LET THEM EAT TWEETS

HOW THE **RIGHT** **RULES** IN AN AGE OF EXTREME INEQUALITY

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INTRODUCTION

THIS IS NOT A BOOK ABOUT DONALD TRUMP.

Instead, it is about an immense shift that preceded Trump's rise, has profoundly shaped his political party and its priorities, and poses a threat to our democracy that is certain to outlast his presidency.

That shift is the rise of plutocracy—government of, by, and for the rich. Runaway inequality has remade American politics, reorienting power and policy toward corporations and the superrich (particularly the most conservative among them). In the process, it has also remade the Republican Party, transforming a mainstream conservative party into one that is increasingly divisive, distant from the center, and disdainful of democracy. From the White House on down, Republicans now make extreme appeals once associated only with fringe right-wing parties in other rich nations, stoking the fires of white identity and working-class outrage. Yet their rhetorical alliance with "the people" belies their governing alliance with the plutocrats. Indeed, the rhetorical alliance stems from the governing alliance. To advance an unpopular plutocratic agenda, Republicans have escalated white backlash—and, increasingly, undermined democracy. In the United States, then, plutocracy and right-wing populism have not been opposing forces. Instead, they have been locked in a doom loop of escalating extremism that must be disrupted.

The rise of plutocracy is the story of post-1980 American politics. Over the last forty years, the wealthiest Americans and the biggest financial and corporate interests have amassed wealth on a scale unimaginable to prior generations and without parallel in other western democracies. The richest 0.1 percent of Americans now have roughly as much wealth as the bottom 90 percent combined. They have used that wealth—and the connections and

influence that come with it—to construct a set of political organizations that are also distinctive in historical and cross-national perspective. What makes them distinctive is not just the scope of their influence, especially on the right and far right. It is also the degree to which the plutocrats, the biggest winners in our winner-take-all economy, pursue aims at odds with the broader interests of American society.[1]

In all these ways, the rise of plutocracy is also an assault on our democracy. When wealth buys power, the responsiveness of government to ordinary citizens weakens, and the elected officials who are supposed to represent those citizens are pulled toward the positions of economic elites. American plutocracy has transformed both of America's two great political parties. The most profound effects, however, have been on the Republican Party. As the power of the plutocrats has increased, America's conservative party has shifted not just to the right of conservative parties in other nations, but to the right of many *right-wing* parties. And the greatest rightward movement has occurred precisely on those issues where the party's plutocratic supporters have the most radical goals.[2]

On the plutocrats' pet issues, the party has raced to the fringe. Republican leaders have become singularly focused on tax cuts for corporations and the superrich, whatever the effects on American inequality, or on the people who make up the Republican "base." When those cuts have conflicted with their traditional emphasis on fiscal restraint, they have run up huge deficits to finance them, abandoning the principle of budget balance—except as a cudgel with which to attack popular social programs, such as Medicaid, Medicare, and Social Security. They have launched an intensifying assault on environmental, consumer, labor, and financial protections. They have attempted to strip health insurance from millions of Americans. They have appointed the most consistently pro-business, anti-labor, and anti-consumer judges in the modern history of the federal courts. And they have done all this despite the fact that every one of these aims has strikingly little public support, even among Republican voters.[3]

Which raises the obvious question: How? As political scientists, we have spent many years in dialogue with fellow scholars who see a basic harmony between what citizens want and what governments do. Government responsiveness to voters should be expected, these researchers insist, because electoral competition creates strong pressures for politicians to cater to popular majorities.

But we do not see this sort of harmony today. Rather, we see a political system in which elected representatives are caught in the gravitational pull of great wealth. We see a political system in which a once-moderate party now tightly orbits the most reactionary elements of America's emergent plutocracy. And we see a political system in which, despite that party's embrace of unpopular economic policies, tens of millions of Americans of modest means don't just vote for that party but have become increasingly tribal in their loyalty to it.

As we write, the party advancing the priorities of the plutocrats holds the White House and the Senate, it has a dominant position on the federal courts (especially the Supreme Court), and it has entrenched a set of tax and regulatory policies that disadvantage ordinary workers, consumers, and citizens. More striking still, this party's voting base consists increasingly of less affluent white voters living in regions of the country devastated by these very policies—voters who favor more infrastructure spending and promises to protect Medicaid rather than more corporate tax cuts and blueprints for privatizing Social Security.

We've been struggling with the "how?" question for nearly twenty years. Our interest in the evolution of the GOP started with an article on the 2001 Bush tax cuts, which gave roughly 40 percent of their benefits to the richest 1 percent. In that article, we argued that while the cuts received surface support in polls, the contents of the new law were sharply at odds with what the majority of voters thought the nation's budget priorities should be. As the biggest policy shift of the last two decades, the tax cuts were strong evidence of declining responsiveness to voters.[4]

Some of our fellow political scientists thought that article was alarmist. If Republicans were really out of step with voters, they reasoned, the party would eventually pay the price. But they haven't paid the price, and they keep moving further to the right. Again and again, what seemed like the peak of Republican radicalism proved to be just a base camp, as the party shifted its focus toward a narrower and narrower slice at the top. The tax cuts of 2017—passed after a presidential campaign in which the Republican standard-bearer suggested he would turn the GOP into a "workers' party"—delivered more than 80 percent of their largesse to the top 1 percent. Looking back, we did make at least one error. We weren't worried enough.[5]

This book is our answer to the "how" question. As the GOP embraced plutocratic priorities, it pioneered a set of electoral appeals that were increasingly strident, alarmist, and racially charged. Encouraging white

backlash and anti-government extremism, the party outsourced voter mobilization to a set of aggressive and narrow groups: the National Rifle Association, the organized Christian right, the burgeoning industry of right-wing media. When and where that proved insufficient, it adopted a ruthless focus on altering electoral rules, maximizing the sway of its base and minimizing the influence of the rest of the electorate through a variety of anti-democratic tactics, from voter disenfranchisement to extreme partisan gerrymandering to laws and practices opening the floodgates to big money. And more and more, it coupled this vote rigging with even more extreme strategies to undermine the checks and balances in our system, weakening democratic accountability and strengthening the ability of powerful minorities to dictate policy. In short, Republicans used white identity to defend wealth inequality. They undermined democracy to uphold plutocracy.

The centrality of white backlash to Donald Trump's rise has received plenty of attention. Among journalists and academics alike, the president is generally seen as an exemplar of what analysts call "right-wing populism," a transnational wave of anti-elite and anti-immigrant sentiments that has roiled rich democracies in the wake of the global financial meltdown. But America's version of right-wing populism began to surface well before Trump—in fact, well before the financial crisis. Trump turned the dial to eleven, but he did so on a machine that was already built.

Nor does America's variant of right-wing populism mirror the variant found abroad. In other rich countries where right-wing populists are challenging for power, animus toward immigrants and minorities gets coupled with fervent defense of social benefits for white citizens. Republicans—and Trump especially—have the animus part down. The defense of social benefits, not so much. On the contrary: what they have done on economic matters has been consistently, breathtakingly plutocratic. Benefits for downscale Republicans have been on the chopping block. The benefits Republicans have defended—and, in fact, expanded—are those for corporations and the superrich.

So peculiar is America's version of right-wing populism that it deserves a label of its own. In this book, we use the term "plutocratic populism" to describe the party's bitter brew of reactionary economic priorities and right-wing cultural and racial appeals. This distinctive American hybrid emerged after 1980 as the Republican Party struggled to manage the tensions between its governing priorities and its electoral strategies,

between its defense of plutocracy in the face of rising inequality and its reliance on less affluent white voters in the face of growing diversity. To deliver for the plutocrats yet still win elections, Republicans reached ever deeper into parts of the nation and segments of the electorate where conservative economic policies failed to stir voters' passions but divisive appeals to identity did. The choices and alliances they made—and the opportunities to take a less destructive course they rejected—radicalized a party, divided a nation, and empowered a demagogue. They now imperil our democracy.[6]

As the title of this book implies, the Republican Party has substituted division and distraction for a real response to the needs of ordinary Americans—and nothing better demonstrates this than Donald Trump's Twitter feed. But it is not just voters who are distracted. Pundits and experts are, too. Almost everything we read today is about the president and his outrages. But focusing on Trump can obscure more than it reveals. We need to step back and understand the long road to plutocratic populism, and the degree to which Trump has reinforced, rather than challenged, the core elements of what his party had already become.

Two narratives, in particular, dominate commentary about our present crisis. Both contain crucial elements of truth, but both, in different ways, neglect the fundamental role of plutocracy.

The first and simplest account focuses on what's often called the Republican "civil war." In this analysis, Trump and his right-wing populist allies are an insurgent army that's taken over the Republican Party, emphasizing "toughness" on immigration and trade while abandoning the party's long-held (if not always upheld) commitments to limited government and fiscal responsibility. The enemy they've allegedly vanquished is the "establishment," the politicians and groups aligned with the party's national leadership and big-money lobbies. Among those supposedly toppled: Paul Ryan, the former Speaker of the House known for his hard-right budgets; the Tea Party and its grassroots warriors, who battled President Obama in the name of constitutional conservatism after 2009; and the libertarian Koch brothers and their network of conservative mega-donors. In this narrative, Trump demanded a party very different from what the Republican establishment represented, and the establishment lost.[7]

If the establishment lost, however, it's hard to know what winning would have looked like. Now that Ryan has retired from Congress, he suggests his alliance with Trump was intended to "get [Trump's] mind right." But getting Trump's mind right apparently meant ensuring his economic priorities were *to the* right. Under the leadership of Ryan and his Senate counterpart, Mitch McConnell, Republicans in Congress slashed taxes on corporations and the rich, stacked the federal courts with staunchly pro-business conservatives, and tried to repeal the most popular elements of the Affordable Care Act. Their refusal to devote resources to anything but tax cuts and the military turned "Infrastructure Week" from a popular Trump promise into a punchline. Another of Trump's pledges—to *not* cut Medicaid—did not stop Ryan and McConnell from attempting to do just that. The point isn't that they hoodwinked Trump. The supposed tribune of working-class Americans went along with all these moves, having outsourced his entire legislative strategy to economic hardliners in Congress and to a domestic policy team comprised mostly of economic hardliners who had recently been in Congress. The point is that Republicans tried to do with unified control of Washington mostly what they and their plutocratic allies had been trying to do for years—only in a more extreme form.

These policy developments are hard to square with the notion that Trump has trashed the ultra-conservative orthodoxies of the establishment. They make much more sense if we see Trump not as the victor in an intraparty civil conflict, but as both a consequence and recent enabler of the GOP's long, steady march to the right. Some of the country's most astute opinion writers have stressed this point, including Paul Krugman, Matthew Yglesias, and Jonathan Chait (and, beyond opinion writers, Jane Mayer, who has painstakingly investigated the party's plutocratic ties). But their counterpoints are too often forgotten amid breathless chatter about Trump's latest outrages. The same *New York Times* that publishes Krugman's columns also publishes story after story explaining how Trump has rolled over the Tea Party, the Koch brothers, and America's economic elite more broadly.[8]

Part of the confusion is that observers frequently assume that if *some* corporate leaders or billionaire donors are complaining, then Trump must be pursuing policies that plutocrats don't like. And certainly, neither Trump's tariffs nor his immigration policies are popular in moneyed circles. It is also true that precincts of the business community, such as Silicon

Valley, find the president downright detestable, and that plenty of very wealthy people support the Democratic Party and style themselves progressives.

Still, most of the superrich are broadly aligned with the core Republican economic agenda. Few among the fabulously wealthy speak openly about these priorities, and many of the most public plutocrats are also the most progressive (think Tom Steyer and George Soros). But in those rare instances when political scientists successfully survey the views of the very wealthy, those views turn out to be much more conservative than commonly believed. For example, a 2011 poll of rich Americans—average wealth of respondents: $14 million—found that just 17 percent of these wealthy citizens said they'd support high taxes on the rich to reduce inequality, a position endorsed by over half of the general public.[9]

The most engaged and organized segments of the plutocracy are even further to the right. The typical plutocrat is a lot more conservative than the typical American: the poll just cited found twice as many Republicans as Democrats among the wealthy (among all voters, Democrats have the edge), and the self-identified Democrats in the survey were substantially more conservative on economic issues than the norm for nonaffluent voters in their party. But the typical rich American isn't nearly as conservative as the most politically engaged plutocrats are. When you look at the ultra-wealthy activists who are spending fortunes to remake American politics—especially through their huge outlays of "dark money" encouraged by the ongoing decimation of campaign finance limits—you see a plutocracy that's even more conservative. And when you look at the stances and investments of the political organizations that magnify the influence of corporations and the superrich, you see one that's more conservative still. The most effective groups representing economic elites—the Koch Network, the US Chamber of Commerce, the American Legislative Exchange Council—range from the hard right to the even harder right.[10]

By no means are conservative plutocrats happy with *everything* Trump is doing to American public policy. Yet they are playing the long game—a game that has always required trade-offs. And far from losing that game, they are winning much more than they had once thought possible. Right-wing populism hasn't derailed the extreme agenda of reactionary plutocrats. It has enabled it, accelerating the Republican Party's decades-long transit toward their hard-right priorities.

To see just how stunning this transformation has been, it helps to throw

off another assumption that leads observers astray: that the two parties are more or less mirror images of each other, moving away from the center at equal speeds. In truth, Republican politicians have moved much further right than Democratic politicians have moved left, a phenomenon we call "asymmetric polarization." Republicans have also embraced rhetoric and tactics that are much more aggressive and anti-democratic, ranging from extreme obstruction—say, blocking a Democratic president's Supreme Court nominee for a year—to all-out assaults on the right to vote. Neither the extreme groups that mobilize GOP voters nor the right-wing media outlets that shape those voters' preferences and perceptions have real counterparts on the liberal side. Yes, important elements of the Democratic Party have moved leftward in recent years, but the Republican Party has moved rightward *over decades*. With increasing ruthlessness, Republican elites have embraced plutocratic priorities that lack appeal even among the party's own voters—and that embrace has only grown tighter as the party's public face has grown more "populist."[11]

THE SECOND DOMINANT ACCOUNT is more convincing, but still incomplete. This narrative, too, focuses on right-wing populism—but as a symptom of a deeper disease, rather than a manifestation of internal GOP conflicts. That deeper disease is racism.[12]

The racism-focused narrative takes various forms. Some emphasize contemporary forces: the incessant race-baiting of Donald Trump; white backlash against the nation's first black president; the anxiety generated by the ongoing shift toward a "majority-minority nation." Others emphasize the deeper historical roots of white identity. Yet all these accounts suggest that race is *the* cleavage that defines American politics. They all emphasize, too, that this cleavage reflects deep psychological attachments that are easily triggered and highly resistant to change. In this respect, they present a "bottom-up" perspective, emphasizing the underlying resistance of key parts of the white electorate to the shifts in status and power that demographic change entails.

This narrative rightly stresses the deeper forces at work in Trump's rise, which is why it is more convincing than accounts focused on recent struggles within the GOP. America's racial history is indeed unique, its legacies are often toxic, and those toxic legacies have been on vivid display in the response of many white Americans to the nation's dramatic

demographic changes. In 2016, Trump won in significant part because he exploited that response. We recognize now that our previous writings paid far too little attention to the role of racial divisions in the radicalization of the Republican Party, and we have tried to grapple with those divisions and their effects much more fully in this book.

To elevate the role of race, though, does not require denying the role of plutocracy. It requires seeing how (and how fundamentally) the two are intertwined. It also requires thinking about how the psychology of race is shaped and directed by elites with their own partisan and economic motives—to see how it works from the top down as well as from the bottom up. In multiracial democracies, what scholars call "ethnic outbidding"—when parties seek to mobilize voters on the basis of race, ethnicity, religion, or citizenship—is always a temptation. Decades of research suggest that these spirals of extremism do not bubble up from below; they emerge when elites capitalize on preexisting prejudices in pursuit of political gain, forcing citizens and leaders to take sides in an intensifying battle of competing identity claims. In the absence of such elite outrage-stoking, citizens may well be receptive to more moderate party stances and strategies.[13]

As recently as 2004, for example, George W. Bush won 44 percent of the Hispanic vote on the way to reelection. Because of his ability to attract nonwhite voters without alienating white voters, he became the only Republican presidential candidate to win the popular vote in more than three decades. Subsequent Republican leaders abandoned this multiracial strategy not merely because resentful GOP voters greeted it with suspicion, but also because attracting Hispanic voters proved difficult to reconcile with the GOP's increasingly reactionary economic agenda and its growing reliance on extreme groups. The embrace of plutocratic priorities has been a powerful force pushing the Republican Party toward increasingly open and hostile racialized appeals. That choice, in turn, created powerful incentives for ethnic outbidding, as party leaders leaned more heavily on outrage-stoking organizations and ambitious Republican politicians intensified their appeals to resentful white voters.

Just as we should consider the role of top-down mobilization of racial resentments, we also should remember that Trump won over Republican voters in 2016 with a variety of appeals. He did unusually well among the most racially resentful voters. Yet he attracted these voters not only with divisive racial rhetoric, but also with liberal (for a Republican) economic pledges—pledges he mostly abandoned once in office. And Trump's victory

did not just rest on the support of working-class whites in the Midwest, as journalistic accounts often imply. He swept the party, pulling in white Republicans who expressed racially tolerant views as well as those who did not. In this respect, Trump benefited decisively from what political scientists call "affective" or "negative" polarization—that is, antipathy toward the other party and its supporters. Even Republicans who viewed him with dismay couldn't bring themselves to vote for Hillary Clinton.

Prejudice has been an enormous contributor to affective polarization; the best available research suggests, for instance, that racial resentment was a bigger factor in the Tea Party movement than principled conservatism. But Republican elites have drawn on a range of themes, targets, and emotions to stoke the hostility of the Republican base to the "other side." Demeaning minorities as predatory and dependent has gone hand in hand with demonizing government as corrupt and ineffective. Fears of status decline have gone hand in hand with fears of economic decline. Untangling racism, distrust of government, and economic insecurity is so hard because GOP efforts to tangle them together have been so successful.[14]

Racial divisions are, and always have been, central to the American story. What we want to emphasize is that the particular role they now play in our politics owes much to the massive shift of wealth and power toward the top. The United States is not, after all, the only rich nation struggling with racism or white backlash to demographic change. Yet it is the only one struggling with such extreme inequalities of wealth and power. Other western democracies have seen widening economic gaps; a handful (notably, the United Kingdom and Canada) have witnessed trends that bear surface similarity to the United States'. But none has seen anything like the intensifying concentration of economic and political resources that characterizes the American political economy of the past generation. That distinctiveness, in turn, explains a good deal of what's so unusual (and dangerous) about America's peculiar version of right-wing populism.[15]

Plutocratic populism brings together two forces that share little in common except their distrust of democracy and their investment in the GOP. Plutocrats fear democracy because they see it as imperiling their economic standing and narrowly defined priorities. Right-wing populists fear democracy because they see it as imperiling their electoral standing and their narrowly defined community. These fears would be less consequential if they were not packaged together within one of the nation's two major parties. Plutocratic populism is a force multiplier, fusing hard-

right economic policies that would have little future if relied on to mobilize voters with right-wing populist strategies that would have little future if they truly endangered, rather than reinforced, elite power. Yet plutocratic populism is also a threat multiplier, because neither side of the relationship feels secure despite this combined power. The result is an especially volatile and dangerous mix—a party coalition that is capable of changing policies and institutions, but fearful it will not long control them; a party coalition that is able to achieve its priorities, but only by disregarding majorities, dividing and lying to citizens, and distorting democracy.

Many have pointed to the risk of creeping authoritarianism under Trump, and we share these fears. Yet the Republican Party's marriage of plutocracy and populism also points to another risk—not rule by a single powerful man, but rule by a set of powerful minorities. This threat, which might be called "creeping counter-majoritarianism," predates Trump's election. For years, Republicans have exploited America's aging political institutions to cement their power in Congress, the federal courts, and rural and right-leaning states—even when they cannot win the majority of the nation's votes, and even when they do not hold the country's one nationally elected office. Our distinctive constitutional system was designed to make it hard for majorities to rule, forcing compromise and broad consensus. It was not supposed to make it possible for minorities to control governance in the face of majority resistance. Yet in an age of polarization, key features of that system—from the tilt of the Senate and Electoral College toward rural states, to the growing role of the Senate filibuster, to the vulnerability of state-administered elections to partisan rigging, to the conservative capture of the courts—allow a more and more determined minority to not just resist the will of a majority but increasingly to rule over it. In our vigilance against authoritarianism, we risk neglecting the less perceptible but no less pressing threat of permanent minority rule.

After an election, journalists rush to pivotal parts of the nation to interview voters. Social scientists dig into surveys to construct a more systematic picture of what those voters thought. These stories and statistics are revealing. Yet we often invest in them more importance than they deserve. Too frequently these bottom-up investigations treat voters as unmoved movers. But they are not unmoved; they are mobilized, messaged, and sometimes manipulated. Especially because of the tilt of our democracy

toward the superrich, we cannot ignore how the attitudes of citizens are refracted by the interests, investments, and actions of those with outsized power.

A top-down perspective focuses our attention on elites, and particularly on the elites so often out of view. The spectacle of right-wing populism gets all the press. But it was reactionary plutocrats who first radicalized our politics. As their interests narrowed and their power expanded, democratic politics posed a growing threat to their privileges. But to protect and augment those privileges, they had to work through democratic politics—and, in particular, through the political party most closely allied with economic elites, the Republican Party. The result was a dilemma for Republican leaders: How to side with the elites who were winning big, yet attract the support of voters losing out? The answer was plutocratic populism.

Our argument is not that the plutocrats who have allied with the Republican Party are directly engineering all the developments we will describe. The plutocrats are not Bond villains in a hidden lair inside a volcano. There is no dominant figure—intellectual or economic—who set in motion the policies and strategies that have come to define plutocratic populism. A handful of conservative plutocrats have aggressively pushed the Republican Party to link its reactionary economic agenda to racialized appeals—for example, the financier Robert Mercer and his daughter Rebekah, who bankrolled Trump's white-backlash whisperer Steve Bannon and the right-wing news source Breitbart—but they are the exceptions.

What the plutocrats have done is use their formidable resources to shift the American political terrain in their favor, encouraging politicians and leaders to adopt certain stances and pursue certain strategies. Their influence has been so consequential precisely because it was not directed by one or a few powerful players, much less by some sort of coordinated conspiracy. Embedded in institutions and organized action, their efforts tend to endure over time and across successive political leaders, raising the stakes—and the hurdles—for those who seek to challenge it. Understanding this not only helps us see where Trump's presidency came from. It also allows us to comprehend how and for whom that presidency has worked. And it shows us just how much must be done to repair our polity even if he governs for only a single term.

All along, of course, powerful people have made choices—choices that not only deserve analysis but demand accountability. Conservative

plutocrats have usually remained a step removed from the divisive and anti-democratic tactics they have generated, but they have tolerated and sometimes encouraged those tactics. Nor does responsibility end with plutocrats on the conservative side of the spectrum. Even the most progressive plutocrats are much less so when wealth-defending policies are on the table. Many of the same tech executives who regularly criticize Republicans for their conservative stances on immigration and LGBTQ rights supported the 2017 tax cuts, allowing their companies to provide billions in stock buybacks to their shareholders. Conservative plutocrats may deserve the greatest share of blame, but all parts of the plutocracy are implicated in the shift of government toward business and the superrich—and the destructive politics that shift has unleashed.[16]

This shift sets our nation starkly apart from other rich democracies. Yet it does have parallels—in democracy's troubled past. Roughly a century ago, conservative parties struggled to adapt to a world with large numbers of newly enfranchised voters, a world in which their long-standing alliance with the rich and powerful was suddenly a liability. They had two basic choices. They could make concessions and craft new appeals without demonizing vulnerable groups or destroying democratic norms. Or they could take a much darker path, one that involved partnering with groups capable of riling up voters, resorting to ever more incendiary rhetoric, and rigging elections. The British Tories mostly took the first path; German conservatives, alas, the second.[17]

Conservative parties of the early twentieth century were torn between the rich and the rest because the rest were gaining the right to vote. The Republican Party has been torn in a similar way because the rest are falling behind the rich so quickly. Adding to the dilemma, the party's white voting base is becoming a smaller and smaller share of the electorate. To stay in power, Republicans have had to rally support in places and among parts of the electorate where the rise of plutocracy has brought more misery than opportunity. Meanwhile, their plutocratic allies have become richer and more powerful, their demands more at odds with those of ordinary voters, and their commitment to democracy weaker. As these trends have collided—rising inequality, growing demographic diversity, deepening ties between conservative plutocrats and Republican politicians—they have generated the same stark choices confronted by previous conservative parties. On one side are the priorities of the plutocrats. On the other, the demands of the broader electorate. In between is the Republican Party, whose response may

decide our democracy's fate.

Chapter 1

THE CONSERVATIVE DILEMMA

PLUTOCRATIC POPULISM IS RATHER NEW; the political dilemma that gives rise to it is very old. For as long as the idea of democracy has existed, thoughtful observers—both those who supported democracy and those who opposed it—have asked a fundamental question: What happens when an economic system that concentrates wealth in the hands of the few coexists with a political system that gives the ballot to the many?

The question has been a central preoccupation of political philosophers and statesmen alike, including those involved in the fledgling experiment with democratic rule in the new United States in the late eighteenth century. John Adams contemplated the prospect of political equality and prophesied disaster: "Debts would be abolished first; taxes laid heavy on the rich, and not at all on the others; and at last a downright equal division of everything be demanded, and voted." In the first volume of *Democracy in America*, published in 1835, Alexis de Tocqueville had similar fears, observing that "universal suffrage really gives the government of society to the poor" and "the government of democracy is the only one in which he who votes the tax can escape the obligation to pay it."[1]

Social scientists studying the establishment of democracies across the globe have fixated on the same question. They have long seen the divide between the rich and everyone else as a fundamental challenge for every new democracy. The entrenched rich wish to hold on to the economic and political resources they have. A system that more broadly disperses political

power is a threat to both. In most cases, a successful and relatively peaceful transition to democracy requires two things: a growing capacity for collective action among ordinary citizens (which makes continued repression by elites more and more costly) and a set of political commitments (perhaps enshrined in a new constitution) that reassure elites that, while they need to make concessions, their fundamental interests will not be trampled upon. Elites, in other words, ask the same question as the philosophers, though with greater urgency: What, in a democracy, is to keep the many from taking what I have? Popular pressure on elites, combined with insurance for the elite's core interests, creates the essential balance of power and constraints within which stable democracies can develop.[2]

Scholars of democracy have largely focused on how popular rule is born and secured. About the stability of established democracies, they have mostly been optimistic—at least until recently. For nearly a century, their optimism proved to be well-founded. Established democracies in affluent countries almost never broke down. Once they were up and running in societies with a broad middle class, they created a "positive-sum" environment that generated widely distributed benefits. These societies were, in general, less unequal than prior social arrangements and more capable of sustaining economic growth. They achieved considerable improvements in the quality of life for most groups across the income distribution. And while the rich lost some of their political power, they typically thrived economically, too. Political systems that encouraged investment in the nation's people and limited corruption and uncertainty fostered prosperity.

In short, once firmly established, democracies could be expected to endure because they generally made life better for most people. Considerable inequalities of economic power could be reconciled with the broadening of political power because democracies made the pie much bigger even as they allocated an increasing share to ordinary citizens.

THIS IS AN ENCOURAGING STORY, but it comes with an important and troubling corollary: extremely unequal societies have a hard time finding that delicate balance between protecting ordinary citizens and reassuring the privileged few. In the early American republic, elite observers like Adams and de Tocqueville worried about challenges to democracy from below. A

century later, many American statesmen wrestled with potential threats from above. As the United States struggled with increasingly extreme inequality in the early twentieth century, the great jurist Louis Brandeis declared that "we must make our choice. We may have democracy, or we may have wealth concentrated in the hands of a few, but we can't have both."[3]

Scholars, for their part, have long seen extreme inequality as a threat to democracy. This threat takes three forms. The first is unequal power. As Frederick Douglass famously observed, "Power concedes nothing without a demand. It never did and it never will." What drove the development of democracy in the first place was the growing power of ordinary citizens. As societies became more complex and urbanized, the relative power of economic elites declined. The many found it easier to organize, and the few found it harder and costlier to deploy the brute tools of coercion. In country after country, it was this shift in social and economic power that pressured elites to make political concessions—and, when things went well, to accept democracy.[4]

Extreme concentrations of wealth have the potential to short-circuit this necessary dispersal of political power. Affluence can buy influence. Societies where the rich control vastly more economic resources than the rest are likely to be ones where the rich wield vastly more political power as well. And if the rich do enjoy these twin advantages, they may feel less urgency to make concessions in order to maintain their standing and power.

The second threat extreme inequality poses is diverging interests. Democracy rests on the notion that even in large and diverse societies where fundamental disagreements are inevitable, most citizens will come to have reconcilable economic interests. Leaving aside a few petro-states and the island city-state of Singapore, all of the world's richest nations are long-standing democracies. A stable system, based on the rule of law and with some state accountability to the citizenry, has proven to be a powerful formula for prosperity, from which the rich and middle class may both derive benefits.[5]

Extreme inequality makes it harder to reconcile these interests. If an economic system is funneling most gains to those at the very top, improvements for the majority are likely to require challenges to that system. Necessarily, those challenges will come at the expense of the beneficiaries of the status quo. "Positive-sum" games that promote

cooperation become "zero-sum" games that ensure conflict. The greater the degree of inequality, the harder it is to build and sustain consensus on arrangements that work for most citizens.

The third and final threat is elite fear. There are always going to be very considerable tensions between rich and poor. A widening chasm between the interests of the wealthy and those of the less fortunate encourages the privileged to view democracy itself as a danger to their wealth and status. All the old elite worries about democracy—that it is a weapon in the hands of the many, wielded at the expense of the few—return. When combined with the growth in elite power, elite fear may lead the wealthy to believe that ceding political ground is both unnecessary and risks gravely undermining their privileges. In turn, they may become more willing to contemplate and support political alternatives to democracy that will protect those privileges.

An economic elite that is extremely powerful, separate, and fearful is likely to put considerable pressure on democratic institutions. Time and again, this pressure has taken a particular form.

In the spring of 2014, one of us (Paul) received an irresistible invitation to do some writing in Paris. The invitation came with an unexpected bonus: a scholar of comparative democratization was assigned to share the same office. He was working on a study of European politics in the early twentieth century that would eventually win the biggest book prize in political science. Though separated from contemporary American politics by the Atlantic Ocean and roughly a century, the story he was telling nonetheless turned out to be surprisingly relevant.

That office mate was the Harvard political scientist Daniel Ziblatt. Along with his colleague Steven Levitsky, Ziblatt would later publish the influential *How Democracies Die*. Back then, however, he was examining how European democracies had taken root—or failed to do so. Ziblatt had zeroed in on the relationship between conservative parties, extreme inequality, and democratic politics. Though Ziblatt studied European history and we studied contemporary American politics, these were precisely the relationships that had animated our own collaborative work for almost two decades. The many parallels between Ziblatt's investigations and our own, despite the obvious and enormous differences in setting, point to the profound significance of extreme inequality for the contours of democratic

politics.[6]

Ziblatt's central claim was that conservative political elites played a decisive role in determining whether fledgling democracies would flourish or die. Why conservatives? Because they are the politicians most closely aligned with traditional economic elites. As representative democracies emerged, conservatives had to carry that allegiance into a new kind of political contest where they needed to win the support of voters of ordinary means. The result is what Ziblatt calls the "Conservative Dilemma." To participate in democratic politics, conservative politicians had to get and maintain voters' backing even as their elite allies sought, in Ziblatt's words, "to preserve their world, their interests, and power."[7]

We use "Conservative Dilemma" more specifically to describe the tension facing conservative *parties*. A century ago, in all countries with expanding franchises, conservative parties struggled to maintain their historical defense of elite privilege in the face of electoral challenges from the masses. When suffrage was restricted, conservative parties could ignore the massive gap between the rich and the rest. But this became a losing game once the working class gained the vote. Relatively quickly, conservative parties found themselves caught between a commitment to economic elites and an expanding electorate. How, they were forced to ask themselves, do we reconcile the needs of our core constituency with the need to win elections?

One potential solution to the dilemma was to address the material needs of the newly enfranchised. Most conservative parties took at least halting steps in this direction. Famously, it was the Prussian monarchist Otto von Bismarck who, in 1883, put in place the cornerstones of the welfare state as a way to fend off competition from the emerging popular parties of the left, especially the Social Democrats. Economic concessions were, and are, an important means by which conservative parties can survive in democratic politics. Yet Bismarck and others found they had limits. For one, they often angered wealthy backers. For another, because conservatives' political competitors had weak or no ties to those same backers, they were usually in a position to offer voters more generous programs than conservatives could.[8]

In sum, moderation on economic issues was not always successful. Nor, when the economy was highly unequal and economic elites extremely powerful, was it an easy path for conservative parties to take. Inevitably, conservative parties found they had to offer something else to voters.

Outflanked by the left on economic issues, their survival depended on introducing or highlighting other social divisions. And these divisions couldn't be trivial or temporary; they had to be strong enough to attract durable political support from the working and middle classes. In modern societies, the list of such "cleavages" is short, and their history unpleasant. There are racial, ethnic, and religious divisions. There is the call of nationalism or foreign military adventures. There are sectional loyalties. There is opposition to immigration. In short, there is a set of noneconomic issues—many racially tinged, all involving strong identities and strong emotions—that draw a sharp line between "us" and "them."

The question is not whether these cleavages will enter democratic politics. They will. Given their allegiance to economic elites, conservative parties are compelled to take this route. As Ziblatt notes, the question is subtler: in focusing attention on social and cultural cleavages rather than economic divisions, can conservatives generate sufficient voter support to compete in elections without destabilizing a country's politics? Or do they end up promoting conflicts that are increasingly divisive, dangerous, and uncontrollable? Do the alliances they create allow compromise and the accommodation of diverse interests? Or do they open a Pandora's box of divisive appeals that sharply split ordinary citizens from each other—even as the party continues to protect the priorities of elites?

The embrace of strategies of cultural division in turn introduces two great risks. First, conservative parties may become vulnerable to capture by outside organizations that specialize in generating outrage. Politicians and parties generally try to avoid making appeals that might alienate moderate voters. The most skilled politicians often invoke a kind of earnest ambiguity. They are capable of convincing you they are on your side while giving themselves enough room to build a broad coalition and adjust to changing circumstances. So too, as a rule, are successful parties. They are set up to compete in and win elections, to recruit and support candidates who can do that, and to organize members to govern in the aftermath. These goals generally push party insiders toward a moderating, brokering role that encourages compromise and the blurring of divisions.

What parties are not always equipped to do is generate intensity sufficient to motivate potential voters and convince them to put their economic concerns to the side. For these purposes, other kinds of organizations—single-issue groups, cultural institutions such as churches, and certain kinds of media outlets, for instance—are often more effective.

These organizations can focus on building strong emotional bonds with citizens and tapping shared identities. Crucially, these organizations may feel much less need to moderate and equivocate. Unlike parties, they are not trying to gain the support of a majority, nor will they face the task of governing. They can thrive by appealing to a smaller but highly motivated subset of voters.

Parties may find these outside groups useful surrogates. This is particularly true of conservative parties, since they face the tricky challenge of broadening their mass appeal while maintaining their allegiance to economic elites. Depending on the nature of the alliance between the party and outside groups, these relationships may be limited and intermittent, or deep and lasting. Like all alliances, the terms depend on the balance of power between the allies—a balance that, along with the terms, remains subject to change.[9]

Surrogate groups may seem like a boon to the party, and in the short run they often are. Yet relying on outside organizations that have their own interests and ways of doing things can also create problems. If these surrogates develop a zealous following among voters, a frail party may become their servant rather than their master. In a worst-case scenario, the party falls into a spiral of weakening control over the most extreme elements of its coalition. Ultimately, conventional politicians who are cross-pressured by competing demands may be outflanked, supplanted by demagogues who are happy to work with such elements and know how to do so. Reliance on surrogates can thus lead a party down the path to extremism.

The second risk associated with the Conservative Dilemma is no less serious: the prospect of diminishing commitment to democracy. Parties that open Pandora's box don't just face the possibility of being overrun by extreme surrogate groups. If the party's appeals to voters are not enough, they may attempt to shift the electoral math more directly. If playing by the rules is ineffective, bending or breaking those rules may become an appealing alternative.

Political developments around the globe today, from Hungary to Turkey to the Philippines, remind us that those in power have tools to protect themselves from electoral backlash and other sources of political accountability. The incentives of leaders to use these tools increase if they and their allies doubt their ability to win on a level playing field and are so deeply committed to unpopular policies that they cannot afford to cede

control. Party loyalists in power can engage in gerrymandering, transforming minorities into majorities. They can make it harder for their party's opponents to vote. In more extreme situations they can stuff ballot boxes, intimidate opposition voters, or engage in violence. Political power can be used to diminish democratic competition, weakening opponents and strengthening supporters through corruption (the purchasing of support), manipulation or intimidation of the media, and harassment of political rivals. Courts can be stacked with loyalists who use their power to shackle partisan opponents, metaphorically and at times literally.

Political scientists have a term for the systematic resort to such tactics: "democratic backsliding." As the image suggests, once a party in power loses confidence in its ability to win in fair and open contestation and starts down the path of rule-breaking, it may be hard to turn back. Investing in such efforts may have pulled resources away from the party's investments in broader outreach. Extreme appeals may have alienated major parts of the electorate. Rule-breaking may have exposed leaders to career or even legal risk that increases their desire to protect themselves and their allies no matter the cost. Shady or thuggish practices may have damaged the party's brand. All this can make reliance on narrow groups, extreme appeals, rule-breaking, and shady or thuggish practices even more necessary to stay in power.

The reality of an increasingly rigged political game may also discourage moderates within the ruling party, who find it harder to climb the ranks, or become fearful of the consequences of dissent. As the system slides toward authoritarianism or persistent minority rule, these trends may encourage ambitious types to choose career over democratic principles while the intimidated or disgusted retire to private life.

In short, the Conservative Dilemma can lead to very frightening outcomes. But those outcomes are not inevitable. In the late nineteenth and early twentieth centuries, some conservative parties in highly unequal societies endangered democracy by opening Pandora's box. But many others, facing the same challenges, found a successful resolution without doing so, surviving the transition from elite bastion to successful mass party. They managed to maintain elite attachments but also respond, at least partially, to the pressing economic concerns of a broader electorate. They managed to find noneconomic appeals that could attract the loyalty of voters of all classes, but also retained control over how these potentially explosive issues entered the political mainstream. Construction of a strong

party apparatus helped party leaders remain ascendant over the more extremist elements within their coalition and encouraged them to play by the rules rather than flouting them.

The conservative parties that successfully managed this transformation were hardly pure—in the world of mass politics, no prominent parties, left or right, can plausibly claim to be. Yet they became robust competitors without handing over power to volatile surrogates or resorting to systematic rigging. In the process they played a vital role in stabilizing democracies. Few conservative parties managed the challenge more successfully than the oldest continuous major party in Europe, the Conservative Party of Britain.

Britain was among the first European powers to wrestle with the Conservative Dilemma. Lord Robert Cecil, later to be Conservative Party leader and prime minister, put the challenge bluntly in the mid-nineteenth century as he observed the growing popular clamor for political reform. Echoing John Adams, this member of the landed aristocracy predicted that expanding the electorate would mean "that the whole community shall be governed by an ignorant multitude, the creature of a vast and powerful organization, of which a few half-taught and cunning agitators are the head . . . in short, that the rich shall pay all the taxes, and the poor shall make all the laws."[10]

When Lord Cecil wrote these frightened words, Britain had already embarked on a long-term transformation from control by landed elites toward mass democracy. Facing popular pressure, Parliament expanded the suffrage in 1832, 1867, 1884, and 1918. The Conservative Party frequently resisted—equating political reform with the demise of the party, the nation, or both. In some instances, Tory leaders would come to support the extension of voting rights only under duress, or in search of short-term tactical advantages. Lord Cecil's observations explain the Tories' reticence: as defenders of established economic elites, they feared they would be unable to compete in the new political world.[11]

The fear was well-founded. As Conservatives embraced protectionist agricultural policies that propped up the incomes of landowners at the expense of workers and businesses, the party suffered at the polls. Between 1857 and 1886, they only once won a parliamentary majority, while on three other occasions they managed to cobble together weak and short-lived minority governments. The Liberals, who more rapidly embraced economic

and political reform, became the nation's leading party.[12]

Yet these struggling Tories would overcome the Conservative Dilemma. Even as they suffered setbacks in national elections, British Conservatives were remaking their party and learning to compete effectively. In time, they would become the nation's dominant political force, a foundation stone for one of the world's most stable political systems, and the most durably successful conservative party in the history of democracy. In the twentieth century, Conservative prime ministers—Winston Churchill and Margaret Thatcher among them—governed for a total of fifty-seven years.[13]

Crafting a successful strategy took decades of experimentation and struggle, carried out under a succession of leaders of varying capacities and relying on the hidden labors of now-forgotten political operatives. Despite Lord Cecil's fears, British Conservatives fashioned a robust party organization that could appeal to the poor as well as the rich, and to everyone in between. Moreover, the Tories managed to do so while making only modest economic concessions, leaving the elite's privileges diminished but still considerable.

The foundation for this extraordinary feat is encapsulated in a line frequently attributed to Tory prime minister Benjamin Disraeli—that he saw working-class Britons as "angels in Marble." Just as Michelangelo could first discern and then release a sculpture from unformed stone, a skilled politician could summon forth the loyal working-class Tory. The actual phrase comes not from Disraeli but from the *Times* of London in 1883:

> What distinguished Lord Beaconsfield [Disraeli] from the ordinary Tory leaders was his readiness to trust the English people whom they did not trust, and his total indifference to the barriers of caste, which for them were the be-all and end-all of politics. In the inarticulate mass of the English populace which they held at arm's length he discerned the Conservative working man, as the sculptor perceives the angel prisoned in a block of marble. He understood that the common Englishman, even when he personally has nothing to guard beyond a narrow income and a frugal home, has yet Conservative instincts as strong as those of the wealthiest peer.[14]

The writer does not specify what he meant by the "Conservative instincts" of the "common Englishman." But readers at the time surely understood well enough. In a democratizing but highly unequal country, ordinary voters did not have deeply "conservative instincts" about

economic policy. British Conservatives did, when necessary, give ground on economic issues and political reform. At the heart of Tory success, however, was the articulation and promotion of another set of issues that would resonate with voters. Conservatives harnessed—and, for the most part, domesticated—the forces of nationalism (by supporting and expanding the Empire), religion (by maintaining the preeminence of the Anglican church), and tradition (by backing the monarchy).

Perhaps most important, these forces were simultaneously mobilized and contained. As we have already seen, such social divisions, once inflamed, can quickly engulf a nation's politics. According to Ziblatt, the Conservative Party's increasing organizational capacity helped Britain avoid this fate. Beginning in the mid-1800s, the Tories built robust networks that reached into local communities. In 1883, a small group of leading Tories, including Lord Randolph Churchill (Winston's father), founded and rapidly expanded the Primrose League, named for Disraeli's favorite flower; Queen Victoria had sent a wreath of primroses to the funeral of her beloved prime minister. A cross-class organization, the Primrose League mixed social activities with conservative themes ("to Uphold and support God, Queen and Country, and the Conservative cause").[15]

Over many decades, the Conservatives summoned these sentiments in electoral campaigns, building a mass following that eventually surpassed the Liberals'. After 1900, the Labour Party rose to challenge the Liberals from the left on economic issues, setting off a three-way struggle for political supremacy. Britain's first-past-the-post electoral system, however, was built for two. Eventually it would be the Conservatives, not the Liberals, who emerged as Labour's enduring rival.[16]

Only once during this political ascent, in the midst of the fierce struggle over Irish Home Rule, did the Tories threaten to open Pandora's box. Having lost in a landslide to the Liberals in 1906, many conservatives feared they had entered an irreversible political decline. Their confidence in democracy wavering, the Tories used the explosive issue of Irish Home Rule to go on the offensive, stoking anti-Catholic sentiment and nationalist loyalties and framing the issue as one of British survival. To a degree never before seen in modern British politics, Conservative leaders proved willing to challenge constitutional norms and political stability. In response to emerging Liberal plans for Home Rule, they made thinly veiled threats of violent resistance. Prominent conservatives signaled support for military insubordination to civilian authority.[17]

Existential fears about the future of the party helped drive Conservative politicians to take these dangerously destabilizing stances. Party leaders also faced intense pressure from activists, ambitious political rivals, and elements of the conservative media, who lobbied for confrontation. In the end, the forces of disruption were quelled. Tory leaders, drawing on the organizational resources and voter loyalty they had developed over two generations, were able to hold off extremists within the party ranks. They stayed within the confines of a democratic system and gradually regained political strength. In 1918, they would win a landslide victory over their long-time nemesis the Liberals, who never recovered.

The reactionary British aristocrat, struggling helplessly to hold back the rising tides of capitalism and democracy, is a standard cultural trope. In the television show *Downton Abbey*, it takes a mild and sympathetic form. Lord Grantham grumbles about the death of the old ways, but (encouraged by his modern and pragmatic American spouse) he faces the aristocracy's slow decline with a stiff upper lip. Unfortunately, a darker framing is more in line with the historical reality of the Conservative Dilemma. In Kazuo Ishiguro's *The Remains of the Day*, the naïve and pompous Lord Darlington works to promote friendly relations with Hitler's Germany. The same occurs, this time rooted in fact, in Netflix's *The Crown*, in which the former king, the Duke of Windsor (a critic of "slip-shod democracy"), engages in dalliances with the Nazis that may have spilled over from sympathy to complicity.[18]

The crucial point, however, is that in British politics such reactionary figures were largely pushed to the side. After World War I, British Conservatives, working within democratic institutions, would emerge as the nation's dominant political power. They would hold this position, with intermittent interludes of Labour governance, for the next hundred years.

Eventually British conservatives tamed or marginalized the party's extremist elements. Across the channel, however, their cousins (sometimes literally so) chose a different way to deal with the Conservative Dilemma.

Students of democracy have long been fixated on the catastrophic experience of Germany's Weimar Republic and the rise of Hitler's Third Reich. Like the British Tories, German conservatives struggled to find their footing within an emerging and highly unequal democracy. Unlike the Tories, they never found it. A seemingly endless series of factional battles culminated in the

defeat of moderate pragmatists at the hands of radicals. The crucial center-right space, so vital to the creation of stable democracy and weak from the beginning in Germany, emptied entirely. Hard-right conservatives amplified fierce social divisions. As Germany's leading conservative party moved further right, its actions strengthened still more radical forces. Attempting to simultaneously compete with and exploit a demagogue, conservative political elites accomplished neither. Instead, they ended up helping Hitler seize power.

When Germany made its first halting steps toward democracy in the last third of the nineteenth century, its conservative parties faced formidable competitors—especially Europe's strongest social democratic party, the SPD, but also the (Catholic) Center Party and, eventually, the Communists. These competitors were well positioned to win over an expanding working-class electorate with economic appeals (in the case of the Center Party, grounded in Catholic theology). Conservatives—tightly linked with the powerful landed aristocracy and, later, with German industrial barons—would have to hone an effective electoral message.[19]

In key respects, the German setting was starkly different from the British one. Prior to the First World War, Germany had universal male suffrage, but for the bulk of voters, the ballot didn't mean much. Not only was the power of the elected parliament restricted, but Prussia, the heartland of conservative strength, employed a "three-tier" voting system that radically underweighted working-class and middle-class voters. Prussian representatives in turn exercised an effective veto power in the national parliament, allowing them to protect their narrow interests in a manner somewhat akin to the role the Senate filibuster played in preserving white supremacy in the American South.[20]

As if this highly skewed system wasn't bad enough, it was propped up by systematic fraud. The social dominance of local elites meant that elections were held against a backdrop of coercion, especially in the countryside. There were no secret ballots, and local landlords often doubled as election officials. Supervisors could march tenants to the polls, where they might hand over a color-coded ballot to their landlord. At the same time, election intimidation and manipulation were more widespread in parts of Germany where employment was concentrated in a few large industrial firms.[21]

Nineteenth-century British elections were hardly fair. (Gerrymandering was often extreme, as the UK coinage "rotten boroughs" suggests.) Yet these contests gradually became more equitable through a series of

incremental reforms. As we have seen, from early on the Tories labored to construct an organizational apparatus and persuasive appeals for voter mobilization, giving them confidence that they could compete with parties to their left. Fatefully, Germany's conservative elites failed to adapt, remaining disdainful of democracy and confident of their right to rule. In 1912, the party leader of the German Conservative Party (DKP) in the Prussian State Assembly decried universal suffrage as "an attack against the basic laws of nature, according to which the capable, the best and the worthiest contribute to a country's fate."[22]

Thus, German conservatives, protected by a state they viewed as their own and able to bolster that advantage by cheating, failed to equip themselves for robust electoral competition. When that competition intensified and ill-prepared German conservatives scrambled to catch up, they turned to already established pressure groups that knew how to reach voters. The reliance of German conservatives on surrogates would have dire consequences. It weakened the party's own efforts to build loyalties, made it harder for party leaders to craft more inclusive appeals, and eventually left the party vulnerable to an extremist takeover.

Though conservative politicians in office were generally preoccupied with winning elections and hence inclined toward compromise, pressure groups had different priorities. Above all, they needed to sustain their organization by keeping members riled up. Typically, the most intense and active members were prone to extremism. Unlike in Britain, the balance between these outside groups and professional politicians tilted toward the outsiders. Prominent right-wing groups that were brought into the conservative orbit included the ultra-nationalist and imperialist Pan-German Association, assorted networks of virulent anti-Semites, and the powerful Agrarian League—an organization of landowners and farmers that, around the turn of the century, boasted 160,000 members, a huge staff in Berlin, and top officials who occupied many important offices within the DKP. These and other groups would retain considerable autonomy and influence until the end of the Weimar Republic.[23]

In Britain, the transition to democracy had been a slow and gradual ascent. In Germany, it was a long-delayed and then dizzyingly rapid climb. When the monarchy, which had only the most minimal democratic features, collapsed at the end of World War I, it was replaced by the Weimar Republic, ushering in a full-fledged, if turbulent, democracy. Amid the upheaval, the main conservative forces coalesced within the German National People's

Party (DNVP). It combined several precursor political factions, most importantly the extremely conservative DKP, from which much of the DNVP leadership would come.

The newly constituted DNVP sought to establish itself as the dominant conservative party within Germany's new multiparty system. Associated with the discredited pre-1918 regime, it called for the restoration of the monarchy and thus started out on the defensive. As the right gradually recovered, however, so did the DNVP. By the mid-1920s, it won around 20 percent of the national vote in two consecutive elections. In Germany's multiparty system, this made it the nation's second largest party after the SPD. Prominent figures within the party looked to the British conservatives as a possible model. They referred to the prospects of creating what one prominent historian called *Tory-Konservativen*—a conservatism capable of ruling and comfortable within the confines of parliamentary democracy. But while pragmatists saw this model as an aspiration, their radical opponents within the party treated it as an epithet. The radicals feared that the party's moderates would abandon core principles—support for Empire and monarchy, opposition to labor unions, hatred of the welfare state—and make their peace with the Weimar system they loathed.[24]

In fact, the party's moderates were trying to do just that, though reluctantly. In the mid-1920s, the DNVP twice entered government, accepting powerful ministries. A DNVP representative became president of the *Reichstag*, the German parliament. Party members provided crucial support for major initiatives to stabilize the fledgling Republic over the howls of the nationalist right. During this brief "golden age," the Weimar Republic seemed to be inching along the path toward stable democracy. A conservative but modernizing DNVP would have to be a central part of this emergent system.[25]

But the DNVP would abandon that path. Battered by economic crisis and repeated humiliations at the hands of other nations, Germany's weakly institutionalized democracy began to founder. What political scientists call "anti-system" parties, ones that refused to accept the Weimar Republic's legitimacy, grew on both the left and the right, waging street battles amid growing rumors of coups and fears of civil war. The already shrinking space for democratic politics contracted still further as leading conservatives, aristocrats, and military figures pursued their own narrow and personal agendas, their maneuvering undercutting parliament and mainstream parties. A shared commitment to reactionary politics and a pronounced

(and justified) insecurity about their capacity to compete effectively in the electoral arena made these leading figures unwilling to cooperate with pro-Weimar parties to their left, even as the regime's crisis deepened. Instead, they encouraged Germany's aging president Paul von Hindenburg to turn his back on democratic politics, to rely on emergency power decrees and on shifting and narrowing political coalitions, and eventually to invite Adolf Hitler to form a government.

Though hardly the only cause of the Weimar Republic's tragic collapse, the suicidal radicalization of the DNVP represented a critical and revealing subplot. At the center of this story was Alfred Hugenberg, who personified much of what went wrong on the German right. Long a prominent figure in German politics, Hugenberg had been one of the founders of the hard-right nationalist Pan-German League in the 1890s. Originally a civil servant, he had moved into business and eventually rose to be a member of the board of Krupp Industries, the powerful armaments manufacturer.

From this perch, Hugenberg built a formidable political base. He drew on his industrial connections to found a communications empire, eventually owning a number of prominent newspapers, a major advertising firm, and, most important, the wire service employed by much of the nation's press. Hugenberg wielded his media power to push radically nationalist themes, relentlessly promoting the toxic idea that cooperating with the Weimar Republic constituted treason. His prodigious fundraising only reinforced his influence. He became the main conduit for political money from industrialists and thus a dominant financial power within the DNVP.

Hugenberg cultivated party activists as well as financing them. Power in the DNVP depended on the loyalties of regional associations, which played the critical role of selecting legislative candidates as well as the party's leader. The activists who ran the associations were often ideological extremists or fixated on protecting narrow interests. They reveled in Hugenberg's attacks on those who would compromise the right's cherished principles.[26]

While Hugenberg appealed to the party base, less extreme conservatives who advocated participation in government found themselves pressured from both sides. They depended on the expressions of outrage that attracted voters to the party, but the realities of coalition government also required them to compromise. Most notoriously (in the eyes of party radicals), DNVP legislators had provided the support necessary to pass the Dawes Plan for World War I reparations payments. Given the desperate

state of the German economy, many industrialists supported the Dawes Plan, which helps to account for why some DNVP legislators backed the measure. Yet activists on the nationalist right regarded both the initiative and its supporters as traitorous.

Hugenberg seized the moment. When the DNVP suffered a serious setback in the May 1928 election, winning just under 15 percent of the national vote, he attacked the weakened moderates. Drawing on the support of the party's activist base, Hugenberg became the party's new leader in October 1928. Once there, he sought to purify the DNVP by forcing a series of confrontations with more moderate members of parliament. They responded with mass resignations, cutting the party's already diminished parliamentary representation in half.

Not only did moderates desert the party; so did more reactionary elements. In 1929, Hugenberg had tried to mobilize voters by pursuing a referendum for a "Law against the Enslavement of the German People" that would make it a crime for German government officials to sign or enforce the Young Plan (an international agreement that had been intended to soften some of the conditions of the Dawes Plan). In doing so, Hugenberg aligned himself with the Nazis and their extremist but captivating leader.

Yet sharing a stage with Hitler only legitimated him. As a peddler of mass outrage, the stuffy and uncharismatic Hugenberg was hopelessly outclassed. The party's remaining voters switched to the Nazis in droves. The infamous September 1930 election saw a huge surge for Hitler's party, while the DNVP received a feeble 7 percent of the vote. In just under two years, the party Hugenberg had captured was effectively destroyed as an electoral force.[27]

Still craving power but now lacking an electoral base, Hugenberg chose to form an "alliance" with Hitler. His prominence (and self-delusion) allowed him to believe that he could exploit the rising Nazis, even as his own political extremism and sabotage of the moderates within the DNVP had shattered the party and helped open the space for Hitler's rise. In the end, he and other overconfident reactionaries dug their own political graves along with that of the Weimar Republic.

In Germany, unlike Britain, right-wing elites and their political allies failed to manage the Conservative Dilemma. With a weak party organization and a reluctance to compromise with rising democratic forces, they struggled to compete in a transformed political context in which extreme inequality made their long-standing allegiance to elites a liability rather

than an asset. Their choices helped unleash forces of extremism that first captured and then fractured their own party. From this weakened position, they foolishly partnered with a political outsider particularly skilled at stoking racism, tribalism, and fear. In doing so, they opened the door to Nazism and world war.

ALTHOUGH THE CONTRASTING historical experiences of Britain and Germany reveal that the choices of conservative parties are crucial, the Conservative Dilemma is a structural feature of any democracy in which economic elites and ordinary voters are pulling those parties in conflicting directions. In Latin America—the continent most familiar with the challenge of combining extreme inequality and mass democracy—scholars have identified the same basic dynamic. Successful conservative parties, in the words of one expert, manage the inherent conflict within their coalition by "weakening class-based solidarity [among voters] and replacing it with other sources of collective identity." As in Europe, where Latin American conservatives failed to create well-institutionalized and electorally competitive center-right parties, political systems were vulnerable to breakdown in the face of extreme inequality. As two leading scholars put it, unless the parties representing the privileged "can muster enough votes to stay in the game, they are likely to desert the electoral process in favor of antidemocratic conspiracy and destabilization." Argentina, Brazil, and Chile are just a few of the countries where democracy at some point collapsed under the weight of these pressures.[28]

Nor has the United States escaped the tensions that produce the Conservative Dilemma, even though there is no easy analogy to be made to Germany, Britain, or Latin American nations. At the time of the nation's founding, economic inequality was seen as a pressing matter (as John Adams noted), but income and wealth were in fact far more widely distributed than they were in the older nations of Europe with their aristocratic heritage. Property ownership was of course highly skewed, and slavery represented the most profound inequality of all. Yet everywhere democracy gets its start within a restricted circle, and among white men, wealth was much less concentrated in the United States than it was elsewhere. Compared with Europe at the time, the American economic divide was narrower, the imbalances of power smaller, and the threat to elites from the nation's still-tentative democracy weaker. On top of this, the

economy), McKinley vastly outspent Bryan and won a decisive victory.[32]

Yet while the elite-dominated Republicans won this key battle, they also began to make economic concessions as the progressive wing of their party grew. Especially after Theodore Roosevelt took office following McKinley's assassination in 1901, the GOP responded to the Conservative Dilemma by moderating on economic issues and embracing some democratizing reforms. They also relied on sectional, religious, and ethnic cleavages to sustain electoral support. Then, the Great Depression and World War II—and the egalitarian reforms associated with the New Deal—dramatically reduced America's extreme inequality, ushering in a long period marked by middle-class prosperity. For a generation, the Republican Party settled into the moderate center-right position it was to abandon when the Conservative Dilemma reappeared.[33]

The historical record reveals a clear pattern. Whenever economic elites have grossly disproportionate power and come to see their economic interests as opposed to those of ordinary citizens, they are likely to promote social divisions. They are also likely to come to fear a fair democratic process in which those citizens have significant clout. These elite responses to extreme inequality enter into politics mainly through conservative parties, which must navigate the tension between unequal influence and democratic competition. The Conservative Dilemma is not a problem of a particular moment. It is a problem inherent in democratic politics in contexts of extreme inequality.

Today many countries are experiencing rising inequality. Yet what's going on in the United States is distinctive. Not only has inequality grown spectacularly; it has grown in precisely the manner most likely to worsen the tensions at the heart of democracy. A tiny segment of Americans has catapulted to pinnacles of wealth and income never before seen in a democratic society. We're virtually alone in these respects. Among rich democracies, Israel keeps us company, and it is no coincidence that it has produced its own version of plutocratic populism, as a conservative coalition has pursued starkly inegalitarian policies while abetting and harnessing ethnic resentment and fear. Mostly, however, the countries that come closest to sharing our current distribution of income and wealth are autocracies, such as China and Russia.

There are good reasons to be skeptical of facile analogies to the past. A

Much less recognized, but equally revealing, are the ways it did not. In a far more equal political economy, Nixon's bid for white nonaffluent voters looked very different from the one that would be launched by an even more controversial Republican a generation on.

In April 1970, Nixon received a memo from the Labor Department entitled "The Problem of the Blue-Collar Worker." Sixteen months earlier, Nixon had entered the Oval Office after a narrow electoral win—a victory that, like Trump's, ended eight years of Democratic control of the White House. Now, he was seeking to expand his unexpectedly strong margins among a group of voters long loyal to the Democratic Party, a demographic we would now call the white working class.

"Recent reports have identified the economic insecurity and alienation which whites in this group have felt," the memo began. It then catalogued a long list of problems: "educated workers . . . have been getting the biggest pay gains"; "blue-collar workers . . . feel most threatened by automation"; "the children of this group in our society are not 'making it' to the same degree as are children in the middle and upper-middle classes." Yet the conclusions that surely most interested Nixon concerned not workers' problems but their politics. "The blue-collar worker is more prone to transfer his economic and social frustrations to racial and ethnic prejudices," the memo noted. It also suggested that the resentment felt by white workers created opportunities for outreach: "They are overripe for a political response to the pressing needs they feel so keenly. . . . they feel like 'forgotten people'—those for whom the government and the society have limited, if any, direct concern and little visible action." After reading the memo, Nixon ordered his top aides to figure out how to get those forgotten people to vote for him in 1972. [1]

Long before the ascent of Donald Trump, in short, a Republican president tried to realign the electorate through appeals to white workers discomfited by racial and cultural change. Yet *how* Nixon appealed to these voters shows just how fundamentally the American economic and political order has changed since his time. Nixon moved right on race and culture—though not nearly as far as the GOP would later go. Building on his 1968 Southern Strategy, his coded rhetoric signaled the Republican Party's sympathy for those who were unenthusiastic about the civil rights movement. Yet he pushed his party left on economic policy, cultivating

labor leaders and largely ignoring business groups. In British politics, he might have been called a "red Tory," a conservative who embraced the welfare state to carve his own working-class angels out of marble.[2]

In historical memory, Nixon's economic policies have been overshadowed by his aggressive posture abroad and the Watergate scandal at home. But Nixon was a big spender who signed on to a huge expansion of Social Security and nationalized the Food Stamps program; a social policy innovator who supported a guaranteed family income and national health plan; a Keynesian pump-primer who imposed wage and price controls; and a command-and-control regulator who established a string of agencies protecting workers, consumers, and the environment—from the Environmental Protection Agency, to the Occupational Safety and Health Administration, to the Consumer Product Safety Commission. On racial and cultural issues, Nixon was the harbinger of a new kind of Republicanism in the White House. On economic policy, he was the last social democrat of the twentieth century.[3]

Nearly all of Nixon's red-Tory forays faced intense business opposition. But the president was untroubled. He believed the Republican Party's tilt toward corporate and economic elites was an electoral liability, especially with the less affluent white voters he was courting most aggressively. Nor did he think those elites were organized or powerful enough to push back effectively. When business leaders complained about his wage and price controls, for example, Nixon didn't back down; he sent his treasury secretary to the US Chamber of Commerce's annual convention to berate them for their own inability to deal with inflation.[4]

Meanwhile, Nixon aggressively courted organized labor, which was then, in the words of one historian, "the best-funded and most powerful interest group in Washington." Even as the corporate community lined up against many of his policies, Nixon wooed labor bosses with everything from policy proposals and pro-labor rhetoric to golf outings and invitations to the White House. When a top official in the Commerce Department urged "a more antagonistic stance toward organized labor," one of Nixon's top aides fired back: "This President, regardless of what the business community urges, what the polls show, or what Republican orthodoxy would dictate, is not going to do anything that undermines the working man's economic status."[5]

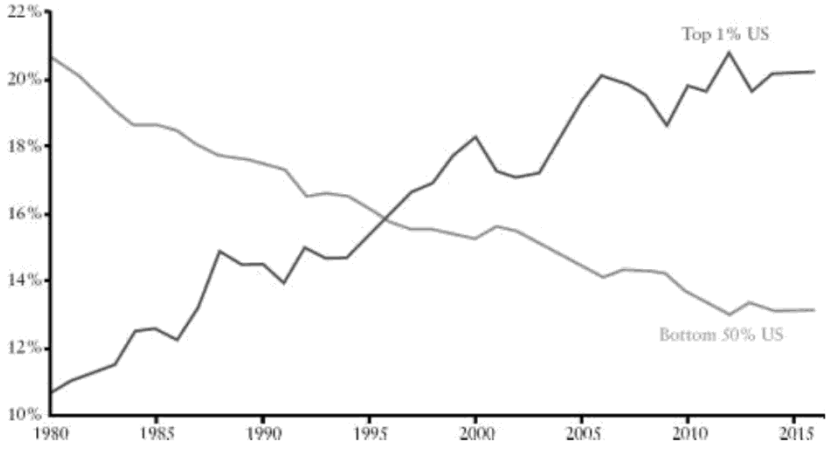
Nixon's combination of racialized appeals and lunch-pail economics took inspiration from Kevin Phillips's book, *The Emerging Republican Majority*

—the publishing sensation that turned the unknown twenty-something, fresh out of law school and a stint on Nixon's 1968 campaign, into the party's top young strategist. Phillips believed the GOP would never get more than a tiny share of black votes. Yet the expansion of voting rights in the South was nonetheless an opportunity, because it would drive "negrophobe" white voters (Phillips's coinage) into the Republican fold. To reap these rewards, however, Nixon would not only have to signal his sympathies to resentful whites, Phillips argued. He would also have to dispel "[f]ears that a Republican administration would undermine Social Security, Medicare, collective bargaining and aid to education."[6]

In seeking his emerging majority, in other words, Nixon paired resentment and reassurance, employing "dog-whistle" racial appeals but also affirming the New Deal's commitments to a strong welfare state and federal support for organized labor. For a canny conservative seeking to realign American politics, this combination made sense. The business lobby and the wealthy were captured constituencies with limited power to insist on their demands. Organized labor and working-class voters, by contrast, had the clout not only to deliver electoral wins but also to challenge corporate priorities, in Washington as well as the workplace. At a time when wages were growing and unions strong, trust in government was high and inequality continuing to fall, Nixon faced an opportunity, not a dilemma. Because the party could take for granted its old economic backers, it could direct its policies toward new electoral blocs. As a result, Nixon envisioned a Republican Party that moved left on economics while moving right on race, appealing to the pocketbooks as well as the prejudices of "the forgotten Americans."[7]

THE NIXON MEMO NOW READS like the product of an archeological dig—a description of a society buried in the rubble of America's inequality explosion. In one passage, the memo reports that blue-collar workers "had increased their incomes by only 84 percent between 1949 and 1968." The "only" is a reminder that, despite the increasing economic turbulence of the early 1970s, the forty years after 1940 were a time of widely distributed affluence, as workers' productivity and pay increased rapidly and in tandem.[8]

Not so the last forty years. Statistics about America's extreme inequality have become so familiar that they have lost their power to shock. But



Source: Facundo Alvaredo, Lucas Chancel, Thomas Piketty, and Emmanuel Saez, *World Inequality Report 2018* (Paris: World Inequality Lab, 2017). See https://wir2018.wid.world for data series and notes.

In 1980, 11 percent of national income was received by the top 1 percent in the United States, compared with 21 percent received by the bottom 50 percent. In 2016, 20 percent of national income was received by the top 1 percent in the United States, compared with 13 percent received by the bottom 50 percent.

Nor are inequality's broader effects limited to mobility. A wide range of fundamental social outcomes track rising inequality, including disparities in health, gaps in college completion, and inequalities in access to affordable housing. According to many of these crucial measures, the gap between rich and poor is now at least as large as the gap between black and white—that is, at least as large as a social and economic divide so deep and pernicious that generations of thinkers have questioned the very capacity of our society to grapple with it.[11]

America's skyrocketing inequality also looks very different from the experience of rich nations across the Atlantic. Figure 2 shows the parallel trends of the top 1 percent and the bottom 50 percent in Western Europe. There is no comparison: the share of income going to the top 1 percent in Europe was relatively stable over the past generation, even while it was rising dramatically in the United States. Meanwhile, the relative standing of the middle and bottom has fallen much more in the United States than in other rich nations.[12]

American wealth inequality is also unusually high. Wealth—what households own, such as real estate and financial assets—is critical to both

did the same. In agreeing to raise taxes in return for spending cuts, Bush not only broke his "Read my lips: no new taxes" pledge. He also broke with America's emergent plutocracy. The tax increases he and congressional Democrats agreed to were laser-targeted on the superrich: an increase in the top marginal tax rate, a strengthened alternative minimum tax on affluent taxpayers, new excise taxes on luxury items like furs, yachts, and private planes. Although these were exactly the kinds of taxes for which voters expressed the most support, Gingrich and his allies in Congress revolted, pledging to take down any Republican who supported new taxes—even if those taxes were popular with swing voters and even if that Republican was in the White House. "The number one thing we had to prove in the fall of '90," Gingrich would later say, "was that, if you explicitly decided to govern from the center, we could make it so unbelievably expensive you couldn't sustain it."[21]

Bush couldn't, and neither could Clinton. When Bush went down to defeat in 1992, the ascendant Gingrich faction welcomed his loss. A year later, not a single Republican supported Clinton's 1993 budget plan, which looked a lot like Bush's 1990 deal. Clinton had thought he might peel off a few Republicans by focusing his tax hike on the affluent. He was wrong. By defending the class they called "job creators," Republicans insisted they were defending "the working people in this country who are going to get the penalties from people who don't want to invest more, take any more risks," as one Gingrich stalwart put it. Republicans' opposition to a centrist deficit-reduction package was of a piece with their scorched-earth rejection of bipartisanship. Amidst rising acrimony, they rode a wave of discontent into a House majority, running on what they called their "Contract with America."[22]

The "Contract" offered vague promises to clean up government, in the form of sharp cuts in congressional staff and term limits on committee chairs. It also promised to pass "The Job Creation and Wage Enhancement Act," which was very explicit about what House Republicans thought would create jobs and enhance wages: halving the capital gains tax. Once Republicans took control of the House, business-friendly conservatives such as House majority whip Tom DeLay pushed GOP policy even further toward plutocratic priorities, embracing a broad program of tax cuts on corporations and the rich and deregulation of large swaths of the economy. By 1997, congressional Republicans had pressured Clinton into backing a budget and tax deal—ostensibly aimed at balancing the budget—that

Leninist" who headed the anti-tax group Americans for Tax Reform. Norquist had a list of the DC lobbyists who gave money to Democrats or were themselves registered Democrats. Wielding it, DeLay told lobbying firms and big donors, "If you're going to play in our revolution, you've got to live by our rules."[26]

The Gingrich team also put intense pressure on business-allied groups to take more conservative positions. The US Chamber of Commerce, for example, reversed its stance on Clinton's health care proposal after fierce "reverse lobbying" by House Republicans. Republican leaders, including future House Speaker John Boehner, threatened to punish the group legislatively and encouraged its corporate members to defect to hard-right business organizations. Emboldening conservatives within the Chamber, the episode marked the beginning of the organization's transformation from a broadly right-leaning group into a much more conservative one tightly aligned with the GOP.[27]

Once in the majority, DeLay launched what House Republicans called "Project Relief," a major program of consumer, environmental, and labor-market deregulation. Project Relief was jointly run by DeLay's team and lobbyists for industries willing to pony up. It segued seamlessly into the "K Street Project"—so named because so many lobbying firms set up shop on DC's K Street—another concerted effort by Republican leaders to entice corporate lobbies to back their agenda and hire GOP loyalists. By the early 2000s, journalists were marveling that DeLay's "huge fundraising machine . . . seems capable of extracting money and servicing its clients like nothing ever seen in Washington."[28]

In time, rueful conservatives would argue that a "true" revolution was hijacked by the "K Street Gang," as the journalist Matthew Continetti termed DeLay and his circle. In a lament that would soon become a trope, Continetti argued that Republicans had betrayed their professed principles "by giving corporations unprecedented access to a governing majority's internal operations." Yet a powerful logic of mutual dependence explained why an already strongly pro-business party would move toward an ever more blatantly plutocratic agenda as inequality increased. Republicans' electoral fortunes, their ability to recruit candidates, their activist cadre, their party organizations—all required escalating sums of money and the efforts of savvy institution-builders. As inequality grew rapidly, business groups and the donor class had these in abundance. In turn, Republicans had the power to deliver favorable policies—and to demand in return that

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