Today's Issues Readings September 20 2020

For this Sunday, September 20, 2020, the Today's Issues group will discuss two essays from the September 24 issue of the New York Review of Books.

Page 54, Hari Kunzru, "The Wages of Whiteness," about the role of blackness in progressive social movements, both in the 1970s and today.

Page 71, Robert Kuttner, "Can We Fix Capitalism?" a review of Branko Milanovic, *Capitalism, Alone: The Future of the System That Rules the World,* about the relationship between capitalism, authoritarianism and democracy in the modern global system.

A copy of both essays is attached. The group meets in the parlor of the Religious Education building next to the church at 9:30 on Sunday mornings. Please do the reading and join our lively discussion.

The Wages of Whiteness
Hari KunzruSEPTEMBER 24, 2020 ISSUE
Black Panthers, Chicago, 1969
Hiroji Kubota/Magnum Photos
Black Panthers, Chicago, 1969

In 1981 members of a revolutionary group called the Black Liberation Army robbed a Brink's armored van at the Nanuet Mall in Rockland County, just outside New York City. In the robbery and a subsequent shootout with police, a guard and two police officers were killed. Assisting this Black Nationalist "expropriation" operation were four white Communists, members of a faction of the Weather Underground called the May 19 Communist Organization. They acted as getaway drivers, and three of the four were unarmed, yet they were convicted of murder and sentenced to decades in prison.

One of these white participants, Kathy Boudin, told a skeptical Elizabeth Kolbert, who interviewed her in prison for a 2001 profile in The New Yorker, that she didn't know anything about the target of the robbery, how it was planned, who was going to commit it, or the intended purpose of the money. She was approached only a day before it took place. This wasn't mere ignorance, she explained, but a political act of faith. She told Kolbert:

My way of supporting the struggle is to say that I don't have the right to know anything, that I don't have the right to engage in political discussion, because it is not my struggle. I certainly don't have the right to criticize anything. The less I would know

and the more I would give up total self, the better—the more committed and the more moral I was.

Boudin had decided to "put myself at the service of a Third World group," a category that in the thinking of the Weather Underground could be extended to include Black Americans. Her extreme passivity in the planning and execution of the Brink's robbery was the outcome of a logic described in Prairie Fire, the Weather Underground's most substantial theoretical statement, distributed in various semi-clandestine forms between 1970 and 1974:

The Black struggle for self-determination is the strategic leading force of the US revolution…. Black and Third World people's right to determine the direction of their struggle is undeniable. Self-determination means the right of oppressed people to seize and organize their future and the future of their children…. Whatever decisions Black people and other oppressed peoples make in exercising this right to self-determination, white revolutionaries and anti-imperialists have a very clear-cut responsibility to support those decisions once they are arrived at. This does not mean to support only those choices one approves of.

Boudin's surrender of agency in an action that cost three lives and led to her spending twenty-nine years in prison is an extreme interpretation of this "responsibility." The political moment in which she acted seems distant, but her choice echoes now, as a younger generation of Americans tries to formulate a politics to address systemic racism. One idea inherited from 1960s radicalism is that of "white privilege," a protean concept that has found its way into conversations about political power, material prosperity, social status, and even cognition. Invoking whiteness can stand in for older leftist ideas about class and power, or it can be a way of modifying those ideas. Whiteness can name a specifically American caste system—a historical product of plantation slavery—or a set of unexamined beliefs about a person's own centrality, neutrality, authority, and objectivity. It can also take on a transhistorical, even transcendental quality, naming something more like a spiritual condition, a fallen state that is paradoxically also one of culpable innocence.

Kathy Boudin at an arraignment for her involvement in an armed robbery and shootout by members of the Black Liberation Army, New City, New York, 1981

Joyce Dopkeen/The New York Times/Redux

Kathy Boudin at an arraignment for her involvement in an armed robbery and shootout by members of the Black Liberation Army, New City, New York, 1981

For Boudin, "white privilege" was the reflex she needed to annihilate in order to serve Third World liberation. For the right in our own moment, this concept is at the dark

heart of “identity politics,” liberalism’s Trojan horse, a carapace of anodyne nostrums about fairness and equality that surely hides a cargo of Black (or just black-clad) radicals braced for pillage. Many conservatives affect to believe that we are on the brink of an American rerun of the Cultural Revolution, or possibly even the Haitian one, with dark-skinned folk emerging out of the cane fields and the Amazon warehouses to execute a terrifying inversion of the social order. This fear certainly looms large in the political imagination of the far right, driving recruitment to militias and Boogaloo groups and giving license to the most extreme authoritarian impulses of the White House.

Further toward the center, the politics of whiteness has disrupted journalism and academia, with opposition to it coalescing around the defense of free speech, an issue that has united right-wingers with centrist liberals. The spectacle of American conservatives wringing their hands about being unfairly profiled on the basis of race may seem to an observer like watching a very drunk person trying to fit a key into their front door—so close to getting it, this time!—but after four years of Trumpism, even the most trusting establishment Democrat must suspect that the Republican Party’s commitment to campus debate contains an element of bad faith. Could the elevation of “cancel culture” from irritation to existential threat be just a bit of business, a sleight of hand to divert the free-expression crowd at this crucial moment, getting them to punch left instead of right? Though some of the objections to the politics of white privilege are clearly performative, there is reason to be wary of this politics, particularly now that these ideas are being refashioned by corporate America. Whiteness is a concept that can be made to serve many interests and positions, not all of them compatible.

The Weather Underground’s identification of “Black and Third World people” as the revolutionary vanguard was born out of a frustration with a white working class that, in the Nixon era, seemed to be a thoroughly reactionary force. The 1970 “hard hat riot,” in which New York construction workers, mobilized by the AFL–CIO union, attacked long-haired protesters at a memorial for the students murdered at Kent State, exposed fissures of class and culture that seemed impossible to close. “In the US in the past 20 years,” grumbled the writers of Prairie Fire,

the white industrial proletariat has seldom exercised its revolutionary initiative. Third World peoples in the US, and also women, youth and members of the armed forces have shown the most consistent initiative and practice.

The failure of the white working class to manifest revolutionary consciousness led some heretical Marxists to start looking beyond class for an explanation. At the same time, a decisive rupture was taking place between Black and white radicals. “We’ve been saying ‘Freedom’ for six years,” explained Stokely Carmichael, later

Kwame Ture, after his arrest at a protest in Mississippi in 1966. “What we are going to start saying now is ‘Black Power.’” Black power named a demand (for political agency), a strategy for achieving it (building institutions in the community “for ourselves, by ourselves”), but also a kind of mental reset, a rejection not just of the “slave mentality” of passive victimhood but of any impulse to seek validation or permission from the white world. The word Carmichael used in a 1966 speech was “sanction”:

We are now engaged in a psychological struggle in this country about whether or not black people have the right to use the words they want to use without white people giving their sanction. We maintain the use of the words Black Power—let them address themselves to that. We are not going to wait for white people to sanction Black Power. We’re tired of waiting; every time black people try to move in this country, they’re forced to defend their position beforehand. It’s time that white people do that.

In May 1966 Carmichael had taken over from John Lewis as chair of the Student Nonviolent Coordinating Committee (SNCC). In December of that year, a vote was taken to expel white members. “White people who desire change in this country should go where that problem [of racism] is most manifest,” wrote staffers of the SNCC’s Atlanta project, in a statement that was excerpted in The New York Times. “The white people should go into white communities.”

White activists took this call seriously and began to try to formulate a politics of what would now be called “allyship.” Their consciousness of their whiteness was sharpened by the dominant Black Nationalist mood and the way it was finding a mirror on the white right. Just as “All Lives Matter” emerged in 2015 as a coded rejoinder to the slogan “Black Lives Matter,” so “white power” began to make its way through a far-right milieu that was self-consciously organizing itself around racial identity.

Among the activists beginning to think about the complex interrelationship of race and class was Theodore W. Allen, a lifelong Communist who had been a coal miner and labor organizer in West Virginia. Allen took as a starting point a now famous passage from W.E.B. Du Bois’s Black Reconstruction in America (1935):

It must be remembered that the white group of laborers, while they received a low wage, were compensated in part by a sort of public and psychological wage. They were given public deference and titles of courtesy because they were white. They were admitted freely with all classes of white people to public functions, public parks, and the best schools. The police were drawn from their ranks, and the courts, dependent on their votes, treated them with such leniency as to encourage lawlessness.

In an essay first published in 1967 by the Radical Education Project of Students for a Democratic Society (SDS), Allen identified the “Achilles heel of the American working class” as what he called “white-skin privilege.” Du Bois saw the “psychological wage” as a conscious strategy of the ruling class to co-opt poor whites and prevent an interracial solidarity that might have threatened their ascendency during the period of Reconstruction. Allen edged toward a more sweeping position, identifying this offer of a psychological wage as one of the motors of American history that went back as far as seventeenth-century Virginia. The first use of “white” that he could find was in a Virginia statute of 1691, and he contended that the construction of whiteness as a social and legal identity was a response to Bacon’s Rebellion in 1676, in which Blacks and whites, including indentured servants, combined to oppose the governor and burn Jamestown. The task of the radical white ally to the Black struggle was to repudiate this privilege, to reject the blandishments of the rulers and persuade white workers to follow suit, developing class unity across racial lines.

Allen’s paper was hugely influential. Racism had been thought of as a question of beliefs and practices—beliefs about racial inferiority and actions taken as a result of those beliefs. Now there was a shift toward a consideration of what might be thought of as the pleasures of whiteness, satisfactions derived from a position of structural superiority that might not align at all with conscious intent. The conceptual groundwork was laid for what is now called “unconscious bias,” a notion that has trod a long and rather crooked path from its origins in the 1960s conjunction of Marxism and psychoanalysis to its current perch in the lexicon of corporate “diversity training.”

Allen’s essay was published in conjunction with a text by a younger activist named Noel Ignatiev. “The US ruling class,” wrote Ignatiev,

has made a deal with the misleaders of American labor, and through them with the masses of white workers. The terms of the deal, worked out over the three hundred year history of the development of capitalism in our country, are these: you white workers help us conquer the world and enslave the non-white majority of the earth’s laboring force, and we will repay you with a monopoly of the skilled jobs, we will cushion you against the most severe shocks of the economic cycle, provide you with health and education facilities superior to those of the non-white population, grant you the freedom to spend your money and leisure time as you wish without social restrictions, enable you on occasion to promote one of your number out of the ranks of the laboring class, and in general confer on you the material and spiritual privileges befitting your white skin.

In 1969, when SDS disintegrated, one faction (including Boudin and the other future Brink's robbers) became the Weather Underground. Another, known as the Sojourner Truth Organization (STO), disillusioned with the direct-action antics of the student milieu, set up in the Midwest, determined to build a base among the urban working class. Ignatiev was one of around fifty STO members who took factory jobs in Chicago and Detroit to be close to the "point of production." In the early 1990s he cofounded a journal called Race Traitor, under the slogan "Treason to whiteness is loyalty to humanity." The betrayal of whiteness was now firmly understood not as a repudiation of biology, or even culture, but of a particular kind of social contract. As the editorial for the first issue of Race Traitor put it:

The existence of the white race depends on the willingness of those assigned to it to place their racial interests above class, gender, or any other interests they hold. The defection of enough of its members to make it unreliable as a determinant of behavior will set off tremors that will lead to its collapse.

This understanding of whiteness has had significant influence on today's movement politics. In the streets it is embodied in the practice of white protesters moving in front of Black comrades in confrontations with police. But like many aspects of leftist thought, it also has a parallel life in academia, notably in the study of history. In the early 1990s, as Ignatiev was working on Race Traitor, the historian David Roediger published The Wages of Whiteness, a book that expanded Theodore Allen's account of whiteness as an organizing principle of American society, arguing that as new immigrant groups like the Irish arrived, they learned how to "become white" by aligning themselves with "white" interests. It was not just a question of adopting the manners or even displaying loyalty to the political priorities of the Anglo elite. Whiteness was earned by displays of performative "anti-blackness" (riots, lynchings, and so on), constituting and reinforcing a community that depended for its identity on differentiation from Blacks.

That account has always been looked on skeptically by some labor and social historians, who see it as inattentive to the particularities of time and place. Has whiteness really been experienced in a consistent way from Jamestown in 1676 to Tulsa in 1921 to Charlottesville in 2017? The Marxist historian Adolph Reed chides that "appropriations of Du Bois aim to validate effectively ontological arguments about the primacy and impermeability of whites' commitment to white supremacy."

In an essay called "The Wages of Roediger: Why Three Decades of Whiteness Studies Has Not Produced the Left We Need," Cedric Johnson argues that the American labor movement of the earlier part of the twentieth century was forged in struggles that relied on interracial coalitions, but by the 1960s, under the pressure of

antiunion laws, McCarthyism, and the increasing spatial segregation of suburbanization, those coalitions splintered. “Whiteness discourse,” he writes, “misdiagnoses the Cold War disintegration of the Left, treating the symptoms as the disease itself.” For Johnson, whiteness is not a motor of history, but an epiphenomenon, an “amalgam of underlying, disparate class positions and interests” that does no useful conceptual work. It should be retired and replaced by “historical-materialist analysis that begins with the careful examination of society as it exists, and that does not reduce complex motives and material interests to markers of identity.”

In Roediger’s 2008 book (revised in 2019), How Race Survived US History, he rebuts what he sees as the unfair charge that race is not real or material, pointing out “Marxist historians’ tendency to divorce the concept of labor from the bodies and cultures of those performing it,” and reminding us that the tradition of European political economy underlying Marxism is itself one of highly refined abstraction.

The “1619 Project” of The New York Times, created and led by Nikole Hannah-Jones, which owes much to Roediger’s understanding of whiteness, asks what happens if we use the date of the arrival of the first Africans in the Jamestown colony to replace 1776 as the key to reading American history. Whether or not this thought experiment counts as “history” in an academic sense, the substantial claim is that if we look at the American story as one of violent struggle and contestation, formed to some large measure through the Atlantic slave trade, we arrive at a very different picture from the one that starts with a formal claim of rights and expands in the direction of an “ever more perfect union.” Opposition to the project, loud and histrionic, has come from a variety of quarters. From the Miss Scarlett fainting fits of Tom Cotton and Newt Gingrich (“a lie”) to Adolph Reed’s class-first dismissal of it as a “race-reductionist” “just-so story,” the 1619 Project has sharpened some contradictions, forcing a lot of people to be clearer about their political preferences in the study of American history.

Outside the library, it is clear that since the Ferguson uprising of 2014, we have been living through the most sustained and broadly supported civil rights movement since the 1960s. Notably, it is a movement initiated and largely led by Black women, operating in a theoretical tradition derived from the work of Black women. In its focus on dismantling the machinery of policing and incarceration, it is abolitionist, drawing on the perspective of contemporary activists such as Ruth Wilson Gilmore and Mariame Kaba. One part of the program of the Movement for Black Lives, the organization that grew from the work of Patrisse Cullors, Opal Tometi, and Alicia Garza, states that:

We believe in centering the experiences and leadership of the most marginalized Black people, including but not limited to those who are trans and queer, women and

femmes, currently and formerly incarcerated, immigrants, disabled, working class, and poor.

The identification of the wretched of the earth as the revolutionary vanguard is as old as the sansculottes, but in this specific form, it's a position originally outlined by the Combahee River Collective (CRC), a radical Black feminist group formed in 1974 from the Boston chapter of the National Black Feminist Organization. Disillusioned with a Black Nationalist scene marked by extreme misogyny, and alienated by white feminist groups that did not see racism as a priority, the CRC named itself after the site of an 1863 raid led by Harriet Tubman that freed 750 slaves.

Its influential political statement has recently been made widely available in How We Get Free: Black Feminism and the Combahee River Collective, edited by Keeanga-Yamahtta Taylor. The CRC made the claim that the experience of Black women, and Black lesbians in particular, could be a kind of index of the success of liberation movements more widely. "We might use our position at the bottom," they wrote, "to make a clear leap into revolutionary action. If Black women were free, it would mean that everyone else would have to be free since our freedom would necessitate the destruction of all the systems of oppression."

This was so because the "major systems of oppression are interlocking," and queer Black women's position at the intersection of these systems—racism, patriarchy, heterosexism, and capitalism—meant that their liberation could not be accomplished except by overcoming all of them. They took rape as a concrete example of "oppression which is neither solely racial nor solely sexual," a crime light-skinned Black Americans bear as a visible part of their heritage, and which has been used as a weapon against lesbians to punish them for their sexual orientation. The CRC did not actually use the word "intersectionality," which first appeared in the work of the legal scholar Kimberlé Crenshaw in 1989, but Taylor makes the case that the CRC should be credited with its formulation.

The politics of the CRC valued personal experience, since that experience had not been previously articulated:

Above all else, our politics initially sprang from the shared belief that Black women are inherently valuable, that our liberation is a necessity not as an adjunct to somebody else's but because of our need as human persons for autonomy. This may seem so obvious as to sound simplistic, but it is apparent that no other ostensibly progressive movement has ever considered our specific oppression as a priority or worked seriously for the ending of that oppression.

The ability to work without “translating” for the benefit of others was in itself affirmative: “Even our Black women’s style of talking/testifying in Black language about what we have experienced has a resonance that is both cultural and political.” Because they used their personal experience as an analytical tool, the CRC called their framework “identity politics,” a term that almost fifty years later has been so thoroughly abused that in some quarters it is no more than a slur.

The chief charges against identity politics are that it creates a hierarchy of victimhood (the “oppression Olympics” beloved of conservative pundits) and that the emphasis on experience shuts down debate, because the validity of a position is judged on its subjective authenticity rather than an objective assessment of facts. For the CRC, the aim was not to force others to defer to them or to their assessment: “To be recognized as human, levelly human, is enough.” Their perspective was only privileged outside their own discussions insofar as it was a measure or standard by which political success could be judged. As Taylor points out in her introduction, relating a set of grim statistics about Black women’s social and economic position, there is nothing subjective, let alone narcissistic, about the material basis from which the CRC was proceeding.

The more complex charge—that identity politics is a form of extreme relativism, its elevation of subjectivity rendering impossible any standard of value or commonality of experience across “identities”—has become a staple of centrist liberal discourse and an article of faith on the right, where it often shades into apocalyptic claims about the evils of postmodernism and post-1960s social norms. Speaking about Black Lives Matter on July 30, the Fox News host Tucker Carlson told his viewers that “arguing with them is pointless…. They’re nihilists, they don’t believe in the existence of truth or in the fixed meaning of words. They care only about power.” Carlson himself is not known for his commitment to objectivity or lack of interest in political advantage, so one may be forgiven for thinking of these remarks as little more than Trumpian projection.

There is a hunger for information about the new civil rights movement, and many companies and institutions are beginning to feel that by ignoring it, they are exposing themselves to liability, or failing to get the best performance from their workforce. At the individual level, people who may not have thought much about racism are hurrying to educate themselves. This past June, the top five New York Times nonfiction best sellers were all books about antiracism. At number one was White Fragility, by a diversity consultant named Robin DiAngelo.

DiAngelo's distinctive contribution to her field is the identification of the condition named in her title:

We consider our racial world-views as a challenge to our very identities as good, moral people. Thus, we perceive any attempt to connect us to the system of racism as an unsettling and unfair moral offense. The smallest amount of racial stress is intolerable—the mere suggestion that being white has a meaning often triggers a range of defensive responses…. Though white fragility is triggered by discomfort and anxiety, it is born of superiority and entitlement.

The feeling of walking on eggshells will be familiar to any nonwhite person who has ever tried to challenge a white friend or colleague about racist behavior. Other New York Times best sellers, So You Want to Talk About Race by Ijeoma Oluo and How to Be an Antiracist by Ibram X. Kendi, are anchored by personal stories. Most of DiAngelo's observations come from interactions in her professional life. As she explains on her website, "I provide keynote presentations on whiteness, white fragility, race relations and racial justice. Many key points can also be made more conversationally through a 'fireside chat' style dialogue with another person." Her clients include Amazon, Unilever, the Bill and Melinda Gates Foundation, and Seattle public schools.

Diversity consultancy is as much a product of the 1960s and 1970s counterculture as Black Lives Matter, but its lineage is not that of the New Left but the Human Potential movement, and the belief that the goal of existence is "self-actualization," the apex of the famous pyramid described by Abraham Maslow in his "hierarchy of needs." Much of the popular literature of antiracism, though it uses the lexicon of left politics ("whiteness," "identity politics"), deploys self-actualization as its primary enticement to the reader. Follow these rules, and you too can grow into an antiracist. Antiracism is "the work," and even if the goal is an antiracist society, the royal road runs not through organizing but through personal transformation.

Through concepts like "lifestyle" and "wellness," the Human Potential message has transformed consumer culture. In corporate America, marketing, sales, communications, and leadership have all absorbed the ideology of self-actualization. In 2015, as a series of police shootings propelled the Black Lives Matter movement into national prominence, McKinsey announced that "our latest research finds that companies in the top quartile for gender or racial and ethnic diversity are more likely to have financial returns above their national industry medians." Though they scrupulously warned that "correlation does not equal causation," and "greater gender and ethnic diversity in corporate leadership doesn't automatically translate into more profit," the dots were there to be joined. One impact of the movement that grew out of the

Ferguson uprising of 2014 is that in 2019 234 of the companies in the S&P 500 had diversity professionals—63 percent of whom had been appointed or promoted to their positions in the previous three years.

The interests and priorities of the growing diversity consultancy sector intersect with those of antiracist activists, but they are not the same. Some explanations for racism may be welcome in a $30,000 “fireside chat,” others not so much. In a recent interview with The New York Times, DiAngelo said that “capitalism is so bound up with racism. I avoid critiquing capitalism—I don’t need to give people reasons to dismiss me.”

Regardless of DiAngelo’s personal politics, this truth remains. Her business model depends on making people uncomfortable, but not too much, or rather only along certain axes of discomfort. She will not get hired if she asserts that the problem she is proposing to solve may be structural and best addressed by the redistribution of power and resources, rather than maximizing the human potential of the marketing department. Of necessity, in a corporate forum, solutions need to be presented in ways that do not threaten the host organization, and that inevitably leads to their being framed as matters of personal, individual behavior.

In White Fragility, DiAngelo identifies “Individualism” and “objectivity” as “two key Western ideologies.” Individualism “claims that there are no intrinsic barriers to individual success and that failure is not a consequence of social structures but comes from individual character.” She then makes a case for why social structures and group identities matter in overcoming bias. Cognitive dissonance must afflict anyone advocating for social constructivism in today’s rigidly neoliberal corporate environment. The solution, which in essence is post-1960s liberalism’s answer whenever it is called upon to address the thorny question of collectivity, is to route the argument through consciousness. Raising or changing consciousness is conceived of as a prelude to possible future collective action. Perhaps if enough minds are changed, then social or political progress will be a natural (and preferably nonviolent) consequence. The difficult questions—of collective organization, of how the individual gets subsumed into a collective project, and of course the exercise of power—all fade tastefully into the background. The time is always soon, but never now.

Essentially, a diversity consultant has to be able to tell both an activist story and a business story, while persuading each audience that theirs is the real one, the important one, and the other is secondary. Apart from any gains in productivity that might arise from a more diverse, harmoniously functioning workforce, the corporate client also receives what could be called American liberalism’s psychological wage, the

good feeling of social responsibility. The pageantry of respect is cheap, or at least cheaper than paying reparations, so on Martin Luther King Jr. Day (and latterly Juneteenth) an unlikely parade of organizations, from the FBI to ExxonMobil, came down from the mountaintop to judge us by the content of our character rather than the color of our skin. There are many variants of an Internet joke that mocks the substitution of symbolism for material change: “Black People: Stop killing us. Liberals: Hey we’re renaming the Pentagon the Maya Angelou War Center.”

But perhaps it works? Making antiracism into a personal goal seems commonsensical, and material change comes about, in part, because of a shift in popular will as an aggregate of individual preferences. There is much to be gained from organizations sincerely examining their own practices, particularly around hiring. Still, measuring the effectiveness of diversity and inclusion training is complex and politically fraught, and its results are contested. The theory of “unconscious bias,” which is popular in the consultancy industry, has run into trouble, as social psychologists fail to substantiate the Black-White Implicit Association Test, its chief diagnostic tool, a test in which subjects are asked to react to various combinations of words and images, and their reaction times are measured. Positing a direct and uncomplicated relationship between a physiological response and the complex phenomenon of racism seems risky. The academic trend appears to be moving toward using unconscious bias as a statistical measure of behavior in populations, just as consultants are selling it to organizations as a metric for individual racism.

There’s no doubt that corporate diversity training imposes a cost on employees, who are expected to “do the work” or risk being considered a “bad fit” with the newly discovered goals and values of their employer. Much recent theoretical writing on labor has stressed its affective form, defined as the work of producing, managing, and displaying emotion, in situations ranging from childcare to customer service. An argument could be made that a political goal (antiracism) has essentially been captured by a service industry that treats the subjectivity of workers as a resource to be managed and shaped in the interests of capital. Very often the liberal version of identity politics, shorn of the radical goals of its founders, takes on the familiar contours of American Protestantism. People get to play at smiting the devil and enjoy the satisfactions of moral purity. There is a worrying focus on representation within existing structures of power, as if the point were to make a world in which, say, the percentage of Black prison officers exactly matched the percentage of Black people in the population, rather than asking what prison is for and whether it should exist.

If whiteness is just a story about sin and salvation, then it becomes a metaphysical condition, outside history. One of the bleakest recent books about race is

Frank Wilderson's Afropessimism. "Blacks are not human subjects," writes Wilderson, "but are instead structurally inert props, implements for the execution of White and non-Black fantasies and sadomasochistic pleasures." This ontological commitment to nonbeing is, as Wilderson's title indicates, the counsel of despair. If Blackness is necessary as the inferior pole to an eternal, immutable dyad, nothing can ever change. And where does that leave the rest of us non-Black people of color, rendered invisible in this schema? Are we just subaltern tormentors, as we are for Wilderson? For those who find this answer unacceptable, race cannot be everything, at least not in this absolute, metaphysical sense. Nor can it be nothing. The indecent haste with which commentators rushed to praise America as a "post-racial society" after the election of Barack Obama drew a lot of hollow laughter at the time. The joke has only worn thinner.

Can We Fix Capitalism?
Robert KuttnerSEPTEMBER 24, 2020 ISSUE
Capitalism, Alone: The Future of the System That Rules the World
by Branko Milanovic
Harvard University Press, 287 pp., $29.95
A migrant domestic worker from the Philippines, Hong Kong, 2015
Bruno Barbey/Magnum Photos
A migrant domestic worker from the Philippines, Hong Kong, 2015

For enthusiasts of capitalism, democracy and the market are said to be handmaidens. Both depend on the rule of law. Both express aspects of liberty, prizing opportunity and mobility. During the era of classical liberalism, which began in the late eighteenth century, free commerce and political freedom advanced in tandem. Monarchies gave way to republican rule; open markets replaced royal monopolies and inherited privileges. For about a century the franchise gradually expanded, and markets became the primary mode of commerce. The brand of democratic capitalism that emerged in the West after World War II included not just those earlier hallmarks but such liberal values as tolerance, compromise, and enlarged civic participation, as well as regulatory and social welfare policies to buffer the less savory tendencies of markets. Modern capitalism reflected a grand social bargain.

When communism collapsed in 1989, the fall of the Berlin Wall was heralded as ushering in a golden age in which liberal capitalism would be triumphant. Needless to say, things haven't worked out quite as expected. The social compromises of the postwar welfare state have given way to more primitive forms of capitalism that in turn invite angry reactions by the citizenry. Demagogues have channeled this anger. Today,

some form of capitalism is ascendant nearly everywhere. But liberal democracy is in big trouble.

Instead of creating a new golden age, corrupted capitalism has produced alliances between autocrats and oligarchs, epitomized by the regimes of Putin and Trump, who both reinforce societies that were already becoming less liberal and more unequal. This is the pattern not just in countries with weak or nonexistent democratic traditions, notably Russia and China, but in the very heartland of liberal democracy, the United States of America. Contrary to standard assumptions about liberalism, autocratic capitalism also coexists and interacts with enlarged global trade, making it harder to defend living standards in democratic nations that once protected their workers and citizens by regulating markets.

In a cycle of reactivity, ordinary people turn not to social democracy—now at its weakest point since World War II—but to the vicarious and counterfeit satisfactions of extreme nationalism. That in turn permits autocrats to pose as populist champions of a mystical People, diverting attention from the economy's concentrated wealth and rigged rules. This unexpected twist in the fraught relationship between democracy and capitalism is the signal event in the political economy of our age.

In Capitalism, Alone, the economist Branko Milanovic tries to make sense of what has occurred and what the future holds. The book is erudite, illuminating, and sometimes exasperating. Capitalism has prevailed, he writes: "One system will come to rule the entire globe." But what kind of capitalism? His story is divided into two parts. The first contrasts meritocratic liberal capitalism with the autocratic variety, which he terms "political capitalism." The second addresses how capitalism interacts with globalism.

Milanovic is well credentialed to take on this large and daunting subject. He spent much of his career as a senior economist at the World Bank, and most recently at the City University of New York. His 2011 book, The Haves and the Have-Nots, was a pioneering work of economic history on inequality in different eras and societies, and established him as one of the world's leading scholars on income distribution.

Milanovic is Yugoslav by birth. Having received his doctorate in a university system that was Marxist but relatively open intellectually serves Milanovic well. The Marxist lens is intermittently useful in coming to grips with what happened to capitalism, and Milanovic, far from a Marxist himself, also got a broad education in the classics. His new book is scholarly and festooned with data, but also narrative in style and engaging to read.

Milanovic chronicles the rise of authoritarian capitalism, both in nations that once epitomized liberal capitalism such as the US and in countries like China, which are partly capitalist but show no signs of turning liberal. Until recently, as the China scholar James Mann has observed, the widespread hope was that as China's economy became more capitalistic, the country would become "more like us." The reality is that we are becoming more like China.1

Milanovic's first section, on liberal capitalism, offers a smart assessment of how it once worked and why it is now under siege. In the heyday of managed, meritocratic capitalism, societies relied on several mechanisms to equalize income and opportunity. For Milanovic, "strong trade unions, mass education, high taxes, and large government transfers" were essential components. All of these have lost traction as capital has gained more power relative to labor, and globalization has spawned competition to cut taxes, slash wages, and reduce regulation. With more than half the US population attending university, higher education still produces income premiums but is not the equalizer it once was. There are policies that might restore a greater measure of equality by redistributing capital directly, but the political power of the rich makes such a prospect politically improbable.

Moreover, the promise of upward mobility is relentlessly undercut by the increasing capacity of the affluent to pass their status along to their children. Milanovic cites the work of the Harvard economist Raj Chetty and his network of colleagues, who have demonstrated that at elite universities there are more students today from the top one percent than from the bottom 60 percent. In addition to "legacy admissions," old-fashioned monetary legacies—bequests—reinforce a permanent upper class, as the rich pass on capital to their offspring. Liberal capitalism, Milanovic concludes, is "reneging on some crucial aspects of [its] implicit value system" via "the creation of a self-perpetuating upper class." That trend in turn threatens liberal capitalism's own survival, and makes it less appealing as a model for the rest of the world.

So far, so good. But when Milanovic turns to autocratic capitalism, his discussion is disappointingly binary. The book promises a taxonomy of capitalisms, of which there are indeed several strains, yet the discussion of what he terms political capitalism fixes on a single case. The entire focus is on China compared with the West. This is certainly a valuable contribution in its own right. But Milanovic omits Russia and India, both with rather different variations on political capitalism. He also leaves out the highly successful Asian economies of Japan and South Korea, nations that served as rough models for China's economic strategy. Both rely on substantial state guidance and the use of industrial groups or cartels to keep production at home and generate export

surpluses. Unlike China, however, these countries are largely democratic and substantially meritocratic.

Often, reviewers comment that a wordy book could have been cut substantially. Given the breadth of Milanovic's knowledge, this book, at a scant 218 pages (plus appendixes and references), could usefully have gone a hundred pages longer.

The omission of Russia is especially unfortunate. Its capitalism is nothing if not political, but Russia differs dramatically from China. While Chinese political capitalism is an economic triumph, Russia's is not. Post-Soviet Russia is basically a petro-state. Its economy has largely failed to generate consumer export industries, the mainstay of China's success. Vladimir Putin has an understanding with the oligarchs; they can pursue corrupt enterprises as long as they throw some graft his way and don't make trouble for the regime. His net worth is said to be around $200 billion. In a taxonomy of capitalisms, it would have been interesting to have Milanovic's insights on why the Russian brand of autocratic capitalism fails while China's succeeds.

Even within the West, capitalism comes in several flavors. There is an extensive school of comparative analysis (not cited by Milanovic) called Varieties of Capitalism.2 Egalitarian Scandinavia offers a model of consensual social bargaining based on strong yet collaborative unions; France relies more heavily on the state for both development and distribution, while in the US the market dominates with a thinner overlay of welfare spending.

Arguing that the whole world is now capitalist, he writes that today

the entire globe now operates according to the same economic principles—production organized for profit using legally free wage labor and mostly privately owned capital, with decentralized coordination.

This may be a serviceable description of idealized capitalism, but it's an oversimplified description of the world's economies and a misleading summary of China.

In many Chinese industries, contrary to Milanovic's contention, the paramount goal is to gain worldwide market share even if that requires operating at a loss for a long time, not to pursue "production organized for profit." Free enterprises cannot withstand operating at a loss year after year, as many Chinese companies do. They can do it because the state provides extensive subsidies both to state-owned enterprises and to nominally private companies in targeted industries. It's also a stretch to characterize China's system as using "legally free labor." Much of the Chinese labor force is close to

slave labor. Free unions are not permitted, and norms of compliance bind workers to enterprises; a troublemaker who protests abusive working conditions risks dismissal or arrest.

Nor is the Chinese system one of “decentralized coordination” by market forces in the spirit of Adam Smith. While some spontaneous enterprises do arise, China’s entire economic system is based on extensive state planning. In some respects the system is capitalist, yet is a far cry from Milanovic’s generalization that “we live in a world where everybody follows the same rules and understands the same language of profit-making.” The essence of the US–China trade conflict, which has weirdly put President Trump on the same side as some liberal Democrats, is the valid complaint that China plays by drastically different rules.

A strength of the book is that Milanovic’s intellectual breadth leads him to wide-ranging excursions into diverse subtopics, as varied as Marx’s neglect of the third world, the pros and cons of a Universal Basic Income, and the question of whether artificial intelligence must lead to mass unemployment. A weakness of his digressions is that some of his observations contradict others, and a few are simply wrong. For instance, he flatly asserts that the poor non-Western countries were able to grow because Western investors included them in global value chains: “Today, for a country to develop, it must be included in Western supply chains.”

But this generalization is contradicted by the actual experience of three of the most successful, formerly poor Asian nations—Japan, South Korea, and China. Each of them assiduously avoided the strategy of becoming branch plants for Western multinationals, in favor of developing their own world-class locally owned companies, industries, and suppliers. They did this precisely in order to attain competitive autonomy, from which they could then launch global exports. China does have some plants that supply Western corporations, but they are a secondary part of its strategy.

Milanovic’s book explicitly or tacitly raises four big, overlapping questions. One is the issue of the world’s grossly unequal income distribution as an economic, ethical, and policy conundrum. The second is the challenge of China. For the most part, his view is that the West can’t change China and shouldn’t try, even if there is some negative spillover on our own societies as our wages and welfare states are undermined. The third is how to deal with the destabilization by free trade of national systems of managed capitalism, in which markets are necessarily regulated. The fourth and most fundamental of these questions is how to defend realms that embody extra-market values such as citizenship, into which global markets keep making

incursions by making money count more than votes and by undermining such social stabilizers as collective bargaining.

In many ways, the most provocative part of the book is the section in which Milanovic addresses a dilemma with no intuitively correct answer: Should we look at the issue of economic inequality as a national or a global question? Most economists and concerned citizens assess it nationally. As Americans, we are troubled that our country has become one of economic extremes. Milanovic insists that the proper lens is global. Income inequality has increased within nearly every nation for the past three decades, substantially driven by globalization. Yet the rise of China, which lifted hundreds of millions of people out of poverty, has rendered the world as a whole more equal.

This cheerful formulation, however, sidesteps the issue of how globalization promotes inequality within nations and thus undermines national democracy. The increased entry of low-wage goods renders high-wage manufacturing labor in wealthy countries uncompetitive. Meanwhile, the greater license for capital in a globalized world promotes deregulation, corruption, the hiding of assets, and exorbitant income for capitalists. The result: greater disparities of income and wealth at both the top and the bottom, and unequal power to make the rules—producing yet more inequality. The consequences for political democracy are grave. As Louis Brandeis was said to have remarked, “We may have democracy, or we may have wealth concentrated in the hands of a few, but we can’t have both.”

Branko Milanovic
Alexander Paul Englert
Branko Milanovic, Frankfurt, 2019

Milanovic tends to dismiss the effect of globalization on wealth concentration and democracy within countries in favor of celebrating the rise of China as a gain for global equality. China’s rising GDP, as he points out, has been responsible for about 95 percent of the global reduction in extreme poverty as defined by the World Bank. Milanovic quotes the egalitarian philosopher John Rawls, who argues that if we didn’t know in advance where we would stand in the income hierarchy, we’d favor an income distribution far more equal than the one we have. Why, Milanovic demands, should that principle be applied nationally and not globally? As Rawlsians, don’t we care about the world’s poor and not just the poor in our own land? It’s a good question.

One persuasive rejoinder has been offered by the Harvard economist Dani Rodrik. Nations, he points out, are where policies are made. If we are going to have a socially tolerable income distribution within the polity, that project must be pursued nationally, since there is no global government and no global citizenship. There is an

inevitable tension, Rodrik writes, between the policy sovereignty of democratic nations and the logic of globalization. He is emphatic on what should take priority (italics his): “Democracies have the right to protect their social arrangements, and when this right clashes with the requirements of the global economy, it is the latter that should give way.”3

To me, Rodrik wins this notional debate with Milanovic. It’s hardly accidental that the high point of the social democratic welfare state occurred in a period (roughly 1944 to 1973) governed by the Bretton Woods rules, which deliberately insulated nation-states from speculative movements of capital and left plenty of room for national regulation of capital, labor, and trade, precisely in order to decommodify major realms of human life. Rodrik’s proposal, in his book The Globalization Paradox, is that we should go back to the “shallower” global integration of that era, in order to reclaim some policy space for nations to insulate themselves from the effects of exports from other nations that have labor standards barely above slavery, use export subsidies that violate the norms of free commerce, and rely on thefts of trade secrets. We could still have plenty of trade, but it might be buffered by tariffs or other standards to compensate for differences in social and regulatory policies.

Indeed, the era of the postwar boom had less trade but higher rates of growth, suggesting that the degree of trade openness is only one variable among many in the overall calculus of economic efficiency. China could still be mercantilist in its brand of authoritarian capitalism, but the fruits would be more directed to domestic improvements than global exports. That shift would make China slightly less able to export its system along with its products—itself a gain for democracy.

Looked at purely economically, the rapid GDP growth in China is cause for celebration. A number of left-of-center economists, including Joseph Stiglitz, James Galbraith, Kevin Gallagher, and Rodrik himself in his more recent work4 have urged fellow progressives to resist the temptation to engage in “China-bashing,” and to cut Beijing some slack because of the gains in Chinese living standards. But doesn’t it matter that China is a totalitarian one-party state, with no signs of becoming democratic, and that China’s system has pernicious effects on Western liberal democracies? Even Hitler, after all, pulled Germany out of the depression, and he ran a very generous welfare state.5

Milanovic does address the tensions between the imperatives of citizenship and the benefits of greater economic permeability. However, he is a little too facile in privileging global economic convergence over the extra-economic value of democratic citizenship. For Milanovic, citizenship is largely instrumental, rather than existing in a

realm that can't be reduced to a matter of economic efficiency. He calls citizenship "a legal construct that exists only in our minds." He introduces the term "citizenship rent," a rent being the economist's word for an excessive profit. An American who drives a taxi has a higher income than a taxi driver with the same productivity who does exactly the same job in Mexico, simply because of the higher average income in the US. For Milanovic, this disparity is an unearned benefit—an economic "rent." He writes (italics his), "In an economic sense, citizenship is a joint monopoly exercised by a group of people who share a given legal or political characteristic that gives rise to the citizenship rent."

Well, yes, but this view of the subject suggests both the value and the limits of the economist's lens when it comes to areas where politics and economics intersect. There is an old joke about a tailor from New York who manages to get an audience with the pope. He comes home and his family gathers round, asking what the pope is like. The tailor replies, "He's a 40-regular."

Milanovic's discussion of citizenship in the context of globalization is on the periphery of a long-standing debate on which entire libraries have been written: How to think about realms beyond price that are subject to incursions by the market? Citizenship, by definition, is the domain of equality; the market is the domain of inequality. In principle we are all equal before the law; in practice our equality gets compromised by the power of the rich to make campaign donations and to retain expensive lawyers and lobbyists. The greater these incursions, the greater the toll on the reality and the credibility of equal citizenship. You can't really reduce citizenship to a question of economic rents without missing the whole point.

Karl Marx and Karl Polanyi both wrote about the tendency of capitalism to try to commodify nearly everything. The market keeps trying to price extra-market functions like election to public office or social goods such as clean air and water. Some eminent and mainstream economists have acknowledged the problem. Arthur Okun, chair of the Council of Economic Advisers in the late 1960s, wrote, "Everyone but an economist knows without asking why money shouldn't buy some things." The Yale economist James Tobin wrote tongue in cheek, "Any good second-year graduate student in economics could write a short examination paper proving that voluntary transactions in votes would increase the welfare of the sellers as well as the buyers."

The Protestant Reformation was partly a protest against the sale of ecclesiastical offices (the sin of simony) and the marketing of indulgences, meaning entry into heaven. Human beings were once commodities, as slaves. Prostitution, both literal and

metaphoric, means the sale of something that in principle is not supposed to be bought and sold. Michael Walzer's classic Spheres of Justice

6 points to the necessity of what he calls "blocked exchanges."

Milanovic doesn't quite locate his discussion in this broader debate; he observes the collateral damage to citizenship caused by market economies but concludes that the purely economic imperatives of greater global income convergence should take priority. At points, Milanovic's professional training as an economist seems to be dueling with his sensibilities as a liberal humanist. He notes in passing that both low-wage trade and labor migration are culturally and politically disruptive, and that there is a tension "between the welfare state, access to which is based on citizenship, and the free movement of labor."

He also acknowledges the tendency of globalization to intensify what he aptly terms hypercommercialization and to promote corruption. He laments the excess commercialization of sport at the expense of norms of fair play; the commodification of many household activities such as cooking, eating, play, and child-rearing; as well as the gig economy and what he calls the "outsourcing morality," via tax havens and regulatory evasions. One of his subsections is titled "The Inevitable Amorality of Hypercommercialized Capitalism."

Yet in a remarkable lapse, Milanovic flatly declares, "We lack any viable alternative to hypercommercialized capitalism. The alternatives the world has tried have proved worse—some of them much worse." This assertion misses the history of Western social democracy. The political weakening of the social democratic model is another casualty of globalization, but for nearly half a century social democracy was precisely an attractive "viable alternative" to the hypercommercialism that Milanovic decries. The postwar era saw record growth in the West as well as increasing equality, one of the few times in world history that a basically capitalist economy squared that circle. Social democracy ceased to be politically viable only because capitalists reclaimed power that had been temporarily suppressed by an activist state and organized workers.

Much of Milanovic's discussion is ingenious but somewhat abstracted from real-world politics. His intellectual style is to lay out dilemmas and weigh different solutions, without paying sufficient attention to how these have played out in practice. Milanovic is a fan of what physicists were the first to call the "thought experiment," an exercise now embraced by many social scientists. You consider a puzzle and use deductive logic to come up with possible solutions. The trouble with this approach is that it operates entirely in your head.

He devotes a good deal of attention to labor migration in this fashion. He writes, “If both (i) globalization and (ii) big income differences between different parts of the world exist, workers will not remain where they were born.” Labor migration is efficient in the sense that it allows lower-wage workers to migrate and produce in wealthier countries where they will have higher living standards, rather than staying home and producing for export. There may be no overall significant difference economically in such countries, but as Milanovic notes, the arrival of foreign workers and economic refugees is more disruptive culturally.

Milanovic considers possible remedies, but none seems satisfactory to him. For instance, we might have different tiers of citizenship or limit the benefits a country allows to noncitizens. Several countries already do this, but it makes the political backlash against increased migration no less explosive. The harder line that the Danish Social Democrats have lately taken on immigration has only partly stemmed their losses to the right-wing populist party. The alternative, Milanovic writes, is to prevent migration entirely—“not a desirable outcome in any way.”

While the EU has been limiting the flow of refugees from outside the Continent, its constitution requires member nations to freely accept labor migrants from anywhere in the union. Low-wage workers from Bulgaria or Latvia are free to move to Paris or Berlin. Between 1989, when borders opened, and 2017, Latvia has lost 27 percent of its population and Bulgaria almost 21 percent.7 This is social and political dynamite in both the sending and receiving countries—as in the antiglobalist revolt in Britain. Yet the word “Brexit” does not appear in Milanovic’s account.

As a consequence of his deductive method, many of Milanovic’s proposed solutions are provocative but narrow, and often lacking a grounding in real-world politics. He writes, for instance, that “social democracy and the welfare state emerged from the realization that all individuals go through periods when they are earning nothing but still have to consume”—as if this insight came from some seminar room. In reality, the emergence of the welfare state was the result of extensive political struggle. As a virtuoso economist, Milanovic is superb when he is compiling and assessing data. But his qualitative and historical excursions are not always as strong.

On first reading, the book seems hobbled by contradictions. Milanovic is ambivalent about globalization, celebrating its economic effects on the world’s poor but worrying about its destabilization of liberal democracy. The kind of globalization we have, he writes with resignation, “makes [corruption] inevitable.” As for policy, he suggests more progressive taxation, increased education funding, public financing of

campaigns, and a kind of “citizenship light,” in order to “allow migration without provoking nationalist backlash.” But elsewhere in the book, he has already told us that these remedies are either insufficient or politically unlikely.

Yet on second reading, the inconsistencies are a kind of strength. Milanovic lets the reader in on his tentative and necessarily incomplete attempts to answer some of the thorniest questions of political economy. You get the sense of a fertile mind trying to puzzle all of this out. Some of the contradictions in his thinking simply reflect dilemmas with no easy resolutions. Milanovic contradicts himself—and the book is large with multitudes. This is not the sort of inquiry that should be tied up in a neat ribbon.

The book is a reminder of the need for a richer reunion of politics and economics emphasizing the connections between the two. Ugly new economic realities are a function of the redistribution of political power; that, in turn, has ugly political consequences, reinforcing an economy that many citizens experience as oppressive. If we are to comprehend the new chaotic era of rampant autocratic capitalism, much less find our way back to a decent democratic liberalism, we need to reclaim the discipline of political economy. Milanovic is a superb technical economist with something of the temperament of an ethicist. That alone makes him special among economists. Yet when it comes to addressing the politics of how to navigate these shoals, the book is often abstract and thin.

In my own work as an editor, reading articles by writers from a variety of scholarly traditions, I’m often struck by how leading economists or sociologists or political scientists, working on similar problems from different disciplines, are unfamiliar with one another’s work. This is a casualty of the fragmentation of the social sciences, and it impoverishes discourse. Albert Hirschman, educated as an economist, spent the latter part of his career as a moral philosopher. He read widely across disciplines, puckishly calling himself a “trespasser.” If we are to make sense of the great questions of our age where politics meets economics, we need more trespassers.

1
James Mann, The China Fantasy (Viking, 2007). ↩

2
See Peter A. Hall and David Soskice, Varieties of Capitalism (Oxford University Press, 2001). ↩

3
Dani Rodrik, The Globalization Paradox (Norton, 2011), p. xix. ↩

4

See, for example, Dani Rodrik, “Is Global Equality the Enemy of National Equality?,” Center for Economic Policy Research (London), Discussion Paper 11812, January 2017. ↩

5

See Götz Aly, Hitler’s Beneficiaries: Plunder, Racial War, and the Nazi Welfare State (Metropolitan, 2007). ↩

6

Basic Books, 1983. ↩

7

Ivan Krastev and Stephen Holmes, The Light That Failed (Pegasus, 2020), p. 37. ↩