

The End of Progressive Neoliberalism

[Nancy Fraser](#)

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The election of Donald Trump represents one of a series of dramatic political uprisings that together signal a collapse of neoliberal hegemony. These uprisings include the Brexit vote in the United Kingdom, the rejection of the Renzi reforms in Italy, the Bernie Sanders campaign for the Democratic Party nomination in the United States, and rising support for the National Front in France, among others. Although they differ in ideology and goals, these electoral mutinies share a common target: all are rejections of corporate globalization, neoliberalism, and the political establishments that have promoted them. In every case, voters are saying “No!” to the lethal combination of austerity, free trade, predatory debt, and precarious, ill-paid work that characterize financialized capitalism today. Their votes are a response to the structural crisis of this form of capitalism, which first came into full view with the near meltdown of the global financial order in 2008.

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

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

Progressive neoliberalism developed in the United States over the last three decades and was ratified with Bill Clinton's election in 1992. Clinton was the principal engineer and standard-bearer of the "New Democrats," the U.S. equivalent of Tony Blair's "New Labor." In place of the New Deal coalition of unionized manufacturing workers, African Americans, and the urban middle classes, he forged a new alliance of entrepreneurs, suburbanites, new social movements, and youth, all proclaiming their modern, progressive bona fides by embracing diversity, multiculturalism, and women's rights. Even as it endorsed such progressive notions, the Clinton administration courted Wall Street. Turning the economy over to Goldman Sachs, it deregulated the banking system and negotiated the free-trade agreements that accelerated deindustrialization. What fell by the wayside was the Rust Belt—once the stronghold of New Deal social democracy, and now the region that delivered the electoral college to Donald Trump. That region, along with newer industrial centers in the South, took a major hit as runaway financialization unfolded over the course of the last two decades. Continued by his successors, including Barack Obama, Clinton's policies degraded the living conditions of all working people, but especially those employed in industrial production. In short, Clintonism bears a heavy share of responsibility for the weakening of unions, the decline of real wages, the increasing precarity of work, and the rise of the two-earner family in place of the defunct family wage.

As that last point suggests, the assault on social security was glossed by a veneer of emancipatory charisma, borrowed from the new social movements. Throughout the years when manufacturing cratered, the country buzzed with talk of "diversity," "empowerment," and "non-discrimination." Identifying "progress" with meritocracy instead of equality, these terms equated "emancipation" with the rise of a small elite of "talented" women, minorities, and gays in the winner-takes-all corporate hierarchy instead of with the latter's abolition. These liberal-individualist understandings of "progress" gradually replaced the more expansive, anti-hierarchical, egalitarian, class-sensitive, anti-capitalist understandings of emancipation that had flourished in the 1960s and 1970s. As the New Left waned, its structural critique of capitalist society faded, and the country's characteristic liberal-individualist mindset reasserted itself, imperceptibly shrinking the aspirations of "progressives" and self-proclaimed leftists. What sealed the deal, however, was the coincidence of this evolution with the rise of neoliberalism. A party bent on liberalizing the capitalist economy found its perfect mate in a meritocratic corporate feminism focused on "leaning in" and "cracking the glass ceiling."

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

What made possible that conflation was the absence of any genuine left. Despite periodic outbursts such as Occupy Wall Street, which proved short-lived, there had been no sustained left presence in the United States for several decades. Nor was there in place any comprehensive left narrative that could link the legitimate grievances of Trump supporters with a fulsome critique of financialization, on the

one hand, and with an anti-racist, anti-sexist, and anti-hierarchical vision of emancipation, on the other. Equally devastating, potential links between labor and new social movements were left to languish. Split off from one another, those indispensable poles of a viable left were miles apart, waiting to be counterposed as antithetical.

At least until the remarkable primary campaign of Bernie Sanders, who struggled to unite them after some prodding from Black Lives Matter. Exploding the reigning neoliberal commonsense, Sanders's revolt was the parallel on the Democratic side to that of Trump. Even as Trump was upending the Republican establishment, Bernie came within a hair's breadth of defeating Obama's anointed successor, whose apparatchiks controlled every lever of power in the Democratic Party. Between them, Sanders and Trump galvanized a huge majority of American voters. But only Trump's reactionary populism survived. While he easily routed his Republican rivals, including those favored by the big donors and party bosses, the Sanders insurrection was effectively checked by a far less democratic Democratic Party. By the time of the general election, the left alternative had been suppressed. What remained was the Hobson's choice between reactionary populism and progressive neoliberalism. When the so-called left closed ranks with Hillary Clinton, the die was cast.

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

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

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

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

Nancy Fraser is a professor of philosophy and politics at The New School for Social Research and author, most recently, of *Fortunes of Feminism: From State-Managed Capitalism to Neoliberal Crisis* (Verso, 2013).

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