The Old Is Dying and the New Cannot Be Born

Nancy Fraser

The Old Is Dying and the New Cannot Be Born

From Progressive Neoliberalism to Trump and Beyond

Nancy Fraser

With an Interview by Bhaskar Sunkara

VERSO

London • New York

First published by Verso 2019

The essay by Nancy Fraser originally appeared as "From Progressive Neoliberalism to Trump—and Beyond" in *American Affairs* I, no. 4 (Winter 2017): 46–64, and is reprinted here with permission.

1 3 5 7 9 10 8 6 4 2

Verso
UK: 6 Meard Street, London W1F 0EG
US: 20 Jay Street, Suite 1010, Brooklyn, NY 11201
versobooks.com

Verso is the imprint of New Left Books

ISBN-13: 978-1-78873-272-7
ISBN-13: 978-1-78873-274-1 (US EBK)
ISBN-13: 978-1-78873-273-4 (UK EBK)

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data
A catalog record for this book is available from the Library of Congress

Typeset in Sabon by Biblichor Ltd, Edinburgh
Printed and bound by CPI Group (UK) Ltd, Croydon CR0 4YY

Contents

The Old Is Dying and the New Cannot Be Born

Whoever speaks of "crisis" today risks being dismissed as a bloviator, given the term's banalization through endless loose talk. But there is a precise sense in which we do face a crisis today. If we characterize it precisely and identify its distinctive dynamics, we can better determine what is needed to resolve it. On that basis, too, we might glimpse a path that leads beyond the current impasse—through political realignment to societal transformation.

At first sight, today's crisis appears to be political. Its most spectacular expression is right here in the United States: Donald Trump—his election, his presidency, and the contention surrounding it. But there is no shortage of analogues elsewhere: the UK's Brexit debacle; the waning legitimacy of the European Union and the disintegration of the social-democratic and center-right parties that championed it; the waxing

fortunes of racist, anti-immigrant parties throughout northern and east-central Europe; and the upsurge of authoritarian forces, some qualifying as proto-fascist, in Latin America, Asia, and the Pacific. Our political crisis, if that's what it is, is not just American, but global.

What makes that claim plausible is that, notwithstanding their differences, all these phenomena share a common feature. All involve a dramatic weakening, if not a simple breakdown, of the authority of the established political classes and parties. It is as if masses of people throughout the world had stopped believing in the reigning common sense that has underpinned political domination for the last several decades. It is as if they had lost confidence in the bona fides of the elites and were searching for new ideologies, organizations, and leadership. Given the scale of the breakdown, it's unlikely that this is a coincidence. Let us assume, accordingly, that we face a global political crisis.

As big as that sounds, it is only part of the story. The phenomena just evoked constitute the specifically political strand of a broader, multifaceted crisis that also has other strands—economic, ecological, and social—all of which, taken together, add up to a general crisis. Far from being merely sectoral, the political crisis cannot be understood apart from the blockages to which it is responding in other, ostensibly nonpolitical,

institutions. In the United States, those blockages include the metastasis of finance; the proliferation of precarious service-sector McJobs; ballooning consumer debt to enable the purchase of cheap stuff produced elsewhere; conjoint increases in carbon emissions, extreme weather, and climate denialism; racialized mass incarceration and systemic police violence; and mounting stresses on family and community life, thanks in part to lengthened working hours and diminished social supports. Together, these forces have been grinding away at our social order for quite some time without producing a political earthquake. Now, however, all bets are off. In today's widespread rejection of politics as usual, an objective systemwide crisis has found its subjective political voice. The political strand of our general crisis is a crisis of hegemony.

Donald Trump is the poster child for this hegemonic crisis. But we cannot understand his ascent unless we clarify the conditions that enabled it. That means identifying the worldview that Trumpism displaced and charting the process through which it unraveled. The indispensable ideas for this purpose come from Antonio Gramsci. *Hegemony* is his term for the process by which a ruling class makes its domination appear natural by installing the presuppositions of its own worldview as the common sense of society as a whole.

Its organizational counterpart is the *hegemonic bloc*: a coalition of disparate social forces that the ruling class assembles and through which it asserts its leadership. If they hope to challenge these arrangements, the dominated classes must construct a new, more persuasive common sense, or *counterhegemony*, and a new, more powerful political alliance, or *counterhegemonic bloc*.

To these ideas of Gramsci's we must add one more. Every hegemonic bloc embodies a set of assumptions about what is just and right and what is not. Since at least the mid-twentieth century in the United States and Europe, capitalist hegemony has been forged by combining two different aspects of right and justice—one focused on distribution, the other on recognition. The distributive aspect conveys a view about how society should allocate divisible goods, especially income. This aspect speaks to the economic structure of society and, however obliquely, to its class divisions. The recognition aspect expresses a sense of how society should apportion respect and esteem, the moral marks of membership and belonging. Focused on the status order of society, this aspect refers to its status hierarchies.

Together, distribution and recognition constitute the essential normative components out of which

hegemonies are constructed. Putting this idea together with Gramsci's, we can say that what made Trump and Trumpism possible was the breakup of a previous hegemonic bloc—and the discrediting of its distinctive normative nexus of distribution and recognition. By parsing the construction and breakup of that nexus, we can clarify not only Trumpism but also the prospects after Trump for a counterhegemonic bloc that could resolve the crisis. Let me explain.

The Hegemony of Progressive Neoliberalism

Prior to Trump, the hegemonic bloc that dominated American politics was progressive neoliberalism. That may sound like an oxymoron, but it was a real and powerful alliance of two unlikely bedfellows: on the one hand, mainstream liberal currents of the new social movements (feminism, antiracism, multiculturalism, environmentalism, and LGBTQ+ rights); on the other hand, the most dynamic, high-end, "symbolic," and financial sectors of the US economy (Wall Street, Silicon Valley, and Hollywood). What held this odd couple together was a distinctive combination of views about distribution and recognition.

The progressive-neoliberal bloc combined an expropriative, plutocratic economic program with a

liberal-meritocratic politics of recognition. The distributive component of this amalgam was neoliberal. Determined to unshackle market forces from the heavy hand of the state and the millstone of "tax and spend," the classes that led this bloc aimed to liberalize and globalize the capitalist economy. What that meant, in reality, was financialization: dismantling barriers to, and protections from, the free movement of capital; deregulating banking and ballooning predatory debt; deindustrializing; weakening unions; and spreading precarious, badly paid work. Popularly associated with Ronald Reagan but substantially implemented and consolidated by Bill Clinton, these policies hollowed out working-class and middle-class living standards while transferring wealth and value upward—chiefly to the 1 percent, of course, but also to the upper reaches of the professional-managerial classes.

Progressive neoliberals did not dream up this political economy. That honor belongs to the Right: to its intellectual luminaries Friedrich Hayek, Milton Friedman, and James Buchanan; to its visionary politicians Barry Goldwater and Ronald Reagan; and to their deep-pocketed enablers Charles and David Koch, among others. But the right-wing "fundamentalist" version of neoliberalism could not become hegemonic in a country whose common sense was still shaped by

New Deal thinking, the "rights revolution," and a slew of social movements descended from the New Left. For the neoliberal project to triumph, it had to be repackaged, given a broader appeal, and linked to other, noneconomic aspirations for emancipation. Only when decked out as progressive could a deeply regressive political economy become the dynamic center of a new hegemonic bloc.

It fell, accordingly, to the "New Democrats" to contribute the essential ingredient: a progressive politics of recognition. Drawing on progressive forces from civil society, they diffused a recognition ethos that was superficially egalitarian and emancipatory. At the core of this ethos were ideals of "diversity," women's "empowerment," LGBTQ+ rights, post-racialism, multiculturalism, and environmentalism. These ideals were interpreted in a specific, limited way that was fully compatible with the Goldman Sachsification of the US economy: Protecting the environment meant carbon trading. Promoting home ownership meant bundling subprime loans together and reselling them as mortgage-backed securities. Equality meant meritocracy.

The reduction of equality to meritocracy was especially fateful. The progressive-neoliberal program for a just status order did not aim to abolish social hierarchy but to "diversify" it, "empowering" "talented"

women, people of color, and sexual minorities to rise to the top. That ideal is inherently class-specific, geared to ensuring that "deserving" individuals from "underrepresented groups" can attain positions and pay on a par with the straight white men of their own class. The feminist variant is telling but, sadly, not unique. Focused on "leaning in" and "cracking the glass ceiling," its principal beneficiaries could only be those already in possession of the requisite social, cultural, and economic capital. Everyone else would be stuck in the basement.

Skewed as it was, this politics of recognition worked to seduce major currents of progressive social movements into the new hegemonic bloc. Certainly not all feminists, antiracists, multiculturalists, and so forth were won over to the progressive-neoliberal cause, but those who were, knowingly or otherwise, constituted the largest, most visible segment of their respective movements, while those who resisted it were confined to the margins. The progressives in the progressive-neoliberal bloc were, to be sure, its junior partners, far less powerful than their allies in Wall Street, Hollywood, and Silicon Valley. Yet they contributed something essential to this dangerous liaison: charisma, a "new spirit of capitalism." Exuding an aura of emancipation, this new "spirit" charged neoliberal economic activity with a frisson of excitement. Now associated with the

forward-thinking and the liberatory, the cosmopolitan and the morally advanced, the dismal suddenly became thrilling. Thanks in large part to this ethos, policies that fostered a vast upward redistribution of wealth and income acquired the patina of legitimacy.

To achieve hegemony, however, the emerging progressive-neoliberal bloc had to defeat two different rivals. First, it had to vanquish the not-insubstantial remnants of the New Deal coalition. Anticipating Tony Blair's "New Labour," the Clintonite wing of the Democratic Party quietly disarticulated that older alliance. In place of a historic bloc that had successfully united organized labor, immigrants, African Americans, the urban middle classes, and some factions of big industrial capital for several decades, they forged a new alliance of entrepreneurs, bankers, suburbanites, "symbolic workers," new social movements, Latinxs, and youth, while retaining the support of African Americans, who felt they had nowhere else to go. Campaigning for the Democratic presidential nomination in 1991–92, Bill Clinton won the day by talking the talk of diversity, multiculturalism, and women's rights even while preparing to walk the walk of Goldman Sachs.

The Defeat of Reactionary Neoliberalism

Progressive neoliberalism also had to defeat a second competitor, with which it shared more than it let on. The antagonist in this case was reactionary neoliberalism. Housed mainly in the Republican Party and less coherent than its dominant rival, this second bloc offered a different nexus of distribution and recognition. It combined a similar neoliberal politics of distribution with a different reactionary politics of recognition. While claiming to foster small business and manufacturing, reactionary neoliberalism's true economic project centered on bolstering finance, military production, and extractive energy, all to the principal benefit of the global 1 percent. What was supposed to render that palatable for the base it sought to assemble was an exclusionary vision of a just status order: ethnonational, anti-immigrant, and pro-Christian, if not overtly racist, patriarchal, and homophobic.

This was the formula that allowed Christian evangelicals, southern whites, rural and small-town Americans, and disaffected white working-class strata to coexist for a couple of decades, however uneasily, with libertarians, Tea Partiers, the Chamber of Commerce, and the Koch brothers—plus a smattering of bankers, real-estate tycoons, energy moguls, venture

capitalists, and hedge-fund speculators. Sectoral emphases aside, on the big questions of political economy, reactionary neoliberalism did not substantially differ from its progressive-neoliberal rival. Granted, the two parties argued some about "taxes on the rich," with the Democrats usually caving. But both blocs supported "free trade," low corporate taxes, curtailed labor rights, the primacy of shareholder interest, winner-takes-all compensation, and financial deregulation. Both blocs elected leaders who sought "grand bargains" aimed at cutting entitlements. The key differences between them turned on recognition, not distribution.

Progressive neoliberalism mostly won that battle as well, but at a cost. Decaying manufacturing centers, especially the so-called Rust Belt, were sacrificed. That region, along with newer industrial centers in the South, took a major hit thanks to a triad of Bill Clinton's policies: the North American Free Trade Agreement (NAFTA), the accession of China to the World Trade Organization (justified, in part, as promoting democracy), and the repeal of the Glass-Steagall Act, which loosened regulations on banking. Together, those policies and their successors ravaged communities that had relied on manufacturing. In the course of two decades of progressive-neoliberal hegemony, neither of the two major blocs made any serious effort to support those

communities. To the neoliberals, their economies were uncompetitive and should be subject to "market correction." To the progressives, their cultures were stuck in the past, tied to obsolete, parochial values that would soon disappear in a new cosmopolitan dispensation. On neither ground—distribution or recognition—could progressive neoliberals find any reason to defend Rust Belt and Southern manufacturing communities.

The Hegemonic Gap—and the Struggle to Fill It

The political universe that Trump upended was highly restrictive. It was built around the opposition between two versions of neoliberalism, distinguished chiefly on the axis of recognition. Granted, one could choose between multiculturalism and ethnonationalism. But one was stuck, either way, with financialization and deindustrialization. With the menu limited to progressive and reactionary neoliberalism, there was no force to oppose the decimation of working-class and middle-class standards of living. Antineoliberal projects were severely marginalized, if not simply excluded from the public sphere.

That left a sizable segment of the US electorate—victims of financialization and corporate globalization—without a natural political home. Given that neither of the two