

Socialism v. Capitalism

Historically, the USA was the country where socialist ideas were unpopular. Moreover, the US was the major opponent of the Soviet Bloc which personified the socialist system of economic and social relations. In such a way, the US was and still is traditionally attributed to as anti-socialist and anti-communist state. Nevertheless, the traditional weakness of socialist ideas in the USA does not necessarily mean that the US cannot drift toward socialism. In stark contrast, in the late 20th century and at the present epoch, the US tends to increase the role of the state and public control over different spheres of life of the country, including not only education, but also health care and economy. Therefore, the debates concerning the rise of socialism in the USA confront the traditional view on the USA as a typical capitalist country, where capitalist values will always prevail in the public consciousness. In this regard, the election of Barak Obama, who has an image of a socialist in the public eye, may be viewed as another evidence of gradual drift of the US from liberal capitalism toward socialism. Nevertheless, the US still remains the major capitalist country in the world, while its capitalist values and principles cannot be totally forgotten and abandoned in a day, even if the socialism does rise in the USA today.

Traditionally, the US was a capitalist country where the open market economy was backed up by the domination of private property, which was and still is the highest value of the American society. In such a situation, the emergence of socialism seems to be impossible because socialism implies the public ownership of the means of production, while private property becomes an atavism which has to disappear in a socialist society. Instead, the public ownership replaces the private one leaving no room for private property. In such a context, the very idea of socialism in the US seems to be impossible.

Nevertheless, the policy of the US has started to change dramatically since the late 20th century and, especially, today, when the US has entered the profound economic recession. In actuality, the late 20th century and the present epoch are marked by the development of social

programs oriented on the redistribution of the national wealth in order to maintain the equality of citizens. At this point, it is worth mentioning the fact that the equality does not mean exactly the egalitarian principles, which is fundamental to socialism, but the equality in the American context is associated with the equality of rights. In this regard, the introduction of social programs to ensure the equality of rights may be viewed as a norm for a capitalist state, but the equality of rights is also the equality of opportunities, while equal opportunities often lead to egalitarianism typical for socialism.

In this respect, it should be said that numerous social programs aimed at the aid of the disadvantaged population of the US, including the poor, people with disabilities, immigrants and others. Basically, the social programs aimed at the improvement of the situation in the field of education and health care. For instance, the No Child Left Aside program was supposed to provide equal educational opportunities for children and close the educational gap between the poor and the middle class families. Today, the education becomes one of the major concerns of Barak Obama, the US president, who is considered by many specialists as a socialist (Rutenberg, 2008).

On analyzing the education stimulus plan developed by Barak Obama administration, it should be said that the plan implies a consistent increase of the funding of education. To put it more precisely, according to the American Recovery and Reinvestment Act of 2009, up to \$ 141,6 billion will go to education. The direct funding of education will increase 159% compared to 2008 (American Recovery and Reinvestment Act, 2009). In this respect, the main direction of the state funding of education is the financial support of public schools and students that is supposed to increase educational opportunities and provide all students with the possibility to get education. At first glance the proposed plan seems to be effective since with the larger funding, the education system can make education more accessible to students.

At this point, it is possible to dwell upon the stimulus plan and its main points. First of all, the student financial assistance will comprise \$15,84 billion which will be available for Pell Grants, which are need-based grants to low-income undergraduate college students that will be \$500 per student (American Recovery and Reinvestment Act, 2009). In such a way, students in need, i.e. students from low-income families will get the state support and an opportunity to continue their education. On the other hand, it is obvious that the economic situation in the USA has deteriorated consistently and the increase of the student financial assistance is an essential step but it can hardly stimulate the consistent enlargement of educational opportunities for students from low-income families. In fact, specialists (Russell, 2002) argue that the increase of state funding and student financial assistance in the time of economic crisis will rather close the gap between increased costs of education and spending of students and their families than improve education system or increase educational opportunities. In other words, the increase of the student financial assistance will not really improve the position of students in need but it will just let them keep pace with the deteriorating socio-economic situation, which steadily limits their education opportunities. Therefore, the student financial assistance will maintain the current situation in the education rather than launch substantial improvements for students from low-income families.

Furthermore, the stimulus plan developed by Barak Obama administration includes \$13,9 billion on American Opportunity Tax Credit. This means that students will have an opportunity to get up to \$2,500 per-person tax-credit for college students in 2009-2010 (American Recovery and Reinvestment Act, 2009). The tax credit will make college education more affordable to students. In this respect, it is important to lay emphasis on the fact that the tax can really improve the education opportunities for college students, although it apparently postpones the education spending of students at the time when they can get a job and pay the credit back. In actuality, the tax credit stimulate students and their families to

increase spending on education because, on the one hand, they can save on taxes, while, on the other hand, investment in education are traditionally highly prospective since they can bring consistent profits when students get their education and start their professional career.

At the same time, the stimulus plan includes \$13 billion, which are supposed to be spent on education for the disadvantaged (American Recovery and Reinvestment Act, 2009). This financial support will enforce the No Child Left Behind Act and it is supposed to enlarge educational opportunities for students from low-income families who cannot afford education. In addition, the funding of education for the disadvantaged is important for the provision of equal opportunities and fair conditions for all students regardless of their social status. However, it is obvious that such financial support will hardly close the gap between students living in low-income families and students from the middle class or upper-class families. Nevertheless, students from low-income families will get a chance to get their education with the state assistance.

Furthermore, it is important to lay emphasis on the fact that the stimulus plan implies increasing funding of state incentive grants and innovation fund grants. In such a way, the state attempts to stimulate innovation trends in education and to encourage students to continue their education, to develop their academic skills and abilities and to focus on innovative activities (Witt, 2009). It proves beyond a doubt that grants which support students' innovations and their researches can lay the foundation for the development of the future science, while many students, who have good skills and abilities and who are creative, cannot afford the development of their skills or their researches because they need funding. In such a situation, the state support is really crucial for such students. Moreover, the funding of innovation fund grants and state incentive grants will encourage students to continue their education because they will feel the state support and that they can make a successful scientific career.

In this respect, the development of the national health care system also reveals a trend to the introduction of socialist elements. The US health care system always relied on the insurance system, but the US government has started to develop programs, such as Medicaid and Medicare, which aim at the state financial support of health care services for disadvantaged Americans. Moreover, the new President of the US, Barak Obama suggests the fundamental reform of the national health care system which is supposed to lead to a consistent strengthening of the state control and the role of the state in the national health care system. Simultaneously, the new health care system will be available to all Americans, regardless of the income or social status. In fact, Obama suggests extending health care insurance coverage though expanding the existing private and public programs with the help of federal subsidies and mandates (The Candidates' Health Plan, 2008). In such a way, he suggests solving the problem by means of the increase of the state support. As for Obama's health plan, it is obvious that the increase of the state support of health insurance programs will need additional funding from the Federal budget. The latter implies the increase of tax pressure since the Federal budget needs to increase revenues to cover new expenditures.

Moreover, the growing trend to socialism is particularly obvious, when the idea of Barak Obama "to spread wealth" (Baker, 2008) is taken into consideration. This idea can be supported by large masses of Americans, representing only marginalized groups and low-income families, but also many representatives of the middle class who have been affected by the current economic recession and financial crisis. At the same time, this idea is a sheer socialism. In addition, the increasing interference of the state into the economy, including the state support of the national banking system and largest banks, as well as largest companies, such as GM and Chrysler. All these facts prove the increasing role of the state in the economic policy.

Nevertheless, in spite of such apparently socialistic trends, the US still remains the capitalist country for the open market economy persists, while the interference of the state into the economic life of the country can be a provisional measure. At any rate, the state does not threaten to the private property. In stark contrast, the private property is the major value of the American society and the state rather attempts to help owners of the private property than to substitute it by the public one or by the public control over the means of production. On the other hand, the increasing impact of state and the state control over the education and health care system is beyond a doubt that naturally creates a dubious impression since the US remains a capitalist states but the increasing role of the state in fundamental fields, such health care and education raise a question of the US drifting toward socialism.

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The plan reveals the measures the US will undertake to overcome the existing crisis, especially in the field of education

Northouse, P. G. (2001). *Leadership theory and practice*, second edition. Thousand Oaks, CA: Sage Publications, Inc.

The book focuses on the historical traditions of the American society, its culture and politics. The author pays a particular attention to the development of capitalism and capitalist ideology in the US.

Rutenberg, M. (January 4, 2008). "The Post-Debate Contest: Swaying Perceptions." *New York Times*.

The article focuses on the political views of the presidential candidates, especially those of Barak Obama. The article helps to understand views of Obama on key issues, such as economy and health care.

Russell, G. (2002). *The Modern Education*. New York: Random House.

The book reveals the major trends in the education system of the US and reveals major problems and possible solutions, including the increasing role of the state.

Yagelsh, R.P. (2005). *Abby's Lament: Does Literacy Matter?* New York: Routledge.

The article provides an overview of the modern American society, its ideology and education system as well as culture. The article helps better understand the ideological ground of the modern American society and politics.

