

# NOTES

## Preface

- 1 John B. Judis, *The Populist Explosion: How the Great Recession Transformed American and European Politics* (New York: Columbia Global Reports, 2016).
- 2 Jan-Werner Muller, *What is Populism?* (Philadelphia, PA: University of Pennsylvania Press, 2016).
- 3 Benjamin I. Page and Martin Gilens, *Democracy in America: What Has Gone Wrong and What We Can Do About It* (Chicago: University of Chicago Press, 2017).
- 4 Edward Luce, *The Retreat of Western Liberalism* (New York: Atlantic Monthly Press, 2017).
- 5 Pankaj Mishra, *Age of Anger: A History of the Present* (New York: Farrar, Strauss, and Giroux, 2017).
- 6 Mark Lilla, *The Once and Future Liberal: After Identity Politics* (New York: HarperCollins, 2017).
- 7 David Runciman, *How Democracy Ends* (New York: Basic Books, 2018).
- 8 Steven Levitsky and Daniel Ziblatt, *How Democracies Die* (New York: Crown Books, 2018).
- 9 William Galston, *Anti-Pluralism: The Populist Threat to Liberal Democracy* (New Haven, CT: Yale University Press, 2018).
- 10 Francis Fukuyama, *Identity: The Demand for Dignity and the Politics of Resentment* (New York: Farrar, Strauss, and Giroux, 2018).
- 11 Robert Kuttner, *Can Democracy Survive Global Capitalism?* (New York: Norton, 2018).
- 12 Barry Eichengreen, *The Populist Temptation: Economic Grievances and Political Reaction in the Modern Era* (New York: Oxford University Press, 2018).

- 13 Yascha Mounk, *The People vs. Democracy: Why Our Freedom is in Danger & How to Save It* (Cambridge, MA: Harvard University Press, 2018).
- 14 John L. Campbell, *American Discontent: The Rise of Donald Trump and Decline of the Golden Age* (New York: Oxford University Press, 2018).
- 15 Paul Starr, *Entrenchment: Wealth, Power, and the Constitution of Democratic Societies* (New Haven, CT: Yale University Press, 2019).
- 16 Sophia Rosenfeld, *Democracy and Truth: A Short History* (Philadelphia, PA: University of Pennsylvania, 2019).
- 17 On economic resentment, see especially Campbell, *American Discontent*, pp. 17–18, 31–55, *et passim*.
- 18 Rogers Smith, *That is Not Who We Are! Populism and Peoplehood* (New Haven, CT: Yale University Press, forthcoming in 2020).
- 19 Literature about the populist debate multiplies rapidly. For example, against policy proposals made by Eichengreen and Mounk, see Chris Lehmann, “The Populist Morass: Why Liberal Savants Deplore Rule by the People,” at <https://thebaffler.com/salvos/the-populist-morass-lehmann>.
- 20 For example, Edward Luttwak points out that half of all American households in 2016 could not afford to buy a new car, and he argues that this hard-times fact generated some of the anger that fueled the electoral success of Donald Trump and Bernie Sanders. See [www.the-tls.co.uk/articles/public/trump-dynasty-luttwak/](http://www.the-tls.co.uk/articles/public/trump-dynasty-luttwak/).
- 21 Thus John Sides, Michael Tesler, and Lynn Vavreck, *Identity Crisis: The 2016 Presidential Campaign and the Battle for the Meaning of America* (Princeton, NJ: Princeton University Press, 2018), pp. 12–32, *et passim*, maintain that Trump and Clinton voters in 2016 were motivated more by group identity than by economic anxiety.
- 22 Economic trends may exacerbate even structural issues, such as charges of institutional unfairness. Thus American farming requires fewer *Little-House-on-the-Prairie*-style

families than in the past. Consequently, rural populations decline, but each rural state keeps its two senators, whereupon the Senate becomes even more unrepresentative than it has been in the past, to the point where, by 2040, 30 percent of the population will elect 70 percent of American senators, while nation-wide majorities (according to opinion polls) of citizens already cannot shape their country's public policies. See [www.nytimes.com/2016/11/21/upshot/as-american-as-apple-pie-the-rural-votes-disproportionate-slice-of-power.html](http://www.nytimes.com/2016/11/21/upshot/as-american-as-apple-pie-the-rural-votes-disproportionate-slice-of-power.html) and [www.washingtonpost.com/news/politics/wp/2017/11/28/by-2040-two-thirds-of-americans-will-be-represented-by-30-percent-of-the-senate/?noredirect=on&utm\\_term=.d0eb113bdbe7](http://www.washingtonpost.com/news/politics/wp/2017/11/28/by-2040-two-thirds-of-americans-will-be-represented-by-30-percent-of-the-senate/?noredirect=on&utm_term=.d0eb113bdbe7).

- 23 See [www.nytimes.com/2018/12/10/world/europe/macron-france-yellow-vests.html](http://www.nytimes.com/2018/12/10/world/europe/macron-france-yellow-vests.html). In this speech Macron recognized, among demonstrators, the “anger and indignation that many Frenchmen share...”
- 24 Macron did not initially grasp the depth of resentment that fueled the yellow-vest demonstrations. See Didier Fassin and Anne-Claire Defosser, “An Improbable Movement?” *New Left Review* (January/February, 2019) at <https://newleftreview.org/II115/didier-fassin-anne-claire-defossez-an-improbable-movement>.
- 25 For example, see Salena Zito and Brad Todd, *The Great Revolt: Inside the Populist Coalition Reshaping American Politics* (New York: Crown Forum, 2018) and Fukuyama, *Identity: The Demand for Dignity and the Politics of Resentment*.
- 26 The importance of facts depend on which “facts” are at stake. Many liberals are concerned with what we might call *sociological facts*, which may be revealed by research and may change over time, whereas many conservatives are concerned with what they regard as *moral facts*, which may be discovered by theology or philosophy and never change. This dichotomy (and many of its implications) is described at length in Robert O. Self, *All in the Family: The Realignment of American Democracy Since the*

1960s (New York: Bloomsbury, 2012). Along these lines, the American conservative thinker Richard M. Weaver, in his *Ideas Have Consequences* (orig., 1948; Chicago: University of Chicago Press, 1984), pp. 1–17, but esp. 3–6, argued that, since William of Occam’s doctrine of “nominalism” in the fourteenth century denied that “universals” really exist, liberals have attributed too much importance to mundane “facts” while they have abandoned faith in transcendental “truth.” Weaver’s ideas still inspire conservatives today. No one knows what he would have thought of a Republican president who invents facts and ignores the truth.

## 1 The Age of Populism

- 27 The phrase was first used by economist Joseph A. Schumpeter, *Capitalism, Socialism and Democracy*, 3rd edn (New York: Harper and Row, 1947), pp. 81–86.
- 28 Amy Goldstein, *Janesville: An American Story* (New York: Simon and Schuster, 2017). Working space at the GM plant in Janesville was larger than the 3.7 million square feet of office space in the Pentagon. See [www.britannica.com/topic/Pentagon](http://www.britannica.com/topic/Pentagon).
- 29 An exception to this generalization is Jane Mansbridge, “What is Political Science For?” *Perspectives on Politics* (March, 2014), pp. 8–17. Mansbridge was APSA president for 2013 and this article is a presidential address.
- 30 This is the general idea in F. H. Buckley, *The Republican Workers Party: How the Trump Victory Drove Everyone Crazy, and Why It Was Just What We Needed* (New York: Encounter Books, 2018). See also Tucker Carlson, *Ship of Fools: How a Selfish Ruling Class is Bringing America to the Brink of Revolution* (New York: Free Press, 2018), p. 3: “Trump’s election wasn’t about Trump. It was a throbbing middle finger in the face of America’s ruling class.” For a more academic justification of Trump’s willingness to disregard conventional standards and practices, and especially to

reject rule by (p. 92) “America’s expert class,” see Salvatore Babones, *The New Authoritarianism: Trump, Populism, and the Tyranny of Experts* (Cambridge, MA: Polity, 2018), which (pp. 93–111) refers to Trump as “the populist purgative.” Conservative intellectuals will tend to set aside Trump’s personal qualities, as they did Senator Joseph McCarthy’s, and argue that his cause, of attacking liberalism, was justified. For example, see William Voegeli, “Trump and His Enemies,” *Claremont Review of Books* (Summer, 2016): “Sometimes, worthy causes have unworthy champions.” At [www.claremont.org/crb/article/trump-and-his-enemies/](http://www.claremont.org/crb/article/trump-and-his-enemies/).

- 31 This is the general idea in Michael Wolff, *Fire and Fury: Inside the Trump White House* (New York: Henry Holt and Company, 2018). See also Michael Lewis, *The Fifth Risk* (New York: Norton, 2018), which is shocked by Trump’s ignorance of the vital services that government agencies provide for America and by his willingness to appoint agency managers who are similarly ignorant.
- 32 Several eras of great upheaval and danger in American life are described in Jon Meacham, *The Soul of America: The Battle for Our Better Angels* (New York: Random House, 2018). As Meacham says (p. 7) of American history, “imperfection is the rule, not the exception.”
- 33 In other words, today’s anxious polarization is not new. For example, on the right in 1938, Congressional conservatives created the House Committee on Un-American Activities, which after World War II contributed substantially to what became known as McCarthyism. Almost simultaneously, liberal Americans in 1937 established the National Lawyers Guild, which, unlike the National Bar Association at that time, accepted African American lawyers to membership. The Guild was named in the Attorney General’s List of Subversive Organizations starting in 1947.
- 34 A similar unemployment rate today would be terrible but less painful than before World War II, because fewer

- women worked (for pay) in the 1930s than now, in which case 25-percent unemployment then meant that almost a quarter of the country's families had no breadwinner.
- 35 My 29-year-old uncle, Daniel Hutner, joined the Communist Party in New York City, enlisted among 2800 American volunteers in the Lincoln Brigade to fight on behalf of the Republican Government of Spain, sailed to Europe on the *Queen Mary* in April of 1937, and was killed in Belchite, Zaragoza, fighting against fascist forces in September five months later. During the McCarthy era, federal agents assumed that his Manhattan garment industry widow, my Aunt Florence Morgenstein, was a dangerous communist and therefore interrogated her. Some of her relatives, including my father, a federal government lawyer in Washington, DC, were also questioned.
- 36 For example, in the Declaration, “We hold these truths to be self-evident, that all men are created equal, and that they are endowed by their Creator with certain unalienable [natural] rights...”
- 37 The increasing fragility of democratic theory and faith between World War I and World War II is discussed in Edward A. Purcell, Jr., *The Crisis of Democratic Theory: Scientific Naturalism and the Problem of Value* (Lexington, KY: The University Press of Kentucky, 1973). See also David M. Ricci, *The Tragedy of Political Science: Politics, Scholarship, and Democracy* (New Haven, CT: Yale University Press, 1984), pp. 88–96.
- 38 This is the central message of Meacham, *The Soul of America*. Optimism informed by the need for sobriety and hard work on behalf of decency and progress appears also in Steven Pinker, *Enlightenment Now: The Case for Reason, Science, Humanism and Progress* (London: Allen Lane, 2018).
- 39 Changes in farming and food production are among the realms of modern economic creativity, plagued by social destruction, and causing resentment, which worry liberals and conservatives. See the sources in n. 478.

- 40 On the Trump White House as a reality show, see <https://thebaffler.com/the-poverty-of-theory/the-real-world-trump-edition> and [www.vanityfair.com/hollywood/2018/06/is-reality-tv-really-to-blame-for-president-donald-trump](http://www.vanityfair.com/hollywood/2018/06/is-reality-tv-really-to-blame-for-president-donald-trump). On the character of reality shows paid for by advertising in America’s largely for-private-profit economy, see Jenifer L. Pozner, *Reality Bites Back: The Troubling Truth About Guilty Pleasure TV* (Berkeley, CA: Seal Press, 2010). Pozner describes TV reality shows – such as *Survivor*, *The Bachelor*, *The Apprentice*, and *The Swan* – as shilling for “consumerism,” that is, as a format designed to persuade viewers to adopt a lifestyle promoted by producer-driven messages. In that sense, commercial TV is today a reflection of “neoliberalism,” which I will discuss in later chapters.
- 41 See the books by scholars and journalists cited in notes 1–16, 18. Many of those writers contend that populism characteristically denies political complexity. Surely that description can be applied to the referendum held on Brexit, when the enormously complicated matter of the United Kingdom’s economic, political, social, emotional, and historical relations with most of Europe was put to a yes-or-no vote before roughly 33 million UK voters. Why experienced politicians would propose and permit such a simplistic vote is not clear.
- 42 Eichengreen, *The Populist Temptation*, p. 3. See also p. 13.
- 43 Mounk, *The People vs. Democracy*, pp. 7–8. What Mounk and his colleagues describe as populism can be seen in Donald Trump’s speech to the Republican National Convention in 2016, when the candidate declared to “the American people” that “I am your voice.” See [www.vox.com/2016/7/21/12253426/donald-trump-acceptance-speech-transcript-republican-nomination-transcript](http://www.vox.com/2016/7/21/12253426/donald-trump-acceptance-speech-transcript-republican-nomination-transcript). See also Trump’s “Inaugural Address,” wherein the president announced that “... today... we are transferring power from Washington, D.C. and giving it back to you, the American People.” See [www.whitehouse.gov/briefings-statements/the-inaugural-address/](http://www.whitehouse.gov/briefings-statements/the-inaugural-address/). On the

evolution – from Andrew Jackson to Donald Trump – of the populist notion of a leader who, while promoting “common sense,” will stand up for “the people” against “experts” and “elites,” see Rosenfeld, *Democracy and Truth*, pp. 92–136.

- 44 As of early March, 2019, President Trump had withdrawn or threatened to withdraw from “the Paris climate accord, the Trans-Pacific Partnership, UNESCO, the multilateral nuclear accord with Iran, NAFATA, the Universal Postal Agreement, the Intermediate-Range Nuclear Forces Treaty, the Korean-United States Free Trade Agreement, and the World Trade Organization.” See [www.nybooks.com/articles/2019/03/21/king-and-i-chris-christie-cliff-sims/](http://www.nybooks.com/articles/2019/03/21/king-and-i-chris-christie-cliff-sims/).
- 45 For example, Newt Gingrich, *Understanding Trump* (New York: Center Street, 2017), p. 61: “For decades, members of America’s elite – in government, academia and the media – have steered the country in a direction counter to the will of the American people.”
- 46 For example, James Kalb, *The Tyranny of Liberalism: Understanding and Overcoming Administered Freedom, Inquisitorial Tolerance, and Equality by Command* (Wilmington, DE: Intercollegiate Studies Institute, 2008); Terrence P. Jeffrey, *Control Freaks: 7 Ways Liberals Plan to Ruin Your Life* (Washington, DC: Regnery, 2010); Ben Shapiro, *Bullies: How the Left’s Culture of Fear and Intimidation Silences Americans* (New York: Simon and Schuster, 2013); Mark R. Levin, *Rediscovering Americanism and the Tyranny of Progressivism* (New York: Simon and Schuster, 2017); Buckley, *The Republican Workers Party*; Jerome R. Corsi, *Killing the Deep State: The Fight to Save President Trump* (West Palm Beach, FL: Humanix Books, 2018); Chris Buskirk, *Trump vs. The Leviathan* (New York: Encounter Books, 2018); and Jonah Goldberg, *Suicide of the West: How the Rebirth of Tribalism, Populism, Nationalism, and Identity Politics is Destroying American Democracy* (New York: Crown Forum, 2018).
- 47 In this view, “pluralism” promotes a commitment to side-by-side social components rather than a unified American



community, and moral relativism implies the legitimacy of alternative virtues rather than a shared commitment to Americanism as an overriding value.

- 48 E. J. Dionne, Jr., *Why Americans Hate Politics* (New York: Simon and Schuster, 1991), noticed this sentiment gathering strength long before the Age of Populism.
- 49 Lawrence M. Mead, “Scholasticism in Political Science,” *Perspectives on Politics* (June, 2010), pp. 453–464, addresses this point.
- 50 Easton, “The New Revolution in Political Science,” *American Political Science Review* (December, 1969), pp. 1051–1061, but esp. p. 1053.
- 51 Deutsch, “On Political Theory and Political Action,” *American Political Science Review* (March, 1971), p. 11.
- 52 Snyder, *On Tyranny: Twenty Lessons From the Twentieth Century* (New York: Tim Duggan Books, 2017), pp. 118–120.
- 53 Fukuyama, “The End of History,” *The National Interest* (Summer, 1989), pp. 3–18. Recently, Fukuyama has claimed that “identity politics” on the world stage, which political scientist Samuel Huntington predicted, may be stronger than Fukuyama earlier anticipated. See [www.the-american-interest.com/2018/08/27/huntingtons-legacy/](http://www.the-american-interest.com/2018/08/27/huntingtons-legacy/). See also Fukuyama, *Identity* (2018).
- 54 Benjamin Carter Hett, *The Death of Democracy: Hitler’s Rise to Power and the Downfall of the Weimar Republic* (New York: Henry Holt, 2018).
- 55 *The People vs. Democracy*, p. 23.
- 56 Thus, in the Age of Populism, Orwell’s *Animal Farm* (London: Penguin, 1945) and 1984 became best-sellers long after their original publication dates. See [www.independent.co.uk/news/world/politics/2017-isn-t-1984-it-s-stranger-than-orwell-imagined-a7555341.html](http://www.independent.co.uk/news/world/politics/2017-isn-t-1984-it-s-stranger-than-orwell-imagined-a7555341.html).
- 57 Milosz, *The Captive Mind* (New York: Knopf, 1953), pp. 25–53, but esp. p. 28: “The man of the East cannot take Americans seriously because they have never undergone the experiences that teach men how relative

their judgments and thinking habits are. Their resultant lack of imagination is appalling. Because they were born and raised in a given social order and in a given system of values, they believe that any other order must be unnatural, and that it cannot last because it is incompatible with human nature.” Part of what Milosz had in mind was American ignorance of East European atrocities later described in Timothy Snyder, *Bloodlands: Europe Between Hitler and Stalin* (New York: Basic Books, 2010). Snyder describes American ignorance of, or indifference to, the deliberate murder of 14,000,000 civilians by Nazi and Soviet forces between 1933 and 1945 in what he calls the “bloodlands” of, chiefly, Poland, the Baltic states, Ukraine, western Russia, and Belarus. Even the Holocaust, which occurred mostly in that region, became a subject of scholarly attention and civic consciousness in America only after the 1961 publication of Raul Hilberg, *The Destruction of the European Jews*, 3rd edn (orig., 1961; New Haven, CT: Yale University Press, 2003).

- 58 That academic thinking can restrict our vision is the central message of Daniel T. Rodgers, *Age of Fracture* (Cambridge, MA: Harvard University Press, 2011). Rodgers analyzes a wide range of standard academic concepts, such as rational choice theory, efficient markets, gender, culture, and class, in disciplines such as philosophy, economics, history, political science, and sociology. Joseph J. Ellis recommends, instead, “an ongoing conversation between past and present from which we all have much to learn.” See Ellis, *American Dialogue: The Founders and Us* (New York: Knopf, 2018), pp. 3–9, but esp. p. 4.
- 59 If some political scientists will go down that road, they will find their colleague Steven B. Smith already there. As Smith says, “The history of political thought is not an antiquarian appendage to the real business of research ... I am not suggesting for a moment that the study of political philosophy can serve as a substitute for empirical studies of political problems. I am suggesting [though] that

without being anchored in the history of political theory empirical studies are likely to be cast adrift without a map and with no sense of destination.” See Smith, “Political Science and Political Philosophy: An Uneasy Relation,” *PS: Political Science and Politics* (June, 2000), p. 190.

- 60 Yeats, “The Second Coming,” (1919) at [www.potw.org/archive/potw351.html](http://www.potw.org/archive/potw351.html).

## 2 The Temple of Science

- 61 See Donald M. Freeman (ed.), *Foundations of Political Science: Research, Methods, and Scope* (New York: Free Press, 1978); Alan S. Isaak, *Scope and Methods of Political Science: An Introduction to the Methodology of Political Inquiry* (Homewood, IL: The Dorsey Press, 1985); Janet Buttolph Johnson, H. T. Reynolds, and Jason D. Mycoff, *Political Science Research Methods*, 8th edn (Washington, DC: C.Q. Press, 2015); Paul M. Kellstedt and Guy D. Whitten, *The Fundamentals of Political Science Research*, 3rd edn (Cambridge University Press, 2018); and David Marsh and Gerry Stoker (eds), *Theory and Methods in Political Science*, 4th edn (New York: Palgrave MacMillan, 2018).
- 62 On political science and power, see Robert E. Goodin, *The Oxford Handbook of Political Science* (Oxford: Oxford University Press, 2011), pp. 4–7.
- 63 For the convention’s program, see [https://convention2.allacademic.com/one/apsa/apsa18/index.php?cmd=Online+Program+Load+Focus&program\\_focus=browse\\_by\\_sub\\_unit\\_submissions&PHPSESSID=ct3iap5g5su5is94e2uejnj8l4#unit\\_type\\_1739](https://convention2.allacademic.com/one/apsa/apsa18/index.php?cmd=Online+Program+Load+Focus&program_focus=browse_by_sub_unit_submissions&PHPSESSID=ct3iap5g5su5is94e2uejnj8l4#unit_type_1739). The divisions, or organized sections, are now represented by twenty separate, specialized journals, which contribute to pluralism or, less admirably, facilitate the fracturing of concepts and findings within the discipline. See the ad for these journals in *American Political Science Review* (May, 2019), p. 292.
- 64 Gary King, Kay Lehman Schlozman, and Norman H. Nie (eds), *The Future of Political Science: 100 Perspectives*

- (Cambridge, MA: Harvard University Press, 2009). The same pluralism shows up in “Significant Works in Political Science: Some Personal Views,” *PS: Political Science and Politics* (Spring, 1983), pp. 196–204, where colleagues do not agree on which works to list as most significant.
- 65 “What Happened to the British Party Model?” *American Political Science Review* (March, 1980), p. 9.
- 66 *PS: Political Science and Politics* (Autumn, 1988), pp. 828–842. The essay “Separate Tables” is reprinted in Gabriel Almond, *A Discipline Divided: Schools and Sects in Political Science* (London: Sage Publications, 1990), pp. 13–31. See also the lack of agreement among symposium participants concerning the achievements of their discipline in Jennifer L. Hochschild, “APSA Presidents Reflect on Political Science: Who Knows What, When, and How?” *Perspectives on Politics* (June, 2005), pp. 309–334.
- 67 On getting involved “politically,” see n. 357.
- 68 See Lucien Pye, “Political Science and the Crisis of Authoritarianism,” *American Political Science Review* (March, 1990), pp. 3–19.
- 69 “Communities” usually contain many people, pursuing many ends. “Organizations” usually pursue one major goal, like armies fight wars, Boeing manufactures airplanes, the Internal Revenue Service collects income taxes, and the Catholic Church pursues salvation.
- 70 For example, innumerable articles on democracy and on citizenship appear in the discipline’s in-house journal *PS: Politics and Political Science*, while the discipline’s historical commitment to both is described in books such as Ricci, *The Tragedy of Political Science*.
- 71 Levi, “Why We Need a New Theory of Government,” *Perspectives on Politics* (March, 2006), pp. 5–19.
- 72 Michael Sandel has challenged what he calls the “procedural republic” in his *Democracy’s Discontent: America in Search of a Public Philosophy* (Cambridge, MA: Harvard University Press, 1996), pp. 274–315.
- 73 I have discussed substantive citizenship in Ricci, *Good Citizenship in America* (New York: Cambridge University

- Press, 2004), esp. pp. 227–252, where the aim is not just to maintain legal citizenship but also to practice “good” citizenship, which consists of virtuous acts or, in a way, citizenship not just of rights but also responsibilities.
- 74 Benjamin I. Page and Martin Gilens, *Democracy in America? What Has Gone Wrong and What We Can Do About It* (Chicago: University of Chicago Press, 2017).
- 75 See also Frank R. Baumgartner, Jeffrey M. Berry, Marie Hojnacki, David R. Kimball, and Beth L. Leech, *Lobbying and Policy Change: Who Wins, Who Loses, and Why* (Chicago: University of Chicago Press, 2009).
- 76 Page and Gilens, *Democracy in America?*, esp. pp. 11–14.
- 77 The point is made in the 2018 APSA presidential address by Kathleen Thelen, “The American Precariat: U.S. Capitalism in Comparative Perspective,” *Perspectives on Politics* (March, 2019), p. 20: “Surely the equality to which we aspire in a democracy is not just a matter of democratic procedures, as important as those are. It is animated as well by substantive ambitions and a sense of what a just society looks like.”
- 78 I am making here a point about formal knowledge. I am not suggesting that people who don’t study at universities are less important than those who do. Many people in modern societies have little “higher” education but do work that is absolutely vital to civilization and everything decent. Therefore, I totally agree with David Graeber, *Bullshit Jobs: A Theory* (New York: Simon and Schuster, 2018), that such people should be paid generously and respected more than they are today.
- 79 For example, see John Witherspoon, *Lectures on Moral Philosophy* (London: Forgotten Books, 2012). These lectures were delivered in the 1770s by John Witherspoon, president of the College of New Jersey (later called Princeton University). Witherspoon was the only clergyman to sign the Declaration of Independence, and he taught James Madison, Aaron Burr, and more than eighty students who became congressmen, senators, governors, cabinet members, and Supreme Court justices.

- 80 Ricci, *The Tragedy of Political Science*, pp. 29–45, but esp. p. 30.
- 81 Kerr, *The Uses of the University* (Cambridge, MA: Harvard University Press, 1963), pp. 1–45.
- 82 On the influence of money over colleges and universities, see Stanley Aronowitz, *The Knowledge Factory: Dismantling the Corporate University and Creating True Higher Education* (Boston: Beacon Press, 2000); Derek Bok, *Universities in the Marketplace: The Commercialization of Higher Education* (Princeton, NJ: Princeton University Press, 2003); James Engell and Anthony Dangerfield, *Saving Higher Education in the Age of Money* (Charlottesville, VA: University of Virginia Press, 2005); Christopher Newfield, *Unmaking the Public University: The Forty-Year Assault on the Middle Class* (Cambridge, MA: Harvard University Press, 2008); and Suzanne Mettler, *Degrees of Inequality: How the Politics of Higher Education Sabotaged the American Dream* (New York: Basic Books, 2014).
- 83 Kerr himself remarked that the job of chancellor came to be defined as “providing parking for the faculty, sex for the students, and athletics for the alumni.” Kerr is quoted in [www.berkeley.edu/news/media/releases/2003/12/02\\_kerr.shtml](http://www.berkeley.edu/news/media/releases/2003/12/02_kerr.shtml).
- 84 Robert Maynard Hutchins, *The Higher Learning in America* (New Haven, CT: Yale University Press, 1936); Robert Paul Wolff, *The Ideal of the University* (Boston: Beacon Press, 1969); Allen Bloom, *The Closing of the American Mind: How Higher Education Has Failed Democracy and Impoverished the Souls of Today’s Students* (New York: Simon and Schuster, 1987); Ellen Screcker, *The Lost Soul of Higher Education: Corporatization, the Assault on Academic Freedom, and the End of the American University* (New York: The New Press, 2010); and William Deresiewicz, *Excellent Sheep: The Miseducation of the American Elite and the Way to a Meaningful Life* (New York: Free Press, 2014).
- 85 For the sake of simplicity, I will write about “departments” in the text above, even though all modern universities have “institutes” which may consist of

related departments, such as German Literature, French Literature, and Italian Literature.

- 86 In praise of this flexibility, and against a one-size-fits-all plan for modern universities, see David F. Labaree, *A Perfect Mess: The Unlikely Ascendancy of American Higher Education* (Chicago: University of Chicago Press, 2017).
- 87 To me, universities look like congeries of this and that; it is probably my disciplinary background that leads me to view them that way. But sociologists and anthropologists, using research methods favored in their disciplines, find that those congeries manifest patterns of behavior that generate significant social consequences. That is, such scholars look for, find, and highlight persistent structures and functions in what Kerr described, more or less, as an administrative contraption. For example, see Jerome Karabel, *The Chosen: The Hidden History of Admission and Exclusion at Harvard, Yale, and Princeton* (New York: Houghton Mifflin, 2005); Richard Arum and Josipa Roksa, *Academically Adrift: Limited Learning on College Campuses* (Chicago: University of Chicago Press, 2011); and Elizabeth A. Armstrong and Laura T. Hamilton, *Paying for the Party: How College Maintains Inequality* (Cambridge, MA: Harvard University Press, 2013).
- 88 In Carroll's book *Through the Looking Glass* (1871), from the poem "The Walrus and the Carpenter," in chapter 4. See the poem at [www.poetryfoundation.org/poems/43914/the-walrus-and-the-carpenter-56d222cbc80a9](http://www.poetryfoundation.org/poems/43914/the-walrus-and-the-carpenter-56d222cbc80a9).
- 89 I first suggested the Temple of Science metaphor in Ricci, *The Tragedy of Political Science*, pp. 54–56, 212–214.
- 90 That the Temple metaphor describes *academic* knowledge does not mean that it is *merely* about academic knowledge. In modern times, where most people of influence while young have studied in institutions of higher education, the shape of knowledge there bears heavily on how worldly people outside universities think.
- 91 There are unwritten rules in the Temple, and one of them is that most scholars in one column do not easily

introduce into their work information and techniques that exist in other columns. It seems to me obvious, for example, that real-world “politics” cannot be understood thoroughly without some understanding of “history.” But in order to recommend that simple thought to his colleagues, Paul Pierson wrote about “path-dependence” in Pierson, “Increasing Returns, Path Dependence, and the Study of Politics,” *American Political Science Review* (June, 2000), pp. 251–267.

- 92 If we extend this metaphor, the Temple has grown top-heavy in recent years because its superstructure is growing faster than the number or size of its columns. See the increasing number of administrators described in Benjamin Ginsberg, *The Fall of the Faculty: The Rise of the All-Administrative University and Why It Matters*, 2nd edn (New York: Oxford University Press, 2013).
- 93 During the twentieth century, and even today, this dichotomy has troubled people who do not want to belittle the “humanities” as opposed to the “sciences” but find themselves at a loss to explain why anyone would want to rely on knowledge that cannot be certain, definitive, or conclusive. Philosopher Ernest Gellner summed up their dilemma when he argued, in early Cold War days, that the main problem of modernity is that the *clerc* no longer has the same authority as the scientist. See Gellner, “The Crisis in the Humanities and the Mainstream of Philosophy,” in J. H. Plumb (ed.), *Crisis in the Humanities* (London: Penguin, 1956), p. 72f.
- 94 For example, see the distinction drawn at Stanford University between “fuzzies” and “techie” in Jennifer Summit and Blake Vermeule, *Action versus Contemplation: Why an Ancient Debate Still Matters* (Chicago: Chicago University Press, 2018), esp. pp. 63–97.
- 95 In academic terms, the aspiration for teachings that will go beyond what a single column can provide has sometimes been expressed in support for the principle of “interdisciplinary research.” Thus researchers are



encouraged to study more than one discipline, to combine the techniques and knowledge of both, and to present an amalgam to students and the public. The aspiration is admirable, but little interdisciplinary research gets done. Evidence of the quantitative difficulty is easy to find. For example, in the Oxford University Press series entitled “Very Short Introductions,” each volume contains approximately 120 pages and covers an interesting and important subject from “accounting” and “adolescence” to “World War II” and “World Music.” Since 1995, the series has published more than 640 volumes. And the list continues to grow. The current list is available at <https://global.oup.com/academic/content/series/v/very-short-introductions-si/?type=listing&lang=en&cc=il>. For a case study, Jamie Cohen-Cole, *The Open Mind: Cold War Politics and the Sciences of Human Nature* (Chicago: University of Chicago, 2014), pp. 164–189, explains how the Center for Cognitive Studies at Harvard University failed to maintain an interdisciplinary approach.

- 96 I say “scholars” in this sentence because we should not forget that religious leaders, who do not usually specialize in secular knowledge, offer general advice based on theology rather than science, and many people accept it from them.
- 97 Consider that one powerful tactical ploy among social and political philosophers is to argue, like John Stuart Mill, in favor of a “marketplace for ideas,” or, like Michael Oakeshott, for a “great conversation.” The assumption is that no one philosopher or book will provide all that we must know to prosper, in which case we should consult many sources and somehow decide from among them what we should do. Implicitly, there is an admission here that, in Temple of Science terms, individual scholars, in separate fields, are not able enough to (1) put together definitively everything we need to know in one place, and thereby (2) tell us exactly how to live accordingly. Arthur Koestler wrote his satirical novel, *The Call Girls*

(New York: Random House, 1973), about this conundrum, where leading social theorists meet in a Swiss chalet, discuss the dangerous state of world affairs, fail to agree on what should be done, and send the transcript of their conversation to the president so that *he*, from their learned observations, can figure out the way forward by himself.

- 98 Conservative Republican Newt Gingrich, in *Understanding Trump*, praised the president’s penchant for fast food as an indication that he was the kind of candidate who could identify with working-class voters and be seen by them as representing their preferences and lifestyle. Trump’s “personal taste leaned toward main street American fast food. Friends who saw him in Palm Beach at the fancy Sunday brunch at his golf course reported ... [that] Trump would wander through the line and get a cheeseburger and fries” (p. xx).

### 3 Mainstream Economics

- 99 See Andrew Gamble, *Can the Welfare State Survive?* (Malden, MA: Polity Press, 2016) for a discussion of competitive capitalism and democratic socialism as two alternative ideologies, mostly in Western societies. See also Jonas Pontusson, *Inequality and Prosperity: Social Europe vs. Liberal America* (Ithaca, NY: Cornell University Press, 2005).
- 100 Jeff Madrick, *Seven Bad Ideas: How Mainstream Economists Have Damaged America and the World* (New York: Knopf, 2014) and Juliet B. Schor, *True Wealth: How and Why Millions of Americans Are Creating a Time-Rich, Ecologically Light, Small-Scale, High-Satisfaction Economy* (New York: Penguin, 2011), p. 67. Roger E. Backhouse, *The Puzzle of Modern Economics: Science or Ideology?* (New York: Cambridge University Press, 2010), p. 154 describes “mainstream” economics. The same is true of David Orrell, *Economyths: 11 Ways Economics Gets It All Wrong* (London: Icon Books, 2017), pp. xvii–xviii.

- 101 Avner Offer and Gabriel Soderberg, *The Nobel Factor: The Prize in Economics, Social Democracy, and the Market Turn* (Princeton, NJ: Princeton University Press, 2016), pp. 18–19.
- 102 Earle, Moran, and Ward-Perkins, *The Econocracy: The Perils of Leaving Economics to the Experts* (Manchester: Manchester University Press, 2017), pp. 37–38.
- 103 Baker, *Rigged: How Globalization and the Rules of the Modern Economy Were Structured to Make the Rich Richer* (Washington, DC: Center for Economic and Policy Research, 2016), pp. 17–18.
- 104 Pontusson, *Inequality and Prosperity*, p. 4.
- 105 For example, Backhouse, *The Puzzle of Modern Economics*, p. 154: “... there is a set of approaches, albeit one with very fuzzy boundaries that change all the time, that can be found in the top journals and leading university departments, variously referred to as the ‘orthodoxy’ or, less critically, ‘the mainstream,’ as well as groups of economists, publishing in other outlets, who do not fit in.”
- 106 Stiglitz, *Freefall: America, Free Markets, and the Sinking of the World Economy* (New York: Norton, 2010), p. 238.
- 107 Robert Heilbroner and William Milberg, *The Crisis of Vision in Modern Economic Thought* (New York: Cambridge University Press, 1995), pp. 109–117, claim that academic economics is all about capitalism although it (economics) purports to be about behavior present in all societies. That is, economists claim to view all human behavior objectively but actually express the values of a particular society dedicated to maintaining what we now call capitalist production, private ownership, and open markets. (What Heilbroner and Milberg say contradicts what Lawrence Summers claims about economics in n. 138, that “One set of [economic] laws works everywhere.”) This is not just a point in theory but has enormous practical implications. For example, in America for generations, native people seemed to

men like Andrew Jackson to be “primitive” and remiss for not placing land under private ownership like white immigrants did. In which case, the newcomers were morally entitled to take and “develop” tribal lands, such as when much of Oklahoma was removed in 1889 from tribal control and opened up to mostly white settlement. For a recent, inadvertent example of capitalism as the default setting in American economics, see economist Dani Rodrik in <http://bostonreview.net/class-inequality/dani-rodrik-rescuing-economics-neoliberalism>.

- 108 Edward N. Luttwak, *The Endangered American Dream: How to Stop the United States From Becoming a Third-World Country and How to Win the Geo-Economic Struggle for Industrial Supremacy* (New York: Simon and Schuster, 1993); Noah, *The Great Divergence: America’s Growing Inequality Crisis and What We Can Do About It* (New York: Bloomsbury Press, 2012); Smith, *Who Stole the American Dream* (New York: Random House, 2012); Packer, *The Unwinding: An Inner History of the New America* (New York: Farrar, Straus, and Giroux, 2013); Reich, *Saving Capitalism: For the Many, Not the Few* (New York: Vintage Books, 2016); Ehrenreich, *Third Wave Capitalism: How Money, Power, and the Pursuit of Self-Interest Have Imperiled the American Dream* (Ithaca, NY: Cornell University Press, 2016); and Chris Hedges, *America: The Farewell Tour* (New York: Simon and Schuster, 2018). For references to economic research on downsides in the modern economy, see the blog [www.economicprincipals.com/](http://www.economicprincipals.com/).
- 109 Richard H. Thaler, *Misbehaving: The Making of Behavioral Economics* (New York: Norton, 2015), p. 5. Furthermore, leading textbooks of economics, used widely in introductory courses, present and generally agree on what they consider to be basic principles of the subject – such as methodological individualism, marginal utility, general equilibrium, efficient markets, and the goal of growth.
- 110 For when the term “mainstream economics” came into use among economists, and for how it evolved as

time passed, see [www.ineteconomics.org/perspectives/blog/how-the-term-mainstream-economics-became-mainstream-a-speculation](http://www.ineteconomics.org/perspectives/blog/how-the-term-mainstream-economics-became-mainstream-a-speculation).

- 111 I will say that one source that struck me as particularly useful was Offer and Soderberg, *The Nobel Factor*, pp. 16–41.
- 112 This means that there is little or no room in economic theory for what psychologists, sociologists, anthropologists, and historians might call “groupthink.” See the classic Irving Lester Janis, *Victims of Groupthink: A Psychological Study of Foreign Policy Decisions and Fiascos* (Boston: Houghton Mifflin, 1972). Furthermore, even if it could deal with cases of groupthink, mainstream economics cannot systematically analyze decisions made by a chain-of-command structure, like when Toyota Motors raises its car prices. The prices got raised. But who, exactly, did that? And why? In fact, who is Toyota Motors?
- 113 Actually, many economists study or speculate about *hypothetical* rather than *real* individuals, such as when postulating – in thought experiments or vignettes – situations (1) involving imagined rather than real individuals, and (2) designed to tease out the likelihood of rational or irrational behavior. Thus the joke about an economist stranded on a desert island proposing to other castaways to open a washed-up can of soup by assuming the existence of a can opener. On the postulations of economists versus real economic behavior, see Jonathan Schlefer, *The Assumptions Economists Make* (Cambridge, MA: Harvard University Press, 2017), *passim*.
- 114 For example, Thaler, *Misbehaving*, p. 25: “Normative theories tell you the right way to think about some problem. By ‘right’ I do not mean right in some moral sense; instead, I mean logically consistent, as prescribed by the optimizing model at the heart of economic reasoning, sometimes called rational choice theory.”
- 115 Thus the distinction between what economists call rational and what philosophers call reasonable is a central theme in John Rawls, *Political Liberalism*, Expanded

Edition (New York: Columbia University Press, 2005), *passim*, but esp. pp. 48–54.

- 116 That mainstream economists regard utility as legitimately subjective contradicts the traditional ethical warning in Judges 17:6 – “In those days, there was no king in Israel, but everyone did what was right in his own eyes.”
- 117 Public choice theory emphasizes what can be learned from analyzing “thought experiment” games such as Prisoners’ Choice, in which people assumed to be prisoners seek to minimize their chances of punishment and maximize their chances of being set free. It is a game predicated for the most part upon self-interest. To be loyal to other prisoners in the game is regarded as an unrealistic strategy.
- 118 Buchanan used public choice theory to explain democracy in James Buchanan and Gordon Tullock, *The Calculus of Consent: Logical Foundations of Constitutional Democracy* (Ann Arbor, MI: University of Michigan, 1962). See also Anthony Downs, *An Economic Theory of Democracy* (New York: Harper, 1957). On some anti-government implications of this use of public choice theory, see Nancy MacLean, *Democracy in Chains: The Deep History of the Radical Right’s Stealth Plan for America* (New York: Penguin, 2017).
- 119 The concept of extending equal prices to all buyers underlies the Elkins Act of 1903, which forbade railroads from paying rebates (kickbacks) and thereby, as previously, extending special and unfair shipping prices to companies like John D. Rockefeller’s Standard Oil Company (which shipped oil in tanker cars).
- 120 See Smith, *An Inquiry into the Nature and Causes of The Wealth of Nations* (orig., 1776; New York: Modern Library, 1937), (970 pages). Economists regard Smith as the founder of modern economic theory, but the term “invisible hand” appeared in *The Wealth of Nations* only once, in Bk. IV, ch. 2, p. 423.
- 121 Smith used the phrase “invisible hand” only several times in all of his writings, and we cannot be sure that he meant it to refer to God. The assumption is

reasonable, though, because as a moral philosopher Smith was undoubtedly uncomfortable recommending an economy where avarice becomes acceptable or even admirable because, when it fuels marketplace trading, it can be said to produce virtuous results. On economics and theology, see Duncan K. Foley, *Adam's Fallacy: A Guide to Economic Theology* (Cambridge, MA: Harvard University Press, 2006), esp. pp. 1–4.

- 122 John Maynard Keynes insisted that if an economic equilibrium exists at any time, it may not come even close to maximizing the utility that available resources can supply. He had in mind the Great Depression before World War II, when unemployed workers, idle factories, and starving families were in equilibrium side by side. See Keynes, *The General Theory of Employment, Interest, and Money* (New York: Harcourt, Brace & Co., 1935).
- 123 *The Nobel Factor*, p. 20.
- 124 [www.theguardian.com/politics/2013/apr/08/margaret-thatcher-quotes](http://www.theguardian.com/politics/2013/apr/08/margaret-thatcher-quotes). Mrs. Thatcher did not explain how some people might behave as benevolent members of families but continue to act as selfish individuals when participating in other groups or networks. For example, she ignored how the people of Great Britain, commonly known as a “society,” stood up together against Nazi Germany during World War II.
- 125 We should note that GDP, because it is measured in dollars, is much easier to track than if we would try, from one year to the next, to count specific utility items in order to decide if people are enjoying themselves more or less from one year to another. To track specific utility items would require economists to accomplish the impossible task of figuring out how many tables, and chairs, and jeans, and gallons of ice cream, and smartphones, and cars, and whatever else, are sold from one year to the next.
- 126 As I said above, the mainstream is a complicated business and the vocabulary is problematical. So let readers

beware. Economists across the board know very well that GDP is not an index of welfare. They understand that it includes the dollar values of “bads” (say, cigarettes) as well as “goods” (say, heart stents). On this point, see Diane Coyle, *GDP: A Brief but Affectionate History* (Princeton, NJ: Princeton University Press, 2014), pp. 40, 91, 105, and see Joseph E. Stiglitz, Amartya Sen, and Jean-Paul Fitoussi, *Mismeasuring Our Lives: Why GDP Doesn't Add Up* (New York: The New Press, 2010). Nevertheless, most economists and politicians insist that we should try to raise GDP constantly, via what they call “economic growth.” In so insisting, they apparently believe that somehow, overall, in the last analysis, all things considered, elevating GDP is desirable. But that makes sense only if they believe that, when GDP goes up, it indicates that Americans are enjoying more welfare than previously. So where practical politics meet everyday beliefs, GDP is an index of welfare. Complaining that this is so, see Clifford Cobb, Ted Halstead, and Jonathan Rowe, “If the GDP is Up, Why is America Down?” *The Atlantic Monthly* (October, 1995), pp. 59–78.

- 127 On the economic theory of markets creating value, see Dani Rodrik, *Economic Rules: The Rights and Wrongs of the Dismal Science* (New York: Norton, 2015), pp. 117–120. There is a crucial philosophical point here, which is explained in William Davies, *The Happiness Industry: How the Government and Big Business Sold Us Well-Being* (London: Verso, 2016), *passim*, but esp. pp. 41–69. If “values” are (1) measured by moral, philosophical, and theological precepts, there are a limited number of values and society can (but not easily) dedicate itself to maximizing them. But if valued items are (2) created by marketplace exchanges, where individuals decide which commodities are of value to them, there is no limit to the number and quantity of values that can be produced. In those circumstances, in effect, society is condemned to run (after “values”) on a treadmill, driven by an



endless process of creative destruction and consumption. Economists like Adam Smith, David Ricardo, Karl Marx, and John Stuart Mill until the late 1800s promoted thinking along the lines of (1). Then marginal utility theory was invented by economists like William Stanley Jevons, Leon Walrus, and Carl Menger. Adopting that theory, mainstream economists began to regard individual deal-makers as competent to decide what is valuable and what is not, which reflected thinking along the lines of (2). Thus they justified the current treadmill.

- 128 Political scientists should note that if “value” is created *only* by trade, there is little or no place in mainstream economic analysis for a concept of “value” created by political action, where legislators, encouraged by voters, enact a law (such as the National Labor Relations Act, 1935) that they presume will benefit (be of value to) the community. Different concepts of value constitute an enormous difference between what economists and political scientists study and teach.
- 129 Alan S. Blinder, *Hard Heads, Soft Hearts: Tough-Minded Economics for a Just Society* (New York: Addison-Wesley, 1987), pp. 16–17. Here is an example of a leading economics professor, at Princeton University and formerly a Vice Chairman of the Federal Reserve Bank, talking proudly about what some people call “mainstream economics.”
- 130 William Greider, *The Soul of Capitalism: Opening Paths to a Moral Economy* (New York: Simon and Schuster, 2004), esp. pp. 1–22, postulates that promoting more rather than less is characteristic of capitalist economic thought and practices. In which case, economic growth is the national goal. He argues, however (p. 9), that twentieth-century Americans solved “the [age-old] economic problem,” in the sense that the nation’s economy, based on science and technology, can finally make enough food, shelter, and clothing to provide survival for all of its citizens. Nevertheless, American capitalism persists in producing

more tradeable commodities, in a market-driven process that, in effect, disdains “humanism” (see esp. pp. 300–324, where Greider calls for social and political creativity but does not refer explicitly to humanism) because it (capitalism) denies that people together, rather than markets, can decide deliberately what sort of society – stable, decent, moderate, responsible, considerate, neighborly, environmentally sound, and so forth – they wish to live in. We will return to humanism especially in Chapter 6.

- 131 Dirk Philipsen, *The Little Big Number: How GDP Came to Rule the World and What to Do About It* (Princeton, NJ: Princeton University Press, 2015), p. 49.
- 132 See the classic jeremiad on this subject by E. J. Mishan, *The Costs of Economic Growth* (Baltimore: Penguin Books, 1967).
- 133 How, when, and why driving up GDP became a governmental goal throughout most of the world is explained in Lorenzo Fioramonti, *Gross Domestic Problem: The Politics Behind the World’s Most Powerful Number* (New York: Zed Books, 2015), *passim*.
- 134 *Ibid.*, p. 149.
- 135 For example, see Marion Fourcade, Etienne Ollion, and Yann Algan, “The Superiority of Economists” (2015), which analyzes “the dominant position of economics within the social science network of the United States.” At [www.maxpo.eu/pub/maxpo\\_dp/maxpodp14-3.pdf](http://www.maxpo.eu/pub/maxpo_dp/maxpodp14-3.pdf).
- 136 Some valuable activities, such as child care at home, are not handled thoroughly or at all by mainstream economists because they (the activities) do not entail a financial expenditure.
- 137 E. Roy Weintraub, *How Economics Became a Mathematical Science* (Durham, NC: Duke University Press, 2002). For example, see Robert E. Lucas (Nobel Prize winner in economics, 1995), quoted in David Warsh, *Knowledge and the Wealth of Nations: A Story of Economic Discovery* (New York: Norton, 2007), p. 168: “Like so many others

in my cohort, I internalized its view that if I couldn't formulate a problem in economic theory mathematically, I didn't know what I was doing ... Economic theory is mathematical analysis. Everything else is just pictures and talk."

- 138 Economist Lawrence Summers, Chief Economist of the World Bank, Secretary of the Treasury, President of Harvard University, Director of the National Economic Council: "Spread the truth – the laws of economics are like the laws of engineering. One set of laws works everywhere" (1991). Quoted in Naomi Klein, *Shock Doctrine: The Rise of Disaster Capitalism* (New York: Picador, 2007), p. 275.
- 139 This view is promoted by Maurice Allais (Nobel Prize winner in economics, 1988): "An Outline of my Main Contributions to Economic Science," p. 243: "Firstly, the prerequisite of any science is the existence of regularities which can be analyzed and forecast. This is for example the case in celestial mechanics. But it is also true of many economic phenomena. Indeed, their thorough analysis displays the existence of regularities which are just as striking as those found in the physical sciences. This is why Economics is a science...." [https://assets.nobelprize.org/uploads/2018/06/allais-ecture.pdf?\\_ga=2.97089372.213120061.1536601189-1440850594.1536601189](https://assets.nobelprize.org/uploads/2018/06/allais-ecture.pdf?_ga=2.97089372.213120061.1536601189-1440850594.1536601189).
- 140 On the centrality of metaphors in economics, see Deirdre N. McClosky, *The Rhetoric of Economics* (Madison, WI: University of Wisconsin Press, 1985).
- 141 For example, see the 1992 Nobel Prize in economics lecture by Gary S. Becker, "The Economic Way of Looking at Life," [https://old.nobelprize.org/nobel\\_prizes/economic-sciences/laureates/1992/becker-lecture.html](https://old.nobelprize.org/nobel_prizes/economic-sciences/laureates/1992/becker-lecture.html). See also Becker, *The Economic Way of Looking at Behavior* (Stanford, CA: The Hoover Institution, 1996).
- 142 Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962), p. 13.
- 143 In their enthusiasm for "behavioral economics," some economically minded thinkers today recommend that

- government itself should get into the nudge business. See Nobel Prize winner (economics, 2017) Richard H. Thaler and Cass R. Sunstein, *Nudge: Improving Decisions About Health, Wealth, and Happiness* (New York: Penguin, 2009).
- 144 Thus, Paul A. Samuelson and William Nordhaus, *Economics*, 14th edn (New York: McGraw-Hill, 1992), a widely used textbook for courses in introductory economics, is 727 pages long but does not discuss advertising or marketing. Neither commercial practice appears in the book's index or glossary.
- 145 See *ibid.*, p. 38, on consumer sovereignty, where (a) consumers (all of us), and (b) technology (controlled by producers) are described as jointly “in charge” of markets. Therefore, “Just as a broker helps to match buyers and sellers, so do markets act as the go-betweens who reconcile the consumer's tastes with technology's limitations” [D. R. – the limitations are embodied in producers' production capacities]. In this formulation of market activity, advertising does not appear. Samuelson and Nordhaus observe that consumers express “innate or acquired tastes,” but they do not explain where the acquired tastes come from or what that might signify.
- 146 Bringing Galbraith up to date, spending on ads in the US for 2017 was estimated at more than \$200 billion. See [www.emarketer.com/Report/US-Ad-Spending-eMarketers-Updated-Estimates-Forecast-2017/2002134](http://www.emarketer.com/Report/US-Ad-Spending-eMarketers-Updated-Estimates-Forecast-2017/2002134).
- 147 Galbraith, *The New Industrial State* (Boston: Houghton Mifflin, 1967), pp. 198–218. In his *The Affluent Society* (Boston: Houghton Mifflin, 1958), pp. 124–130, Galbraith called much the same process “the dependence effect,” where consumers were dependent on producers.
- 148 See Eli Cook, *The Pricing of Progress: Economic Indicators and the Capitalization of American Life* (Cambridge, MA: Harvard University Press, 2017), pp. 243–250.
- 149 Kahneman's major work for lay people is his *Thinking, Fast and Slow* (New York: Penguin, 2011). See also Michelle

- Bradley, *Behavioural Economics: A Very Short Introduction* (New York: Oxford University Press, 2017).
- 150 Hacker (ed.), *The Corporation Take-Over* (New York: Doubleday, 1964), p. 7.
- 151 See Stuart Ewen, *PR! A Social History of Spin* (New York: Basic Books, 1996).
- 152 See Eric Clark, *The Want Makers: Inside the World of Advertising* (New York: Penguin, 1988), and Tim Wu, *The Attention Merchants: The Epic Scramble to Get Inside Our Heads* (New York: Knopf, 2016).
- 153 On needs versus wants, see Juliet B. Schor, *The Overspent American: Why We Want What We Don't Need* (New York: Harper Perennial, 1998).
- 154 A good example of this claim, made in a leading economics journal, is Jack Hirshleifer, “The Expanding Domain of Economics,” *American Economic Review* (December, 1985), p. 53: “There is only one social science ... [because] our analytical categories – scarcity, cost, preferences, opportunity, etc. – are truly universal in application ... Thus, economics does really constitute the universal grammar of social science.” (After I drafted this chapter, I read Gary Saul Morson and Morton Schapiro, *Cents and Sensibility: What Economics Can Learn from the Humanities* (Princeton, NJ: Princeton University Press, 2017) and saw (p. 2, *et passim*) that they also write about economic “imperialism.”)
- 155 There is a commercial expression of this academic imperialism. People who work in financial institutions – banks, brokerage houses, insurance companies, etc. – think in economic terms. As a result, they are likely to believe that many different sorts of social problems can be treated, and perhaps resolved, by an application of economic principles and strategies, say, by consulting firms such as McKinsey and Company. Anan Giridharadas, *Winners Take All: The Elite Charade of Changing the World* (New York: Knopf, 2018), *passim*, but esp. pp. 30–34, argues that the result is

an outlook that he calls MarketWorld, where people who are involved in creating the present social situation via capitalist markets believe that they are uniquely qualified and competent to repair the downsides – in all domains – of that situation. In Giridharadas’ thesis, it is as if academic economic training has become a locus of cure-all advice in the commercial world.

156 (New York: McGraw-Hill, 1997).

157 (New York: Penguin, 2006).

158 (New York: Basic Books, 2007).

159 (New York: Harper Perennial, 2010).

160 (New York: Simon and Schuster, 2012).

161 (Boston: Little, Brown, 2008).

162 Thus, one blurb about Nobel Prize winner (economics, 1992) Gary S. Becker, *A Treatise on the Family* (Cambridge, MA: Harvard University Press, 1993), says that the book “cuts through the romantic mist that so often blinds social scientists to the hard choices faced by families and their members.” Another blurb, about Avinash K. Dixit and Barry J. Nalebuff, *The Art of Strategy: A Game Theorist’s Guide to Success in Business and Life* (New York: Norton, 2008), says that “Since reading it, I’ve been seeing everything in terms of game theory, and it feels like having put on a pair of x-ray goggles to view the world.” Another blurb, about Tim Harford, *The Logic of Life: Uncovering the New Economics of Everything*, says that “Reading this book, you’ll discover that the unlikeliest of individuals – racists, drug addicts, revolutionaries and rats – comply with economic logic, always taking account of future costs and benefits.”

## 4 Creative Destruction

163 In 1959, Richard Nixon and Nikita Khrushchev met at an American exhibition in Moscow and the vice president extolled the virtues of American affluence by praising American home appliances on display in the exhibition.

- See the transcript of their conversation at [www.cia.gov/library/readingroom/docs/1959-07-24.pdf](http://www.cia.gov/library/readingroom/docs/1959-07-24.pdf).
- 164 On the virtues of growth, see Benjamin Friedman, *The Moral Consequences of Economic Growth* (New York: Vintage, 2006).
- 165 Brink Lindsey and Steven M. Teles, *The Captured Economy: How the Powerful Enrich Themselves, Slow Down Growth, and Increase Inequality* (New York: Oxford University Press, 2017), pp. 179–180.
- 166 Philipsen, *The Little Big Number*, p. 93.
- 167 That both Keynesians and monetarists favor maintenance of demand is a central message of David W. Noble, *Debating the End of History: The Marketplace, Utopia, and the Fragmentation of Intellectual Life* (Minneapolis, MN: University of Minnesota Press, 2012).
- 168 The efficacy of pumping up supply, even before it is demanded, was championed especially by Arthur Laffer. His “Laffer Curve” was described and praised by the *Wall Street Journal*’s Jude Wanniski, *The Way the World Works* (New York: Touchstone, 1978), pp. 97–107, *et passim*. See a later explanation of that curve from the conservative Heritage Foundation at [www.heritage.org/taxes/report/the-laffer-curve-past-present-and-future](http://www.heritage.org/taxes/report/the-laffer-curve-past-present-and-future).
- 169 Breaking with his colleague President Ronald Reagan, President George H. W. Bush called the supply-side view “voodoo economics.” See [www.washingtonpost.com/business/economy/before-trumps-tax-plan-there-was-voodoo-economics-hyperbole/2016/12/21/c37c97ea-c3d2-11e6-8422-eac61c0ef74d\\_story.html?noredirect=on&utm\\_term=.7d57477c120c](http://www.washingtonpost.com/business/economy/before-trumps-tax-plan-there-was-voodoo-economics-hyperbole/2016/12/21/c37c97ea-c3d2-11e6-8422-eac61c0ef74d_story.html?noredirect=on&utm_term=.7d57477c120c).
- 170 Galbraith, *The Culture of Contentment* (orig., 1992; Princeton, NJ: Princeton University Press, 2017), p. 84.
- 171 See Robert Collins, *More: The Politics of Economic Growth in Postwar America* (New York: Oxford University Press, 2000), pp. 166–213, on how important the supply-side concept was to Ronald Reagan and the Republican Party.
- 172 These presidents should be noted because supply-side tax cuts for the well-to-do have reduced government revenues

and therefore limited the provision of social services that might ease the costs of living born by resentful citizens. That thesis is a central theme in Jacob S. Hacker and Paul Pierson, *Off Center: The Republican Revolution & the Erosion of American Democracy* (New Haven, CT: Yale University Press, 2006); Jacob S. Hacker, *The Great Risk Shift: The New Economic Insecurity and the Decline of the American Dream* (New York: Oxford University Press, 2006); and Jacob S. Hacker and Paul Pierson, *Winner-Take-All Politics: How Washington Made the Rich Richer – and Turned its Back on the Middle Class* (New York: Simon and Schuster, 2010).

- 173 The American Dream story appears today in, among other places, inspirational literature written by, or commissioned by, people who have been very successful economically. Recent examples include (Koch Industries) Charles G. Koch, *Good Profit: How Creating Value for Others Built One of the World's Most Successful Companies* (New York: Crown Business, 2015); (Amway) Rich DeVos, *Simply Rich: Life and Lessons from the Cofounder of Amway: A Memoir* (New York: Howard Books, 2016); (Dollar General) Cal Turner, *My Father's Business: The Small-Town Values That Built Dollar General into a Billion-Dollar Company* (Nashville, TN: Center Street, 2018); and (Home Depot) Ken Langone, *I Love Capitalism: An American Story* (New York: Portfolio, 2018).
- 174 The counter-argument, from outside of mainstream economics, is that success in life is only partly due to “individualism” but also to a political, social, and economic environment, friendly to commercial success, which is built and maintained by many people, including taxpayers, other than the entrepreneur. We will return to this alternative view, promoted by books such as Stephen J. McNamee and Robert K. Miller, Jr., *The Meritocracy Myth*, 3rd edn (New York: Roman and Littlefield, 2014), and Robert H. Frank, *Success and Luck: Good Fortune and the Myth of Meritocracy* (Princeton, NJ: Princeton University Press, 2016). See also n. 248.



- 175 These terms come from John Lanchester, *How to Speak to Money: What Money People Say – and What It Really Means* (New York: Norton, 2014), pp. 65–229.
- 176 On empathy, one can assume that people who work in finance are accustomed (when they work) to think of things in economic rather than human terms, in which case one can argue that the government officials who handled the Crash of 2008 may have understood that there were millions of “mortgages” at risk but not that there were millions of “mortgage-holders” – that is, “homeowners” and “households,” desperate men and women – also at risk, that is, on the edge of bankruptcy, which if it occurred would impose on them terrible and perhaps irreparable personal costs. On this point, see Robert Skidelsky and Edward Skidelsky, *How Much is Enough? Money and the Good Life* (New York: Other Press, 2012), p. 41.
- 177 See Rana Foroohar, *Makers and Takers: How Wall Street Destroyed Main Street* (New York: Crown Business, 2017), pp. 165–188. See also Neil Barofsky, *Bailout: How Washington Abandoned Main Street While Rescuing Wall Street* (New York: Free Press, 2012). Those who left most small debtors in the lurch were less critical than Foroohar of what they did, emphasizing their goal of preventing a systemic meltdown and overall depression. On this score, see Timothy F. Geithner, *Stress Test: Reflections on Financial Crises* (New York: Broadway Books, 2015), written by the Secretary of the Treasury after the Crash of 2008, “Epilogue: Reflections on Financial Crises,” pp. 492–528, but esp. 505: “[As to helping Wall Street more than Main Street, there was]... no other way to prevent a financial calamity from crushing the broader economy.” See also Ben S. Bernanke, *The Courage to Act: A Memoir of a Crisis and its Aftermath* (New York: W. W. Norton, 2015), written by the economics professor who was Chairman of the Federal Reserve Bank during the crisis, which notes that there was little political support for helping homeowners, which

- notes that the Fed had little jurisdiction over the subject of home ownership debt, which devotes 6 out of 579 pages to home mortgage foreclosures, and which provides no figures on how many foreclosures occurred on Bernanke's watch.
- 178 Many working Americans are too poor to participate creatively in the modern economy and therefore, except to protest about being treated badly by it (as some Trump voters did), center their lives mainly on family, tradition, and community. For example, see Barbara Ehrenreich, *Nickel and Dime: On (Not) Getting by in America* (New York: Owl Books, 2001); David K. Shipler, *The Working Poor: Invisible in America* (New York: Vintage, 2005); Robert D. Putnam, *Our Kids: The American Dream in Crisis* (New York: Simon and Schuster, 2015); Arlie Russell Hochschild, *Strangers in Their Own Land: Anger and Mourning on the American Right* (New York: The New Press, 2016); J. D. Vance, *Hillbilly Elogy: A Memoir of a Family and Culture in Crisis* (New York: HarperCollins, 2016); Eliza Griswold, *Amity and Prosperity: One Family and the Fracturing of America* (New York: Farrar, Straus, and Giroux, 2018); and Sarah Smarsh, *Heartland: A Memoir of Working Hard and Being Broke in the Richest Country on Earth* (New York: Scribner, 2018). See also Guy Standing, *The Precariat: The New Dangerous Class* (New York: Bloomsbury, 2014).
- 179 John Patrick Leary, *Keywords: The New Language of Capitalism* (Chicago: Haymarket Books, 2018), argues that neoliberalism rules public conversation in America and the English-speaking world. Therefore he lists, defines, and analyzes the vocabulary of neoliberalism, that is, hundreds of everyday (p. 180) “terms that celebrate profit and the rule of the market...”
- 180 On this point, one can compare (professor of economics) Avinash K. Dixit and (professor of management) Barry J. Nalebuff, *The Art of Strategy: A Game Theorist's Guide to Success in Business and Life* (New York: Norton, 2008), to (professor of history) John Lewis Gaddis, *On Grand Strategy* (New York: Penguin, 2018). The first book sees economic

- factors as underlying almost every human transaction, and the second describes cultural, political, and economic reasons in history for making some of the world's greatest strategic decisions concerning war and peace.
- 181 Schumpeter, *Capitalism, Socialism and Democracy*, pp. 81–86.
- 182 For example, Paul A. Samuelson and William D. Nordhaus, *Economics*, 19th edn (New York: McGraw-Hill, 2010), chapter 25: “Economic Growth,” pp. 501–518. See also N. Gregory Mankiw, *Principles of Economics*, 6th edn (Mason, OH; Andover: South-Western, 2012), chapter 25: “Production and Growth,” pp. 531–553. See also Moore McDowell, Rodney Thom, Ivan Pastine, Robert Frank, and Ben Bernanke, *Principles of Economics*, 3rd edn (New York: McGraw Hill, 2012), chapter 20: “Economic Growth, Productivity and Living Standards,” pp. 499–524.
- 183 This point is discussed in Lanchester, *How to Speak Money*, p. 53, which notes that neoliberals insist that inequality is not just the outcome but also the necessary condition for economic growth and consequent prosperity. See also n. 237.
- 184 A good example of economic thinking that regards innovation (creativity) and entrepreneurship (creative people) as essential to economic progress is William J. Baumol, Robert E. Litan, and Carl J. Schramm, *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity* (New Haven, CT: Yale University Press, 2007), *passim*, but esp. pp. 1–14.
- 185 As a matter of “framing” after World War II, the phrases “creative destruction” and “free enterprise,” which are both presumably driven by “entrepreneurs,” served in the Cold War as American substitutes for “capitalism” and “capitalists.” The aim was to avoid negative connotations that some people attached to the latter.
- 186 Reich, *Saving Capitalism*, pp. 206–207: “When Instagram ... was sold to Facebook for about \$1 billion in 2012, it had thirteen employees and thirty million customers. Contrast

this with Kodak, which had filed for bankruptcy a few months before. In its prime, Kodak had employed 145,000 people.”

- 187 See [www.aei.org/publication/the-netflix-effect-is-an-excellent-example-of-creative-destruction/](http://www.aei.org/publication/the-netflix-effect-is-an-excellent-example-of-creative-destruction/).
- 188 The relentless process of economic change is plainly described by (non-mainstream) economist Robert L. Heilbroner, *The Nature and Logic of Capitalism* (New York: Norton, 1985), p. 36, *et passim*. The formula is  $M-C-M^1$ , where  $M$ , capital-as-money, is invested to produce  $C$ , capital-as-commodities, which are sold to produce  $M^1$ , capital-as-more-money (including profit).  $M^1$  may then be used to finance innovation, otherwise the original capital of  $M$  will become obsolete and worthless when its traditional usage is undermined by the process of creative destruction.
- 189 In the service of creative destruction, Facebook officers offered euphemisms instead of war slogans with their early motto of “Move fast, break things.” When critics began to regard that sort of Facebook behavior as reckless and irresponsible, Facebook eventually softened its motto to “Move fast with stable infrastructure.”
- 190 See Clayton M. Christensen and Michael E. Raynor, *The Innovator’s Solution: Creating and Sustaining Successful Growth* (Boston: Harvard Business Review Press, 2003), pp. 31–65, on the (recommended) “disruptive innovation model.” Recommending the same process of ceaseless economic change, see also business administration professor Gary P. Pisano, *Creative Construction: The DNA of Sustained Innovation* (New York: Public Affairs, 2019). In fact, creative social media such as Facebook and Twitter may have already disrupted the American political process – elections, parties, campaigning, etc. – to the point where democracy as we knew it may no longer continue. For Jill Lepore’s criticism of Christensen’s praise for disruption, see [www.newyorker.com/magazine/2014/06/23/the-disruption-machine](http://www.newyorker.com/magazine/2014/06/23/the-disruption-machine).

- 191 Thus economic growth is often described mainly as an outpouring of welcome consumer products, and we are reminded by economist Diane Coyle, *GDP*, p. 63, that “Meyer Rothschild, the richest man in the world of his time, died in 1836 for want of an antibiotic to cure an infection.” Alternatively, Louis Hyman, *Temp: How American Work, American Business, and the American Dream Became Temporary* (New York: Viking, 2018), explains a great downside of economic growth by showing how many American companies creatively increased their profits by turning full-time jobs, which included social benefits, into temporary jobs that paid little but increased personal and financial insecurity for many workers. In that critical vein, Barry C. Lynn, *End of the Line: The Rise and Coming Fall of the Global Corporation* (New York: Currency Books, 2005), describes how innovations in management and organization decentralized great corporations, which are now more profitable than previously but no longer provide long-term jobs in production, research, and development like, for example, General Motors, General Electric, Motorola, and Bell Telephone used to provide.
- 192 One sees this in some literary descriptions of competition. Thus the sixteenth-century proverb: “Everyman for himself, and the Devil take the hindmost.” Or, from Oliver Goldsmith’s “The Deserted Village,” an eighteenth-century poem against land enclosures in England: “Ill fares the land, to hastening ills a prey. Where wealth accumulates, and men decay.” In [www.poetryfoundation.org/poems/44292/the-deserted-village](http://www.poetryfoundation.org/poems/44292/the-deserted-village). Or Alfred Lord Tennyson, *In Memoriam*, canto LVI, “Nature, red in tooth and claw.” In <https://babel.hathitrust.org/cgi/pt?id=uc2.ark:/13960/t2r49rk91;view=1up;seq=60>. Proponents of economic growth might quote, in response, the mixed blessings described in Bernard Mandeville’s poem, *The Grumbling Hive: or, KNAVES turn’d Honest* (1705): “The worst of all the

- Multitude, did something for the common Good ... Such were the Blessings of that State; Their Crimes conspired to make ‘em Great ... Thus every Part was full of Vice, Yet the whole Mass a Paradise.” See <https://andromeda.rutgers.edu/~jlynch/Texts/hive.html>.
- 193 Accordingly, the business world is replete with tough-minded self-help books. For example, Antony Jay, *Management and Machiavelli: A Prescription for Success in Your Business* (Englewood Cliff, NJ: Prentice Hall, 1996). And, of course, Donald Trump and Bill Zanker, *Think Big and Kick Ass in Business and Life* (New York: HarperCollins, 2008).
- 194 Climate change, as a downside of affluence and GDP prosperity, is already killing coffee bushes and causing Central American coffee farmers to emigrate. See [www.nytimes.com/2019/04/13/world/americas/coffee-climate-change-migration.html](http://www.nytimes.com/2019/04/13/world/americas/coffee-climate-change-migration.html).
- 195 See David Landes, *The Wealth and Poverty of Nations: Why Some Are so Rich and Some so Poor* (New York: Norton, 1999), pp. 290–291.
- 196 Martin Ford, *The Rise of the Robots: Technology and the Threat of Mass Unemployment* (New York: Basic Books, 2015), pp. 169–186, speaks explicitly of the downside of creative destruction and discusses both 3D printing and driverless cars as examples of foreseeable destruction. See also Sam Schwartz, *No One at the Wheel: Driverless Cars and the Road of the Future* (Boston: Public Affairs, 2018).
- 197 Kirkpatrick Sale, *Rebels Against the Future: The Luddites and Their War on the Industrial Revolution* (New York: Basic Books, 1996).
- 198 A good example of optimism on this score is Thomas Friedman, *The Lexus and the Olive Tree: Understanding Globalization* (New York: Anchor Books, 2000), pp. 101–111, where Friedman, exercising his talent for rhetorical creativity, explains that in the maelstrom of globalization, countries are, to their own benefit, constrained by a “golden straightjacket.” That is, they should change their ways (in effect, abjure Ludditism) to fit into a worldwide process that is beyond their control, whereby doing so

will assure them prosperity. For examples of damage from creative destruction, together with firm support for it because although sometimes painful it also fuels commendable progress, see also W. Cox and Richard Alm at [www.econlib.org/library/Enc/CreativeDestruction.html](http://www.econlib.org/library/Enc/CreativeDestruction.html).

- 199 See “The Great Horse Manure Crisis of 1894” in [www.historic-uk.com/HistoryUK/HistoryofBritain/Great-Horse-Manure-Crisis-of-1894/](http://www.historic-uk.com/HistoryUK/HistoryofBritain/Great-Horse-Manure-Crisis-of-1894/).
- 200 The reasoning might be as follows. Neoliberals believe that people are responsible for finding a job and working hard to make their way in the world. In other words, we are not ethically obliged to help them. Many social scientists regard life as more complicated than that. For example, they know that various talents and abilities are naturally distributed according to normal curves, which means that some people are destined, through no fault of their own, to maneuver in life less successfully than others. Apart from individual talents and achievements, though, there is a question of why some communities more than others create new jobs and prosperity for their members. This question is discussed by Timothy P. Carney, *Alienated America: Why Some Places Thrive While Others Collapse* (New York: Harper, 2019). Carney argues that communities that remain faithful to traditional religions, which promote marriages and tight families rather than divorces and anchorless children, which disdain Big Government and Big Business, and which foster the little platoons of civil society, are most likely to “thrive” and reject populist politics. In other words, Carney, writing as a visiting fellow at the American Enterprise Institute, argues that America’s main problem is cultural rather than economic. See esp. pp. 29–46, chapter 3: “‘They’ve Chosen Not to Keep Up,’ Is it Economics or Culture?”
- 201 I should qualify what I said here. Some economists *are* writing about destruction. My argument is not that there are *no* such writings but that there are *too few*. For an excellent example of focusing on the downside, see Nobel Prize (economics, 2001) winner Joseph E. Stiglitz,

*Rewriting the Rules of the American Economy: An Agenda for Growth and Shared Prosperity* (New York: Norton, 2016), p. 169: “The American economy no longer works for most people in the United States.” Notice, though, that even in his title, Stiglitz wants to promote growth, if only a somewhat more benign growth.

202 Reich, *Saving Capitalism*, p. xiv.

203 Law students will recognize here the reasoning that led Justice Oliver Wendell Holmes to issue his dissent in the case of *Lochner v. New York* 198 U.S. 45 (1905), when he famously (but to no avail) criticized the Court majority for, in effect, accepting as legitimate arguments made by the economic theory of laissez-faire in favor of unregulated markets (the Court struck down a New York State law which limited bakery employee work to ten hours per day and sixty hours per week).

204 In truth, many trades involve bystanders who may be hurt when a trade is consummated. Economists refer to what those people gain or lose as “externalities,” or “external costs.” But if those externalities are undesirable (although the Coase Theorem, in mainstream economics, is not outraged by externalities), economists leave it to other people to repair the damage by, say, enacting laws that will permit government to forbid business deals that impose external costs on third parties. And if government does not make such laws, it is politicians rather than economists who are culpable for the damage. This is the sort of argument made by people who blame a lack of government regulation rather than greedy bankers and brokers for the Crash of 2008. On the Coase Theorem, which says that a person who causes external costs (say, downstream pollution) should be enabled to negotiate permission to do so by agreeing to compensate the aggrieved party (the theorem is taught via a “thought experiment” where there is one offender and one victim), see Moore McDowell, Rodney Thom, Ivan Pastine, Robert Frank, and Ben Bernanke, *Principles of Economics*,



3rd edn (New York: McGraw Hill, 2012), pp. 313–315. The Coase Theorem exemplifies economic rather than moral reasoning, that is, the pursuit of what economists call efficiency rather than what a political philosopher like Michael J. Sandel might call decency. Largely for his authorship of this theorem, Coase received the Nobel Prize in economics in 1991. For Sandel’s view of this sort of notion, see Sandel, *What Money Can’t Buy: The Moral Limits of Markets* (New York: Farrar, Straus, and Giroux, 2012).

- 205 Thus Thomas Sowell, *Markets and Minorities* (New York: Basic Books, 1981), p. 4: “[In this book,] by ‘market’ transactions are meant such transactions as are voluntarily made on terms chosen or negotiated by the transacting parties themselves.”
- 206 Philosophers might say that Walmart’s offer is “rational” but not “reasonable.” See John Rawls in n. 115. See also the hypothetical, unjust land rental case described in Jason Stanley, *How Propaganda Works* (Princeton, NJ: Princeton University Press, 2015), p. 105.
- 207 Smith, *The Wealth of Nations*, Bk. I, ch. 8, pp. 66–67.
- 208 On the dog that did not bark in the night, see <https://sherlock-holm.es/stories/pdf/a4/1-sided/silv.pdf>.
- 209 For example, when Marx and Engels, in *The Communist Manifesto* (1848), called on workers “to unite” and throw off their chains, few if any workers throughout the world, either in home countries or in colonies, had a right to complain against capitalism via the ballot box. Nevertheless, many later Marxists, including Lenin and Stalin, interpreted Marx and Engels to mean that armed rebellion against even elected, later-day governments is legitimate.
- 210 Within America’s somewhat monolithic Liberal tradition (which we will explore in Chapter 7), not just many economists but most American social scientists have never used or promoted Marxian concepts. Nevertheless, within political science, some Marxian works appear in the journal *New Political Science*. That journal grew

out of the Caucus for a New Political Science, which was founded in 1967. And Charles E. Lindblom, APSA president in 1981, in his presidential address entitled “Another State of Mind,” *American Political Science Review* (March, 1982), pp. 9–21, very gingerly suggested (p. 20) that his conventional colleagues would do well to “call more heavily on radical thought,” which in Lindblom’s lexicon included Marxism. The fact that many poor white citizens approve of Donald Trump has encouraged some writing and talk about the significance of what Marxists regard as “class” in America. For example, on working-class characteristics and consequences, see Smarsh, *Heartland: A Memoir of Working Hard and Being Broke in the Richest Country on Earth* (2018).

- 211 American conservatives criticize American liberals for promoting modern social practices that sometimes push aside traditional principles and practices. But some of the damage is done by capitalism, which many conservatives admire even though it constantly innovates. See Daniel Bell, *The Cultural Contradictions of Capitalism* (orig., 1976; New York: Basic Books, 1996), which points out, among other instances of displacement, how credit cards mock the traditional (Protestant) virtues of prudence and frugality.
- 212 On the damage in Port Clinton, Ohio, see Putnam, *Our Kids*.
- 213 A 2018 report, from Brown University’s Watson Institute for International and Public Affairs, estimates the cost of American Middle East wars at \$5.9 trillion in current dollars (spent and obligated) after 9/11. The report appears at [https://watson.brown.edu/costsofwar/files/cow/imce/papers/2018/Crawford\\_Costs%20of%20War%20Estimates%20Through%20FY2019.pdf](https://watson.brown.edu/costsofwar/files/cow/imce/papers/2018/Crawford_Costs%20of%20War%20Estimates%20Through%20FY2019.pdf).
- 214 For an example of how American economists, basing themselves on mainstream orthodoxies, describe life in America as a non-Marxian story, see George A. Akerlof and Robert J. Shiller, *Animal Spirits: How Human Psychology Drives the Economy and Why It Matters for Global Capitalism*

(Princeton, NJ: Princeton University Press, 2009). This book was written by two Nobel Prize winners (economics, 2001, 2013); it was published by one of the leading academic publishers of our generation; it appeared just after the calamitous Crash of 2008, when huge banks and brokerage houses had bought and sold securities they knew were over-priced; it attributes the terrible failure of capitalism in that moment of crisis to personal frailty (human nature) rather than to greedy institutions (group behavior); in short, it is based on methodological individualism rather than sociological and anthropological realities. When I read *Animal Spirits*, I felt like I was looking at America through the wrong end of a telescope.

- 215 That mainstream American economics slights democratic-socialist principles and practices – say as they are epitomized in the public life of Norway and Sweden – is described in Offer and Soderberg, *The Nobel Factor*.

## 5 Targeting Neoliberalism

- 216 Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (orig., 1944; Boston: Beacon, 1957), p. 33. Polanyi extended this passage by saying that “Such household truths of traditional statesmanship, often ... reflecting the teachings of a social philosophy inherited from the ancients, were in the nineteenth century erased from the thoughts of the educated by the corrosive of a crude utilitarianism combined with an uncritical reliance on the alleged self-healing virtues of unconscious growth.”
- 217 Between the American Civil War and World War I, “Social Darwinists” assumed that “survival of the fittest” was a law of natural behavior, enjoining implacable competition, in which case that behavior should be encouraged by society so that the nation would progress. Critics – later called “Reform Darwinists” – responded with exactly Polanyi’s argument, insisting that although we have some aggressive instincts, it is entirely possible

to progress by creating a civilization that mutes those instincts. See the two points of view described in Richard Hofstadter, *Social Darwinism in American Thought* (orig., 1944; New York: Beacon, 1955). See a discussion of neoliberalism as a “rebirth” of Social Darwinism in Robert Reich, *Beyond Outrage: What Has Gone Wrong with Our Economy and Our Democracy, and How to Fix It* (New York: Vintage, 2012), pp. 67–76.

- 218 Keeping Polanyi in mind helps us to understand the arguments of, for example, Martin Wolf, *Why Globalization Works* (New Haven, CT: Yale University Press, 2004), pp. 24–25. Wolf says that the “fundamental value” of a “free society” (he means a “market economy”) is “individual freedom” (which is not “the welfare of the community” to which Polanyi refers). Then he goes on to maintain that “Liberalism means perpetual and unsettling change. Most of its enemies have, at bottom, hated it for that reason.” Wolf shows little sympathy for critics (in his category of “enemies”) who do not “hate” liberal markets but only want them to do a better job (less destructive) for everyone (in the “community”). We should note that Wolf’s book was published by the prestigious Yale University Press, which indicates that his views will receive special weight within the academic community.
- 219 It seems to me (I cannot prove this) that, in America’s public conversation, creative destruction doesn’t draw as much criticism as it should because it fuels economic growth, and that growth is assumed to be a project that improves social life year after year. There is a sense, though, in which economic growth is not *part of the solution* but actually *part of the problem*. After all, constant growth means constant change, and constant change undermines the conditions that maintain society itself. These are the circumstances that Avner Offer describes as “the conventions, habits, and institutions of commitment.” In his formulation, these circumstances crumble because “affluence [resting on

- economic growth] is driven by novelty [creativity], and that novelty unsettles [destroys].” See Offer, *The Challenge of Affluence: Self-Control and Well-Being in the United States and Britain since 1950* (New York: Oxford University Press, 2006), pp. vii and 358.
- 220 Robert D. Putnam, “The Public Role of Political Science,” *Perspectives on Politics* (June, 2003), pp. 249–250. This was Putnam’s 2002 presidential address to the APSA.
- 221 For example, (anthropology) David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2005); (global studies) Manfred B. Steger and Ravi K. Roy, *Neoliberalism: A Very Short Introduction* (New York: Oxford University Press, 2010); (economics) Philip Mirowski, *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown* (New York: Verso, 2014); (political science) Wendy Brown, *Undoing the Demos: Neoliberalism’s Stealth Revolution* (New York: Zone Books, 2015); (psychology) Ehrenreich, *Third Wave Capitalism*; and (history) Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge, MA: Harvard University Press, 2018).
- 222 See John Kenneth Galbraith, *The Great Crash 1929* (Boston: Houghton Mifflin, 1961).
- 223 The Glass-Steagall Act of 1933 banned any bank from engaging in all these activities; the Gramm-Leach-Bliley Act of 1999 repealed the Glass-Steagall prohibition.
- 224 On the rise of conservative organizations, see Thomas B. Edsall, *Building Red America: The New Conservative Coalition and the Drive for Permanent Power* (New York: Basic Books, 2006), and Sidney Blumenthal, *The Rise of the Counter-Establishment: The Conservative Ascent to Political Power* (New York: Union Square Press, 2008). The *Citizens United v. Federal Elections Commission* (2010) case, in which the Supreme Court overruled government limitations on campaign contributions from organizations, was brought to court by the conservative Citizens United organization, founded in 1988. Republican federal judgeship candidates,

- such as John Roberts, Neil Gorsuch, and Brett Kavanaugh, are now vetted by the conservative Federalist Society organization, founded in 1982.
- 225 This is a central theme in Brown, *Undoing the Demos*, esp. pp. 79–111.
- 226 Smith, *The Wealth of Nations*, Bk. I, ch. II, p. 13.
- 227 On the nineteenth-century origins of the term *homo economicus*, see Kate Raworth, *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist* (New York: Random House Business Books, 2018), pp. 95–99.
- 228 For Kant, it is a “categorical imperative” that people should not use other people as means to someone else’s ends but should relate to them as ends in themselves. See Immanuel Kant, *The Philosophy of Kant: Immanuel Kant’s Moral and Political Writings*, ed. Carl Friedrich (New York: Modern Library, 1949), “Metaphysical Foundations of Morals (1785),” pp. 176–178.
- 229 For example, Reid Hoffman and Ben Casnocha, *The Start-Up of You: Adapt to the Future, Invest in Yourself, And Transform Your Career* (New York: Random House, 2013).
- 230 Thomas Hobbes, *Leviathan, or the Matter, Forme and Power of a Commonwealth Ecclesiasticall and Civil* (orig., 1651; Oxford: Oxford University Press, 1960), Part 1, chapter 13, p. 82.
- 231 Some scholars refer to this neoliberal approach to economic success as “the portfolio society.” See Gerald F. Davis, *Managed by the Markets: How Finance Re-Shaped America* (New York: Oxford University Press, 2009), esp. “Chapter 6: From Employee and Citizen to Investor: How Talent, Friends, and Homes Became ‘Capital’,” pp. 191–234.
- 232 Aronowitz, *The Knowledge Factory*, pp. 125–156. Megan Erickson, *Class War: The Privatization of Childhood* (New York: Verso, 2015), pp. 70–80, *et passim*, describes how American public schools have been shaped, in recent decades, according to neoliberal notions of educating children to compete for work in a market-driven society, starting with the Reagan-era report, sponsored by Secretary of Education Terrel Bell,

entitled *A Nation at Risk: The Imperative of Educational Reform* (Washington, DC: United States Government Printing Office, 1983). For example, see Governor Rick Scott, Florida: “If I’m going to take money from a citizen to put into education then I’m going to take that money to create jobs ... Is it a vital interest of the state to have more anthropologists? I don’t think so.” And see President Barack Obama: “I promise you, folks can make a lot more, potentially, with skilled manufacturing or the trades than they might with an art history degree.” Scott and Obama are quoted in [www.insidehighered.com/news/2014/01/31/obama-becomes-latest-politician-criticize-liberal-arts-discipline](http://www.insidehighered.com/news/2014/01/31/obama-becomes-latest-politician-criticize-liberal-arts-discipline). See also David Skorton, president of Cornell University, delivering the university’s commencement address in 2014: “Each of you starts the next portion of your life’s journey with the tremendous benefit of a Cornell education. I hope that you’ll carry with you ... a continuing commitment to build human capital so that more will have opportunities to pursue their dreams.” At <http://news.cornell.edu/stories/2014/05/build-human-capital-skorton-tells-2014-graduates>.

- 233 The phrase is from Thoreau’s *Walden* in Brooks Atkinson (ed.), *WALDEN, And Other Writings of Henry David Thoreau* (New York: Modern Library, 1937, 1950), p. 7. On life in the modern economy, see Richard Sennett, *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism* (New York: Norton, 1998), and Richard Sennett, *The Culture of the New Capitalism* (New Haven, CT: Yale University Press, 2006). See also Jules Henry, *Culture Against Man* (New York: Vintage Books, 1963), as a forerunner to Sennett’s ideas on the inhumanity of much modern economic activity.
- 234 See Moshe Adler, *Economics for the Rest of Us: Debunking the Science That Makes Life Dismal* (New York: The New Press, 2011), pp. 113–150. Adler discusses what economists call the theory of wages. Classical economists such as

Smith and Ricardo said that wages are determined by the bargaining powers of employers (capital) versus the bargaining powers of employees (labor). Neoclassical economists, starting with John Bates Clark, rejected Smith and Ricardo on this point and said that wages are determined by the marginal utility contribution of each person to the final product. Adler insists, however, that it is impossible to calculate any person's VMP (value of marginal product) because it is impossible to isolate one person's contribution to a collective project. For example, remove the taxi driver, and the taxicab will stand still, generating no fares. Remove the taxicab, and the driver will stand still, generating no fares. So who contributed what, or did each contribute 100-percent utility to the rides and fares? (On the difficulties of measuring VMP, see also Schlefer, *The Assumptions Economists Make*, pp. 99–120.) Let's put that another way. From the total sum of fares, how much should the employee driver be paid and how much should the taxicab owner take home? For social purposes, the bottom line here is that, if bargaining power is really the key factor to setting wages, then modern society, which does not limit how many investors can get together to form powerful corporations, should also not limit how many workers can unite to form powerful labor unions. But neoliberals usually regard labor unions unfavorably, to the point where they prefer that workers bargain separately with their employers. And neoliberals who praise banks and "entrepreneurs" for their contributions to economic growth make no objection to CEOs awarding themselves, while in control of their boards of directors, salaries and benefits which are hundreds of times more generous than what they are willing to pay average rank-and-file workers in the same corporations. On CEO pay in 2017 at S&P 500 Index firms, see the research reported in *Forbes Magazine*



at [www.forbes.com/sites/dianahembree/2018/05/22/ceo-pay-skyrockets-to-361-times-that-of-the-average-worker/#67c2b203776d](http://www.forbes.com/sites/dianahembree/2018/05/22/ceo-pay-skyrockets-to-361-times-that-of-the-average-worker/#67c2b203776d).

- 235 The common-sense answer to how much people earn is that it mostly depends on their bargaining power. Having less power, one earns less. Having more power, one earns more. Which is why Walmart designates its salespeople “associates” instead of “workers,” because the latter have a legal right, according to the National Labor Relations Act of 1935, to organize and join labor unions, whereas the former (as part of the company’s “management”) can legally be fired by Walmart for doing either. In short, “workers” can acquire bargaining power by uniting with other workers, so Walmart tries to prevent them from doing that by calling them “associates.”
- 236 Bartels, *Unequal Democracy: The Political Economy of the New Gilded Age* (Princeton, NJ: Princeton University Press, 2008), p. 29.
- 237 This is the main argument in Friedman, *Capitalism and Freedom*. It is also sometimes implied, as in Lindsey and Teles, *The Captured Economy*, where the title assumes that the economy is simply there (not created by society) to be captured or otherwise distorted.
- 238 Market-based decisions produce inequality of incomes. But neoliberals assume that this uneven distribution of economic rewards is necessary, because they believe that only large rewards can motivate the entrepreneurs who produce the economic growth that counts for neoliberals as progress. For a discussion of this point – as if “no pain [for the weak], no gain [for society]” – see Raworth, *Doughnut Economics*, pp. 163–170. Religion inspired an earlier pro-market approach to inequality, as in *Mark 14:7*: “... the poor you always have with you.” Thus Edmund Burke didn’t need secular theories to conclude that it is not “within the competence of Government, taken as Government, or even of the rich, as rich, to

- supply to the poor, those necessities which it has pleased the Divine Providence for a while to with-hold from them.” See Burke, “Thoughts and Details on Scarcity” (1795), p. 32, at <https://quod.lib.umich.edu/e/ecco/004903053.0001.000?rgn=main;view=fulltext>.
- 239 John Gray, *False Dawn: The Delusions of Global Capitalism* (New York: New Press, 2000), pp. 17–18, 23–24, 26–34. See also Dean Baker, *Taking Economics Seriously* (Cambridge, MA: MIT Press, 2010), pp. 1–17.
- 240 Graeber, *Debt: The First 5,000 Years* (New York: Melville House, 2012), pp. 21–41.
- 241 The central thesis of neoliberalism, as expressed by Friedrich Hayek and like-minded colleagues, is that government should protect natural markets so that democratic forces will not prevent them from functioning efficiently. This point, on the “encasement” of “states, laws, and other institutions to protect markets,” is explained throughout Slobodian, *Globalists*, but see esp. pp. 2–6. For a scholarly claim that neoliberalism’s central thesis, of keeping capitalism safe from democracy, underlies the libertarian theories of economist James Buchanan and the anti-government political philanthropy of businessmen Charles and David Koch, see MacLean, *Democracy in Chains*, esp. pp. 74–87. On leading neoliberal economists, see Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton, NJ: Princeton University Press, 2012). For a recent example of this neoliberal approach, see Raghuram G. Rajan, *Fault Lines: How Hidden Fractures Still Threaten the World Economy* (Princeton, NJ: Princeton University Press, 2011), p. 228: “It is when democratic government . . . tries to use modern financial markets to fulfill political goals, when it becomes a participant in markets rather than a regulator [of natural markets], that we get the kind of disasters [the Crash of 2008] that we have just experienced.”
- 242 On the importance of entrepreneurs, see Nobel Prize winner (economics, 2013) Robert J. Shiller, *Finance and the Good Society* (Princeton, NJ: Princeton University

- Press, 2012), p. 13: “Financial innovation is an underappreciated phenomenon.” Moreover, according to Shiller, the people who practice it and earn great wealth, should (p. 235) extend “enlightened stewardship” to those who are less successful financially. The notion of rich people as enlightened administrators of great wealth was famously promoted by Andrew Carnegie, in his “The Gospel of Wealth” (1889), reprinted in Andrew Carnegie, *The Gospel of Wealth*, ed. Edward C. Kirkland (Cambridge, MA: Harvard University Press, 1962), pp. 14–49.
- 243 Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: Crown Business, 2012), pp. 32, 430.
- 244 Supply-side economics is described in n. 168. This theory rejects the Keynesian notion that (a) *government* (politicians) can enact policies to avoid recessions and generate prosperity. Instead, it favors a notion, rejected by demand-side economists, that if government will just get out of the way, (b) *private industry and commerce* (entrepreneurs) will make such extensive investments (and consumers will buy whatever additional goods are produced) as to avoid recessions and generate prosperity.
- 245 On the golden straightjacket, see n. 198. An earlier wordsmith portrayed less favorably the strictures of economic growth and globalization. Thus, in *Hard Times*, Charles Dickens described Thomas Gradgrind, Victorian and Utilitarian schoolmaster: “He sat writing in the room with the deadly statistical clock, proving something no doubt – probably, in the main, that the Good Samaritan was a Bad Economist.” See Dickens, *Hard Times* (orig., 1854; London: Penguin Classics, 1994), p. 192.
- 246 Ngaire Woods, *The Globalizers: The IMF, the World Bank, and Their Borrowers* (Ithaca, NY: Cornell University Press, 2006) offers analysis and constructive criticism. Richard Peet, *Unholy Trinity: The IMF, World Bank and WTO* (New York: Zed Books, 2003), provides a hostile overview of the globalizers.

- 247 Thus Max Weber's essay, "Science as a Vocation" (1917), in David Owen and Tracy B. Strong (eds.), *Max Weber: The Vocation Lectures* (Indianapolis, IN: Hackett, 2004), pp. 1–31.
- 248 See Baumol, Litan, and Schramm, *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity*, pp. 263–268.
- 249 Some philosophers use the term "interdependence" or related terms to indicate that any one person's success depends on what he or she receives from others. For example, see John Dewey, *Individualism Old and New* (orig., 1933; New York: Prometheus, 1999) and Liam Murphy and Thomas Nagel, *The Myth of Ownership: Taxes and Justice* (New York: Oxford, 2001). See also the case of Walmart, which makes great profits at least partly by paying its workers so little that many of them live in poverty and must use government food stamps. On Walmart and its more than \$6 billion of annual government assistance, see [www.forbes.com/sites/clareoconnor/2014/04/15/report-walmart-workers-cost-taxpayers-6-2-billion-in-public-assistance/#4dd18666720b](http://www.forbes.com/sites/clareoconnor/2014/04/15/report-walmart-workers-cost-taxpayers-6-2-billion-in-public-assistance/#4dd18666720b). On government's contributions to private, high-tech productivity and profitability, see Linda Weiss, *America Inc? Innovation and Enterprise in the National Security State* (Ithaca, NY: Cornell University Press, 2014), and Mariana Mazzucato, *The Entrepreneurial State: Debunking Public vs. Private Sector Myths* (New York: Public Affairs, 2015).
- 250 Many Americans deplore the course of Native American history. But they all automatically, and mostly unthinkingly, enjoy the outcome of their predecessors' forcibly occupying approximately 3.8 million square miles of land (including Alaska and Hawaii) that were once home only to indigenous people. Thus Irving Berlin, who was a white, Jewish, Russian, Yiddish-speaking immigrant who arrived at Ellis Island in 1893 (the Apache chief Geronimo was last captured by US cavalry soldiers in 1886), wrote and sang, while leaving out the natives, "God bless America ... From the mountains to

the prairies, to the oceans white with foam, God bless America, my home sweet home.” And Richard Rogers and Oscar Hammerstein, for their quintessential 1943 Broadway musical show “Oklahoma,” composed an inspiring story about the former Indian Territory (which is still home to scores of tribes), without placing Native American characters on the stage.

- 251 After the battle of Omdurman in 1898, where British soldiers fielded Maxim guns (recoil-operated machine guns), British dead were listed as 47–48, while Mahdist (Muslim) dead were estimated at 12,000. See [www.britishbattles.com/war-in-egypt-and-sudan/battle-of-omdurman/](http://www.britishbattles.com/war-in-egypt-and-sudan/battle-of-omdurman/). See also Hilaire Belloc on the Maxim gun in [https://archive.org/stream/moderntraveller00belluoft/moderntraveller00belluoft\\_djvu.txt](https://archive.org/stream/moderntraveller00belluoft/moderntraveller00belluoft_djvu.txt).
- 252 See Gaddis, *On Grand Strategy*, p. 288: “[FDR’s country emerged from the war] with half the world’s manufacturing capability, two-thirds of its gold reserves, three-fourths of its invested capital, its largest navy and air force, and its first atomic bombs.”
- 253 The “story” cited in this quotation was told by David Ricardo in David Ricardo, *The Principles of Political Economy and Taxation* (orig., 1817; London: Dent & Sons, 1962), pp. 81–83 ff. The quotation itself comes from Krugman, *The Accidental Theorist: And Other Dispatches from the Dismal Science* (New York: Norton, 1998), pp. 113–114. See also Ian Fletcher, *Free Trade Doesn’t Work: What Should Replace It and Why* (Sheffield, MA: Coalition for a Prosperous America, 2011), p. 3: “Ninety-three percent of American economists [professors?] surveyed [in 2003] support free trade.”
- 254 See Krauthammer at [www.washingtonpost.com/opinions/save-obama-on-trade/2015/05/14/aabaf342-fa65-11e4-9ef4-1bb7ce3b3fb7\\_story.html?utm\\_term=.298f9067086b](http://www.washingtonpost.com/opinions/save-obama-on-trade/2015/05/14/aabaf342-fa65-11e4-9ef4-1bb7ce3b3fb7_story.html?utm_term=.298f9067086b).
- 255 See this optimism underlying Wolf, *Why Globalization Works*, p. 157: “... it makes more sense to focus on what has happened to poverty than to inequality.” This is a financial argument, where rising GDP does not account

for what economists call “externalities.” For example, Indonesian workers may now make more money than previously (that is, they may be further than previously from poverty because they receive money from their country’s growing GDP). But the environment in which they live – rainforests, coral reefs, freshwater resources, etc. – is deteriorating because it is being exploited to push up GDP. On the environmental costs of Third World economic success, see Elizabeth L. Cline, *Over-Dressed: The Shockingly High Cost of Cheap Fashion* (New York: Portfolio/Penguin, 2013), pp. 123–125.

- 256 Republican lawmakers in the Senate and House together voted *for* NAFTA 166–114, while Democrats in the Senate and the House voted *against* NAFTA 182–129.
- 257 Clinton should be classified as neoliberal on this point because labor unions protested strongly against NAFTA but Clinton signed it into law anyway. On the economic and global implications of NAFTA, see Greg Grandin, *The End of the Myth: From the Frontier to the Border Wall in the Mind of America* (New York: Metropolitan Books, 2019), pp. 233–248. As Grandin says (p. 233), “Clinton was Reagan’s greatest achievement.”
- 258 Dickens noted the ambiguity of average gains in *Hard Times*, pp. 50–51, where in Coketown the Utilitarian schoolmaster, Mr. M’Choakumchild, observes to “Sissy” Jupe, his student, that “in this nation, there are fifty millions of money. Girl number twenty, isn’t this a prosperous nation? and a’n’t you in a thriving state? ‘What did you say?’ asked Louisa. ‘Miss Louisa [said Sissy], I said I didn’t know. I thought I couldn’t know whether it was a prosperous nation or not, and whether I was in a thriving state or not, unless I knew who got the money, and whether any of it was mine.’”
- 259 See Gabriel Zucman, *Global Wealth Inequality* (Cambridge, MA: National Bureau of Economic Research, January, 2019), Figure 1, p. 36, at <https://papers.nber.org/tmp/38195-w25462.pdf>. See also Chuck Collins and Josh

Hoxie, *Billionaire Bonanza: The Forbes and the Rest of Us* (Washington, DC: Institute for Policy Studies, 2017) at <https://inequality.org/wp-content/uploads/2017/11/BILLIONAIRE-BONANZA-2017-Embargoed.pdf>. Collins and Hoxie claim that the three richest Americans – Bill Gates, Jeff Bezos, and Warren Buffett – “now own more wealth than the entire bottom half of the American population combined, a total of 160 million people or 63 million households.”

- 260 [www.cnbc.com/2018/07/19/income-inequality-continues-to-grow-in-the-united-states.html](http://www.cnbc.com/2018/07/19/income-inequality-continues-to-grow-in-the-united-states.html).
- 261 See his “The Social Responsibility of Business is to Increase its Profits” (1970) in <http://umich.edu/~thecore/doc/Friedman.pdf>: “[T]here is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.” For early scholarly support of this notion, see Michael C. Jensen and William H. Meckling, “Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure,” *Journal of Financial Economics* (October, 1976), pp. 305–360.
- 262 2012 Republican presidential candidate Mitt Romney was a successful venture capitalist with the firm of Bain Capital. For a positive view of venture capitalism’s role in American life, see Edward Conard, *Unintended Consequences: Why Everything You’ve Been Told About the Economy is Wrong* (New York: Portfolio/Penguin, 2012). Conard is a former managing director of Bain Capital. For critical views of venture capitalism, see Louis Hyman, *Temp: How American Work, American Business, and the American Dream Became Temporary* (New York: Viking, 2018) and Eileen Appelbaum and Rosemary Batt, *Private Equity at Work: When Wall Street Manages Main Street* (New York: Russell Sage Foundation, 2014). Appelbaum and Batt offer a briefer version of

their book's argument in <http://prospect.org/article/private-equity-pillage-grocery-stores-and-workers-risk>.

- 263 Sloan is cited in David Farber, *Sloan Rules: Alfred P. Sloan and the Triumph of General Motors*, 2nd edn (Chicago: University of Chicago, 2005), p. 59. Sloan was a harbinger. The massive historical shift of business organizations after 1970 in Sloan's direction (via outsourcing, hiring temporary workers, pressuring suppliers, exploiting consumers, and more) to fulfill the theory that companies exist in order to make money rather than things (or even progress) is described in Hyman, *Temp*, *passim*. See also Hyman, *Temp*, pp. 180, 184: "The patriotic pride that GE's Ralph Cordiner could feel in the 1950s at being the head of an 'American manufacturing company ... devoted to serving the United States' had been replaced [in late-twentieth-century America] by the pride in a rising stock price ... Only suckers made commodities."
- 264 In American constitutional law, see *Charles River Bridge v. Warren Bridge* 36 US (11 Pet) 420 (1837). On the declining power of the idea that corporations are chartered to serve the public, see Shoshana Zuboff, *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power* (New York: Public Affairs, 2019), pp. 40–41.
- 265 Appelbaum and Batt, *Private Equity at Work*, p. 15: "Shareholder-value maximization represents a fundamental shift in the concept of the American corporation – from a view of it as a productive enterprise and stable institution serving the needs of a broad spectrum of stakeholders to a view of it as a bundle of assets to be bought and sold with an exclusive goal of maximizing shareholder value." The older, larger view of corporation responsibilities to the community is at odds with the modern notion, going back to the late nineteenth century, that corporations should be regarded as real (not artificial) individuals possessing



- constitutional rights and therefore in some respects not to be restrained by government regulation. One of the Supreme Court's recent decisions to that effect, in *Citizens United v. Federal Election Commission*, is disputed by Jeffrey D. Clements, *Corporations Are Not People: Why They Have More Rights Than You Do and What You Can Do About It* (San Francisco, CA: Barrett-Koehler, 2012).
- 266 See this in Julia C. Ott, *When Wall Street Met Main Street: The Quest for an Investors' Democracy* (Cambridge, MA: Harvard University Press, 2011), pp. 4–5, *et passim*.
- 267 For the New Deal outlook, see Adolf A. Berle and Gardiner C. Means, *The Modern Corporation and Private Property*, 2nd edn (orig., 1932; New York: Routledge, 1991). For the pro-market view, see Amity Shlaes, *The Forgotten Man: A New History of the Great Depression* (New York: Harper Perennial, 2008) and Kim Phillips-Fein, *Invisible Hands: The Businessmen's Crusade Against the New Deal* (New York: Norton, 2009). For the day-to-day endorsement of a shareholder-values set of validations and justifications by financial workers in Manhattan, see the anthropological study by Karen Ho, *Liquidated, An Ethnography of Wall Street* (Durham, NC: Duke University Press, 2009), pp. 122–212.
- 268 Mankiw, *Principles of Economics*, p. 4.
- 269 Blinder, *Hard Heads, Soft Hearts*, pp. 16–17.
- 270 Famine (scarcity of food), for example, does not occur because society lacks the capacity to produce enough food but because we do not distribute enough of it to people who are hungry. See Nobel Prize winner (economics, 1998) Amartya Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation* (New York: Oxford University Press, 1981).
- 271 For a neoliberal argument along these lines, see James R. Rogers, “The Inescapable Tragedy of Postliberalism” at [www.lawliberty.org/2019/07/24/the-inescapable-tragedy-of-postliberalism/?utm\\_source=LAL+Updates&utm\\_campaign=0c39d6e790-LAL\\_Daily\\_Updates&utm\\_medium=email&utm\\_term=0\\_53ee3e1605-0c39d6e790-72492621](http://www.lawliberty.org/2019/07/24/the-inescapable-tragedy-of-postliberalism/?utm_source=LAL+Updates&utm_campaign=0c39d6e790-LAL_Daily_Updates&utm_medium=email&utm_term=0_53ee3e1605-0c39d6e790-72492621). There, Rogers cites “tragically scarce

resources” to claim – without distinguishing between needs and wants – that only the pursuit of endless economic growth can comfortably “sustain a world of 7.9 billion souls.”

- 272 When technology in the twentieth century led to factories and farms that could produce more things than people needed, desires had to be evoked, via advertising, to buy up the surpluses. That is the story told in William Leach, *Land of Desire: Merchants, Power and the Rise of a New American Culture* (New York: Vintage, 1993). See also Susan Strasser, *Satisfaction Guaranteed: The Making of the American Mass Market* (Washington, DC: Smithsonian Institution Press, 1989).
- 273 See Fred Hirsch, *The Social Limits to Growth* (Cambridge, MA: Harvard University Press, 1978), *passim*, on “positional goods,” which, when achieved, become unavailable to others.
- 274 Schor, *True Wealth*, pp. 27–48, calls this situation the “materiality paradox,” in that we are addicted to material items not because they are functional (necessary) but because they are culturally attractive (desirable).
- 275 In the context of the concept of consumer sovereignty, one may envision corporations as if they were like Gulliver, a giant (say, Google) flat on its back tied down with many small strings by tiny Lilliputians (consumers).
- 276 Personal costs would include bad health due to fracking. See Griswold, *Amity and Prosperity*.
- 277 See Kate Ervine, *Carbon* (New York: Polity, 2018).
- 278 In David M. Ricci, *Why Conservatives Tell Stories and Liberals Don't: Rhetoric, Faith, and Vision on the American Right* (Boulder, CO: Paradigm Publishers, 2011), pp. 37–38, I call this thesis “the dollar fix.”
- 279 Gernot Wagner and Martin L. Weitzman, *Climate Shock: The Economic Consequences of a Hotter Planet* (Princeton, NJ: Princeton University Press, 2015), p. 46.

- 280 I say “in strictly economic terms” because a carbon tax, like the existing federal gasoline tax, could be collected and enforced by relatively few government workers and would do its work automatically rather than require the creation and administration of numerous government regulations. In other words, a carbon tax is more of an economic than a political instrument, favored by people who regard most governmental activities as fallible and potentially tyrannical.
- 281 Wagner and Weitzman, *Climate Shock: The Economic Consequences of a Hotter Planet*, pp. 6, 23–28, 46, 75–79. By using the word “economic,” this book’s title unintentionally reveals that its authors are addressing secondary consequences of climate change.
- 282 Klein, *No is Not Enough: Resisting Trump’s Shock Politics and Winning the World We Need* (Chicago: Haymarket Books, 2017), p. 81.
- 283 Paradoxically, James Kwak, *Economism: Bad Economics and the Rise of Inequality* (New York: Pantheon, 2010), p. 10, points out that neoliberalism (whose economic beliefs he calls “economism”) is “influential” in America precisely because it is *not* a formal ideology but a diffuse (and therefore hard to formally disprove) set of values, assumptions, inclinations, preferences, and interpretations. Mirowski, *Never Let a Serious Crisis Go To Waste, passim*, also finds no catechism for neoliberalism and therefore analyzes a set of values, assumptions, expectations, etc., which he calls the Neoliberal Thought Collective. See also Philip Mirowski and Dieter Plehwe (eds), *The Road From Mont Pelerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA: Harvard University Press, 2015), esp. pp. 433–440, which lists eleven neoliberal tenets.
- 284 That different groups or classes have distinctive and user-friendly ways of seeing the world is canonically discussed in Karl Mannheim, *Ideology and Utopia: An Introduction to*

*the Sociology of Knowledge* (New York: Harvest Books, 1936), *passim*, but esp. pp. 55–59.

- 285 On the ideology of the modern American middle class, see Noble, *Debating the End of History*, *passim*, but esp. p. 1.
- 286 Conard, *Unintended Consequences*, pp. 40–43.
- 287 Bain Capital was co-founded in 1984 by Mitt Romney, who was governor of Massachusetts from 2003 to 2007, was the Republican presidential nominee in 2012, and was elected to the Senate from Utah in 2018.
- 288 Nassau Senior, *An Outline of the Science of Political Economy* (orig., 1836; London: G. Allen & Unwin, 1951), p. 58.
- 289 What is called “economics” today was originally called “political economy” (as in David Ricardo, *The Principles of Political Economy and Taxation*, 1817, and John Stuart Mill, *Principles of Political Economy*, 1848), because it was widely understood that governments regulate economic activity in order to promote political ends. National budgets, for example, are used by political leaders to set nation-wide priorities, with some economic activities fostered and others discouraged. That economic thinkers managed to drop the “political” from “political economy” gradually, in the decades before World War I, made it seem like there were two separate realms, one of “economics” and the other of “politics.” In which case modern “economists” sound like they are being scientific about what is, in reality, a matter of subjective priorities that are still heavily influenced by political considerations.
- 290 I am using the term “public good” as economists use it, to describe a good, like a public park or no-fee bridge or clean water or the American Air Force, which comes into existence and thereafter is available to be used by, or provide a benefit to, everyone. That is, *public goods* are not like *private goods*, because the latter, for example my car, cannot be used by anyone else unless the owner gives that person permission.
- 291 Neoliberals would disagree with my assertion that they are weak on public goods. They would say that they

favor using government taxes to provide law and order (domestic tranquility) and armed forces (national defense) in order to enable the competitive market to facilitate prosperity (in the pursuit of happiness). Then they would say that, for so long as that market is maintained, every individual will receive what he or she deserves (justice), and private property earned in the market will make citizens financially strong enough to resist government's tendency to become tyrannical (ergo, liberty will reign).

- 292 See Mancur Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (Cambridge, MA: Harvard University Press, 1965), esp. pp. 5–52.
- 293 Conard, *Unintended Consequences*, p. 266. In favor of charging user fees for many services now provided by government agencies, see Lawrence W. Reed (ed.), *Private Cures for Public Ills: The Promise of Privatization* (Irving-on-Hudson, NY: The Foundation for Economic Education, 1996).
- 294 The philosophical issue around public goods is discussed in Gamble, *Can the Welfare State Survive?*, p. 3, *et passim*, and Offer and Soderberg, *The Nobel Factor*, pp. 4–7, *et passim*. Both of these books explain that most American economic thought differs in principle from social democratic thought in Europe, epitomized in Nordic countries. In America, most economic thinkers regard individuals as morally obliged to work hard to achieve their own economic security (there is the rational, utility-seeking individual of mainstream economics), whereas in Nordic countries, most economic thinkers expect that economic risks threaten everyone, if only in old age, should be handled by pooling some resources and thereby providing security for the entire community. In that case, goods like welfare and child support in Norway and Sweden are allocated to all citizens as benefits that they deserve as members of society, whereas in America welfare and child support are described as services provided only to the poor, in which case many prosperous

people have no self-interest in them (the services) and don't support them politically. For example, William Voegeli, *Never Enough: America's Limitless Welfare State* (New York: Encounter Books, 2012), who is a senior editor at the conservative *Claremont Review of Books*, promotes the view that regards "welfare" programs as intended not for society at large, as in Nordic countries, but for the poor and less successful in America.

- 295 For example, see William Kristol, "The 1993 Kristol Memo on Defeating Health Care Reform," addressed to "Republican Leaders" on the subject of "President Clinton's health care reform proposal" and warning that Clinton's plan, if enacted, would persuade many voters that the Democratic Party is "the generous protector of middle class interests." At [www.scribd.com/document/12926608/William-Kristol-s-1993-Memo-Defeating-President-Clinton-s-Health-Care-Proposal](http://www.scribd.com/document/12926608/William-Kristol-s-1993-Memo-Defeating-President-Clinton-s-Health-Care-Proposal).
- 296 See Robert H. Frank and Phillip J. Cook, *The Winner-Take-All Society: Why the Few at the Top Get so Much More Than the Rest of Us* (New York: Penguin, 1996). The same economy is sometimes called "the casino economy," which is particularly apt vis-à-vis Sheldon Adelson, a major Republican donor, much of whose \$40-billion fortune comes from casinos in Las Vegas, Macau, and Singapore.
- 297 See [www.washingtonpost.com/news/wonk/wp/2017/12/06/the-richest-1-percent-now-owns-more-of-the-countrys-wealth-than-at-any-time-in-the-past-50-years/?noredirect=on&utm\\_term=.60b09dca4a83](http://www.washingtonpost.com/news/wonk/wp/2017/12/06/the-richest-1-percent-now-owns-more-of-the-countrys-wealth-than-at-any-time-in-the-past-50-years/?noredirect=on&utm_term=.60b09dca4a83).
- 298 For Sanders' view, see a long version in Sanders, *The Speech: A Historic Filibuster on Corporate Greed and the Decline of Our Middle Class*, 2nd edn (New York: Nation Books, 2015) and see a short version in his 2015 Georgetown University speech at [http://inthesetimes.com/article/18623/bernie\\_sanders\\_democratic\\_socialism\\_georgetown\\_speech](http://inthesetimes.com/article/18623/bernie_sanders_democratic_socialism_georgetown_speech).

- 299 See Ehrenreich, *Nickle and Dimed*, *passim*, trying to pay for basic needs by working as a waitress, hotel maid, house cleaner, nursing home aide, and Walmart salesperson. See also Shieler, *The Working Poor*.
- 300 The transformation of wealth into political power is summed up in Nobel Prize winner (economics, 2001) Joseph Stiglitz, “Of the 1%, By the 1%, and For the 1%,” *Vanity Fair* (May, 2011) at [www.vanityfair.com/news/2011/05/top-one-percent-201105](http://www.vanityfair.com/news/2011/05/top-one-percent-201105). Stiglitz writes more about the One Percent and its powers in his *The Price of Inequality: How Today’s Divided Society Endangers Our Future* (New York: Norton, 2012).
- 301 Many books describe the impact of money on politics. For example, see Frank R. Baumgartner, Jeffrey M. Berry, Marie Hojnacki, David R. Kimball, and Beth L. Leech, *Lobbying and Policy Change: Who Wins, Who Loses, and Why* (Chicago: University of Chicago Press, 2009); Lawrence Lessig, *Republic Lost: How Money Corrupts Congress – and a Plan to Stop It* (New York: Twelve, 2011); Zephyr Teachout, *Corruption in America: From Benjamin Franklin’s Snuff Box to Citizens United* (Cambridge, MA: Harvard University Press, 2014); Martin Gilens, *Affluence and Influence: Economic Inequality and Political Power in America* (Princeton, NJ: Princeton University Press, 2014); Wendell Potter and Nick Penniman, *Nation on the Take: How Big Money Corrupts Our Democracy* (New York: Bloomsbury, 2016); and Benjamin I. Page, Jason Seawright, and Matthew J. Lacombe, *Billionaires and Stealth Politics* (Chicago: University of Chicago Press, 2019).
- 302 For political science, that money talks is summed up in Thomas Ferguson, *Golden Rule: The Investment Theory of Party Competition and the Logic of Money-Driven Political Systems* (Chicago: University of Chicago Press, 1995). Roughly speaking, “the golden rule” says that whoever has the gold, rules. In popular culture, see the ABBA song, “Money, Money, Money” – “All the things I could do, if I had a little money, it’s a rich man’s world.”

- 303 On what major “donors” get in return for their political money, see Richard Hasen, *Plutocrats United: Campaign Money, the Supreme Court, and the Distortion of American Elections* (New Haven, CT: Yale University Press, 2016), pp. 37–59. On the endless hours that candidates spend raising money rather than serving the voters, see Potter and Penniman, *Nation on the Take*, pp. 8–9, 48–50.
- 304 Kenneth P. Vogel, *Big Money: 2.5 Billion Dollars, One Suspicious Vehicle, and a Pimp – On the Trail of the Ultra-Rich Hijacking American Politics* (New York: Public Affairs, 2014), and Jane Mayer, *The Hidden History of the Billionaires Behind the Rise of the Radical Right* (New York: Anchor Books, 2016). See also Alma Cohen, Moshe Hazan, Roberto Tallarita, and David Weiss, *The Politics of CEOs – a study of 3500 CEOs of S&P 1500 companies from 2000–2017, showing CEOs are between 2.6 and 3.2 times more likely to contribute to Republicans than to Democrats*. At <https://corpgov.law.harvard.edu/2019/04/02/the-politics-of-ceos/>.
- 305 Orwell, *Animal Farm: A Fairy Story* (London: Penguin, 1945), p. 114.
- 306 On this score, consider the anecdote about Henry Ford II and Walter Reuther. While touring a Ford assembly plant in the 1950s and seeing there many early robots, the CEO of Ford asked (triumphantly) UAW President Reuther, “Walter, how are you going to organize [into the United Automobile Workers union] those machines?” Whereupon Reuther replied, “Henry, how are you going to get them to buy your Ford automobiles?”
- 307 Early warnings about the decline of the middle class appeared in Katherine S. Newman, *Falling from Grace: The Experience of Downward Mobility in the American Middle Class* (New York: Vintage, 1989) and Katherine S. Newman, *Declining Fortunes: The Withering of the American Dream* (New York: Basic Books, 1993).
- 308 Reich, *Saving Capitalism*, p. xi.



- 309 See [www.washingtonpost.com/news/monkey-cage/wp/2016/03/29/how-wall-street-became-a-big-chunk-of-the-u-s-economy-and-when-the-democrats-signed-on/?utm\\_term=.9c4c12e71b2a](http://www.washingtonpost.com/news/monkey-cage/wp/2016/03/29/how-wall-street-became-a-big-chunk-of-the-u-s-economy-and-when-the-democrats-signed-on/?utm_term=.9c4c12e71b2a).
- 310 On the rise of temporary work and its effects, see Louis Hyman, *Temp*.
- 311 A decline in living standards was postponed by many families taking on debt to pay for even ordinary commodities. Many of them were therefore bankrupted by the Crash of 2008. On the growth of debt in America since the 1970s, see Louis Hyman, *Debtor Nation: The History of America in Red Ink* (Princeton, NJ: Princeton University Press, 2011), pp. 173–287, and Louis Hyman, *Borrow: The American Way of Debt* (New York: Vintage, 2012), pp. 180–247. See also Graeber, *Debt*.
- 312 Quart, *Squeezed: Why Our Families Can't Afford America* (New York: Ecco, 2018), *passim*. Quart was preceded by Elizabeth Warren and Amelia Warren Tyagi, *The Two-Income Trap: Why Middle-Class Mothers and Fathers Are Going Broke* (New York: Basic Books, 2003).
- 313 Ganesh Sitaraman, *The Crisis of the Middle-Class Constitution: Why Economic Inequality Threatens Our Republic* (New York: Knopf, 2017), *passim*, but esp. pp. 111–160, 223–232.
- 314 *Ibid.*, pp. 274–302. Sitaraman is a law professor. Among political scientists, but without projecting the same historical analysis, much of Sitaraman's concern and many of his findings are matched by Bartels, *Unequal Democracy* and by Kay Lehman Schlozman, Sidney Verba, and Henry E. Brady, *The Unheavenly Chorus: Unequal Political Voice and the Broken Promise of American Democracy* (Princeton, NJ: Princeton University Press, 2012). See also Jeffrey A. Winters and Benjamin I. Page, "Oligarchy in the United States?" *Perspectives on Politics* (December, 2009), pp. 731–751. From philology and literature, see Emily Katz Anhalt, *Enraged: Why Violent Times Need Ancient Greek Myths* (New Haven, CT: Yale University Press, 2017). Anhalt contends

that Greek epics such as the *Iliad*, and Greek tragedies such *Ajax* and *Hecuba*, help us to understand that humans should control rage, should practice critical reflection, should improve political institutions, should realize that tolerance, rather than war, is good for both sides in a confrontation, and should accept responsibility for earthly events because the gods accept none.

- 315 Joseph E. Stiglitz, with Nell Abernathy, Adam Hersh, Susan Holmberg, and Mike Konezal, *Rewriting the Rules of the American Economy: An Agenda for Growth and Shared Prosperity* (New York: Norton, 2016), p. 169. Note that, while Stiglitz makes this claim, he leaves open the possibility that the American economy may be working well for some people *outside* the United States, which is what angers some Americans whose jobs were outsourced to other countries.
- 316 See Gray, *False Dawn*, pp. 194–208.
- 317 Reich, *Beyond Outrage*, Part I, “The Rigged Game,” pp. 2–63, offers a liberal explanation of their plight. Baker, *Rigged*, *passim*, does the same. Carlson, *Ship of Fools*, *passim*, offers a conservative explanation.
- 318 This is, I believe, a simple but roughly accurate explanation for Hillary Clinton’s defeat in 2016. For scholarship on this point, see Suzanne Mettler, *The Government-Citizen Disconnect* (New York: Russell Sage Foundation, 2018), which is based on survey research, and which explains why many pro-Trump voters, even while they received substantial income and services from the federal government, disliked that government and would therefore hold candidates like Hillary Clinton responsible for what they regarded as Washington’s shortcomings. For journalism on this point, see Thomas Frank, *What’s the Matter with Kansas? How Conservatives Won the Heart of America* (New York: Metropolitan Books, 2004), which argues that, spurred by conservative thinkers and candidates, many Kansas voters fear cultural deterioration more than they seek economic improvement.

- 319 I am arguing that “creative destruction” and “neoliberalism,” among other trends, especially underlie the Age of Populism. Using different terms, something very similar appears in Zito and Todd, *The Great Revolt*. Zito and Todd interviewed self-declared Trump voters particularly in the Great Lakes and Rust Belt states of Michigan, Ohio, Pennsylvania, Wisconsin, and Iowa, because those states swung to Trump in 2016 and assured his victory in the Electoral College. Their book reports (*passim*, but esp. p. 237) on widespread resentment expressed by people who felt that they worked hard, paid their taxes, volunteered at church, attended PTA meetings, and still were called racists and ridiculed by elites from large metropolitan areas. Summing up their findings (p. 5), the authors claim that polling experts and opinion pundits wrongly predicted the 2016 presidential election outcome because they ignored “the ... changes wreaking havoc in every other [non-elite, non-metropolitan] part of American society.”
- 320 Michiko Kakutani, *The Death of Truth: Notes on Falsehood in the Age of Trump* (New York: Tim Duggan Books, 2018).
- 321 This process of stimulating demand appeared, for example, when Apple’s CEO Steve Jobs said that customers “don’t know what they want until we’ve shown them.” See [www.forbes.com/sites/chunkamui/2011/10/17/five-dangerous-lessons-to-learn-from-steve-jobs/#3c44fd5f3a95](http://www.forbes.com/sites/chunkamui/2011/10/17/five-dangerous-lessons-to-learn-from-steve-jobs/#3c44fd5f3a95). On the general problem of advertisements corrupting language and making coherent thinking difficult if not impossible, see Jean Kilbourne, *Can’t Buy My Love: How Advertising Changes the Way We Think and Feel* (New York: Torchbooks, 2000), *passim*, but esp. pp. 74–75.
- 322 See Neil Postman, *Amusing Ourselves to Death: Public Discourse in the Age of Show Business* (New York: Penguin, 1986), p. 128: “A McDonald’s commercial, for example, is not a series of testable, logically ordered assertions. It is a drama – a mythology, if you will – of handsome

people selling, buying, and eating hamburgers, and being driven to near ecstasy by their good fortune. No claims are made, except those the viewer projects onto or infers from the drama. One can like or dislike a television commercial, of course. But one cannot refute it.”

- 323 Colbert is cited in Farhad Manjoo, *True Enough: Learning to Live in a Post-Fact Society* (Hoboken, NJ: John Wiley & Sons, 2008), pp. 188–189.
- 324 The mainstream economic view of life uses this rule of thumb. But in real life, it is clear (and I think most economists would agree) that just because people want something does not mean that their preference cannot and should not be challenged ethically and socially. For example, if alcoholics drink a great deal, we do not regard that as good for them because they are willing to pay. See Clive Hamilton, *Growth Fetish* (London: Pluto Press, 2003), p. 12.
- 325 See the philosophical point described in the text above n. 116. One wonders what Bentham would have thought of plastic bags and bottles.
- 326 See Ewen, *PR! A Social History of Spin*. Spin is so prevalent today as to encourage many people to believe that they are surrounded by dissembling, that no institutions are trustworthy, and that everyone is trying to manipulate everyone else. A ubiquitous example of such dissembling is how internet websites use “cookies” to invisibly vacuum up information about our habits and preferences and then sell that information to commercial interests who use it, profitably, to influence our thinking. This is a ruthless process of exploitation (which Facebook uses on more than 2 billion participants), which is usually covered up by deceptive explanations – mostly misleading and often false – such as: “Like many other sites, *The Globalist* uses cookies to enable us to track your use of our site and make it more useful to you ...” [emphasis supplied]. At [www.theglobalist.com/](http://www.theglobalist.com/). Is the tracking really “useful to you” or is it instantly valuable to *The Globalist*? Or, from

*Politico*, “To give you the best possible experience [of what?], this site uses cookies. If you continue browsing, you accept our use of cookies. You can review our privacy policy to find out more about the cookies we use.” At [www.politico.com/](http://www.politico.com/). Actually, you can “review” *Politico*’s “privacy policy” but you won’t understand it or its legal implications. Such announcements are grammatically correct but do not describe the situation they reference plainly, fully, and accurately. For example, what exactly does this sentence, from *The Walrus*, mean? “*This website or its third-party tools use cookies to improve functionality.*” [emphasis supplied] At <https://thewalrus.ca/in-defence-of-hate/>. Do ordinary browsers know what “third-party tools” or “functionality” are?

- 327 One classic anecdote on this point is that German Chancellor Otto von Bismarck is reported to have said (not disapprovingly) that politics (making laws) is like making sausages (salami, hot dogs, etc.). That is, you don’t want to look too closely into exactly how it is done and what ingredients are used.
- 328 Unlike in President Donald Trump’s tweets, truth as a public good (although without using that term) is recommended in the opening sentences of President Franklin D. Roosevelt’s First Inaugural Address (1933). As Roosevelt put it, “I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our Nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today.” See the speech at [http://avalon.law.yale.edu/20th\\_century/froos1.asp](http://avalon.law.yale.edu/20th_century/froos1.asp).
- 329 Snyder, *On Tyranny*, p. 71: “To abandon facts is to abandon freedom. If nothing is true, then no one can criticize power, because there is no basis on which to do so. If nothing is true, then all is spectacle. The biggest wallet pays for the most blinding lights.”

- 330 Reality shows and advertisements are both “pseudo-events” according to Daniel Boorstin, *The Image: A Guide to Pseudo-Events in America* (New York: Harper Colophon, 1964). Pseudo-events purport to reflect reality as it is embodied in real events. But the former fashion invent what only appear to be “facts” and then use those to displace the truth (real facts). In Donald Trump’s world, campaign rallies, speeches, press conferences, and Twitter tweets are powerful pseudo-events, where almost nothing real actually happens even though the main character, who is enormously talented at this sort of thing, draws attention by performing on stage. Boorstin on pseudo-events and the displacement of truth are discussed in Chris Hedges, *Empire of Illusion: The End of Literacy and the Triumph of Spectacle* (New York: Nation Books, 2009), pp. 47–53.
- 331 [www.nbcnews.com/storyline/meet-the-press-70-years/wh-spokesman-gave-alternative-facts-inauguration-crowd-n710466](http://www.nbcnews.com/storyline/meet-the-press-70-years/wh-spokesman-gave-alternative-facts-inauguration-crowd-n710466). See Carlos Lozada, “Can Truth Survive This President?” at [www.washingtonpost.com/news/book-party/wp/2018/07/13/feature/can-truth-survive-this-president-an-honest-investigation/?tid=a\\_inl\\_manual&tidloc=5&utm\\_term=.a8f58da33b09](http://www.washingtonpost.com/news/book-party/wp/2018/07/13/feature/can-truth-survive-this-president-an-honest-investigation/?tid=a_inl_manual&tidloc=5&utm_term=.a8f58da33b09). Lozada argues that “[President George W.] Bush [by attacking Iraq] wanted to remake the world. President Trump, by contrast, just wants to make it up as he goes along.” Lozada’s intimation of a false narrative matches Michael Gerson’s description of Trump as a man who lives in “the eternal now – no history, no consequences.” [www.nytimes.com/2018/10/18/us/politics/donald-trump-foreign-leaders.html](http://www.nytimes.com/2018/10/18/us/politics/donald-trump-foreign-leaders.html). See also Peter Pomerantsev, *This is Not Propaganda: Adventures in the War Against Reality* (New York: Public Affairs, 2019), p. 119: “There is nothing new about politicians lying, but what seems novel [today] is their acting as if they don’t care whether what they say is true or false.”
- 332 Because some truths emerge from the study of history, Jo Guldi and David Armitage, *The History Manifesto* (Cambridge: Cambridge University Press, 2014), insist in their opening sentence that historians should speak

truth to power. Aaron Wildavsky made the same point for political scientists. See his *Speaking Truth to Power: The Art and Craft of Policy Analysis* (Boston: Little Brown, 1979). On the indispensability of truth in democratic societies, see Rosenfeld, *Democracy and Truth*, *passim*.

- 333 Hannah Arendt, *The Origins of Totalitarianism* (New York: Harcourt, Brace and Company, 1951), *passim*. Arendt's basic thesis (pp. 340–364) was that the erasure of truth was the primary aim of “propaganda” promoted by totalitarian regimes. See also Arendt, “Lying in Politics: Reflections on The Pentagon Papers,” *New York Review of Books* (November 18, 1971), on how when “National Security Managers” in the Johnson Administration separated their *thinking* (public relations, in fact, to drum up electoral support for the war) about Vietnam from *reality* (what was really happening in the war), they wound up (mistakenly) “using excessive means to achieve minor aims in a region of marginal interest.”
- 334 Orwell, 1984 (New York: Harcourt, Brace, 1949), p. 69. Perhaps with Winston Smith's formulation in mind, former CIA Director Michael Hayden in 2018 updated Orwell's warning by noting President Trump's scorn for intelligence briefings and by suggesting that, in his opinion, Donald Trump is unable to differentiate between truth and fiction. See Hayden at [www.nytimes.com/2018/04/28/opinion/sunday/the-end-of-intelligence.html](http://www.nytimes.com/2018/04/28/opinion/sunday/the-end-of-intelligence.html). Or, as the president's lawyer Ruddy Giuliani declared, cryptically but confidently, while hinting that the president should avoid talking to special counsel Robert Mueller, “Truth isn't truth.” At [www.nytimes.com/2018/08/19/us/giuliani-meet-the-press-truth-is-not-truth.html](http://www.nytimes.com/2018/08/19/us/giuliani-meet-the-press-truth-is-not-truth.html).
- 335 Mill, *Principles of Political Economy, With Some of Their Applications to Social Philosophy* (orig., 1848; New York: Augustus M. Kelly, Bookseller, 1961), p. 748.
- 336 *Ibid.*, p. 748. For modern discussions of what Mill called the “stationary state,” see Herman Daley,

*Steady-State Economics* (Washington, DC: Island Press, 1991); Serge Latouche, *Farewell to Growth* (Malden, MA: Polity Press, 2009); Richard Heinberg, *The End of Growth: Adapting to Our New Economic Reality* (Gabriola Island, BC: New Society Publishers, 2011); Tim Jackson, *Prosperity Without Growth: Foundations for the Economy of Tomorrow*, 2nd edn (London: Routledge, 2017); and Paul Craig Roberts, *The Failure of Laissez Faire Capitalism* (Atlanta, GA: Clarity Press, 2013). For opposition to the stationary-state notion, that is, opposition to the thesis that innovation and change should be restrained or mitigated, see Matt Ridley, *The Rational Optimist: How Prosperity Evolves* (New York: Harper Perennial, 2011), esp. pp. 349–359. In Ridley’s estimation, pessimists say that if current trends will continue, disaster will strike. But current trends will not continue, says Ridley, because human creativity and innovation (and economic growth) will solve all problems as they arise. Therefore, p. 281, “The real danger comes from slowing down change.”

- 337 The relation between change and progress is an enormously fraught philosophical subject, for which we have no space here. But see Jill Lepore, *These Truths: A History of the United States* (New York: Norton, 2018), pp. 735–738, for a discussion of (1) how belief in “progress” in the nineteenth century assumed that “change,” flowing from science and technology, contributes to social improvements that are morally justifiable, whereupon (2) economists like Schumpeter, in the mid-twentieth century, moved to favoring change (creative destruction) because it boosts economic growth whose index of social improvement is an ever-rising GDP. In such a view, economist Alan Blinder does not need to ponder complex moral characteristics of “progress” but can simply stipulate, with GDP in mind, that “more is better.” Along these lines (see n. 190), business professors Clayton Christensen and Michael Raynor sculpted



Schumpeter’s concept of “creative destruction” into their concept of “disruptive innovation.”

## 6 Humanism

- 338 Hacker and Pierson, *Off Center*, argues that American public policies, enacted and maintained by elected officials, have shifted to the right even though the national voting majority has not. At least part of that shift is caused by uneven political contributions.
- 339 The book you are holding is a product of qualitative research, although its source materials were quantitatively extensive. My guide on this score is historian William McNeill, who described his “method” as follows: “I get curious about a problem and start reading up on it. What I read causes me to redefine the problem. Redefining the problem causes me to shift the direction of what I’m reading. That in turn further reshapes the problem, which further redirects the reading. I go back and forth like this until it feels right, then I write it up and ship it off to the publisher.” McNeill is quoted in John Lewis Gaddis, *The Landscape of History: How Historians Map the Past* (New York: Oxford University Press, 2002), p. 48.
- 340 I have discussed this dilemma in Ricci, *The Tragedy of Political Science*, esp. pp. 291–300.
- 341 Much that is bleak appears or is implicit in, for example, Kenneth J. Arrow, *Social Choice and Individual Values*, 2nd edn (New Haven, CT: Yale University Press, 1963); Matthew A. Crenson and Benjamin Ginsberg, *Downsizing Democracy: How America Sidelined its Citizens and Privatized its Public* (Baltimore, MD: Johns Hopkins University Press, 2002); Bryan Caplan, *The Myth of the Rational Voter: Why Democracies Choose Bad Policies* (Princeton, NJ: Princeton University Press, 2007); Kahneman, *Thinking, Fast and Slow* (2011); Nadia Urbinati, *Democracy Disfigured: Opinion, Truth, and the People* (Cambridge, MA: Harvard University

- Press, 2014); Christopher H. Achen and Larry M. Bartels, *Democracy for Realists: Why Elections Do Not Produce Responsive Government* (Princeton, NJ: Princeton University Press, 2016); and Ilya Somin, *Democracy and Political Ignorance: Why Smaller Government is Smarter* (Stanford, CA: Stanford University Press, 2016).
- 342 Marc J. Hetherington and Thomas J. Rudolph, *Why Washington Won't Work: Polarization, Political Trust, and the Governing Crisis* (Chicago: University of Chicago Press, 2015), p. 1.
- 343 Karen Orren and Stephen Skowronek, *The Policy State: An American Predicament* (Cambridge, MA: Harvard University Press, 2017), *passim*, but esp. pp. 192–198.
- 344 For theory, see Mancur Olson, *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*, 2nd edn (New Haven, CT: Yale University Press, 1984). For details, see James A. Thurber and Antoine Yoshinaka (eds), *American Gridlock: The Sources, Character, and Impact of Political Polarization* (New York: Cambridge University Press, 2015).
- 345 Jason Brennan, *Against Democracy* (Princeton, NJ: Princeton University Press, 2016), esp. pp. 172–230. During World War II, when Germany and the Soviet Union were governed by dictators who insisted that they should rule because *they alone knew* the right path, Karl Popper rejected the notion of rule by those who claim to know. He wanted leaders who were not absolutely sure but open-minded enough to learn new truths when those might be discovered. For a summary of Popper's view, see Ricci, *The Tragedy of Political Science*, pp. 114–125.
- 346 This side of the Enlightenment is explored by Jonathan Israel, *A Revolution of the Mind: Radical Enlightenment and the Intellectual Origins of Modern Democracy* (Princeton, NJ: Princeton University Press, 2010); Anthony Pagden, *The Enlightenment and Why It Still Matters* (New York: Random House, 2013); and Pinker, *Enlightenment Now*.
- 347 Paine, "Common Sense" (1776), in Howard Fast (ed.), *The Selected Work of Tom Paine and Citizen Tom Paine* (New York: Modern Library, 1945), p. 18: "In the following

pages, I offer nothing more than simple facts, plain arguments, and common sense...”

- 348 Alexander Hamilton, John Jay, and James Madison, *The Federalist* (New York: Modern Library, 1937), No. 1, p. 3: “It has frequently been remarked that it seems to have been reserved to the people of this country, by their conduct and example, to decide the important question, whether societies of men are really capable or not of establishing good government from reflection and choice.”
- 349 See FDR’s fireside chat on April 28, 1935: “We have survived all of the arduous burdens and the threatening dangers of a great economic calamity. We have in the darkest moments of our national trials retained our faith in our own ability to master our destiny. Fear is vanishing and confidence is growing on every side, faith is being renewed in the vast possibilities of human beings to improve their material and spiritual status through the instrumentality of the democratic form of government.” [www.presidency.ucsb.edu/ws/index.php?pid=15046](http://www.presidency.ucsb.edu/ws/index.php?pid=15046). That is, improvement may come *not* because of the invisible hand of the market but through deliberate (humanistic) politics.
- 350 Rorty, *Achieving Our Country: Leftist Thought in Twentieth Century America* (Cambridge, MA: Harvard University Press, 1998), p. 101. A similar notion inspires Bob Herbert, *Losing Our Way: An Intimate Portrait of a Troubled America* (New York: Anchor Books, 2012), p. 245: “America needs to be reimagined.” Optimism inspired Abraham Lincoln, the greatest republican, and Republican, of them all. As he put it in 1854, “They said that some men are too ignorant, and vicious, to share in government. Possibly so, said we; and by your system, you would always keep them ignorant, and vicious. We proposed to give all a chance; and we expected the weak to grow stronger, the ignorant, wiser; and all better, and happier together. We made the experiment; and the fruit is before us.” Lincoln is quoted in Lepore, *These Truths*, p. 151. An opposing view is proposed by Jay W. Richards, *Money, Greed, and God: Why Capitalism is the Solution and Not*

*the Problem* (New York: HarperCollins, 2010), *passim*, but esp. p. 6, which says that we should *not* judge the present by utopian standards and then lists them.

- 351 For an example of not factoring in optimism, Downs, *An Economic Theory of Democracy*, argues that parties try to ascertain where voters stand ideologically and then position themselves close to those points in order to win votes. A great deal of political science research has followed Downs over the years. What his theory misses is that occasionally, new leaders and new movements can inspire significant numbers of voters to *change* their ideological positions, in which case officials can serve *new* interests and even initiate social improvement. On Downs' narrow definition of leadership, see pp. 87–88.
- 352 Lowi, "The State in Political Science: How We Become What We Study," *American Political Science Review* (March, 1992), pp. 1–7, but esp. p. 5. Lowi's appeal for his colleagues to "join a more inclusive level of discourse" is similar to my recommendation for some political scientists to participate in the public conversation about neoliberalism.
- 353 Judith N. Shklar, "Redeeming American Political Theory," *American Political Science Review* (March, 1991), p. 7. This article is an APSA presidential address.
- 354 On this point, see the update on Burke's conservatism (by name) in Roger Kimball, "Mill, Stephen, and the Nature of Freedom," in Hilton Kramer and Roger Kimball (eds), *The Betrayal of Liberalism: How the Disciples of Freedom and Equality Helped Foster the Illiberal Politics of Coercion and Control* (Chicago: Ivan R. Dee, 1999), pp. 43–69. Kimball, editor of *The Spectator* and publisher of Encounter Books, criticized Mill's *On Liberty* (1859) for praising change in principle but not warning, like Burke did, that some changes can undermine social order and morality. For an additional Burkean sentiment, see Fox News anchor Tucker Carlson who, in his *Ship of Fools*, pp. 9–12, complains that "elites" (he probably means mainly

- liberals), by encouraging too much immigration, caused massive “demographic change” and destruction in America.
- 355 Burke’s skepticism about undisciplined change, echoed by Polanyi, appears also in writings by economist Thomas Piketty, who is not on the right, and who warns against an increasing modern “divergence” of incomes and wealth in his *Capital in the Twenty-First Century* (Cambridge, MA: Harvard University Press, 2015), *passim*, but esp. pp. 1, 33–36. See also Harvard Business School professor Shoshana Zuboff, who condemns Silicon Valley for embracing the concept of “inevitability,” that is, for arguing that constant digital change is an irresistible force that should not be challenged by “retrograde” consideration for social values (Ludditism) even though big-tech companies like Google, Facebook, and Microsoft, searching constantly for profits, are increasingly manipulating our lives to serve their interests rather than ours. See Zuboff, *The Age of Surveillance Capitalism*, esp. pp. 221–227.
- 356 Mozorov, *To Save Everything, Click Here: The Folly of Technological Solutionism* (New York: Public Affairs, 2013), p. 1.
- 357 Quoted in Sherry Turkle, *Reclaiming Conversation: The Power of Talk in a Digital Age* (New York: Penguin, 2015), p. 317.
- 358 Quoted in Eric A. Davidson, *You Can’t Eat GNP: Economics as if Ecology Mattered* (Cambridge, MA: Perseus, 2000), p. 142.
- 359 Huntington, “One Soul at a Time,” *American Political Science Review* (March, 1988), pp. 3–4.
- 360 I don’t mean that, for ethical reasons, political scientists should become more political in the sense of more partisan. I do mean that they should look in many places for the downsides of creative destruction and therefore interact with both Democrats and Republicans who are disadvantaged by the modern economy.
- 361 This search earned for Aristotle’s sort of political thought the title of “master science” for many centuries. On this

- all-embracing concept of politics, see Paul H. Rahe, “The Primacy of Politics in Classical Greece,” *American Historical Review* (April, 1984), pp. 265–293.
- 362 Lasswell, *Politics: Who Gets What, When, How* (orig., 1935; Whitefish, MT: Literary Licensing, LLC, 2011).
- 363 The issue of distribution is one of the dividing lines between political scientists and mainstream economists. See James Kwak, *Economism*, p. 86: “For centuries, who should get what has been a central political question. Economism [Kwak’s term for mainstream economics as expressed in Econ 101] removes the question from the political sphere to the abstract realm of theory, in which the competitive labor market provides the perfect, indisputable solution.” That is, citizens (and mainstream economists) don’t have to worry about who gets what because the market will correctly decide that for them. The issue is summed up by Binyamin Applebaum, *The Economists’ Hour: False Prophets, Free Markets, and the Fracture of Science* (New York: Little, Brown, 2019), which observes that, when promoting economic growth, most economists “focus on the size of the pie rather than the size of the pieces.”
- 364 Peter Bachrach and Morton S. Baratz, “Decisions and Nondecisions: An Analytical Framework,” *American Political Science Review* (September, 1963), pp. 632–642.
- 365 Bartels, *Unequal Democracy*.
- 366 Hacker and Pierson, *Winner-Take-All Politics*.
- 367 Of course, this point can be disputed. The Founders agreed to make a representative and anti-tyrannical government (for whites) but did not agree to abolish slavery. If they had tried to do that, Southern-state delegates would have withdrawn from the Constitutional Convention and no national government would have emerged. From this point of view, the new government was a great but imperfect achievement of the European Enlightenment. It did some things *very* badly and others *very* well. But beyond the details, some of them

- unspeakably *awful* and others still *inspiring*, it has provided, by historical and international standards, a *considerable measure* of equality, progress, prosperity, law, order, and loyalty for over 200 years. That is, I think, something worth building on in our troubled times.
- 368 “‘The Divine Science’: Political Engineering in American Culture,” *American Political Science Review* (March, 1976), p. 140. Ranney is a good example of engaging with great thinkers, because he cites John Adams, James Madison, John Witherspoon, and Alexander Hamilton.
- 369 This strategy can be promoted without mentioning the term “creative destruction.” For example, see Greg Lukianoff and Jonathan Haidt, *The Coddling of the American Mind: How Good Intentions and Bad Ideas Are Setting Up a Generation for Failure* (New York: Penguin, 2018), *passim*, but esp. pp. 5–14. Their thesis is that some “good social changes” may lead to “bad consequences,” but that in those circumstances, children should not be “coddled.” That is, they should be taught to deal with what Lukianoff and Haidt call “problems of progress.” In “folk wisdom,” the authors say, this strategy is summed up (on an un-numbered page before the Introduction) as “Prepare the child for the road, not the road for the child.”
- 370 See Nicole Aschoff, *The New Prophets of Capital* (London: Verso, 2015), pp. 76–106, on Oprah Winfrey, and about how Winfrey hides economic, political, and social “structures.” Aschoff claims that Winfrey’s programs, focused on therapy and self-healing, encourage their audiences to adjust to the system rather than the other way round.
- 371 See the 2018 book review essay on Shklar’s political thought in *Foreign Policy*. At <https://foreignpolicy.com/2018/07/16/whos-afraid-of-judith-shklar-liberalism/>.
- 372 Judith N. Shklar, “The Liberalism of Fear,” in Nancy Rosenblum (ed.), *Liberalism and the Moral Life* (Cambridge, MA: Harvard University Press, 1989), pp. 21–38. Shklar

was a child refugee who fled to Canada with her family from Riga to escape Nazism.

- 373 Isaiah Berlin, *Two Concepts of Liberty: An Inaugural Lecture delivered before the University of Oxford on 31 October 1958* (Oxford: The Clarendon Press, 1958).
- 374 By praising liberalism for continually opposing tyranny, Shklar sidestepped the modern criticism of liberals that complains that they embrace corrosive principles from the Age of Reason but provide no replacement for the late-stage feudal order, which entailed clear social standings and meaningful spiritual stories. That is, the critics say that liberals provide no shared sense of what post-eighteenth-century society should look like, whereas Shklar said that that is simply not their job. Along these lines, recent critics of liberalism include Charles Taylor, *A Secular Age* (Cambridge, MA: Harvard University Press, 2007); Michael Allen Gillespie, *The Theological Origins of Modernity* (Chicago: University of Chicago Press, 2008); Steven D. Smith, *The Disenchantment of Secular Discourse* (Cambridge, MA: Harvard University Press, 2010); Brad S. Gregory, *The Unintended Reformation: How a Religious Revolution Secularized Society* (Cambridge, MA: Harvard University Press, 2012); and Patrick J. Deneen, *Why Liberalism Failed* (New Haven, CT: Yale University Press, 2018).
- 375 Shklar, “The Liberalism of Fear,” p. 29. For a more popular version of the thesis that liberalism is mainly about combatting cruelty, see Adam Gopnik, *A Thousand Small Sanities: The Moral Adventure of Liberalism* (New York: Basic Books, 2019), *passim*, but esp. pp. 30–33, 80–82, 134–135.
- 376 See also Alan Dershowitz, *Rights From Wrongs: A Secular Theory of the Origins of Rights* (New York: Basic Books, 2005), which concludes that even if we do not manage to agree on what are rights, we should at least agree on what are wrongs.
- 377 See the sources in n. 178. Thus there is justification for observing that some American activists from East and West Coast cities “fly over” the center of the country and therefore never meet the Americans, sometimes



economically stressed, who live in states from Appalachia to the Rocky Mountains. A visit to Detroit would widen their horizons. Similarly, I tell some of my academic friends that they should at least once browse in a Christian bookstore.

- 378 See Katherine J. Cramer, *The Politics of Resentment: Rural Consciousness and the Rise of Scott Walker* (Chicago: University of Chicago Press, 2016), and Francis Fukuyama, *Identity: The Demand for Dignity and the Politics of Resentment* (New York: Farrar, Straus, and Giroux, 2018).
- 379 We live in a populist age epitomized by Donald Trump, during which belief often overrides truth in politics, finance, journalism, social media, advertising, and other realms of communication. Therefore, I am assuming that if political scientists will investigate the downsides of creative destruction, they will report true findings to their audiences. Proper scholarship should always promote the truth, of course. (See n. 332.) In addition, we should regard *truth* as vital to Judith Shklar's insistence on opposing *tyranny*. Thus "truth" is a powerful weapon against "tyranny," says Bernard Williams, *Truth and Truthfulness* (Princeton, NJ: Princeton University Press, 2002), pp. 206–209, because tyrannical forces (Williams speaks of "governments") "are disposed to commit illegitimate actions which they will wish to conceal, as they also want to conceal incompetent actions." Then he adds that it is in liberal societies that citizens can most easily speak the truth. Here, Williams cites Shklar, but we can also link this point about anti-tyrannical truth to what Louis Hartz says, as we will see in Chapter 7, about America being, thankfully, a traditionally Liberal, and therefore democratic, society.
- 380 Shapiro, *The Flight from Reality in the Human Sciences* (Princeton, NJ: Princeton University Press, 2005), p. 40. I am simplifying here, because Shapiro (esp. pp. 37–41) in some respects endorses "scientific realism," which is one point of view in an enormously complicated philosophical debate familiar to political theorists. See

- the essays in Matt Sleat (ed.), *Politics Recovered: Realist Thought in Theory and Practice* (New York: Columbia University Press, 2018).
- 381 *Ibid.*, pp. 86–96. On how public “problems” get defined, leading to public or private demands for new programs to solve those problems, see Frank R. Baumgartner and Bryan D. Jones, *The Politics of Information: Problem Definition and the Course of Public Policy in America* (Chicago: University of Chicago Press, 2015).
- 382 Hacker (Oxford: Oxford University Press, 2006).
- 383 Mettler (Chicago: University of Chicago Press, 2011).
- 384 For example, Hoffman and Casnocha, *The Start-Up of You*.
- 385 Friedman, “The Methodology of Positive Economics,” in Milton Friedman, *Essays in Positive Economics* (Chicago: University of Chicago Press, 1953), pp. 1–27. Mankiw, *Principles of Economics*, posits utility-maximizing, rational individuals, who buy and sell according to indifference curves, and then asks, p. 461: “Do people really think this way?” No, Mankiw answers, they don’t. “The theory of consumer choice [he says] does not try to present a literal account of how people [the utility maximizers] make decisions. It is a model ... The best way to view the theory of consumer choice is as a metaphor for how consumers make decisions.” But, p. 462, “Just as the proof of the pudding is in the eating, the test of a theory is in its applications.” In other words, like Friedman says, does the theory work? Is it useful? In sum, mainstream economics does not focus on real people.
- 386 See Standing, *The Precariat*.
- 387 Assuming that epistemology is the philosophical study of what justifies solid knowing rather than questionable opinion, “epistemic rot” is an appropriate description of the effect of constant lying and prevarications imposed on America by President Donald Trump and his spokespeople in and around the White House. The truth is, however, that that “rot” has long plagued digital communications, where to attract attention to themselves, many people say

awful things. On anger, bitterness, isolation, and vulgarity promoted by our digital instruments, see Jaron Lanier, *Ten Arguments for Deleting Your Social Media Accounts Right Now* (New York: Henry Holt and Company, 2018). See also Siva Vaidhyanathan, *Anti-Social Media: How Facebook Disconnects Us and Undermines Democracy* (New York: Oxford University Press, 2018).

- 388 Friedman said that if his “positive economics” model predicts usefully, the nature of real people is irrelevant to economic research. One reason why he said that was defensive, because it was, and still is, easy to demonstrate that in many cases real people are not the rational calculators assumed by the model. (For showing that most people are irrational, the psychologist Daniel Kahneman received in 2002 the Nobel Prize in economics.) A quirky demonstration of this point appears in Raymond Fisman and Edward Miguel, *Economic Gangsters: Corruption, Violence, and the Poverty of Nations* (Princeton, NJ: Princeton University Press, 2010), pp. 85–94. Fisman and Miguel report on the parking habits of foreign diplomats in Manhattan, where their diplomatic immunity permits them to ignore tickets assigned to them for parking violations. In terms of mainstream economic theory, to park one’s car conveniently, in violation of parking laws, when no penalty will be enforced, is “rational” as an alternative to paying expensive fees for parking in private lots. However, this “rational” behavior is not exhibited by all of the diplomats surveyed, as if scofflawing were a law of human nature. Instead, diplomats who come from countries that are known to be corrupt are frequent violators, whereas diplomats who come from countries where citizens are more law-abiding incur fewer violations. Thus on an annual basis, according to the research, Kuwaitis, Albanians, and Pakistanis often parked illegally, while Norwegians, Swedes, and Danes received no tickets at all. In which case, human *nurture* (socialization) clearly influences human *nature* (inherited), and the rational-expectations model is obviously

unrealistic (which Milton Friedman says doesn't matter anyway).

- 389 William Graham Sumner, *What Do Social Classes Owe Each Other?* (orig., 1883; Caldwell, ID: Caxton Printers, 1961), who was a leading Social Darwinist, famously declared that every social class is morally obliged to take care of itself. Later, Tea Party activists criticized defaulting homeowners who, the Tea Partiers said, recklessly took out large mortgages and then wanted Washington (that is, the taxpayers) to cover their losses. (The original call for a modern “tea party,” made in 2009 by CNBC business reporter Rick Santelli, complained about mortgage defaults by irresponsible homeowners. See [www.cnbc.com/id/29299591](http://www.cnbc.com/id/29299591).) More recently, Graeber, in *Bullshit Jobs*, raises questions about how much we owe workers who behave responsibly, but whose work earns for them so little that they suffer in the affluent society. We might even ask how much we owe some cities. That productive communities like Detroit helped America win World War II but later, when pressured by globalization, received from Washington little help in return, is one of those large puzzles we might think about. On what metropolitan Detroit and its workers did for the nation – producing between 1941 and 1945 an endless stream of tanks, guns, trucks, jeeps, bombers, artillery, ammunition, and more – see [www.history.com/how-detroit-won-world-war-ii](http://www.history.com/how-detroit-won-world-war-ii) and [www.smithsonianmag.com/smart-news/when-detroit-was-arsenal-democracy-180962620/](http://www.smithsonianmag.com/smart-news/when-detroit-was-arsenal-democracy-180962620/).
- 390 See Paul L. Wachtel, *The Poverty of Affluence: A Psychological Portrait of the American Way of Life* (Philadelphia, PA: New Society Publishers, 1989) and Sennett, *The Culture of the New Capitalism*.
- 391 Sennett, *The Corrosion of Character*, esp. pp. 98–117, discusses the decline of vocational commitment and craftsmanship.
- 392 Barry Schwartz, *The Paradox of Choice: Why More is Less* (New York: Harper Perennial, 2004), esp. pp. 9–44.

- 393 On the plight of such people – artists, musicians, actors, journalists, editors, architects, poets, book reviewers, and more – under the reign of neoliberalism, see Scott Timberg, *Culture Crash: The Killing of the Creative Class* (New Haven, CT: Yale University Press, 2015), p. 7: “The price we ultimately pay [as a society] is in the decline of art itself, diminishing understanding of ourselves, one another, and the eternal human spirit.”
- 394 That people behave irrationally is a central message of behavioral economics. On behavioral economics, see n. 149. Richard Thaler received the 2017 Nobel Prize in economics for his work on behavioral economics.
- 395 On personal “rationales” that go beyond “rationality” defined by economists, see David Graeber, *The Utopia of Rules: On Technology, Stupidity, and the Secret Joys of Bureaucracy* (New York: Melville House, 2016), pp. 38–39. One obvious case, not noted by Graeber, is when poor people bet on lotteries. The rational economist (or the behavioral economist) might call that betting irrational because the odds on winning the lottery do not justify buying a ticket. However, a particular individual may buy the ticket anyway, on the outside chance of transforming his or her own life to an extent that seems impossible in the gig economy.
- 396 Reich, *Saving Capitalism*, pp. 4, 8.
- 397 The classic case of over-optimism on this score in recent years is the so-called “efficient market” hypothesis, promoted by leading economists like Alan Greenspan, long-time Chairman of the Federal Reserve Board, and Nobel Prize winner (economics, 2014) professor Eugene Fama, of the Chicago School of economic thought. According to this hypothesis, the American stock market was not a bubble but an accurate indicator of economic values – until it collapsed in the Crash of 2008. If one takes into account the colossal destruction caused by this failure of mainstream economic theory, it is hard to speak of it politely. On the losses resulting from the Crash of 2008,

- estimated as high as \$22 trillion (not billion), see [www.gao.gov/assets/660/651322.pdf](http://www.gao.gov/assets/660/651322.pdf). On the efficient market hypothesis, see Justin Fox, *The Myth of the Rational Market: A History of Risk, Reward, and Delusion on Wall Street* (New York: Harper, 2009), *passim*.
- 398 Joseph E. Stiglitz, George A. Akerlof, and A. Michael Spence were jointly awarded the Nobel Prize in economics (2001) for their theories of asymmetric information in real markets.
- 399 Stock buybacks are made by companies with money that might otherwise be invested to make more products and sell them more cheaply than today. Buybacks are popular with managers because buying up their company's paper assets drives up the price of those assets in the stock market, whereupon the managers (and other shareholders) can sell off the shares they own and profit handsomely even though the buyback contributed nothing to production and prosperity. See [www.cnbc.com/2019/03/25/share-buybacks-soar-to-a-record-topping-800-billion-bigger-than-a-facebook-or-exxon-mobil.html](http://www.cnbc.com/2019/03/25/share-buybacks-soar-to-a-record-topping-800-billion-bigger-than-a-facebook-or-exxon-mobil.html). Stock buybacks were mostly illegal until the Reagan-era Securities and Exchange Commission decided to permit them in 1982. See <https://mavenroundtable.io/theintellectualist/news/stock-buybacks-were-once-illegal-why-are-they-legal-now-sHh6HZjtyk2styG-qLgnQg/>.
- 400 The Bank raises interest rates to head off inflation, because inflation reduces the worth of loans made by creditors such as banks, insurance companies, appliance stores, car dealers, credit card companies, and more. But raising interest rates reins in various kinds of business activity that require loans, and that causes some hard-working employees to be discharged for no fault of their own. See the process noted offhandedly, without complaint, by Paul Krugman, who observes that selling billions of dollars' worth of arms to Saudi Arabia will maintain a few tens of thousands of jobs in America's aerospace industries. But, says Krugman, "the Federal Reserve believes that we're at full employment, and

any further strengthening of the economy will [only] induce the Fed to raise interest rates [to check inflation]. As a result, jobs added in one place by things like arms sales will be offset by jobs lost elsewhere as higher rates deter investment or make the U.S. less competitive by strengthening the dollar.” See this remark at [www.nytimes.com/2018/10/22/opinion/khashoggi-saudi-trump-arms-sales.html](http://www.nytimes.com/2018/10/22/opinion/khashoggi-saudi-trump-arms-sales.html).

- 401 On how some people, via politics, successfully perpetuate their advantages, see Paul Starr, *Entrenchment*. On employment advantages enjoyed by those who are already ahead, see Lauren A. Rivera, *Pedigree: How Elite Students Get Elite Jobs* (Princeton, NJ: Princeton University Press, 2015).
- 402 See Reich, n. 308.
- 403 Reich, *Saving Capitalism*, p. 8.
- 404 The phrase “autonomous vehicles” is a distortion of grammatical truth fashioned by public relations experts because they assume that the term “driverless cars” (and trucks and trains and buses) would sound to many people ominous.
- 405 There may be some, but not much, demand for such vehicles. For example, some companies are probably hoping to buy and deploy driverless trucks, which, unlike truck drivers now employed by the same companies, would not demand vacations or pensions or overtime pay.
- 406 For an example of this argument, see <https://medium.com/waymo/lets-talk-self-driving-cars-72743d39cad8>.
- 407 On corporations being more interested in profit than conscience, see Joel Bakan, *The Corporation: The Pathological Pursuit of Profit and Power* (New York: Free Press, 2004). Against this critical view of how large commercial organizations behave, pro-market thinkers are likely to emphasize the vocational sentiments of entrepreneurs rather than the get-along-together skills of bureaucratic managers. This is the approach in Michael Novak, *Business as a Calling: Work and the Examined Life* (New York: Free Press, 1996).
- 408 I am writing about cars and trucks. But of course this class of entities includes also buses, trolleys, locomotives,

- motorcycles, fork-lift carts, and more. I am also writing about America. Worldwide potential profits are far larger than those forecast for America, because there are now more than a *billion* people-driven cars, trucks, and buses in the world. See [www.carsguide.com.au/car-advice/how-many-cars-are-there-in-the-world-70629](http://www.carsguide.com.au/car-advice/how-many-cars-are-there-in-the-world-70629).
- 409 See Ford, *The Rise of the Robots*, pp. 175–186. The American Trucking Associations estimate that there were 3.5 million truck drivers employed in the United States as of 2016. See [www.trucking.org/News\\_and\\_Information/Reports\\_Industry\\_Data.aspx](http://www.trucking.org/News_and_Information/Reports_Industry_Data.aspx).
- 410 The benefits and costs, personal and social, of moving to horseless carriages are discussed in Ann Norton Green, *Horses at Work: Harnessing Power in Industrial America* (Cambridge, MA: Harvard University Press, 2008), esp. pp. 244–274.
- 411 There is a terminological nuance here. One can speak of “substitution” as when workers move from an old to a new job and the main consideration is whether they maintain or lose income. But one can also observe that, when old jobs are eliminated and new ones created, the new jobs will have characters different from the old, requiring different skills and attitudes and providing different satisfactions. In that case, even if the old rate of pay is maintained in a new job, the transition may generate substantial emotional costs. On this point, see Nicholas Carr, *The Glass Cage: How Our Computers Are Changing Us* (New York: Norton, 2014), p. 33. Ridley, *The Rational Optimist*, p. 114, assumes that when creative destruction destroys jobs, it creates new ones. However, he does not discuss whether or not the new ones will be similar or equal to the old ones, and in what respects.
- 412 Annie Lowrey, *Give People Money: How a Basic Income Would End Poverty, Revolutionize Work, and Remake the World* (New York: Crown, 2018), p. 8. The logic here is that a guaranteed income cannot be generous because a large payment might tempt able-bodied people away from



working at all. See also Phillippe van Parijs and Yannick Vanderborght, *Basic Income: A Radical Proposal for a Free Society and a Sane Economy* (Cambridge, MA: Harvard University Press, 2017).

- 413 When we see a disaster approaching, I believe it is reasonable for scholars to study the situation, to teach about it, and to publish suggestions, radical if necessary, about how up-coming damage might be avoided or mitigated. Often, however, only mild generalizations are offered, as in Ford, *The Rise of the Robots*, p. 285: “If ... we can fully leverage advancing technology as a solution – while recognizing and adapting to its implications for employment and the distribution of income – then the outcome is likely to be ... optimistic. Negotiating a path through these entangled forces and crafting a future that offers broad-based security and prosperity may prove to be the greatest challenge for our time.” A more dramatic and ominous discussion of the personal and social dislocations that automation has brought, and will still bring, appears in Andrew Yang, *The War on Normal People: The Truth About America’s Disappearing Jobs and Why Universal Basic Income is Our Future* (New York: Hachette Books, 2018). As Yang says, p. 68, “The challenge we must overcome is that humans need work more than work needs us.” In classic political science terms, which Yang does not use, what his book describes is the need for a new “social contract,” to help what he calls the many “normal people” who the modern economy is on course to discard.

## 7 A Story for Political Science

- 414 On the list syndrome, see David M. Ricci, *Politics Without Stories: The Liberal Predicament* (New York: Cambridge University Press, 2016), esp. pp. 40–41, 132–133.
- 415 Framing is necessary for “agenda setting.” According to this social choice theory, problems and their solutions

- will not move onto the agenda of political issues up for treatment by leaders and activists if they (the problems and solutions) will not be presented clearly and persuasively. And one way of presenting them successfully is to enclose them in stories of where the nation has been, where it is now, and where it should go in the future. On agenda setting, see John W. Kingdon, *Agendas, Alternatives, and Public Policies*, 2nd edn (New York: HarperCollins, 1995), *passim*.
- 416 *Politics Without Stories*, pp. 37–39, 139–143.
- 417 I offer examples of such writings in *ibid.*, pp. 114–131.
- 418 *Ibid.*, p. 40.
- 419 *Ibid.*, pp. 63–95.
- 420 Rogers Smith, *Stories of Peoplehood, The Politics and Morals of Political Membership* (New York: Cambridge University Press, 2003), *passim*, and Frederick W. Mayer, *Narrative Politics: Stories and Collective Action* (New York: Oxford University Press, 2014), esp. pp. 27–29, 101–124, on how stories create the solidarity needed for collective action. Most lately, see Smith, *That Is Not Who We Are!* (forthcoming).
- 421 See [www.hillaryclinton.com/issues/](http://www.hillaryclinton.com/issues/).
- 422 Ricci, *Politics Without Stories*, p. 211. After the election, some pundits argued that Clinton’s policy proposals were aimed at groups animated by narrow “identity politics.” That is, those groups did not regard themselves as integral to the national community but sought to improve their minority standings within the nation. Consequently, Clinton responded with separate proposals tailored to fit parts of America rather than the nation as a whole. See Mark Lilla, *The Once and Future Liberal: After Identity Politics* (New York: HarperCollins, 2017).
- 423 Klein, *No is Not Enough: Resisting Trump’s Shock Politics and Winning the World We Need* (Chicago: Haymarket Books, 2017), p. 220.
- 424 Ricci, *Why Conservatives Tell Stories and Liberals Don’t*.
- 425 Ricci, *Politics Without Stories*, esp. pp. 189–201.

- 426 Along these lines, but using a different vocabulary, William Greider wrote in 2003 about what he called “the soul” of capitalism, which he described as a powerful narrative justifying faith in markets and the belief that efficiency is more important than community. See Greider, *The Soul of Capitalism*, esp. pp. 23–48. (For examples of the tension between efficiency and community while New York City has fostered gentrification in the last half-century, see [www.currentaffairs.org/2018/02/everything-you-love-will-be-eaten-alive](http://www.currentaffairs.org/2018/02/everything-you-love-will-be-eaten-alive).) Greider did not describe the soul of capitalism in terms of “neoliberalism.” Nevertheless, what America lacks, he argued, pp. 299–324, is an alternative narrative about what people should do with themselves and their society after capitalism has produced enough things to fulfill our needs. He asked, in other words, according to what stories and standards will we decide, after capitalism has satisfied our *needs*, what we (rather than markets) actually *want* beyond that?
- 427 See Hedrick Smith, *Who Stole the American Dream?* (New York: Random House, 2012), on how American laws and institutions were politically realigned between roughly 1970 and 2010 to favor employers and banks and thereby shift a great deal of wealth to a small fraction of the population. Some of Smith’s milestone events are summarized in Ricci, *Politics Without Stories*, pp. 181–182.
- 428 John Kenneth Galbraith, *The New Industrial State* (Boston: Houghton Mifflin, 1967), p. 408: “This is the modern morality. St. Peter is assumed to ask applicants only what they have done to increase the GNP.” Or, as Wolfgang Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism*, 2nd edn (New York: Verso, 2017), p. 58, says, there are two “competing principles of distribution” in democratic capitalism today, which are “market justice” and “social justice.” Similarly, on dollar values versus ethical values, see Robert Kuttner, *Everything for Sale: The Virtues and Limits of Markets* (New York: Knopf, 1998); Raj

- Patel, *The Value of Nothing: Why Everything Costs so Much More Than We Think* (New York: Harper Perennial, 2009); Debra Satz, *Why Some Things Should Not be for Sale: The Moral Limits of Markets* (New York: Oxford University Press, 2010); and Sandel, *What Money Can't Buy*.
- 429 President Donald Trump has perfectly expressed the neoliberal position on market-based morality. See his statement assuring the American people that he will maintain good relations with the government of Saudi Arabia after a CIA report concluded that that government was implicated in the murder and dismemberment, on October 2, 2018, of Saudi journalist Jamal Khashoggi in Istanbul. The main reason for continuing to maintain relations as usual, according to the president, is that Saudi Arabia is an excellent trading partner, whose business he should not risk losing to other countries. In other words, economic gain is the rule and ethics has nothing to do with the matter. See Trump's statement at [www.whitehouse.gov/briefings-statements/statement-president-donald-j-trump-standing-saudi-arabia/](http://www.whitehouse.gov/briefings-statements/statement-president-donald-j-trump-standing-saudi-arabia/).
- 430 *Luke 16:13*. Some writers find no intrinsic conflict between the pursuit of wealth and the service of God. See Richards, *Money, Greed, and God*.
- 431 *Matthew 19:24*.
- 432 See Martin Ford, *The Rise of the Robots*, pp. 250–251, on how many skilled jobs are disappearing, to the point where retraining people, in many cases, will simply qualify them for jobs that are anyway being eliminated by robots and algorithms.
- 433 Thomas L. Friedman and Michael Mandelbaum, *This Used to be Us: What Went Wrong with America – and How It Can Come Back* (Boston: Little Brown, 2011), chapter 7, “Average is Over,” pp. 133–152.
- 434 For example, in his 2012 presidential campaign, Republican candidate Mitt Romney said that “the president [Barack Obama] starts out with 48, 49 percent [of voters] ... These are people who paid no income tax

[but enjoy government services] ... So my job is not to worry about those people [who will automatically vote for Obama]. I'll never convince them that they should take personal responsibility and care for their lives." At [www.politifact.com/truth-o-meter/statements/2012/sep/18/mitt-romney/romney-says-47-percent-americans-pay-no-income-tax/](http://www.politifact.com/truth-o-meter/statements/2012/sep/18/mitt-romney/romney-says-47-percent-americans-pay-no-income-tax/).

- 435 President Donald Trump has raised and lowered some tariff rates. But he did that on an *ad hoc* basis, aiming to please constituents rather than to execute an overall plan. *Against* most protection, see Daniel Griswold, *Mad About Trade: Why Main Street America Should Embrace Globalization* (Washington, DC: Cato Institute, 2009). *For* at least some protection, according to a theory of recreating an "industrial commons" in America, see Gary P. Pisano and Willy C. Shih, *Producing Prosperity: Why America Needs a Manufacturing Renaissance* (Boston: Harvard Business Review Press, 2012).
- 436 On Amazon playing off states against one another to receive tax concessions, see [www.nytimes.com/2018/01/18/technology/amazon-finalists-headquarters.html](http://www.nytimes.com/2018/01/18/technology/amazon-finalists-headquarters.html) and see [www.huffingtonpost.com/entry/amazon-headquarters-hq2-process\\_us\\_5beb6f28e4b0caec2bf0ead](http://www.huffingtonpost.com/entry/amazon-headquarters-hq2-process_us_5beb6f28e4b0caec2bf0ead). On the general practice of states competing for business, note that in 2010 the population of Delaware stood at 971,180. See <http://worldpopulationreview.com/states/delaware-population/>. Yet the Delaware State Division of Corporations reported in 2011 that there were 1.1 million business entities registered in the state, that is, there were more business entities than residents. At that time, 55 percent of all publicly traded American companies and 65 percent of the Fortune 500 were headquartered in Delaware formally (but not actually domiciled there) to take advantage of various business-friendly Delaware public policies. See <https://icis.corp.delaware.gov/eCorp/>.
- 437 This sort of optimism pervades Jagdish Bhagwati, *In Defense of Globalization* (New York: Oxford University

- Press, 2007). See also Ridley, *The Rational Optimist*, and John Plender, *Capitalism: Money, Morals, and Politics* (London: Biteback, 2016).
- 438 This point is made in William Davies, *Nervous States: Democracy and the Decline of Reason* (New York: Norton, 2018), pp. 75–79. Similarly, Roger Eatwell and Matthew Goodwin, *National Populism: The Revolt Against Liberal Democracy* (New York: Pelican, 2018), pp. 179–222, but esp. pp. 212–222, describe “relative deprivation” as when, even in times of national prosperity, some members of the nation feel that they belong to groups that are losing ground, that are becoming less prosperous or respected than others. In those circumstances, resentment grows regardless of “average” gains.
- 439 Zygmunt Bauman, *Does the Richness of the Few Benefit Us All?* (Malden, MA: Polity, 2013) and Danny Dorling, *Do We Need Economic Inequality?* (Medford, MA: Polity, 2018); both discuss (and reject) the pro-market idea that enormous gaps in income and wealth in market-based economies are necessary in order to encourage a few efficient people to innovate and drive GDP up for the many. In other words, they discuss the trickle-down idea, which claims that gaps in income and wealth (the One Percent situation) are not intolerable but necessary characteristics of economies committed to generating economic growth.
- 440 These are technical considerations. There is also the fact that, as a discipline, economists do not usually ask whether the existing distribution of resources, income, and wealth has been skewed by historical events and actors and, if so, what should be done about it. On this point, see Earle, Moran, and Ward-Perkins, *The Econocracy*, p. 76–80. See also Geoffrey M. Hodgson, *How Economics Forgot History: The Problem of Historical Specificity in Social Science* (London: Routledge, 2001). Hodgson argues, pp. 14–16, that micro-economics, which claims to explain how individuals and firms act on the basis of rational

calculations, cannot accurately explain macro-economic behavior, which can only assume that the sum-total of small actors performs in ways that can be predicted in theory. In truth, says Hodgson, no theory can make such accurate predictions because collections of real economic individuals behave as groups, which means that they behave as (not entirely rational) historical, sociological, and anthropological entities.

- 441 On “rent-seeking,” see Stiglitz, *The Price of Inequality*, *passim*, but esp. pp. 28–52. On rents, see also Lindsey and Teles, *The Captured Economy*, pp. 15–34.
- 442 For technical definitions of network effects, see [www.nfx.com/post/network-effects-manual](http://www.nfx.com/post/network-effects-manual). For a discussion of leading examples of network effects, in Google, Facebook, Amazon, Microsoft, Uber, and Airbnb, see Nick Srnicek, *Platform Capitalism* (Cambridge: Polity Press, 2017).
- 443 In social science terms, one oddity here is that once an adequate Word program was fashioned, producing additional copies of it requires only that someone in Microsoft will push a copy button on his or her computer. In other words, once original expenses are recovered, the marginal cost of the latest copy of such a program, which may be priced at 100 or more dollars, is actually close to zero. Some of the implications of this situation, which does not fit well into conventional economic theory, are discussed in Jeremy Rifkin, *The Zero Marginal Cost Society: The Internet of Things, The Collaborative Commons, and the Eclipse of Capitalism* (New York: St. Martin’s, 2015).
- 444 Thus Sitaraman, *The Crisis of the Middle-Class Constitution*, harked back to the advice of great thinkers like Polybius, Cicero, Machiavelli, Harrington, Jefferson, and Madison, and pointed out that the shrinking of America’s middle class creates power imbalances that those thinkers feared and that now threaten the nation’s constitutional form of government.
- 445 Such players are targeted by name and their careers are discussed in chapter after chapter of Jeff Madrick, *The Age*

- of Greed: The Triumph of Finance and the Decline of America, 1970 to the Present* (New York: Vintage, 2012).
- 446 See Christopher Witko, “The Politics of Financialization in the United States, 1949–2005,” *The British Journal of Political Science* (April, 2016), pp. 349–370. For the reverse thesis, that the Crash was caused by government policy errors rather than by “blind faith in laissez-faire capitalism,” see Richard Vedder, “A Financial Fairy Tale,” in the *Claremont Review of Books*, at [www.claremont.org/crb/article/a-financial-fairy-tale/](http://www.claremont.org/crb/article/a-financial-fairy-tale/).
- 447 Someone should write about how economic growth enthusiasts usually make their case by citing examples of useful creativity while ignoring profitable inventions that turn out to be harmful. Thus computers are praised but asbestos fireproofing goes unmentioned.
- 448 Hartz, *The Liberal Tradition in America: An Interpretation of American Political Thought Since the Revolution* (New York: Harcourt, Brace, and World, 1955), p. 3.
- 449 I will capitalize Liberals in the text above because Hartz used that word to denote a sector of post-Enlightenment society rather than to describe liberals in a twentieth-century world of liberals versus conservatives, or modern liberals as opposed to modern progressives. Similarly, Yascha Mounk, *The People vs. Democracy: Why Our Freedom is in Danger & How to Save It* (Cambridge, MA: Harvard University Press, 2018), pp. 25–26, observes that George W. Bush and Barack Obama, Ronald Reagan and Bill Clinton are all European-style liberals by virtue of their support for freedom of speech, separation of powers, and the protection of individual rights.
- 450 I am writing about “late-stage feudalism” in the text above because even Hartz admitted (in *The Liberal Tradition in America*, asterisk on p. 1) that “There is no precise term for feudal institutions and feudal ideas as they persisted into the modern period amid the national states and economic movements which progressively undermined them.”



- 451 On Katznelson and Hartz, see Richard M. Valelly, “Ira Katznelson: Toward a Useful Historical Political Science of Liberalism,” *PS: Political Science and Politics* (October, 2005), pp. 797–800.
- 452 James L. Kloppenberg, “In Retrospect: Louis Hartz and *The Liberal Tradition in America*,” *Reviews in American History* (September, 2001), pp. 460–478, and Rogers M. Smith, “Beyond Tocqueville, Myrdal and Hartz: The Multiple Traditions in America,” *American Political Science Review* (September, 1993), pp. 549–566.
- 453 See Corey Robin, “Louis Hartz at 50: On the Varieties of Counterrevolutionary Experience in America,” at [https://digitalcommons.law.umaryland.edu/schmooze\\_papers/19](https://digitalcommons.law.umaryland.edu/schmooze_papers/19). See also Michael C. Desch, “America’s Liberal Illiberalism: The Ideological Origins of Overreaction in U.S. Foreign Policy,” *International Security* (Winter, 2007), pp. 7–43.
- 454 See Alan Wolfe in [www.nytimes.com/2005/07/03/books/review/nobody-here-but-us-liberals.html](http://www.nytimes.com/2005/07/03/books/review/nobody-here-but-us-liberals.html). See also Philip Abbott, “Still Louis Hartz After All These Years: A Defense of the Liberal Society Thesis,” *Perspectives on Politics* (March, 2005), pp. 93–109. While arguing in favor of some of Hartz’s ideas, Abbott provides a wide-ranging survey of what many other scholars have said, mostly critical, about Hartz’s work.
- 455 I agree with Wolfe that Hartz was *mainly* right. I also agree with the scholars who say that Hartz did not get *everything* right. But neither does any book that focuses on “One Great Idea,” which in Hartz’s case was that America’s dedication to Liberalism made the country exceptional among most societies based in Europe. For later-day, mixed assessments of *The Liberal Tradition*, see Mark Hulliung (ed.), *The American Liberal Tradition Reconsidered: The Contested Legacy of Louis Hartz* (Lawrence, KS: University of Kansas Press, 2010). On “One Great Idea” books, see Alan Wolfe at <https://newrepublic.com/article/152668/francis-fukuyama-identity-review-collapse-theory-liberal-democracy>.

- 456 On the point of homogeneity, Americans have not always agreed on how to interpret the sentiments and principles that Hartz called a Liberal tradition in America. Therefore, his thesis deserves qualification, especially from historians whose forte it is to remind us, from time to time, of uninspiring details in American life. (See Lepore in n. 462.) Nevertheless, Hartz's intent was to argue that, compared to a wide range of European political ideas and principles, Americans had imported mostly a particular part of an Old-World spectrum, in which case the Americans were – but not always generously or consistently – inspired by that part, with certain logical consequences. In that sense, Hartz was coming at American politics somewhat as an American historian but even more as a comparative politics scholar.
- 457 *Isaiah* 49:6.
- 458 *Matthew* 5:14.
- 459 On the history of “America First” and Trump’s support for it, see Sarah Churchwell, *Behold America: The Entangled History of “America First” and “The American Dream”* (New York: Basic Books, 2018), *passim*, but esp. pp. 272–282.
- 460 At [www.nytimes.com/2019/07/14/us/politics/trump-twitter-squad-congress.html](http://www.nytimes.com/2019/07/14/us/politics/trump-twitter-squad-congress.html). Among various groups and individuals condemned by Donald Trump in his promotion of America First, the president in August of 2019 accused American Jews of disloyalty. Opinions on Trump’s remarks to that effect are so polarized that I leave readers to locate their own sources on Trump’s charges. Just search for: Trump on disloyal Jews.
- 461 Hartz cannot testify on his own behalf now. But he was my doctoral dissertation advisor and I know that when, after World War II, he was comparing America favorably with Europe, the sins of American Liberalism pained him deeply.
- 462 Generalizations on this point do not always suffice; details are sometimes required. Therefore we need historians to remind us of accounts that may still need adjusting. For example, some Americans know that, in the portrait which appears on the nation’s one-dollar bill, George Washington isn’t smiling because he suffered

from terrible tooth decay and wore ill-fitting artificial dentures. But it takes a historian like Jill Lepore, *These Truths*, p. 120, to remind us that those dentures included nine real teeth “pulled from the mouths of his slaves.”

- 463 Some conservatives may feel that on issues of identity, difference, and gender, not too little but too much has been done in recent decades. See Self, *All in the Family*. Self’s thesis, approximately, is that most liberals seek to expand personal rights (for example, the right to an abortion and the right to denounce American wars) whereas most conservatives seek to preserve existing rights (for example, the right to belong to a man-is-the-breadwinner family and to live in a patriotic society). In which case, conservatives believe that liberals are innovating *too much* and liberals believe that conservatives are innovating *not enough*. On the right side of this equation, Fox News anchor Tucker Carlson, *Ship of Fools*, p. 10, complains that liberals have promoted so much immigration into America that the country now has “no ethnic majority, immense religious pluralism, and no universally shared culture or language.”
- 464 Here is the argument. Adam Smith promoted capitalist economics to discredit the late-stage feudalism that constrained many eighteenth-century commoners in the United Kingdom. But today, new constraints are operating. They are sometimes called neoliberalism, and they are, together, holding back the very Liberalism that Smith promoted. Ironically, just as Hartz found it difficult to describe Smith’s late-stage feudalism precisely, it is difficult today to get scholars to agree on exactly what neoliberalism is. On that difficulty, see Brown, *Undoing the Demos*, pp. 48–50. For scholars who have begun to refer to neoliberalism as “neofeudalism,” see Milan Zafirovski, “‘Neo-Feudalism’ in America? Conservatism in Relation to European Feudalism,” *International Review of Sociology* (October, 2007), pp. 393–427, and Alain Supiot, “The Public-Private Relation in the Context of Today’s Refeudalization,” *International Journal of Constitutional Law* (January, 2013), pp. 129–145.

- 465 Our political vocabulary is inadequate here. Hartz's *Liberal Tradition in America* (a) commends Liberalism for its freedom and individual rights, and (b) criticizes Liberalism for its insularity (anti-socialism) and oppressions (such as slavery). Which means that there are two strands of political thought in Liberalism, one more generous and the other less so. Which means that a critic of what I have just written in the text above might argue that the "new force" is not anti-Liberal but an extension of Liberalism, in the sense of growing out of undesirable (pro-market) Liberal qualities.
- 466 In the early 1970s, mental illness struck Louis Hartz. He retired from Harvard University in 1974 and died in Istanbul in 1986.
- 467 Ronald Reagan expressed this sentiment famously in his first Inaugural Address. As he said then, "In this present crisis, government is not the solution to our problem; government is the problem." See [www.presidency.ucsb.edu/documents/inaugural-address-11](http://www.presidency.ucsb.edu/documents/inaugural-address-11).
- 468 This analogy between the Reaction and neoliberalism can be inferred from what Corey Robin, using a different vocabulary, describes in *The Reactionary Mind: Conservatism from Edmund Burke to Sarah Palin* (New York: Oxford University Press, 2011).
- 469 The point here is that neoliberals (like Edmund Burke earlier) doubt that citizens can solve great social problems, whereas Hartzian Liberals (like Thomas Paine) are actually humanists. This clash, between the skepticism of neoliberalism and the humanism of the Founders, is discussed by Brown, *Undoing the Demos*, *passim*, but esp. pp. 220–222. See also Mettler, *The Government-Citizen Disconnect*, esp. pp. 148–155, which does not explicitly recommend "humanism" but argues that anti-government sentiments in America prevent citizens from using government to mitigate market-based outcomes that presently generate inequality and suffering. See also Zuboff, *The Age of Surveillance Capitalism*,

*passim*, which condemns neoliberalism and argues that its great personal-data-mining companies like Google, Facebook, Amazon, and Microsoft manipulate digital users for profit and thereby destroy their ability to decide for themselves what sort of lives they want to live, separately and together. At p. 513, Zuboff specifically endorses Paine and rejects Burke.

- 470 To suggest that neoliberals are like barbarians for permitting market-based innovations to undermine long-standing democratic principles and practices may evoke a conservative response that the real barbarians in America today are universities, dominated by liberals who irresponsibly assault long-standing moral truths and social virtues. Two classic examples of this conservative thesis are William Buckley, *God and Man at Yale: The Superstitions of “Academic Freedom”* (orig., 1951; New York: Gateway, 2002), and Allen Bloom, *The Closing of the American Mind* (orig., 1987; New York: Simon and Schuster, 2012). On this point, see Kim Phillips-Fein, “How the Right Learned to Loathe Higher Education,” at [www.chronicle.com/article/How-the-Right-Learned-to/245580](http://www.chronicle.com/article/How-the-Right-Learned-to-245580).
- 471 See FDR’s Second Inaugural Address at <http://historymatters.gmu.edu/d/5105/>.
- 472 Michaels, *The Trouble with Diversity: How We Learned to Love Identity and Ignore Inequality* (orig., 2006; New York: Picador, 2016). For example, p. 76, “we prefer fighting racism to fighting poverty.” Similarly, that American voters may focus on culture rather than economic inequality is discussed in Frank, *What’s The Matter with Kansas?*
- 473 Many economists and other thinkers (1) fear that redistribution would require catastrophic confrontations within society, and therefore (2) prefer that perpetual economic growth will permit everyone to automatically gain at least something so as to avoid feelings of partisan deprivation flowing from zero-sum political decisions. For example, Thomas Byrne Edsall, *The Age*

- of *Austerity: How Scarcity Will Remake American Politics* (New York: Anchor Books, 2012), and Friedman, *The Moral Consequences of Economic Growth*. On the other hand, economist Thomas Piketty insists that his discipline should place “distribution at the heart of economic analysis.” See his *Capital in the Twenty-First Century*, pp. 19–21. He is opposed by Mankiw, *Principles of Economics*, p. 5: “When government redistributes income from the rich to the poor, it reduces the reward for working hard; as a result, people work less and produce fewer goods and services. In other words, when the government tries to cut the economic pie into more equal slices, the pie gets smaller.” But see Nobelist (economics, 2019), Abhitjit V. Banerjee and Nobelist (economics, 2019) Esther Duflo, *Good Economics for Hard Times* (New York: Public Affairs, 2019), who recommended government intervention to help victims of economic “disruption” – in other words, government promotion of at least some redistribution.
- 474 Without scholarly elaborations, this is the story told by Zito and Todd, *The Great Revolt*. (See n. 319.)
- 475 Robert W. McChesney, *Digital Disconnect: How Capitalism is Turning the Internet Against Democracy* (New York: The New Press, 2013), pp. 12–19, *et passim*, regards modern capitalism as an “elephant in the room,” and insists that people who write about whether digital technology – including computers, smartphones, the internet, and social media – will help or hinder democracy, should remember always that technology does not stand on its own but is shaped, for better or worse, by the system of ownership that we call neoliberalism or capitalism.
- 476 On the need for restraint via government regulation, see Tim Wu, *The Curse of Bigness: Antitrust in the New Gilded Age* (New York: Columbia Global Reports, 2018). On the power of private commercial entities to prevent or resist government regulation, see David Rothkopf, *Power, Inc.: The Epic Rivalry Between Big Business and Government – and the Reckoning That Lies Ahead* (New York: Farrar, Straus,

and Giroux, 2012), *passim*. See also Gordon Lafer, *The One Percent Solution: How Corporations Are Remaking America One State at a Time* (Ithaca, NY: Cornell University Press, 2017), which describes the work and influence of nation-wide business lobbies such as the Chamber of Commerce, the National Association of Manufacturers, the National Federation of Independent Business, Americans for Prosperity, the Business Roundtable, the Club for Growth, and the American Legislative Exchange Council. See also Page, Seawright, and Lacombe, *Billionaires and Stealth Politics*, which reports on a study of the political activity of 100 American billionaires and concludes (esp. pp. 126–138) that most of them fund political action by parties, campaigns, candidates, and organizations that oppose redistribution (except upwards, by reducing estate taxes).

- 477 The likelihood of eventual dictatorial action against the worst environmental downsides of affluence was postulated by William Ophuls, *Ecology and the Politics of Scarcity: A Prologue to a Political Theory of the Steady State* (San Francisco, CA: W. H. Freeman, 1977). The book was updated and republished as William Ophuls and A. Steven Boyan, *Ecology and the Politics of Scarcity Revisited: The Unraveling of the American Dream* (San Francisco, CA: W. H. Freeman, 1992).
- 478 Sennett, *The Corrosion of Character*.
- 479 We have noted that so-called “natural markets” are a theoretical fiction, because historians and anthropologists say that only markets shaped by governments (or tribes, or other social entities) have ever existed. If that is so, “intervention” in modern markets may be regarded as adjusting something that government has already contrived rather than trading where politics has never entered. This approach is taken by Baker, *Taking Economics Seriously*, which assumes that using government to promote equity would not be an innovation but merely a revision of official marketplace arrangements that now

- maintain a pattern of economic distribution favoring successful, wealthy, and powerful people.
- 480 See her broadcast from the White House in 1986 inaugurating the “Just Say No” campaign, at [www.history.com/speeches/nancy-reagan-introduces-just-say-no-campaign](http://www.history.com/speeches/nancy-reagan-introduces-just-say-no-campaign).
- 481 One can argue that a considerable measure of government intervention and coordination, regulation and services, in the modern and market-based economy, is a *practical* necessity based on historical trends – in transportation, education, housing, health care, internal migration, commerce, and more – rather than a liberal preference flowing from *abstract* ideological sentiments. See John Kenneth Galbraith, *The Good Society: The Humane Agenda* (Boston: Houghton Mifflin, 1996), pp. 14–22.
- 482 In 2016 Nabisco stopped producing Oreo cookies in Chicago, fired 600 local workers, and moved their jobs to baking facilities in Mexico. See [www.chicagotribune.com/business/ct-last-chicago-oreo-0709-biz-20160708-story.html](http://www.chicagotribune.com/business/ct-last-chicago-oreo-0709-biz-20160708-story.html).
- 483 For liberal criticism of powerful agribusiness entities, see F. William Engdahl, *Seeds of Destruction: The Hidden Agenda of Genetic Manipulation* (Montreal: Global Research, 2007); Frederick Kaufman, *Bet the Farm: How Food Stopped Being Food* (Hoboken, NJ: John Wiley, 2012); and Raj Patel, *Stuffed and Starved: The Hidden Battle for the World Food System* (New York: Melville House, 2012). For a conservative approach to the same conditions, which also criticizes large-scale corporate behavior in this realm, see Austin Frerick, “To Revive Rural America, We Must Fix Our Broken Food System,” *The American Conservative* (February 27, 2019), at [www.theamericanconservative.com/articles/to-revive-rural-america-we-must-fix-our-broken-food-system/](http://www.theamericanconservative.com/articles/to-revive-rural-america-we-must-fix-our-broken-food-system/).
- 484 See “Trump Defends \$110B US Arms Sale to Saudi Arabia,” in <https://thehill.com/homenews/administration/411271-trump-defends-110-billion-us-arms-sale-to-saudi-arabia>.



- 485 An historical point is pertinent here. In the early eighteenth century, thinkers like Bernard Mandeville, *The Fable of the Bees: Private Vices, Publick Benefits* (1714), began to argue that virtuous behavior might not be economically effective. The general idea was that personal greed is not admirable but might be morally acceptable because it gets channeled by economic interactions – say by Adam Smith’s “invisible hand” of the marketplace – to produce results advantageous to society. That idea was severely challenged by the Crash of 1929 and the consequent Great Depression. Nevertheless, after World War II, neoliberal thinkers revived and expounded the “publick benefits” thesis for our times, as if the stunning inequalities in modern society add up to the best of all possible worlds. Gordon Gekko, played by Michael Douglas in the 1987 movie *Wall Street*, insisted that “Greed ... is good.” Many people who saw *Wall Street* laughed, perhaps bitterly, at the satire. But Gordon Gekko, in a way, expressed Milton Friedman’s “shareholder value” theory of corporate governance, which recommends that CEOs will relentlessly pursue maximum profits. And the terms of that theory fuel a good deal of respectable talk in the Age of Populism. On the shareholder value theory in corporate law and public debate, see David Yosifon, *Corporate Friction: How Corporate Law Impedes American Progress and What to Do About It* (New York: Cambridge University Press, 2018), esp. pp. 60–95. For commentary on a modern example of literary praise for economic greed, see Lisa Dugan, *Mean Girl: Ayn Rand and the Culture of Greed* (Oakland, CA: University of California Press, 2019). In Marxian terms, which most American thinkers do not endorse, one might describe the shareholder theory of value as a capitalist recommendation for business people to carry their hearts in their purses.
- 486 Shaw, *The Intelligent Woman’s Guide to Socialism and Capitalism* (New York: Brentano’s, 1928), pp. 190–191. Of course, enforcement of government decisions

is also necessary, because some people will always bend and stretch to avoid regulation. For example, see Jack Ewing, *Faster, Higher, Farther: The Inside Story of the Volkswagen Scandal* (London: Transworld, 2018), on Volkswagen producing and selling diesel cars designed to deceive government-mandated pollution tests. If we think of the Volkswagen case as constituting what Shaw would have called a “social problem,” then 2013 APSA president Mansbridge, “What is Political Science For?” (see n. 29) observes (in agreement with Shaw) that problems of social action (she calls them “collective action problems”) can only be solved by an exercise of what she calls “legitimate coercion” – that is, by enforcement of serious governmental regulations enacted politically.