

## CRISIS OF NEOLIBERALISM, POPULIST REACTION, AND THE RISE OF AUTHORITARIAN CAPITALISM

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*The article contends that the neoliberal claim of superiority of the free functioning market has been critiqued and replaced by new and diverging views that address the crisis of neoliberalism and the rise of protectionist, ultra-nationalist, and racialized views advanced by populist, far-right authoritarian movements and regimes. The rationale behind this argument rests on the tenet that capitalism is a contradictory system whose outcomes need to be rationalized and accepted by subordinate groups that do not benefit from them. Following this approach, the article discusses the historical conditions that supported the acceptance of neoliberalism. It also briefly reviews the implementation of neoliberalism and globalization by stressing the historical elements that allowed for their development. It further illustrates the crisis of neoliberalism and the populist reaction that followed. It underscores that the emergence of high levels of socio-economic inequality and uncertainty along with the intervention of the state to address the crisis emanating from the Great Recession of 2008-09 created the conditions for a restructuring of capitalism in the form of an emergent global neoliberal authoritarian capitalism. It concludes by indicating the inability of neoliberalism, Trumpism, and right-wing populism to address the fundamental contradictions of contemporary capitalism, arguing that calls for economic protectionism, political isolationism and the repressive control of global flows of labor run counter not only to fundamental democratic principles, but also to the requirements of global capitalism and its form of capital accumulation today.*

### **Introduction**

The neoliberal regime - that has dominated the political and economic sphere since the early 1980s - has entered a crisis that has been met by protest from the left and right (Bonanno 2017). During the 2016 US presidential campaign, Bernie Sanders' social democratic program offered an alternative to neoliberal arrangements, stressing the sharp increase in economic inequality, socio-economic insecurity, and the crisis of mobility for most workers. Left-leaning American

grassroots protests (e.g., gun control, youth movement) have begun to surge again in response to President Trump and the conservative turn that affected the United States over the past few years (Bruff 2014; Jordon and Clement 2018; Levitz 2018). However, rightwing populist parties, grassroots organizations, and protests have been especially noteworthy in recent years. Brexit, Donald Trump election, and extreme right activism and electoral politics in many countries across the globe have generated worldwide concern about the rise of right-wing populism. The consequences of populist, anti-globalist moves have yet to substantially alter global capitalism. Following promises to serve the "forgotten working-class" Trump appointed a number of Wall Street advisors, prompted an enormous tax cut for corporations and top income earners and increased military spending that ultimately pleased Wall Street. Yet Brexit, Trump, and ethnoracial populism manifest an emergent crisis not only of neoliberalism, but, above all, liberal democracy.

The established form of neoliberal globalization that emerged in the 1980s, peaked in the years of the Washington Consensus of the 1990s and 2000s, and entered a period of crisis in coincidence with the onset of the Great Recession in 2007-08. I argue that the neoliberal claims of superiority of the free functioning market has been replaced by new and diverging views that underscore, on the one hand, the beneficial outcomes engendered by the unrestrained growth of corporations and dominance of ultra-high income elites and, on the other, the return to protectionist, nationalist, racialized views proposed by populist, far-right movements.

### **Neoliberalism and Globalization**

Faced with attacks from the progressive left and the conservative right alike, and demands for change from the capitalists and workers, the new regulation of the economy was carried out through the popularization of neoliberal free-market arguments and its claim of the drastic reduction of state intervention.

### **Neoliberalism**

Like in the case of laissez-faire capitalism, it was the free functioning of the market that emerged as the organizing principle of the neoliberal global system (Friedman 1982 [1962]; Hayek 1972 [1944]).

However, neoliberalism was not simply a reiteration of the old laissez-fair approach. Rather, neoliberals offered a constructionist view of the economy that assumed the constant intervention of the state for the creation and maintenance of markets, as they contended that the concentration and centralization of capital and the growth of large transnational corporations are not problems, but the logical outcome of the good functioning of the market. They also stressed that class privileges are the just rewards for those who are able to effectively deploy their individual assets - or human capital - in market competition.

By the end of 1970s, neoliberalism emerged as the guiding principle of capitalism. Symbolized by the electoral successes of Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom, its tenets found widespread support as the notions of the impartiality and value of the "free market" permeated the agendas of conservative and liberal political parties alike. There was a generalized agreement across the political spectrum - or the "Washington Consensus" - on the idea that the economy and society are better managed through the application of principles of the "free market". Accordingly, Fordist welfare system and policies were reformed, reduced and/or eliminated, stable and well-paid employment was replaced with flexible and poorly remunerated jobs, and firms moved many of their jobs to low wage and politically convenient overseas locations (or global sourcing). The overall idea of public spending to support the needs of the lower classes was declared bankrupted while global corporations increased their profits thanks to reduced state supervision (de-regulation), sustained state financial support (corporate welfare), de-industrialization and emphasis on financial activities (financialization) and services.

### **Globalization**

Under neoliberalism, the economic limits of Fordism were addressed through the hypermobility of capital, the reduction of barriers to the free circulation of capital, goods and labor and the creation of global networks of production and consumption. Large multinational corporations evolved into transnational corporations (TNCs) as the blurring of their identification with home countries and their objectives shaped this evolution. As TNCs exported

investment and profits and moved production facilities freely around the globe, they presented themselves as promoters of local interests and constituencies. Heralding their foreign direct investment as a new instrument of development, they often received local financial support and political backing. At home, the loss of jobs was countered by attempts to further discount natural and human resources to attract TNCs' deals. In this context, the nation-state invested resources to facilitate corporate hypermobility. Simultaneously, however, it was unable to control the global flows of capital and labor as the global scope of TNCs' actions prevented nation-states to effectively deploy those instruments that allowed the regulation of the economy in the Fordist era. As a global capitalist class and global pools of labor emerged, the lack of a global state made state-centered forms of intervention in the economy and mediation between class interests increasingly ineffective.

The nation-state's structural inability to deploy established instruments to regulate the economy and control social contradictions reinforced the neoliberal tenets that the free functioning of the market promotes economic growth and that the state should continue to de-regulate markets. In this context, the implementation of a host of trade agreements, such as NAFTA, the creation of global trade regulatory institutions, such as the World Trade Organization (WTO), and the development of multinational regulatory political entities, such as the G20, defined the global political and economic climates at the turn of the new century. Identified as instruments functional to the development of markets and free competition, they, however, implicitly stressed the importance of the role of the state in the functioning of markets. Rather than the simple creation of markets, the *raison d'être* of these institutions was the coordination of nation-state policies vis-à-vis a globalizing economy. As this coordination could not be effectively carried out by any single nation-state - including the United States - common multi-state efforts became fundamental. Following this logic, more sophisticated forms of multination-states emerged with the European Union representing the most advanced of these forms. As they grew, there was the implicit recognition of the inherent limits of the free market and of the need for the availability of instruments that could address the unwanted consequences of its functioning.

Ultimately, the establishment of all these institutions recognized the importance of the regulation of socio-economic spaces that could enhance the mobility of capital, reduce barriers to its velocity of circulation, but also allow state intervention when needed.

### **The Crisis of Neoliberalism and the New Populist Reaction**

The neoliberal global system remained unchallenged for nearly four decades despite recurrent serious crises such as those of the .com financial bubble and the 9/11 attacks. However, the 2007-08 Great Recession signaled the beginning of a period of restructuring of the original form of neoliberalism. This period of change centered on three phenomena: The massive intervention of the state to address the crisis; growing wealth and income inequality; and the existence of significant level of socio-economic uncertainty.

### **State Intervention to Address the Crisis**

The crisis of 2007-08 was primarily a financial crisis that spilled over to the productive sector with devastating effects on the labor market and the well-being of members of the middle- and lower-income working class. Its financial origins rested on the neoliberal deregulation of financial markets and the expansion of the financial sector: a phenomenon known as financialization, which refers to two interrelated features of contemporary neoliberal capitalism. The first consists of the growing portion of profit generated by the financial sector. The second refers to the tendency to transform commodities into financial assets. These financial assets, then, are multiplied exponentially through the fast deployment of financial mechanisms such as futures and derivatives. In 2007, the growth of financial assets found particularly fertile grounds in real estate-based speculations that appreciated portfolios but also reached unsustainable levels of overvaluation. When this financial bubble burst, it engendered asset depreciation, lack of liquidity and the destabilization of financial and production markets that resulted in the Great Recession.

In the United States as well as in other major countries, the Great Recession was addressed by state intervention rather than market mechanisms. The state addressed the crisis by injecting high quantity of liquidity in the market (the so-called quantitative easing),

increasing spending and cutting taxes that resulted in the shoring up of financial markets, the restructuring of corporate insolvency and the revaluation of financial assets. In particular, this effort was directed at the protection of large corporations that, declared "too big to fail," were considered indispensable for the survival of the entire economic system. By 2009, the crisis was declared over. However, its negative consequences for working people continued for years as job losses, precarious employment, stagnant wages, home foreclosures and community crises defined a period characterized as the "longest economic expansion in modern history." More importantly, as profits accelerated in the financial sector and Wall-Street investors recorded unprecedented gains, the rest of society continued to suffer. The development of this dual system was eloquently captured by the theory of "the 1 percent," or the argument that the recovery occurred only for the corporate world as the economic gap between the very rich and the rest of society continued to grow.

### **Wealth and Income Inequality**

Socio-economic inequality has emerged as one of the most serious problems of contemporary capitalism (Atkinson 2015; Galbraight 2016; Leicht 2016; Milanovic 2016; Piketty 2014; Saez and Zucman 2016). Pertinent literature cast doubt not only on the accuracy of the neoliberal tenet of the beneficial effects of free and unrestricted competition but also on the claim of the desirability of the elimination of welfare and wealth redistribution measures (Friedman 1982 [1962]: 161-163; Watkins and Brook 2016). It shows that the super-rich - the richest 1 percent of the population - have continued to increase their wealth since the 2007-08 economic crisis. In the United States, the income of families in the top 1 percent - those making more than \$1.4 million a year - grew by 7.7 percent from 2014 to 2015 increasing their component of all income to 22.0 percent (Saenz 2016; Word Inequality Lab 2017). During the same time, families earning less than \$ 300,000 a year recorded a growth in income of only 3.9 percent which, however, was the best growth rate in almost 20 years. This large group of families recorded a decline in income of 11.6 percent from 2007 to 2009 and a very small gain of 1.1 percent from 2009 to 2013. They recovered only 60 percent of their 2007-08 pre-crisis income (Dobbs, et. al. 2016).

The income gap between the superrich and the poor increased faster in the neoliberal-friendly United States more than in the more welfare-oriented Europe (World Inequality Lab 2017). While in 1980 income inequality in the United States and Western Europe was about the same, in 2016 in Europe the top 1 percent of the population controlled 12 percent of the wealth while the same group controlled 39 percent of the total wealth in the United States (Federal Reserve Bulletin 2017). Additionally, in 2017, the portion of U.S. national income controlled by the richer 10 percent was equal to 47 percent. It stood at a level higher than that of Russia (46 percent) and well above that of the EU (37 percent) (World Inequality Lab 2017). This income gap between the upper class and the working class is fueled by the differential growth of remunerations whereby wages stagnated while the profits to capital increased.

In 2015 in the United States, the average pay of CEOs was 10.8 million dollars, up from \$10.3 million in 2014. Their average annual raise was \$ 468,499 which was 10 times greater than the average income of US workers (Choe 2016). The accelerated expansion of the stock market made this gap even greater in 2017 (World Inequality Lab 2017). Other studies illustrate the global reach of inequality (Milanovic 2016). More than seventy percent of the households in 25 advanced economies experienced a decline in earnings from 2005 to 2014.

Income decline accelerated in the new century as only two percent of all households recorded declining incomes in previous decades (1993 and 2005). These data indicate that between 1993 and 2005 less than ten million people were affected by declining income. However, this number surged to 580 million people in the 2005-2014 period.

A grave sense of uncertainty goes with concerns about inequality. Survey data show that members of the middle and working classes are worried about finding or keeping a job, having a decent career, creating a family, being able to retire after a lifetime of work, and more (Saad 2013; Center for Retirement Research at Boston College 2009; GFK Research 2015; Pew Research Center 2015). These groups lament the loss of that sense of security that they once thought they had, but no more.

### **Public Dissatisfaction and the Anti-Neoliberal Globalization Movement**

By the mid-2010s, an abundance of research, surveys and public opinion polls reported the dissatisfaction that large segments of the population expressed with regard to their economic condition, social status, and future prospects (Burkhauser, De Neve and Powdthavee 2015; Hardoon, Fuentes-Nieva and Ayele 2016; Gilens and Page 2014). In this context, the 2016 and 2017 political seasons and in particular the 2016 vote to end Britain's membership in the EU and the surprising victory of Donald Trump in the presidential elections were held as signals of the "revolt" against neoliberal globalization and its leadership. As a commentator put it: "Across the Western world we [saw] the emergence of an anti-elite insurgency" (Carswell 2016: 1).

The agenda behind these electoral victories and protest is defined as populist and reactionary (Judis 2016; Kellner 2016; Kivisto 2017; Stokes 2016). It is populist as it advocates the well-being of the working masses without calling for the substantive alteration of the economic and social arrangements that promoted the current conditions. This contradictory dimension is made explicit by calls for the implementation of protectionist measures and state intervention to rectify unwanted consequences of the evolution of the economy that coexist with pronouncements in favor of the desirability of the free market economy. Accordingly, the objective of improving the socio-economic conditions of the middle and working classes is pursued through enhanced deregulation of markets, the dismantling of welfare programs, the stigmatization of labor unions and the implementation of reforms that benefit the upper class.

Additionally, it calls for the further empowerment of corporations as the well-being of workers and the repatriation of jobs lost through globalization are seen as functions of the growth of corporate profits and corporate global competitiveness. These proposals clash with evidence showing that corporate profits and competitiveness have been consistently high since the 2007-08 crisis, corporations are the major beneficiary of neoliberal globalization and economic growth is fueled by the growth of new industries that are not part of the traditional manufacturing sector (Harvey 2017;



Stiglitz 2017). Moreover, stock buybacks rather than new investments have characterized recent corporate behavior (Bonanno 2017; Stiglitz 2017; Streeck 2016). This agenda is reactionary as it holds elements that have revitalized radical far right movements. Calls that denounce democracy as distorted and inefficient, defame solidarity and cooperation among social groups, ethnicities and countries, advocate racism, nationalism, xenophobia and islamophobia, and justify totalitarian solutions to socio-economic instability are all associated with this anti-neoliberal globalization reaction (Kellner 2016; Kivisto 2017).

However, the movement against neoliberal globalization is more complex than its simple association with populism and the far right. It contains important components that are also expressions of left-leaning opposition and genuine anti-corporate resistance. Symbolized by Bernie Sanders' unsuccessful bid for the 2016 democratic nomination for the presidency of the United States, progressive proposals that advocated downward wealth redistribution, enhanced social services and welfare programs, opposition to financial and economic elites, the restructuring of the open global economic and strong environmental protection measures were highly supported and represented tangible alternatives to neoliberalism and populism alike. Explaining the existence of this left-leaning opposition to the status quo, Thomas Piketty (2016) contended that a significant portion of Americans are tired of the growing economic inequality and the ineffective measures implemented to reduce it.

They wish, he continued, to renew the progressive agenda that characterized the United States in the past and the egalitarianism that typified it. Similarly, left-leaning opposition to neoliberal globalization has emerged in other parts of the world. In the UK, the stunning 2016 Brexit vote was followed by the positive results of Jeremy Corbyn's Labor Party in the 2017 general elections. While Labor remained the second party in the country, its growth symbolized the support for a social democratic agenda and a reversal of this party's centrist turn. Additionally, anti Brexit sentiments accompany the Brexit negotiations in 2019 as the radical far-right continues to resist proposed solutions to the crisis. Portrayed as a populist vote, Italy's December 2016 pro-market constitutional

referendum was defeated also thanks to the mobilization of leftist forces that advocated the strengthening of welfare programs and pro-labor policies. In early 2019, significant pro-labor and poor welfare measures were introduced despite the opposition of Wall Street and economic elites. The defeat of right wings parties in other parts of Europe, such as France and the Netherlands, testifies for the complex nature of anti-neoliberal globalization protest.

This left-leaning opposition, however, does not diminish the dominant "Progressive Neoliberalism" that characterizes the centrist position of the Democratic Party in the United States and similar parties in other major countries. As argued by Nancy Fraser (2017), Progressive Neoliberalism refers to the odd alliance between new social movements, (such as feminism, anti-racism, LGBTQ rights, multiculturalism) and powerful sectors of the business world such as the financial sector, high tech, and media that proposes emancipation through the application of market mechanisms and individual initiative.

It refers to the coming together of movements that stress identity and the right to be different with Wall Street, the Silicon Valley and Hollywood and an alliance that confuses political correctness, corporate responsibility, and a market-based morality with the democratization of capitalism. As a movement, it emerged as part of the restructuring of leftist parties and politics that was exemplified by the "move to the center" or the "Third Way" that characterized the administrations of Bill Clinton in the United States, Tony Blair in Brittan in the 1990s, and that of Barak Obama in the 2010s. Heralded by some progressive thinkers as the exemplification of the emancipatory side of neoliberalism (Prasad 2012), this alliance not only added to the marginalization of the traditional working class and the poor, but also created the conditions for the transformation of the idea of emancipation into something that is amenable to continued corporate domination. As Fraser contends: "[progressive neoliberalism] mixed [the] truncated ideal of emancipation and lethal forms of financialization ... [that] equated the term emancipation with the rise of a small elite of talented women, minority and gays in the winner-takes-all corporate hierarchy instead of with the latter's abolition" (2017: 2).

### **Capitalism in the Age of Populist Reaction: Is Authoritarian Capitalism on the Rise?**

In the context highlighted above, particularly problematic is the rise of right-wing populist forces that express a powerful authoritarian current signaling the crisis of neoliberalism and liberal democracy. Right-wing populists oppose free movement of capital, jobs, and especially people across national borders and often attack globalization. Espousing ethnoracial nationalism, alt-right populists promise to defend privileges of dominant religious, ethnic, or racial groups that fear displacement, and favor a strong patriarchal culture. They often have been influenced by the Weimar era proto-fascist political philosophy of Carl Schmitt, which was revived by the late-twentieth century French New Right and diffused online. Schmitt called for militarized nationalism unified by shared "concrete clarity" with respect to common internal and external "enemies," which animate collective political identity. In Schmittian fashion, alt-right thinkers combine progressive sounding criticism of eroded community, free-market capitalism, consumerism, possessive individualism, cultural homogenization, and depoliticization with virulent attacks on liberal democracy, egalitarianism, human rights, multiculturalism, and immigration. They contend that ethnoracial nationalism is necessary to preserve coherent identity, social solidarity, and cultural particularity (Antonio 2000; de Benoist and Champetier 2012; Schmitt [1932] 1996). Forced immigration, terrorism, extreme economic inequality, political corruption and paralysis, which eroded democratic legitimacy, have provided fertile soil for the Schmitt revival and for the rise of the alt right. Although attaining a presence in the public-sphere and partial legitimacy via electoral politics, right-wing populism has not displaced domestic neoliberal regimes or the global system. However, it has intensified mistrust in liberal democratic institutions and could become a serious threat to the neoliberal regime, especially in an economic crisis, when public fears and misery is highest.

The Trump election and presidency constitute a resounding repudiation of progressive neoliberalism with authoritarian overtones. Trump ran directly against the progressive facets of the Obama Administration and has done all he could to reverse course. Does this set the stage for a more profound reversal? Right-wing

populism manifest arises from neoliberal capitalism and deflects effort to cope with the regime's fundamental problems. Importantly, President Trump's attacks on the press, erosion of rule of law and democratic procedure, nepotism, blatant lying, rejection of science-based and fact-based policy, and other corrupt practices have been reported daily in the mainstream press along with op-eds that warn about the weakening of liberal democracy and emerging authoritarianism by liberal as well as conservative pundits (e.g., David Frum, Max Boot, George Will). Moreover, there is some evidence that Trump's supporters have authoritarian inclinations and that general support for liberal democracy is waning (Smith and Hanley 2018; Mounk 2018). The Trump Administration and other elected populist leaders in liberal democracies converge with other authoritarian regimes (e.g., Putinism). The immediate danger of right-wing populism is that it has affinity for and may already be in the process of creating Authoritarian Capitalism that retains neoliberal policies yet dumps liberal democracy. Hayek avidly supported and advised the Pinochet dictatorship in Chile, and he and certain other policymakers claimed that "authoritarian regimes" with free markets could be transformed into liberal democratic regimes. Free-market thinkers, such as Hayek, fear deliberative democracies and distrust even weaker mass democracies because they institute regulatory and redistributive policies that rein in free-markets and thereby threaten to undercut what he considered to be the driver of all human progress and root of all liberty. Given the weakened state of liberal democracy, plutocratic trends, and absence of left-leaning countervailing power to capitalist elites, the crisis of the neoliberal regime might devolve into an authoritarian version of the same sans effective democratic institutions. Many Trump Administration critics contend that authoritarian transition is either a serious threat or already on the rise.

The neoliberal regime was created to restore stalled postwar economic growth by returning to free market policies. Especially within the core U.S.-led English-speaking heartland nations, the neoliberal policy regime and free-market ideology have been highly resistant to change, not only blunting political opposition but impoverishing political imagination. Hence, Margaret Thatcher's declaration "there is no alternative" and convergent left and right

have been persistent realities. Neoliberalism is plagued by profound contradictions that cannot be resolved within its framework or even for capitalism per se as we have known it. Two intensifying enormous problems present especially serious conundrums. First, as anticipated by Marx, capitalism's global expansion combined with accelerated rationalization and automation of production creates an ever expanding reserve army of unemployed and underemployed, manifested by enormous contingent labor forces in newly industrialized nations and erosion of the middle-income working class in rich ones. Milanovic (2016) contends that this trend will continue and will likely generate major political instabilities.

With continued globalization and spread of capitalist productive relations, the global labor force will continue to grow. Propelled by the lack of income redistribution policies and the wealth polarizing forces of market capitalism, the insertion of large segments of the world population into the global capitalist labor force signals not only the growth of an impoverished and politically weak working class, but also the elimination of pre-capitalist forms of subsistence for these workers. Second, neoliberalism's massive global expansion of capitalism and its hypertrophied growth imperative have generated profound ecological problems that impact the entire globe. Global capitalism is already colliding with an environmental wall - an absolute barrier to exponential growth promised by market-liberal mythology that humans lack the biophysical constraints to growth of all other species. The most dangerous ecological threat, climate change, has had enormous impacts with about 1 degree Celsius rise in global atmospheric temperatures. Business as usual burning of carbon will likely result in a 3 or 4 degree Celsius rise or more and certain catastrophe. Some scientists hold irreversible changes have already begun that could produce economic contraction, major food and water crises, flooded coastal cities, and other serious impacts that will threaten civilization and the planet as we have known them, which are inevitable without fundamental changes (Hanson et al. 2013).

The inability of neoliberalism to address these fundamental contradictions is at the root of its crisis that, however, Trumpism and right-wing populism cannot address either. Their calls for economic protectionism, political isolationism and the repressive

control of global flows of labor run counter not only to fundamental democratic principles, but also to the requirements of global capitalism and its form of capital accumulation. Accordingly, they are opposed by progressive and corporate forces alike. The political left, however, has lost most of its electoral appeal as social democratic proposals do not offer satisfactory solutions to neoliberal globalization, wealth and income polarization and the worsening economic conditions of the working and middle classes. In this context and world-wide, a significant number of traditionally left leaning voters shifted their support to protest parties while their political leadership is incapable of forging appealing alternatives. Some corporate forces resist populist programs as they view protectionism, various forms of nationalism, and violence as impediments to capital accumulation. Claiming the ability to address contemporary capitalism's contradictions, they ask for a form of governance in which corporate prosperity and responsibility are the essential conditions for the well-being of the entire economy - including the lower and working classes - and society as a whole - including the safeguarding of the environment and solutions to pressing social problems. As these contradictions remain and populism and corporate proposed solutions continue to be problematic at best, the need for a critical rethinking of alternatives appears as urgent as ever.

### *Notes*

1. To be sure, the expansion of markets past national borders and any politically created boundary is a condition of the existence of capitalism. Accordingly, the globalization of markets is a process that finds its roots in the very establishment of capitalism as the world dominant mode of production. Capitalism requires the continuous colonization of new spaces and spheres of society. Accordingly, the current neoliberal form of globalization represents the historical form through which the expansion of capitalism has evolved. However, it cannot be considered its only form of development. Therefore, there is a theoretically important difference between the growth of a global economy and society and the current neoliberal globalization. Additionally, a return to protectionism as advocated by populist views should not be considered the only alternative to globalization. The problem with globalization does not rest on the internationalization of the economy, but on its neoliberal and pro-corporate character (Stiglitz 2017).
2. The thesis that the United States is still the regulator of global capitalism is proposed by a wealth of publications that support the theory of the "Empire" (e.g., Hardt and Negri 2001; Harvey 2003; Panitch and Gindin 2013).

3. In the United States, there was the virtual nationalization of financial institutions and manufacturing corporations that for a few months were administered by officials of the Obama administration.
4. This scholarship further stresses the connection between the growth of inequality and the implementation of neoliberal measures. In this respect, arguably the most complete analysis to date is that proposed by the French economist Tomas Piketty (2014). Piketty's research question probes the relationship between capital accumulation and the distribution of wealth and, specifically, whether the growth of capitalism concentrates wealth in the hands of the few, as contended by the Marxist and radical traditions, or through competition and technological progress, it reduces inequality and produces greater harmony among classes as argued by neoliberals. He answers this question through examination of data that cover three centuries of wealth distribution and more than 20 countries, and unequivocally concludes that capitalism increases the concentration of wealth. More importantly, however, he contends that this tendency can and has been altered. In particular, he documents the reduction of inequality promoted by the wealth redistribution policies generated by the two world wars and Fordism and the subsequent growth of inequality worldwide that has followed the implementation of neoliberalism. Additionally, he documents that the expansion of capitalism structurally privileges the growth of wealth over wages and salary, contradicting the neoliberal idea about the enhancement of meritocracy that the functioning of the capitalist system supposedly promotes.
5. For example, the electoral successes of Sebastian Kurz (Austria), Andrzej Duda (Poland), Victor Orbán (Hungary) and rise to prominence of Marine Le Pen (France), Geert Wilders (Netherlands), Matteo Salvini (Italy), and Nigel Farage (United Kingdom) demonstrate the rise of right-wing populists and their parties. Popular strongman, nationalist leaders such as Vladimir Putin (Russia), Xi Jinping (China), Narendra Modi (India), Rodrigo Duterte (the Philippines), and Recep Tayyip Erdoğan (Turkey) also are indicative of the powerful authoritarian current across the world.
6. Free-market ideology does not preclude in practice widespread "crony capitalist" or "venture capitalist" policies that employ state power on behalf of corporations, finance capital and the wealthy and against the poor, workers, middle classes, and the overall social and biophysical commons. The Trump Administration is an unparalleled example of this corrupted version of the free-market ideal.
7. Milanovic (2016: 214-17) holds that rich nations will continue to move toward a two class society of very wealthy and the various strata that serve them. Holding that increasing use of robotics and growing oversupply of highly educated people, will reduce the demand for labor and make family background and luck central drivers in shaping socioeconomic location. His argument converges with Piketty's argument about the rise of a rentier society.

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