Plutocracy, Populism and the 2016 American Election

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Even as the plutocracies of the Republican and Democratic Party represent the same kinds of power interests, there are huge policy differences between even the most corporatist Democrats and the most “moderate” Republicans, especially on social issues. The new President, from whichever party, will have to address the power that corporate and financial institutions wield over politics in the United States.

When Donald Trump announced his candidacy for the Republican Party’s presidential nomination last summer, many dismissed him as a joke. Yet he has become the frontrunner for his party’s nomination by engaging in explicit racial demagoguery, calling entire groups of people rapists, terrorists or criminals. Such rhetoric was unacceptable in American public discourse. Even as George W Bush was commencing his aggressive wars after 9/11, he was emphatic in his public statements that Islam as a religion was not to blame and that Muslims in America should not be targeted. Trump espouses no such reservations.

There is a consensus amongst political pundits that even if he was to win the nomination, Trump’s views are too extreme to win a general election. This may be naïve: right-wing politicians who project themselves as strong men often do better than conventional wisdom expects. Few people, even in the Bharatiya Janata Party (BJP), expected the mandate with which Narendra Modi came to power in 2014. A more apt parallel might be with Ronald Reagan, who at the end of 1979 was considered too right-wing for the American mainstream and a bit of a buffoon. Not only did Reagan sweep to the Presidency, he changed the contours of American politics for a generation to come. The Trump candidacy is by now a real enough political phenomenon that one cannot discount the possibility of a Trump presidency and all its attendant consequences.

While Trump’s campaign has been cynical and his core constituency deeply xenophobic, understanding its success must go beyond romanticising or vilifying the candidate himself to accounting for the articulation of three historical movements: first, the transformation of America from an industrial to a service economy that has privileged the educated elite and limited the possibilities of social mobility for those without higher education; second, the growing economic and political power of corporate and financial capital, leading to levels of economic inequality and inequality of opportunity that have not been seen since the Great
Depression; and third, the massive demographic transformations in the country, which will see America become a Hispanic-majority nation within the next three decades.

Trump’s candidacy is the ugly confluence of these three trajectories. There is a second more hopeful trajectory that this confluence results in, which is playing out in the equally meteoric rise of Bernie Sanders as a serious candidate for the Democratic Party nomination. I will first elaborate upon the anatomy of right-wing politics that leads to Trump’s popularity, before reflecting upon the progressive, alternative trajectory that Sanders represents.

Anatomy of the American Political Right

Even as political pundits dismiss Trump as being unelectable in a general election, there is a segment that worries about the possibility of a Trump presidency under certain circumstances. This is based on Trump’s consistent poll numbers through the Republican primary campaign, Hillary Clinton’s ability to polarise an electorate, and the boost that a Trump candidacy would receive in the event of an Islamist terrorist attack in the United States in 2016, which would potentially broaden the anti-Muslim sentiment that he is preaching. While these are genuine concerns, such poll-driven analysis overestimates white, middle-class voter preference, and assumes a rational voter weighing issues, strengths and weaknesses of different candidates. Electoral political dynamics in America today are not thus constituted. Most likely voters are already committed to one party or another, a function of the complete polarisation of American politics over the past two decades. The mythic “independent” voter considered pivotal to elections in the 1990s and early 2000s is today largely irrelevant, even if s/he exists.

This election will instead be decided by the power centres within the two parties. In each case, these are constituted by a plutocratic establishment that is in tension with a politically engaged and demanding populist grassroots base. While divisions between these factions in the Democratic Party are substantive, they are also for the most part civil. On the other hand, the differences between the factions of the Republican Party are threatening to tear it apart. It is worth unpacking the anatomy of right-wing representative politics in America today, and the dangerous and untenable contradictions it faces.

The Reagan counter-revolution was configured by the coming together of three forces. At the centre were big money, big business and corporate power. This was articulated by the rising power of evangelical Christianity, and fueled by the growth of right-wing media. At the edges of this alliance was the far-right militia, often constituted by disgruntled white men who felt like they were losing their positions of traditional entitlement in a demographically changing country; and who were losing their capacity for economic stability and mobility in a country transformed by corporatised agricultural and deindustrialised service economies. Through the 1980s and 1990s, such militias were strongest in those parts of the country, such as the South and West, where organised labour
was weakest.

While there was broad ideological kinship between the plutocracy and evangelicals on the one hand, and the xenophobic militia on the other, it took the form of a “centre-fringe” perception, where the latter was tolerated, even encouraged, but kept at arm’s length. Now this “fringe” demographic constitutes the heart of Trump’s support base and threatens to constitute the heart of the Republican Party as well. Furthermore, it is not just constituted by those who are formally associated with white supremacist or neo-Nazi ideologies, as was usually the case with fringe militias. It draws from a much larger (but still exclusively white) sociological base, roughly four-fifths of which is constituted by people without a high school degree. What unites this base is not so much ideological purity as economic disenfranchisement that gets coded as social disenfranchisement.

At the heart of this is the spread of economic immobility in the US over the past three decades. An earlier broad-based meritocracy, which allowed for social mobility across domains, has been replaced by a much narrower-based meritocracy that privileges an educated elite equipped for work in the knowledge/service economy, alongside an informalised labour force for low-paying manual and service work that is increasingly drawn from immigrant populations. Blue-collar white Americans have been severely impacted by this transformation; they see their jobs disappearing, even as they find themselves without the skills to succeed in the new economy.

In addition, the attack on trade unions alongside large-scale deindustrialisation in the mid-West has taken away a major source of political community for industrial workers, at the very moment when their livelihoods have come to be more precarious than ever. What is left is a once-socially privileged but now economically disenfranchised demographic that sees no opportunity, only threat—to both livelihood and entitlement -- often from others who do not look like them. The cynicism with which Trump has parlayed this into a politics of fear and hate is undoubtedly repugnant. However, the structural ingredients for this were actively cultivated by the Republican Party as a central element of the Reagan counter-revolution.

Hence, the pious denunciation of Trump’s rhetoric by the Republican Party establishment is not a repudiation of what he says as much as it is fear that he is saying these things in ways that the traditional party plutocracy is unable to control. Trump represents the Frankensteinian monster they created, which now threatens to devour them. The story of the Trump-possessed Republican Party is one of a corporatist party that has lost control of its xenophobic foot-soldiers, ironically engineered by a New York-based corporate mogul.

Further, Trump’s base does not adhere to the ideological purity and corporatist extremism of the party plutocracy on core economic issues. For instance, many Trump supporters are not evangelicals. Cutting government programmes, which is the Holy Grail of some of the most influential power brokers in the Party, is not such a vital concern for them. (In his campaign speeches, Trump has even promised to grow social security, which Republicans
have sought to do away with for at least three decades). What we are seeing therefore is a dissolution of the right-wing social coalition that has existed since Reagan, the beginning of the end of the Republican Party as we know it.

Regardless of who wins the nomination, winning the general election is extremely difficult for the Republicans because of the other major reconfiguration in American politics: the growing clout of the Hispanic electorate, the largest growing demographic in the US. In 2012, Obama won 71% of the Hispanic vote. If that margin is maintained by the Democratic candidate in 2016, then the Republican candidate will have to win the white vote by an approximately 30% margin in order to win the Presidency—a virtually insurmountable margin of electoral math. This math is not helped by Trump, whose single-point harping on immigration is virtually ensuring that the Democratic candidate will win an even larger chunk of the Hispanic vote than Obama did. Trump’s campaign has put the Republican Party between a rock and a hard place. Their own base wants walls and deportation, and anything less will be seen as betrayal. Yet pandering to that base will ensure defeat, regardless of white middle-class voter sentiment, not just in this election but for generations to come.

Sanders and the Democratic Primary

Just because the Democrats have the demographic ingredients for a long-term hold on the Presidency does not mean that they will make the most of it. Here, one must understand the significance of the second populist resurgence happening in America alongside Trump’s, which is Bernie Sanders’ campaign. This represents emergent trajectories of progressive politics that foregrounds economic and racial inequality, and is born out of or in dialogue with social movements such as Occupy Wall Street and Black Lives Matter. While grassroots progressives mobilising for Sanders may not detest Clinton the way Tea Party activists detest establishment Republican candidates, this too is a serious intra-party battle between plutocracy and populism. For all her social liberalism, Clinton too is the candidate of a powerful plutocracy, and it is estimated that over 80% of her donations come from big donors.

The Sanders campaign has brought the burgeoning national debate on economic inequality into the heart of Democratic Party politics. This is not the crusade of a single man, but a reflection of one core constituency of the party, which finds expression in the Senate through Elizabeth Warren and her allies, and increasingly in urban politics (Bill de Blasio’s tenure as mayor of New York being especially significant). But corporate capital has quietly engineered a coup d’etat in America over the past four decades, and the Democratic Party is fundamentally a corporatist party. This is a face of the Party that Barack Obama, for all his social idealism, immediately made peace with. Clinton is an establishment candidate who will do important things in furthering social equality, but in ways that will at best be mildly reformist of economic structures based on corporate power. The degree to which the Democrats can take advantage of electoral demographics over the long term will depend significantly upon the extent to which such a reformist corporatist agenda can successfully
address structures of economic inequality.

Conclusions

Even as the plutocracies of the two parties represent the same kinds of power interests, there are huge policy differences between even the most corporatist Democrats and the most “moderate” Republicans, especially on social issues. Even if Clinton and establishment Republicans might stand with some of the same interests, they stand for very different things. Nonetheless, unless the hold that corporate and financial power has come to exercise on the American state is challenged, the Presidency itself will have a diminished role in social and economic transformation. This can only lead to the eruption of populist forms of politics that are ever harder to control or predict, in ways that put representative democracy itself at risk.

The legislature in America has already become a broken institution, distorted by decades of political gerrymandering and pandering to the most extremist elements of the Republican base after the Tea Party takeover of Congress in 2010. Ideally, executive power in a Presidential system should represent popular interests, with the potential to historically transform the direction of national politics in ways that broadly represents the will of the majority. Legislative power is meant to temper that and provide a space whereby the translation of executive vision into law and policy happens through dialogue, negotiation and compromise. America today sees an executive captured by corporate interests and a legislature paralysed by uncompromising ideological purity. It is such a structure that makes Sanders’ call for political revolution ever more urgent and important, even as it renders his vision unrealisable as policy.

In the “Eighteenth Brumaire of Louis Bonaparte”, Karl Marx reminded us that while men make history, it is a function of the forces and relations of production prevalent at the time. There is uncanny congruence between the contemporary American political economic structures to those that Marx described for mid-19th century France—division between country and city, a capitalist takeover of the state, the threat of genuine structural transformation driven by the working class, consolidations and divisions between different forces of capital, a dysfunctional legislature, a mobilised lumpen proletariat, and a peasantry disenfranchised by changing economic conditions and reposing faith in a counter-revolutionary personage. Trump is the Bonapartist figure rising from the ashes of such a time, even as Sanders keeps open the possibility of a populism that leads to stronger, not weaker, structures of democracy.