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Prolegomenon to a defense of the City of Gold

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In 1992, Democratic Party strategist James Carville posted a sign in the campaign staff's "War Room", that included the message "The Economy, Stupid", which quickly morphed into "It's the Economy, Stupid" and became a *de facto* slogan for Bill Clinton's successful bid for U.S. President. The slogan reflected a widespread belief that American votes are usually decided by pocketbook issues, a view that bears some kinship to the Marxian position that economic reality is somehow more fundamental (base) than ideology and the rest of culture (superstructure), a thought not unrelated to the economists' traditional prejudice in favor of materialism. Whatever the genealogies of such collective imaginaries, it seems fair to say that lazy materialism has continued to suffuse Democratic Party ideology, and indeed the positions of mainstream center left parties in many high income societies.

This simplistic epistemology – often risibly presented as a hardheaded lack of sentimental idealism – left Democrats unprepared to understand or engage the populist rhetoric of recent years, which uses economic language in far more complex ways. More generally, in contests between "populists" and "the establishment" or "elites" in the United States and other high income societies, the vocabulary of economics has served psychological and so political purposes far beyond ordinary pocketbook concerns. "The economy" has gone from being understood as knowable, fundamental, factual, the basis of argument, to a field of discourse, opaque, emotional, intensely subjective, a mode of disputation and, most importantly, identification.

Before proceeding further, it may be worthwhile to emphasize an analytical complexity, especially for readers from outside of the United States. The divide between Republicans and Democrats is not congruent with the divide between populists and the establishment. In fact, throughout the 20th century the Republican Party positioned itself as the party of the establishment, especially the business establishment. Many Republicans, including of course the mainstream candidates, were literally incredulous at the decisive power of Trump's populist appeal. Conversely, many populists supported the insurgent Bernie Sanders against the Democrat's longstanding heiress apparent, Hillary Clinton. A significant number of populists who voted for the Democrat Obama, hoping for change, went on to vote for the Republican Trump, for the same reason.

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Those things said, during the Obama presidency, i.e., when the Democrats held the White House, Republicans naturally tended to position themselves as outsiders, and railed against Washington generally and the Affordable Care Act (“Obamacare”) especially. Republicans summoned radical populism and radical populism came, to the delight of some people and the consternation of others, in the form of a reality show President who communicates directly to the people via Twitter. (From time to time one must pause to contemplate the raw newness of the present situation.) Trump thus appears to be the populist extreme of a more moderately populist party.

It should also be emphasized that the Republican Party has been very successful in recent years. It is true that the Democrats held the White House from 2008–2016, in large part due to the appeal of President Obama. In the meantime, however, and despite greater membership and presumptively better demographics, the Democratic Party became in many ways the minority party in the United States. As of February 2017, Republicans control not only the Presidency, but both houses of Congress. Thirty-three State governors are Republican (16 are Democrats, and one is independent). In 32 states, Republicans control the legislature; Democrats control 13 states; and the rest are split. In sum, Republican Party power is both broader and more representative, and somewhat less populist, than a narrow focus on the very close Trump election might suggest.

Nonetheless, national political discourse has polarized, and this polarization has included economics. Far from being somehow objective, the language of economics has been pressed into partisan service. The tropes have become familiar:

1. Populists vote against establishment parties, professing to worry about jobs taken by immigrants, legal or not, or lost to international trade. Nativist rhetoric flourishes; ugly things are said about those seen as outsiders.
2. Elites scratch their heads and wonder about populist discontent, since ordinary people are awash in the cheap goods offered by globalized production. Even gasoline is cheap, global warming be damned. Moreover, ordinary people benefit from the subsidies provided by a benevolent state, run by right thinking mandarins for the good of all.
3. Populists decry the growing privilege and entrenchment of elites. Meanwhile they and their spouses work harder than ever and get nowhere, or do not work and fall behind.
4. Elites call populists losers, unable to succeed in the modern era.
5. Populists call elites unpatriotic, godless hypocrites, and the like.
6. Elites call populists morally unacceptable, deplorable, xenophobic, racist, etc.

Politics is rarely gentle, and this is hardly the first time in U.S. history that the nation has been polarized. That said, the *ad hominem* quality and lack of decorum of contemporary politics are largely unprecedented, at least in living memory. This charged atmosphere raises problems for political thought. In a polarized milieu, where “you are either for us or against us”, it is difficult to say much without being understood to adopt one of the familiar attacks or counter-attacks. And so political discourse in the United States in recent months has been especially repetitive, along the lines sketched above. How to get out of this loop, without being coopted by the agonistic structure of contemporary politics?

From an American perspective, the polarized character of contemporary politics is rather sad. In the U.S. political tradition, which lies near the heart of the national identity, politics has been idealized as a rational and collective enterprise. A nicety of history: in 1776, the same year as the Declaration of Independence, Adam Smith published *The Wealth of Nations*, arguing that national prosperity resulted more from sound institutions and wise policies than from natural favor or battlefield success. The United States was founded, made rather than inherited, and so both its political institutions and its economy were from the start in question. What sort of institutions, laws, economy would the new nation have? Consider, in this regard, not just the *Federalist Papers*, but the tensions between a more agrarian republic associated with Jefferson as opposed to Hamilton's more mercantile and industrial vision; the debates over the First and Second National Bank (the central bank); and of course the existence and expansion of slavery and the economy founded thereon. It would be easy enough to carry the theme through the Civil War and up until the present, but the point here is that arguments over how to answer such questions, how to construct the nation, have been not just the substance but also the practice of American politics, the warp and the woof. What else did these immigrants share?

The traditional fora for such arguments have been broadly circulated newspapers, black and white and read all over, as an old children's riddle has it. Consider Benjamin Franklin, newspaperman, or Watergate and the *Washington Post*. None of which is to deny that there have been lapses in the quality of argument, times when argument was less than principled and appeals were venal, but it is a tradition of virtue that makes a lapse possible. Now the practice of rational and collective argument, and the broad fora in which such arguments are held, to say nothing of the manners, seem at risk of passing from the scene.

Aristotle's claim that man is a political animal is often taken as a sort of preface to constitutional thought, discussion of different forms of political life, their strengths and vulnerabilities, different understandings of citizenship, and so forth. But the famous claim also lends itself to a simpler and darker reading that seems particularly pertinent nowadays: men (and women) will form political associations, tribes of one sort or another, with whatever materials fall to hand. Politics, the ties that bind, can be based upon any number of things: descent from a hero or a god, common birth in a location, shared history or religion, or race, or national chauvinism, or sports, or even policy, including of course economic policy. Indeed, in vast polities like the United States or the European Union, policy – the state of being *bien pensant* – is an especially attractive foundation for political life, because it requires only agreement, not personal knowledge. One can make common cause with absolute strangers, indeed must in order to elect a president. Conversely, one can use political abstractions to assess whether strangers are otherwise our kind of people. So political identities and even marriages are formed on notional assent to abstract ideas. Is this not the stuff of talk radio, or slightly more subtly, the congratulatory pieties of the liberal media? From this perspective, the very American idea that policy talk is about what is to be done seems naive, and the notion that "economics" forms some sort of objective ground for political discourse – "it's the economy, stupid" – begins to seem tragicomic.

The better question is why this economic language, now, for these people? What sort of political identity does this language constitute? To begin with the heart of populism in the contemporary United States, working class white males: contemporary society has little use for such men. Some of this dislocation is sexual and racial – to be a white male is no longer automatically a position of privilege. Much of this dislocation, however, is economic. Decently paying high skill labor is becoming scarce, and even middle class wages have been relatively

stagnant for years and years. But “economic” is hardly objective. When Americans meet for the first time, they frequently ask, “what do you do?” that is, what is your job? In a vast commercial republic, a great many people found their personal identities and their social roles on their employment – their jobs make them who they are. The stagnation and uncertainty of the contemporary job market have thus raised existential issues, even for those not threatened with poverty.

Economic precariousness, even poverty, need not be completely disabling. Members of other ethnicities and genders often tell stories of heroically overcoming historic injustice. Civil society abounds with “women in law” and “Black History Month” and so forth. Such forms of association and such stories are by and large unavailable to straight working class white men, because they are straight, white, and male, that is, members of the oppressor class against which other identities are founded. Not everybody can be a subaltern. Public discourse effectively prohibits such men from portraying themselves as victims, and so they had better be successful, or they will have no narrative with which to explain their lives to themselves or to their fellow citizens. As already suggested, in the event of failure or even mediocrity, such men are likely to be scorned as losers, failures. Some such men turn (have always turned) to blaming others, in familiar patterns of isms – antisemitism, racism, xenophobia, various forms of sexism – but perhaps mostly just bitterness looking for a target. Such men may be called “deplorable” by establishment presidential candidates. Recent studies indicate catastrophic levels of substance abuse and suicide among this population in the United States.

Turning to the establishment, and especially the overwhelmingly liberal elites: contemporary U.S. society is in fact quite unequal and that inequality is entrenched by the professions. American inequality is not just a matter of the very wealthy, or the historically underprivileged. A mandarin class (well-trained symbol manipulators, often bureaucrats) both runs and benefits from the academy, the civil service, much of finance, law and medicine, the press and media generally, various high tech industries, and other established institutions that require prestigious educational credentials in order to participate. Their position is conservative for the traditional and structural reasons that they are highly privileged by the status quo, and increasingly able to pass along such privilege to their children through meritocratic institutions of higher education, “meritocratic”, that is, for those with the proper backgrounds.

Liberal elites in the US seem, however, to be an *haute bourgeoisie* that dare not speak its name. Certainly people have been more honest about their status in other times and places. The Democratic Party led by Hillary Clinton, centered on professionals rather than labor or even ethnic minorities, is dominated by Whigs masquerading as progressives. There is much to be said about claims to progress, but for now it bears remembering that comfort with sexual variation is quite compatible with hierarchy – de Sade was a Marquis. Interestingly, contemporary professionals are relatively staid in their personal lives. Dual income professional couples not only are more likely to stay married, their double incomes create surplus capital for investment purposes, not to mention a stable platform from which to get their children into elite schools. Nor is it obvious how people who received their positions through a lifetime of brutal zero sum competition, often in Ivy League institutions, somehow come to think of themselves as egalitarian. Indeed, contemporary American elites have intensely uncharitable feelings about swathes of life in the United States, ranging from entire states to cuisines to amusements to music, to say nothing of political positions... There is much more to be said, but in short, this generation of mandarins may well be remembered as far more hypocritical than the Victorians, or perhaps simply unreflective.

Hypocrisy is fairly minor as sins go, in places bordering on good manners. The real problem, intellectually, is that none of the foregoing amounts to a *defense* of the status quo. Members of the establishment, by definition somewhat conservative even if blissfully unaware of the fact, should be able to articulate what they feel worth preserving about the society with which they are entrusted, besides their own privilege. As suggested above, saying “the peasants are revolting” i.e., ignorant, racist, homophobic, etc. simply does not suffice. (Apologies to Parker and Hart’s *The Wizard of Id*.) It is better, but not much better, to be sympathetic and say that the peasants have had a really rough time, what with globalization and automation, and are acting out. Sometimes poor uneducated white men, like children, say terrible things (can one imagine saying anything similar about any other group?). Nor is it enough for members of the establishment to say that while we may be privileged, one must look at the alternatives. Perhaps abandoning the status quo means that populists will do terrible things, by which it is usually meant that various populations will lose various rights. This evidently was the argument of the Women’s March on Washington and elsewhere on January 21, 2017. But this is an essentially negative argument for any establishment: support us because you fear them. And the argument comes at the cost of demonizing a large part of the population that the establishment claims to govern, to represent, and on which it ultimately relies, even in the absence of democratic sentiment among the governing elite. After all, who takes the “people” in “populist” seriously?

Negative arguments in support of the establishment are unlikely to be enough, or at least have not been enough recently in the U.S., in the U.K. and on the Continent. Fears evidently can be allayed, or subordinated to a more profound discontent with the status quo. What is needed are positive arguments. With both the British and the Belgian empires in mind, Joseph Conrad wrote “What redeems it is the idea only. An idea at the back of it; not a sentimental pretense but an idea; and an unselfish belief in the idea – something you can set up, and bow down before, and offer a sacrifice to...” Unfortunately, the establishment on both sides of the Atlantic has been woefully short of positive ideas in recent years.

What Conrad calls an idea might in some circumstances be called a narrative, a story that people tell to one another and themselves, perhaps the United States as an opportunity and a succession of frontiers, or the unfolding history of a self-governing people. But sometimes the idea is more of an aesthetic, perhaps a city on a hill, or the peacefully cosmopolitan Europe imagined by a cognac merchant. For Conrad it was a complex of associations, being British. But the important point, here, is that it was “the idea that redeems it” – not that there was no sin in colonialism, but that the sin was in service to a larger vision, worthy of allegiance.

The indispensable function of shared beliefs for large polities is that they bridge physical and temporal differences. They make us one, even if only in our heads (how else could we be one?). So, since Rousseau is correct that the citizens of large republics cannot all participate in the general will because it is not directly familiar, such republics require large scale shared beliefs. Rephrased, belief makes collective participation possible, i.e., a polity exists because people believe it exists, and that they belong.

The danger in both the United States and Europe and indeed globally is that people may cease to believe collectively in important aspects of the ideas or narratives that have constituted their polities. Such polities risk polarization, indeed have experienced great polarization, which history warns threatens outright fragmentation, and that often ends badly. In the absence of shared narrative, things fall apart. To be blunt, there seems to be a substantial risk of the fragmentation of the liberal order in the United States, in Europe, and

established internationally after World War Two, largely under American leadership. In each context, one may ask, what are the shared narratives, and are they still shared?

Perhaps most consequentially, and the focus of the remainder of this essay, the Trump administration has put the liberal international order at issue. Trump may not succeed in fundamentally changing the course of U.S. foreign policy; inertia is an awesome force. Nonetheless, the administration has signaled its desire for an essentially bilateral basis for U.S. trade policy, and foreign policy generally. Not just NAFTA but the United Nations and NATO have been called into question. Immigration policy became radically more restrictive overnight. In saying such things and taking such actions, Trump appears to be willing to reverse U.S. policy running through both Republican and Democratic administrations back to World War II.

This is not just a matter of U.S. policy and its effects on other states. The world that was born after WWII (globalization, the integration of Europe, and the multilateral liberal international order generally) may be understood to constitute a polity, which I have elsewhere called the City of Gold. The essence of the City is that economic integration can be used to create human connections that span spaces in complicated ways not reducible to the nation state; the organizational expressions of this thought are the Bretton Woods institutions and the European project. In establishing these institutions and thereby constructing the City, the founders sought to replace the nationalism most perfectly represented by Hitler's Germany, in which borders, political identity, economic power and military organization are all coterminous, and available for warfare. In the nation's stead, it was hoped, new forms of social and political life would emerge, forms that have come to be called globalization, or more intensely, Europe, and perhaps less obviously or completely, the multicultural contemporary United States, with its over 320 million souls. As a matter of political philosophy (including political economy) globalization represents a shift in the dominant grammar: a turn from the politics of the modern nation-state, more or less Enlightened, toward a supra-national and post-Enlightened politics largely based on market participation. From this perspective, of Keynes and Monnet, economics is essentially aspirational, a way of constructing politics and a hope, rather than a foundational form of knowledge.

As the rise of global populism makes clear, the survival of the City cannot be taken for granted. Nor should it be. Again, polities need animating ideas, grounds for solidarity. Why should the world be organized in this fashion? What are the ideas that animate the City? What are its weaknesses? *City of Gold* was, of course, an effort to answer to such questions, to articulate the idea that provided a *raison d'être* for globalization and indeed the contemporary modernity under attack by Trump and other populists.

Many of the center-left parties of the world do not understand that they are playing defense, and therefore should be able to call the contemporary order into question and justify it nonetheless. That kind of thing is for conservatives, and, as already noted, the Democratic Party at least does not understand its conservative commitments. Consonantly, since the fall of Marxism, Davos man has had few critical traditions with which to question his own moral legitimacy. There has been some concern about jobs, and for a while there were protests at WTO meetings. None of that made much difference to center-left thought. Apart from the sheer difficulty of thinking about the contemporary, for those who have done well, as with most elites throughout history, the regime that rewards them needs no justification. The world in which I am privileged is the best of all possible worlds, the order of nature, probably divinely ordained. So, suddenly under pressure from populists, contemporary elites have few

intellectual resources on which to draw and little of substance to say, and therefore indulge in name-calling. Hardly edifying, even if sometimes accurate.

But name-calling is besides the deeper point, which is articulating why *this* is a meaningful way to construct political order nationally and internationally. There are indeed alternatives, some of which are articulated by Trump and other populists, some of which are expressed by Islamists, and no doubt others besides. More deeply, the City of Gold, like any form of political life, has shortcomings that must either be changed (leading to a different sort of polity, with shortcomings of its own), or with which some sort of peace must be made. Any civilization has its discontents, and they are not entirely wrong. From this perspective, it is tempting to see the intellectual situation of liberal elites as an updated version of Marie Antoinette playing shepherdess: the fact that elites have a hard time even conceptualizing different politics, much less justifying their own politics, indicates a lack of imagination or critical equipment, perhaps a certain laziness, no doubt the distraction of big wall diving off Belize. Forgivable, even expected, as a human matter, but not responsive to the demands of the day, as Weber urged sociology to be.

A serious establishment confronts the failings of the order it seeks to defend, even as it articulates shared ideas, aesthetics, narratives to which its people subscribe, and which constitute far-flung individuals as a people. On February 18th, 2017, the *New York Times* online ran an article, "Trump's 'Winter White House': A Peek at the Exclusive Members' List at Mar-a-Lago." The same article appeared above the fold on the front page of the New York print edition the next day, under the slightly less breathless headline "For \$200,000, a Chance to Whisper in Trump's Ear". A couple of headlines are only snapshots, but at this juncture it is difficult to argue that the Democratic Party or the liberal establishment generally in the U.S. is serious. Hope springs eternal, but it is also difficult to be sanguine about this establishment's capacity to ensure the national and global political orders that it has inherited and that suddenly seem at risk of dissolution.

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