a comparative analysis with the traditional meaning of Revolution. Part II of the paper will refer to the cultural / social / political impact of the Movement. Part III will show the Economical anatomy of the Austerity Drive, a theme that has engulfed the European Continent in a broad perspective. Part IV will give the Concluding remarks along with the consequences for the world economy and its socio psychological implications on humanity.

1. Introduction

Revolution: "The overthrow of an established order which will involve the transfer of state power from one leadership to another and may involve the transfer of state power from one leadership to another and may involve a radical restructuring of social and economic relations. Revolutions are processes incorporating both elite competition and

mass mobilization .Their causes are long in gestation – so that they may appear to occur spontaneously – and will have both domestic and international roots”[1]

Occupy Wall Street Movement, which can be seen as one of the social outcomes of the Sub Prime Mortgage Crises is a unique phenomenon. Not only is it an event which has captured the Romanticist imagination in a *Sturm und Drang manner* but has also raised questions about the vertical and horizontal nature of our society. It is one of those early events of a post 2008 world (a term especially reserved for the aftermath of sub- prime mortgage crisis) which has dissected some common denominations of the society like justice, rights, development and welfare and is closely related to the phenomena of austerity drive.

The movement had its origin on September 17, 2011 in Wall Street, New York, where a group of protestors assembled Zuccoti Park [2], sparking the light for the Headless movement .According to Van Gelder the movement had its genesis in the *Indignados* Movement, a popular method of movement against unemployment and welfare cuts.[3] The movement has questioned the very basis and tendencies of the capitalistic society. The congregation of people belonging to middle class, intellectuals, people working at managerial level (at times derided as motley crew) protesting against the unregulated nature of Wall Street and demanding a radical change in the handling of the unruly market by active intervention through fiscal and monetary measure is a common sight .

As the traditional definition of Revolution suggests the Occupy Wall Street movement cannot be interpreted as a revolution yet. This is not possible in a strict Brintonian analysis. Crane Brinton has presented a classical treatise on the concept of Revolution. In his classic treatise, ‘An Anatomy of the Revolution’ he has clearly asserted that revolution has to be violent in nature. If it is not violent in nature then it is not a revolution.[4] On the other hand, Hannah Arendt, believed that that the ultimate aim of a revolution is freedom and it is not about the violent substitution of one form of government for another. In her terminology, a revolution is the pursuit of freedom from oppression or an unjustified restraint from government. [5] However, there are two aspects of a classical revolution model that can be related to the Occupy movement. A revolution is intrinsically related to the financial situation of a government. Certain groups have always abhorred the economic interests of the government.[6] Secondly, the revolution includes the alienation of the intellectuals. In a strict Brintonian terminology, intellectuals are a part of the Pressure Groups who critically analyse the human existence [7]. These groups have deserted the inefficient old system [8]. In this context, Occupy movement contains the two elements:

- a) Disturbed economic system.
- b) Alienated intelligentsia.

But still, the movement has not a threshold situation of violence or political upheaval. This can be attributed to the headless nature (lack of a centralized leadership) of the movement which has attributed to the lack of a coherent direction for the movement. However, in addition to the above mentioned two criteria there is a third element that must be interpreted in order to give a psychological depth to the nature of the Occupy movement. This can be done by studying the views of Alexis De Tocqueville. He was of the view that Revolutions happen even during the time of

economic progress and evils which are once patiently endured, become intolerable when once the escape from them is suggested [9]. Revolutions therefore do happen when a long period of economic development is followed by a short period of sharp reversal [10]. So contrast to a Marxian analysis, it is not always a state of economic dismay, but a state of legitimate economic expectancy of prosperity and a continued ability to satisfy needs which causes a revolution[11]. It is the dissatisfied state of mind which produces revolution[12]. Hence, revolution is not necessarily a violent happening but it can be an intellectual event too. These attributes are in favour of the Occupy movement as it can be construed as an intellectual activity with various possibilities.

2. The Impact of the Movement

The Occupy Movement has had vertical as well as horizontal impact on the society. The movement has questioned not only the unregulated nature of the markets which in turn had to be regulated more prudently by the government, but at the same time, it has also created a trust deficit among various sections of the society itself. The people have developed a deep sense of resentment towards the market forces. They have even questioned the entire neo liberal / neo conservative structure itself. The entire structure of the American Culture in its socio / economic dimension has been questioned. The deregulation of the financial institution in the 1980s, the bubble burst of 2001-2008 period and the elaborate Ponzi scheme have exposed a weak moral fibre of the society which has created a trust deficit among the people itself. This horizontal shift of the movement calls for the analysis of the Occupy Wall Street Movement from the Polanyian context and in furtherance of this analysis the paper will analyze the positive and negative aspects of the Movement. In his text, *The Great Transformation*, Polanyi had argued that pre capitalistic societies were more humane in nature as economics was a part of the society. Economy was only the secondary product of the society and social cohesion was the primary force behind the human existence [13]. It was only after the dawn of an economic rational man did the market forces first segregated itself from the society itself and then man separated himself from the society by creating a laissez faire economic system. The technological advancement and capital accumulation played a vital role in this. Even Schumpeter, recognized the destructive nature of the Capitalistic society and said that it was responsible for the decline of motivation of entrepreneurship. Its bureaucratic appeal eventually kills the innovative zeal of the entrepreneur, which, eventually is followed by the demise of capitalism itself. This analysis of Polanyi is important because it acknowledges the importance of social mobility in a movement, which is different from the alienating tendencies of Marxian Class Struggle. Market Economies tend to extricate economy from society and society responds through a countermovement and tries to re integrate Market into society [15]. This goes on to show the negative impact of Occupy Wall Street Movement, because along with Marxism it shows the alienating aspect of the movement.

The positive impact can be shown through the works of Robert Putnam. According to Putnam's analysis, movement like these increase civil participation and civil engagement and generate a necessary social capital[16]. This can have a long lasting

effect on the horizontal trust deficit that has been developing in the American society itself since 2008. It can also revive the participation of youth in American political scenario which has been declining since the assassination of John F. Kennedy and the Vietnam War. Another positive impact can be seen through the prism of John Rawls. The nature of the Occupy Wall Street has had a cathartic effect on the nature of distribution of wealth and resources. It has strengthened the call for Global Distributive justice based on Rawlsian Second Difference principle which says that a that inequality in a society are only fair if they work to the advantage of the least advantaged people in the society [17]. Although some experts are sceptical about the global application of the Difference principle because of the absence of a centralized agency at an international level and the de centralized nature of international law itself,[18] but the distributive justice can be used to validate the utility of regional economic co operation in the form of BRICS and IBSA where developing countries can demand their share of wealth and resources on equitable basis. At the same time another possible interpretation can call for the application of The Original position at an international level.

The fractured horizontal bonds that have become the trait of the Occupy Wall Street Movement can also be remedied through the application of Categorical Imperative of Immanuel Kant. Simply put, it is the highest moral principle that serve as a guide to subordinate moral principle and it is Reason Guided, a priori morality which aims at maxim universalizability [19]. The idea for search of optimum allocation of resources and an equitable distribution of wealth at a global level comes within the ambit of Kantian Imperative.

3. Cross Sectional Analysis of the Austerity Drive: The 2011-2012 Scenario

In the following paragraphs we explore the European austerity drive and how the various countries have been affected by the drive. The countries taken under consideration roughly encompass a wide range of economic conditions. We shall start from the weakest economy and then go on to the strongest [20].

GREECE: It is the worst hit economy of the European Union and on the verge of bankruptcy. The left wing Syriza is against the EU's Austerity drive but is adamant on keeping the Euro as its currency. The austerity bailout amounts to 130 billion Euros with a proposed spending cuts of 1.5 % of the output. The aim is to reduce the debt from 160% of the output to 120% of the output (GDP) by 2020. The unemployment rate is at an all-time high of 22%. The sovereign bonds now have a junk status in the international markets and the credit ratings are at an all-time low. Some of the government proposed recovery measures are: reduction in minimum wage, new property taxes and 30,000 civil servants on partial pay. These measures have caused widespread outrage among the people resulting in strikes and demonstrations.

ITALY: A debt of 1.9 trillion Euros amounting to 120% of the GDP has Italy struggling. It also resulted in the toppling of the Silvio Berlusconi government. The bailout through austerity drive amounting to 70 billion euros has done little to revive the economy of the country. The bond yields have already touched the danger zone of

7%. Introduction of market reforms have failed to lift the frozen recruitments resulting in high unemployment figures. The government has resorted to tax the basic services like healthcare, regional subsidies, family tax benefits, pension etc. causing public resentment.

IRISH REPUBLIC: The government aimed to cut public pay by 400 million euros despite receiving a combined bailout of 85 billion euros from the EU and IMF. The government lowered the interest rates from 6% to 3.5% & 4% and also increased the tenure of the loans from 7 to 15 years. The proposed spending cuts amounted to 4 billion euros along with public servant wage cuts by 5% and social welfare expenditure being reduced. Despite these measures the GDP shrunk by 2% in 2012.

PORTUGAL: The centre right government supported the austerity drive and secured a bailout of 78 billion euros. The government proposed various measures such as 5% pay cut for top earners in public sector, increased tax for high earners, slashing of the military budget and two high speed railway projects postponed. The unemployment rate climbed to 14.8%.

SPAIN: The country faced various strikes and demonstrations against the austerity drive. The unemployment rate is the highest in Europe reaching an alarming figure of 25%, for the young people it is even more alarming as the rate is 50% for people under the age of 25 years. Heavy taxes have been imposed on tobacco- 28% and 8% total spending cuts have been imposed on the output. The recruitments have been frozen and in some cases, even the salaries of public servants.

UNITED KINGDOM: The government had targeted a saving of 83 billion euros over a period of 4 years. It had also proposed job cuts to the tune of 490,000. A 19% cut in White Hall departments and increase in the retirement age from 60 to 65 years of age has brought a slump in the job markets with an unemployment rate of 8.4% or 2.67 million. Increase in income tax and cuts in child welfare and health schemes have caused people to demonstrate resentment through '*Occupy Sit Ins*'.

FRANCE: The focus of the government was to bring the economy back on track with growth reforms and not depend merely on the austerity drive. France also proposed to renegotiate the EU's fiscal pact to include growth measures and not just the bailout measures. The government has imposed higher taxes on corporations and people earning in excess of 1 million euros per year. As opposed to the earlier discussed countries, France has lowered retirement age and raised the minimum wages creating job opportunities and countering the recruitment freeze. It aims to balance the budget by 2017 and save up to 65 billion euros.

GERMANY: The only country to boast of a relatively stable economy in the EU. The GDP of the country grew at the rate of 3% in 2012 based on strong exports. The unemployment rate is 7% which is the lowest in the last 20 years.

From the above analysis it is clear that irrespective of the form of government, there is a general resentment and unrest among the people. The youth are alienating from the state as they see no future for themselves and have lost faith in the structure of the state itself. The road to the recovery is very tough ahead and the recovery measures taken up by the governments have not proved to be effective.

4. Conclusion

The paper is just a small endeavour to study the impact of a relatively new phenomenon in a most terse manner possible. The paper has shown a theoretical and empirical impact of the capitalistic system on the horizontal dimension of the society. Occupy Wall Street is still a movement in its nascent stage but as the third section of the paper (dealing with austerity drive and its impact on the European continent) shows that the best intended efforts of the government to do away with the problem has further deepened the trust among the European continent itself, where, some recently added countries to the Union are now being considered dead weight and their integration into the Union is now being seen as a liability. So in a way, the vertical efforts by the government(s) have deepened the horizontal trust deficit in the European Union System.

On the other side, if we consider the theories of Robert Putnam then an argument can be made that Occupy Wall Street can be used to as a catalyst to enhance the civil participation of the people in an almost decadent culture. Rawlsian and Kantian point of view have been integrated to present a model where a Reason Based morality would serve as a starting point for better policy making both at an international level and municipal level. The yearning for a cosmopolitan world is one of the foremost concerns for a post modern society and an analysis of a new movement serves this purpose to the fullest.

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