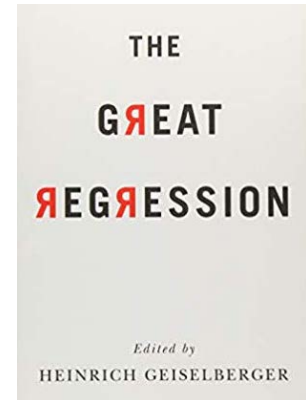


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## Nancy Fraser Progressive neoliberalism versus reactionary populism: a Hobson's choice



The election of Donald Trump represents one in a series of dramatic political uprisings that together signal a collapse of neoliberal hegemony. These uprisings include the Brexit vote in the United Kingdom, the rejection of the Renzi reforms in Italy, Bernie Sanders' campaign for the Democratic Party nomination in the United States, and rising support for the National Front in France, among others. Although they differ in ideologies and goals, these electoral mutinies share a common target: all are rejections of corporate globalization, neoliberalism and the political establishments that have promoted them. In every case, voters are saying 'No!' to the lethal combination of austerity, free trade, predatory debt and precarious, ill-paid work that characterizes present-day financialized capitalism. Their votes represent the subjective political counterpart to the objective structural crisis of this form of capitalism. Manifest for some time in the 'slow violence' associated with global warming and the worldwide assault on social reproduction, this structural crisis erupted into full view in 2007–8 with the near meltdown of global financial order.

Until recently, however, the chief response to the crisis was *social* protest – dramatic and lively, to be sure, but largely ephemeral. *Political* systems, by contrast, seemed relatively immune, still controlled by party functionaries and establishment elites, at least in the most powerful states of the capitalist core, such as the United States, the United Kingdom and Germany. Now, however, electoral shock waves reverberate throughout the world, including in the citadels of global finance. Those who voted for Trump, like those who voted for Brexit and against the Italian reforms, have risen up against their political masters. Thumbing their noses at party establishments, they have repudiated the arrangements that have been hollowing out their living conditions for the last thirty years. The surprise is not that they have done so, but that it took them so long.

Nevertheless, Trump's victory is not solely a revolt against global finance. What his voters rejected was not neoliberalism tout court, but *progressive* neoliberalism. This may sound to some like an oxymoron, but it is a real, if perverse, political alignment that holds the key to understanding the US election results – and perhaps some developments elsewhere as well. In its US form, progressive neoliberalism is an alliance of mainstream currents of new social movements (feminism, anti-racism, multiculturalism and LGBTQ rights) on the one side, and high-end 'symbolic' and service-based sectors of business (Wall Street, Silicon Valley and Hollywood) on the other. In this alliance, progressive forces are effectively joined with the forces of cognitive capitalism, especially financialization. However unwittingly, the former lend their charisma to the latter. Ideals like diversity and empowerment, which could in principle serve different ends, now gloss policies that have devastated manufacturing and the middle-class livelihoods that were once available to those engaged in it.

Progressive neoliberalism developed in the United States roughly over the last three decades and was ratified with Bill Clinton's election in 1992. Clinton was the principal engineer and standard-bearer of the 'New Democrats', the US equivalent of Tony Blair's New Labour. In place of the New Deal coalition of unionized manufacturing workers, African-Americans and the urban middle classes, he forged a new alliance of entrepreneurs, suburbanites, new social movements and youth, all proclaiming their modern, progressive bona fides by embracing

diversity, multiculturalism and women's rights. Even as it endorsed such progressive notions, the Clinton administration courted Wall Street. Turning the US economy over to Goldman Sachs, it deregulated the banking system and negotiated the free-trade agreements that accelerated deindustrialization. What fell by the wayside was the Rustbelt – once the stronghold of New Deal social democracy, and now the region that delivered the Electoral College to Donald Trump. That region, along with newer industrial centres in the South, took a major hit as runaway financialization unfolded over the course of the last two decades. Continued by his successors, including Barack Obama, Clinton's policies degraded the living conditions of all working people, but especially those employed in industrial production. In short, Clintonism bears a heavy share of responsibility for the weakening of unions, the decline of real wages, the increasing precarity of work, and the rise of the 'two-earner family' in place of the defunct family wage.

As that last point suggests, the assault on social security was glossed by a veneer of emancipatory charisma, borrowed from the new social movements. Though presented as a feminist triumph, the reality beneath the ideal of the two-earner family is depressed wage levels, decreased job security, declining living standards, a steep rise in the number of hours worked for wages per household, exacerbation of the double shift (now often a triple or quadruple shift), a rise in female-headed households, and a desperate struggle to shift care work onto others, especially onto poor, racialized and/or immigrant women. Throughout the years when manufacturing cratered, moreover, the US buzzed with talk of 'diversity', 'women's empowerment' and 'the battle against discrimination'. Identifying progress with meritocracy as opposed to equality, these terms equated emancipation with the rise of 'talented' women, minorities and gays in the winner-takes-all corporate hierarchy, instead of with the latter's abolition. These liberal-individualist views of progress gradually replaced the more expansive, anti-hierarchical, egalitarian, class-sensitive and anti-capitalist understandings of emancipation that had flourished in the 1960s and 1970s. As the New Left waned, its structural critique of capitalist society faded, and the country's characteristic liberal-individualist mindset reasserted itself, imperceptibly shrinking the aspirations of 'progressives' and self-proclaimed leftists. What sealed the deal, however, was the coincidence of this evolution with the rise of neoliberalism. A party bent on liberalizing the capitalist economy found its perfect mate in a meritocratic corporate feminism focused on 'leaning in' and 'cracking the glass ceiling'.

What lay behind these developments was an epochal transformation of capitalism that began in the 1970s and is now unravelling. The structural aspect of that transformation is well understood: whereas the previous regime of state-managed capitalism empowered governments to subordinate the short-term interests of private firms to the long-term objective of sustained accumulation, the current one authorizes global finance to discipline governments and populations in the immediate interests of private investors. But the political aspect is less well understood. We might characterize it in terms adapted from Karl Polanyi. Combining mass production and mass consumption with public provision, state-managed capitalism creatively synthesized two projects that Polanyi considered antithetical: marketization and social protection. But they teamed up at the expense of a third project, neglected by him, which can be called emancipation, in so far as the whole edifice rested on the ongoing (neo-)imperial predation of the Global South, on the institutionalization of women's dependency through the family wage, and on the racially motivated exclusion of agricultural and domestic workers from social security. By the 1960s those excluded populations were actively mobilizing against a bargain that required them to pay the price of others' relative security and prosperity. And rightly so! But their struggles intersected fatefully with another front of struggle, which unfolded in parallel over the course of the

subsequent decades. That second front pitted an ascending party of free-marketeers, bent on liberalizing and globalizing the capitalist economy, against declining labour movements in the countries of the capitalist core, once the most powerful base of support for social democracy, but now on the defensive, if not wholly defeated. In this context progressive new social movements, aiming to overturn hierarchies of gender, 'race'-ethnicity and sex, found themselves pitted against populations seeking to defend established lifeworlds and privileges, now threatened by the cosmopolitanism of the new financialized economy. The collision of these two fronts of struggle produced a new constellation: *proponents of emancipation joined up with partisans of financialization to double-team social protection*. The fruit of their union was progressive neoliberalism.

Progressive neoliberalism mixes together truncated ideals of emancipation and lethal forms of financialization. It was precisely that mix that was rejected *in toto* by Trump's voters. Prominent among those left behind in this brave new cosmopolitan world are industrial workers, to be sure, but also managers, small businessmen, and all who relied on industry in the Rust Belt and the South, as well as rural populations devastated by unemployment and drugs. For these populations, the injury of deindustrialization is compounded by the insult of progressive moralism, which routinely portrays them as culturally backward. Rejecting globalization, Trump voters also repudiated the liberal cosmopolitanism identified with it. For some (though by no means all), it was a short step to blaming their worsening conditions on political correctness, people of colour, immigrants and Muslims. In their eyes, feminism and Wall Street are birds of a feather, perfectly united in the person of Hillary Clinton.

What made possible that conflation was the absence of any genuine left. Despite periodic outbursts such as Occupy Wall Street, which proved short-lived, there had been no sustained left presence in the United States for several decades. Nor was there in place any comprehensive left narrative that articulated the legitimate grievances of Trump supporters with a fulsome critique of financialization, on the one hand, and with an anti-racist, anti-sexist and anti-hierarchical vision of emancipation, on the other. Equally devastating, potential links between labour and new social movements were left to languish. Split off from one another, those indispensable poles of a viable left were miles apart, waiting to be counterposed as antithetical.

At least until the remarkable primary campaign of Bernie Sanders, who struggled to unite those two poles after some prodding from Black Lives Matter. Exploding the reigning neoliberal common sense, Sanders campaigned against 'the rigged economy', which has been redistributing wealth and income upward on a massive scale for the last thirty years. He also targeted 'the rigged political system' that has supported and protected that economy, as Democrats and Republicans have conspired for decades to squelch every serious proposal for structural reform, even as their other battles saturated the public sphere and sucked up all the oxygen there. Flying the banner of 'democratic socialism', Sanders forged sentiments that had lain dormant since Occupy Wall Street into a powerful political insurgency.

Sanders' revolt was the parallel on the Democratic side to that of Trump. Even as the latter was upending the Republican establishment, Bernie came within a hair's breadth of defeating Obama's anointed successor, whose apparatchiks controlled every lever of power in the Democratic Party. Between them, Sanders and Trump galvanized a huge majority of American voters. But only Trump's populism survived. While he easily routed his Republican rivals, including those favoured by the big donors and party bosses, the Sanders insurrection was effectively checked by a far less democratic Democratic Party. By the time of the general election, then, the left alternative had been suppressed.

What remained was the Hobson's choice between reactionary populism and progressive

neoliberalism. Pivoting quickly to small-bore moralizing, Hillary Clinton centred her entire campaign on Trump's 'badness'. It was true, of course, that he was the gift that kept on giving, serving up an unending series of provocations, each more noxious than the last, and providing an inexhaustible supply of pretexts for evading the issues that Sanders had raised. But Clinton played true to type and took the bait. Zeroing in on Trump's insults to Muslims and his groping of women, and taking for granted Sanders' supporters, she dropped all references to the 'rigged economy', the need for a 'political revolution', the social costs of neoliberal free trade and financialization, and the extreme maldistribution of those costs. Nor did she accord any legitimacy to Trump's dissident views of US foreign policy, including his doubts about serial regime change, the future of NATO and the demonization of Russia. Convinced that a candidate of her qualifications could not possibly lose to a man as wild and unprepared as Donald Trump, Clinton assumed that all she needed to do was whip up moral outrage and run out the clock. Trotting out the usual scare tactics, her surrogates turned up the heat on Sanders' supporters. To stop the 'fascist' threat, they needed to cease their criticisms of the candidate and dutifully get behind the lesser evil.

But that strategy proved disastrous – and not just because Clinton lost. By failing to address the conditions that had enabled the rise of Trump, her campaign simply wrote off his supporters and their concerns. The effect was to cement the perception of progressives as allies of global finance – a view buttressed by the release of Clinton's speeches to Goldman Sachs. Far from 'pushing her to the left', as some reluctant supporters hoped to do, they only reinforced the stark choice between two unpalatable alternatives: reactionary populism or progressive neoliberalism.

In fact, such 'lesser evil-ism' was hardly new. This was the US left's habitual posture, dusted off every four years: ventriloquizing liberal objectives and squelching its own, out of fear of a Bush or a Trump. Although aimed at saving us from 'the worst', that strategy actually fertilizes the soil that germinates new and ever more dangerous bogeymen, which in turn justify further deferments – and on and on, in a vicious circle. Does anyone believe that a Clinton presidency would have gone after Wall Street and the 1 per cent? That it would have diminished rather than stoked populist rage? In fact, the rage felt by many Trump supporters is quite legitimate, even if much of it is currently mal-directed towards immigrants and other scapegoats. The proper response is not moral condemnation but political validation, while redirecting the rage to the systemic predations of finance capital.

That response also serves to answer those who urge that we now close ranks with the neoliberals to ward off fascism. The problem is not only that reactionary populism is not (yet) fascism. It is also that, seen analytically, liberalism and fascism are not really two separate things, one of which is good and the other bad, but two deeply interconnected faces of the capitalist world system. Although they are by no means normatively equivalent, both are products of unrestrained capitalism, which everywhere destabilizes lifeworlds and habitats, bringing in its wake both individual liberation and untold suffering. Liberalism expresses the first, liberatory side of this process, while glossing over the rage and pain associated with the second. Left to fester in the absence of an alternative, those sentiments fuel authoritarianisms of every sort, including those that really deserve the name fascism and those that emphatically do not. Without a left, in other words, the maelstrom of capitalist 'development' can only generate liberal forces and authoritarian counter-forces, bound together in a perverse symbiosis. Thus, far from being the antidote to fascism, (neo)liberalism is its partner in crime. The real charm against fascism (whether proto or quasi or real) is a left project that redirects the rage and the pain of the dispossessed towards a deep societal restructuring and a democratic political 'revolution'. Until very recently, such a project could not even be glimpsed, so suffocatingly hegemonic was neoliberal common sense. But thanks to Sanders,

Corbyn, Syriza, Podemos – imperfect as all of them are – we can again envision an expanded set of possibilities.

From here on out, accordingly: *the left should refuse the choice between progressive neoliberalism and reactionary populism*. Rather than accepting the terms presented to us by the political classes, we should be working to redefine them by drawing on the vast and growing fund of social revulsion against the present order. Rather than siding with financialization-cum-emancipation against social protection, we should be focused on forging a new alliance of emancipation and social protection against financialization. In this project, which builds on that of Sanders, emancipation does not mean diversifying corporate hierarchy, but rather abolishing it. And prosperity does not mean rising share value or corporate profit, but the material prerequisites of a good life for all. This combination remains the only principled and winning response in the current conjuncture.

I, for one, shed no tears for the defeat of progressive neoliberalism. Certainly there is much to fear from a racist, anti-immigrant and anti-ecological Trump administration. But we should mourn neither the implosion of neoliberal hegemony nor the shattering of Clintonism's iron grip on the Democratic Party. Trump's victory marked a defeat for the unholy alliance of emancipation with financialization. But his presidency offers no resolution of the present crisis, no promise of a new regime, no secure hegemony. What we face, rather, is an interregnum, an open and unstable situation in which hearts and minds are up for grabs. In this situation, there is not only danger but also opportunity: the chance to build a new 'new left'.

Whether that happens will depend in part on some serious soul-searching among the progressives who rallied to the Clinton campaign. They will need to drop the comforting but false myth that they lost to a 'basket of deplorables' (racists, misogynists, Islamophobes and homophobes) aided by Vladimir Putin and the FBI. They will need to acknowledge their own share of blame for sacrificing the cause of social protection, material well-being and working-class dignity to faux understandings of emancipation in terms of meritocracy, diversity and empowerment. They will need to think deeply about how we might transform the political economy of financialized capitalism, reviving Sanders' watchword of 'democratic socialism' and figuring out what it might mean in the twenty-first century. They will need, above all, to reach out to the mass of Trump voters who are neither racists nor committed right-wingers, but casualties of a 'rigged system' who can and must be recruited to the anti-neoliberal project of a rejuvenated left.

This does *not* mean muting pressing concerns about racism or sexism. But it does mean showing how those long-standing historical oppressions find new expressions and grounds today, in financialized capitalism. Rebutting the false, zero-sum thinking that dominated the election campaign, we should link the harms suffered by women and people of colour to those experienced by the many who voted for Trump. In that way, a revitalized left could lay the foundation for a powerful new coalition committed to fighting for justice for all.