

Mind the Gap

What the narrowing divide between a center-left nation and a center-right establishment portends

BY DAVID SIROTA

IN THE LAST TWO decades, three early November days have witnessed the collapse of movements that shaped the 20th century:

First, Communism fell with the Berlin Wall on Nov. 9, 1989. Second, New Deal liberalism—weakened by Ronald Reagan’s 1980 election—was crushed as Republicans took Congress on Nov. 8, 1994. And third, free-market conservatism dropped dead with President-elect Barack Obama’s decisive victory on Nov. 4, 2008.

This most recent implosion was both shocking and predictable. Shocking because only a few years ago, Republicans were predicting a permanent conservative majority. And predictable because the attempts to cement such permanence—whether through the war on terrorism, the Iraq invasion, tax cuts, structural deficits or financial deregulation—seeded a foreseeable backlash.

Indeed, the conservative Hoover Institute admits “the country’s political center of gravity is shifting from center-right to center-left.”

Of course, you don’t hear that truism much in the media—even after 67 million Americans voted for a Democratic candidate who was repeatedly billed as a “socialist,” a “Marxist” and/or “the most liberal senator” in American history. Instead, what you hear—from NBC’s Tom Brokaw on down—is that America remains a “center-right nation.” A glance at the empirical data shows nothing could be further from the truth.

Pre-election polls showed most voters believed Obama is a progressive, and the election witnessed most Americans casting their vote for that progressive. While some of that vote was a protest against George W. Bush, its ideological thrust is undeniable.

According to a post-election November



survey by the Campaign for America’s Future (CAF), 70 percent of Americans say they want conservatives to help Obama enact his decidedly progressive agenda. The poll followed CAF’s 2007 study showing that on almost every major economic issue, the “center” of public opinion is far to the left of Establishment opinion. But that gap may be narrowing.

A new Summers

In 1989, economist John Williamson coined the term “Washington Consensus” as shorthand for the package of privatization, deregulation and free-trade schemes that has come to define Democratic and Republican neoliberalism. During the now-concluding era of market fundamentalism, no publication has been a bigger booster of that consensus than the *Financial Times*. And yet nothing personifies the change in that consensus than a recent series of Lawrence Summers op-eds in that

same newspaper.

Summers got his start in politics as a member of President Reagan’s Council of Economic Advisers, and ultimately ascended to Treasury Secretary under President Clinton. His term was an extension of predecessor Robert Rubin’s dogged devotion to free trade and deficit reduction, though Summers managed two crowning achievements even Rubin couldn’t muster. In 1999, he endorsed an infamous government report that “recommended legislation exempting many kinds of derivatives from federal oversight,” according to the *New York Times*. He also backed congressional Republicans’ successful initiatives to gut Depression-era safeguards against unbridled financial speculation. Less than 10 years later, experts agree those decisions exacerbated—if not created—the recent Wall Street meltdown.

The same goes for Summers’ lockstep advocacy for free trade—pacts like the

North American Free Trade Agreement (NAFTA) and its bilateral derivatives, which have exerted downward pressure on domestic wages by forcing Americans into salary-cutting competitions with low-paid foreign labor. That Lawrence Summers, however, is hard to find today.

The new Summers spent 2008 authoring a series of *Financial Times* articles that suggested a new Washington Consensus. Summers, once the deficit reducer, recently advocated for fiscal stimulus and, in another piece, derided those who argue the recent Wall Street bailout means new social programs are unaffordable.

Summers—once the free-trade booster—sounded downright Ross Perot-like in an article noting that “growth in the global economy encourages the development of stateless elites whose allegiance is to global economic success and their own prosperity rather than the interests of the nation where they are headquartered.”

Even on the topic of financial regulation, Summers now insists that America must “regulate leverage and prevent government policies that give rise to a toxic combination of privatised gains and socialised losses.”

‘A Copernican shift’

Skeptics might look at Summers’ about-face and see a former titan angling for a role in the Obama administration. (And indeed, he was named director of the National Economic Council.)

That’s surely part of it—but the posturing confirms a deeper ideological shift.

For example, Rubin—the godfather of the Wall Street Democrats—co-wrote a *New York Times* op-ed with progressive economist Jared Bernstein. The piece was as stunning for the cooperation of the two unlikely collaborators as it was for Rubin’s deficit admission (“our economy needs a large fiscal stimulus”) and trade reversal (“we must recognize that protecting workers is not protectionism”).

Likewise, writing in the *New Republic*, Christopher Hayes noted that two icons, Nobel laureate Paul Samuelson and former Federal Reserve Governor Alan Blinder, recently published papers raising red flags about continuing our current laissez-faire globalization policies.

“Nearly all of the dozen or so economists I’ve spoken to have said that the academic conversation about trade *has* moved significantly,” Hayes reported, adding that this change represents “nothing less than a Copernican shift” in Establishment discourse.

The times are a changin’

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speculation about the policy implications of different appointees. The parlor game is made all the easier because Obama has hired many Clintonites with well-known records, prompting concerns from progressive quarters that the President-elect will evade his far-reaching promises and replicate the incrementalism of the ‘90s.

Times have changed, though.

Obama ascends to the White House with 52 percent of the popular vote—and thus a far bigger progressive mandate than Clinton, who entered office with just 43 percent of the vote. Furthermore, Obama assumes the presidency during a much deeper economic crisis than the 1992 recession. While conservative strategist Grover Norquist is right that “personnel is policy,” an appointee’s record under Clinton may be a poor predictor of behavior in an Obama future.

Consider Rahm Emanuel, Obama’s new chief of staff. Previously, this quintessential Washington insider spearheaded the Clinton administration’s efforts to squelch Democratic congressional objections and pass NAFTA. Fifteen years later, Emanuel said the incoming administration would oppose Republican plans to lash economic recovery legislation to a trade pact expanding NAFTA into Colombia.

Likewise, political tectonics may force Obama himself to go farther than his own progressive promises.

“Remember, Franklin Roosevelt gave no evidence in his prior career that he was going to lead the dramatic sea change

in American politics that he led,” says University of California historian Eric Rauchway. “And yet, his time in office became a major shift in a liberal direction.”

For Roosevelt, a growing labor movement, a radicalized public and the threat of a significant electoral challenge—from left-wing populists like Louisiana Gov. Huey Long—pushed him to embrace far-reaching New Deal programs that he might never have supported.

Today, a skeptic might say the labor movement is not nearly as powerful as it once was, and the groups that are radicalized often put most of their energy into electoral work supporting parties and individual candidates—not social movements.

In fact, with Obama considering converting his campaign e-mail list into something of a state-directed advocacy apparatus, he may have a grassroots machine specifically designed to thwart independent progressive pressure against his government. That’s not as far-fetched a possibility as it sounds, considering congressional Democrats’ explicit declaration of war against “The Left.”

In late November, *The Hill* newspaper ran a story headlined “Democratic leader says party won’t turn left,” about a speech by House Majority Leader Steny Hoyer (D-Md.). And when Senate Democrats voted to ignore Sen. Joe Lieberman’s (I-Conn.) vicious attacks on Obama and reappoint him to his committee chairmanship, a Senate spokesman sneered: “The left has been foiled again.”

But if 2008 convinced America to do anything, it is to (guardedly) hope.

If the Washington Consensus can change; if the gulf between public and elite opinion can narrow; and if an African American can mobilize millions to feel even momentary ownership over the nation’s political process, then maybe Obama is right: Maybe we are the ones we’ve been waiting for. ■

OBAMA'S BURDEN

From Israel to Afghanistan, foreign policy challenges will test the new administration

BY ROBERT DREYFUSS

For those appalled by the arrogant unilateralism of the Bush era, the Obama administration will be a relief. But for those who believe that American policy in South and Southwest Asia was misguided in the decades before President Bush, they shouldn't expect anything too different from Obama and what the *Wall Street Journal* calls "Obama's War Cabinet." President-

