"Good evening. This is your Captain
We are about to attempt a crash landing...
This is your Captain - and we are going down
We are all going down, together"
Laurie Anderson, “From the Air” (Big Science, 1982)

Books of this sort typically end with a chapter of recommendations and hopes. If I followed that path I now would speak to elites and beseech them to think of the nation’s interests, which also are their real long-term interests. I would offer advice to citizens at large to become more engaged in public affairs.¹ So far, authors who

¹ Mizruchi (2013) ends his book with such an appeal to American elites. Sachs (2012) hectors elites to become less greedy and more public minded and voters to pay more attention to public affairs and watch less television. Luce (2017), a journalist and former speech writer for Treasury Secretary Lawrence Summers, offers a highly pessimistic view of a future of elite privilege and self-regard in the U.S. and Europe, but nevertheless concludes with the faint hope that rich elites will make the sacrifices needed to sustain liberal democracy. In an earlier book, Luce wisely concluded, “This is not the kind of book that ends with shopping lists of policy prescriptions,” but he immediately followed that with the hope that somehow a way could be found to “channel Americans’ frustrations into a more constructive and coherent force” (2012, p. 274). Reeves (2017) argues (incorrectly) that inequality is caused by the top 20% of Americans’ efforts to pass down their privileges to their children. As with many such authors, he gives great attention to Ivy League admissions. Be that as it may, his proposed solutions avoid mention of redistributive policies and instead he asserts, “A change of heart is needed: a recognition of privilege among the upper middle class” (p. 14).

Conservative scholars of decline appeal for Americans to spend more on the military and less on social benefits for themselves (e.g. Ferguson [2002, 2004] whom we encountered in the introduction, and also Kagan and Kagan 2000, Boot 2006). New books exhorting Americans to save their country are being published almost weekly. Anderson
have made such entreaties have not had a discernible affect on public debates or political outcomes. I am not under the illusion that I possess the rhetorical skills to move hearts. Few authors have that ability.

The rare books that resonated widely and propelled political action, at least in the U.S., were written in the midst of already established and deeply organized social movements. Uncle Tom’s Cabin was published two decades after the British Parliament had banned slavery throughout the Empire and in a period when the American abolitionist movement already was a powerful, though minority, position in the U.S. Michael Harrington’s The Other America appeared in 1962, in the midst of the Civil Rights Movement and after John F. Kennedy had made the alleviation of poverty a key issue in his presidential campaign, though not of his Administration. Rachel Carson’s Silent Spring might be an exception to this pattern. It was published in 1962, well before an organized environmental movement emerged in the U.S., and clearly spurred establishment of the Environmental Protection Agency in 1970, which then banned the pesticide DDT in 1972. However, pollution and pesticides, unlike slavery, segregation, or poverty, affect everyone. Books, like Carson’s, speak to their readers’ self-interest rather than seek to build readers’ sympathy for victims who differ in obvious ways from them. Similarly, Upton Sinclair’s The Jungle (1906) was written to expose horrible working conditions in meatpacking plants, but readers instead reacted to the book’s depictions of contaminated food, leading to the rapid passage that year of the Meat Inspection Act and the Pure Food and Drug Act, which established the agency that was the precursor to the Food and Drug Administration. As with Silent Spring, The Jungle provoked self-interest rather than altruism. Sinclair himself wrote, "I aimed at the public's heart, and by accident I hit it in the stomach."

If I am not going to exhort readers, then what can I do in this final chapter? I assume I have made the case that America’s decline, like that of Britain and the Netherlands before, now is irreversible. Therefore the question is not how can we reverse decline, but instead how will decline affect America’s political economy and its

geopolitical role in the world. To answer that, I begin by examining what happened in the Netherlands and Britain after their losses of hegemony. Did inequality rise or decline? Did elites succeed in further advantaging themselves at the expense of everyone else? Were social reforms enacted? How did their domestic politics change? How did they assert themselves, or not, militarily abroad? Once we have answered those questions for the Netherlands and Britain, we can then honestly and realistically see the actual choices that remain for Americans, and we can determine if and how those possibilities are being narrowed and settled by the early decisions of the Trump Administration and by the degree of popular resistance his presidency so far has provoked.

**Elite Privilege and Inequality After Decline**

The end of hegemony closed opportunities for the sorts of windfall profits created by empire or the domination of trade networks. Yet, as Arrighi shows us and we discussed at the end of the last chapter, declining hegemons remain for a time at the center of global financial networks, which create different although still highly lucrative profit opportunities. And in any case, some of their residents retain capital accumulated during the years of dominance that provide rentier income. Let us see how the Dutch and British economies did after hegemony, and most importantly who suffered as their nations lost the benefits of hegemony.

The Dutch, as measured by per capita income, remained the richest Europeans, ahead of the British until the mid-nineteenth century, well after Britain had become the global hegemon. Per capita income in the Netherlands and Britain were even in 1500, when neither was yet the hegemon. In 1600 the Dutch were 40% above the British, and 70% higher in 1700. By 1820 the Dutch were only 7% ahead, and the two were even in 1850. Thereafter, the British pulled ahead rapidly, going from a per capita income 10% above the Dutch in 1856, to 15% ahead in 1870, 20% in 1890 and 30% in 1900 (Maddison 2006, volume 2, Table 1c; see also de Vries 2000, Figure 2).²

² Great Britain had a larger population than the Netherlands, so the gap in GDP was much greater than in per capita income. In 1500 British GDP was four times that of the Netherlands, three times as much in 1600, 2.6 times as much in 1700, nine times as much in 1820, 8.6 times as much
The overall ability of the Dutch to sustain "steady long-term growth...even in the absence of conspicuous industrial ‘leading sectors’ [was due to] the strength of agricultural and service sector developments" (de Vries 2000, p. 448). The ‘leading service sector’ in the eighteenth and early nineteenth centuries was finance, including investment in industrial rivals, above all Britain, and in the state itself (T’Hart, Jonker, and van Zanden 1997). In the early eighteenth century, 200 million guilders of capital was shifted from productive investment into state bonds, which were narrowly held and “poured annually nearly 14 million guilders (after tax) into the hands of a narrow band of bondholders...After 1713, interest payments absorbed over 7 percent of Holland’s tax revenue...For the Republic as a whole, interest payments on the public debt amounted to about 7 percent of mid-eighteenth century national income” (de Vries and van der Woude 1997, pp. 681-82). The gains from those sectors were concentrated at the top; indeed, increases in government revenue functioned to funnel wealth from a mass of taxpayers, hit with increasing consumption taxes, to wealthy bondholders and officials, as I showed at the end of Chapter Five.

The Dutch income advantage over Britain lasted more than a century and a half after the Dutch had lost hegemony and for at least three decades after Britain had become the hegemon. That prosperity was a legacy of the vast stores of capital the Dutch accumulated during their hegemony and their ability to park that capital in more dynamic economies. Yet, wealth was narrowly held and incomes were highly unequal as Dutch elites retained the most lucrative offices and opportunities within the metropole and empire.

Ordinary people did increasingly badly in the post-hegemonic era. De Vries and van der Woude find that “from the several real wage peaks occurring between the 1680s and 1730s, a new trend of declining real wages set in, reaching its nadir after 1800” (1997, p. 627; see also de Vries 2000, p. 457). The declines began earlier and were sharpest for unskilled laborers (Ibid, Table 12.6). The wage decline in 1850, and 10.6 times as much in 1900 (Maddison 2006, volume 2, Table 1b). In this chapter we focus on per capita income rather than total size of an economy since we are concerned with changes in the distribution of income and wealth rather than the strength of each nations’ economies, which was our subject in previous chapters.
was from a high base, elevated enough that craftsmen’s wages in the Netherlands remained higher than in southern England until the beginning of the nineteenth century (Ibid, Figure 12.6). Despite Dutch workers’ higher average real incomes, they suffered from greater inequality than their English counterparts. Milanovic et al. (2011, Table 2, Gini2 column) find that the Gini for Holland in 1732 was 61.1 compared to 45.9 for England and Wales in 1759. In 1801 England and Wales had risen to 51.5, still below the 57 for the Netherlands in 1808 (which included the less wealthy provinces in addition to Holland).³

Britons, like the Dutch, retained an income advantage over their global rivals even after they lost hegemony. However, the British edge over its hegemonic successor the U.S. lasted only three decades after what we marked in Chapter Six as the end of British hegemony in 1873. From 1850 through 1870 British per capita income was 30% above the U.S. That edge was 21% in 1880, 18% in 1890, and 10% in 1900. In 1901 the U.S. surpassed Britain for the first time and achieved a permanent edge by 1920, except for the Depression years of 1932-35 (Maddison 2006, volume 2, Tables 1c, 2c). Thus, while the Dutch retained a per capita income edge after the British became hegemonic, Britons fell behind the Americans decades before the U.S. achieved hegemony.

British inequality was greater than in the Netherlands. Capital’s share of national income peaked at 43% in 1860, declined gradually over the next fifty years to 36%, reflecting declining income from the Empire and from land, but then plunged in the decade of World War I to 21% in 1920 (Piketty 2014, online Figure S6.10). Wealth remained more stable; the top 1%’s share of national wealth rose from 54.9% in 1810 to 61.1% in 1870, rose further to 70% in 1895 (Piketty 2014, online Table S10.1). It remained within the range of 69-74% from 1895 until 1910, with the top 0.1% holding half of that. The top 1%’s share fell to 67.2% in 1914, and to 62.6 in 1919. World War I was the turning point. The top 1%’s share fell over the subsequent century, hitting bottom at 10.6% in 1988 (Alvaredo et al. 2017, Table G1).

³ Scheidel (2017, p. 95), using a different formula, calculates that the Gini coefficient for Holland rose “from 0.5 in 1514 to 0.56 in 1561, 0.59 in 1600, 0.61 or 0.63 in the 1740s and 0.63 in 1801.”
Despite the high and rising level of British inequality during its hegemonic heyday, and high and stable or slightly declining level in the four decades of decline leading up to World War I, workers did increasingly well in absolute terms. As we noted in Chapter Six, wages, which in 1800–09 were the same as in 1680–89, rose rapidly after the end of the Napoleonic Wars, more than tripling in the century from 1800–09 to 1900–09. The rate of wage increase was as fast from 1880–1910 as it had been from 1810 to 1880 (Clark 2005; Table A2).

Ordinary Britons’ unusual prosperity, which continued even in the face of their nation’s hegemonic decline and a degree of inequality that was significantly higher than in the Netherlands, was not due to Britain’s economic growth rate in the post-hegemonic era. In the 1810 to 1880 period, Britain had the third highest growth, after Switzerland and Belgium, in per capita income of the twelve richest Western European nations.⁴ For the 1880 to 1910 period Britain was tied for second worst with Belgium, ahead of only the Netherlands (Maddison 2006, volume 2, Table 1b).

Two factors explain Britons’ rising wages in the post-hegemonic decades. First, massive emigration reduced the growth of the British population. From 1881 to 1910 over 5.4 million people emigrated, most of whom were working adults, which was one-seventh of Britain’s population in 1900 (Cain 1999, Table 2.5). This created shortages of agricultural and industrial laborers, boosting their wages. Second, there was an upsurge in unionization in Britain in 1889–92, doubling membership to 1.5 million, which was 11% of the labor force. Union density then rose more slowly to 18% in 1901 and 19% in 1911 (Mann 1992, pp. 601, 608; see also Wallerstein 2011, pp. 174–76 and Silver 1995). The threat of further unionization pushed employers to raise or at least maintain wages, though for the most part only in the sectors with high unionization rates: “coal mining, then engineering, shipbuilding and railways, then cotton, then construction and government employment” (Mann 1992, p. 609). However, the increases in wages didn’t decrease the concentration of wealth, which remained at historically high levels.

The Netherlands and Britain define the parameters of post-hegemonic prosperity and inequality. Elites in both

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⁴ The twelve are Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.
countries widened their advantage in wealth over the rest of the population in the decades after the end of hegemony. Workers’ wages diverged in the two countries. In the Netherlands wages fell absolutely and relatively, while in Britain they fell relatively while increasing absolutely. Demographic and political forces account for the difference. Britain had created settler colonies that were congenial and prosperous lands that attracted poor Britons. The Netherlands’ colonies were not inviting places for Dutch emigrants. Thus the nature of the two empires, established centuries earlier, shaped workers’ fortunes in the twilight of Dutch and British imperialism. Dutch workers of the mid-eighteenth century were disorganized in comparison to their British counterparts a century and a half later, and of course an ideological and organizational base for non-craft unions did not exist in the century when Dutch workers paid the material costs of their nation’s decline.

**Government Policy: Taxes and Social Benefits**

Did inequality become a political issue in either country, and were progressive taxes instituted or social programs established or expanded to reduce inequality or address poverty? In a word, taxes did not become redistributionist in either country during their post-hegemonic decades, while some limited social programs were instituted to address poverty and provide social benefits to a wide portion of the working population in Britain but not in the Netherlands.

In the Netherlands, the Patriot Revolution of 1780-87 amplified the grievances that had animated the smaller and more easily defeated anti-state revolts of 1702-07 and 1748, in its clear opposition to Orangist rule and to the corruption and privileges of the Stadholder and his retainers. The rebels of the 1780s were motivated by the Netherlands’ setbacks and then defeat in the Fourth Anglo-Dutch War of 1780-84, which the rebels accurately attributed to the government’s ineptitude and the unwillingness of the rich in the Netherlands and of the VOC to adequately finance the Dutch military. Anger was deepened by the recession that resulted from British attacks on Dutch commerce in the war, a war widely seen as caused by merchants’ grasping efforts to profit from the American War of Independence. Yet the class lines between rebels and Orangists were confused with many of the poor siding with the Stadholder against middle class rebels. The
revolts all ended without realizing significant political or economic changes. The Patriots’ early military successes were undone by Prussian intervention in 1787.\footnote{This paragraph is based on Israel 1995, pp. 1098-1130. I do not address the Batavian Republic of 1795-1805, which to a large degree sought to implement the goals enunciated by the Patriots. However, in the end British and above all French intervention was more determinative than internal Dutch forces.}

The Netherlands was an eighteenth century pioneer in the provision of income support to the poor, mainly lowly paid laborers but also widows, orphans, and the unemployed. As the need increased in the eighteenth century, church aid to the poor, which was funded by endowments and annual surpluses, was supplemented with direct expenditures by towns and cities. Church and state poor relief in the second half of the eighteenth century amounted to a combined “eight to ten million [which] represents 3 to 4 percent of the mid-eighteenth-century national income” (De Vries and van der Woude 1997, p. 660). That amount reflected the large fraction of the population that received aid more than the modest payments given to each recipient. As the population of underemployed and underpaid rose and wages fell after 1770, the amount available for poor relief became increasingly inadequate.

“The government bond default of 1811 (the tiercering)” wiped out the value of the bonds that had funded church charities, and the state largely replaced churches in supporting the poor. State expenditures on poor relief almost doubled from 1.5 million guilders in 1815 to “3.5 million guilders in 1829” (De Vries and van der Woude 1997, p. 660). Yet those amounts were far below the 8-10 million guilders de Vries and van der Woude estimate the church endowments generated in the 1750s. Indeed, most of the debate over poor relief in the late eighteenth and early nineteenth centuries was over how to reduce rather than increase poor relief. Wealthy citizens complained that charity and government aid were encouraging the poor to shun work (in fact, poor relief allowed workers to be pickier about the jobs and wages they would accept, giving them real negotiating power with employers. In any case, the tiercering combined with the shrunken budgets of the Batavian Republic and its successors to ensure that nineteenth century Netherlands would be, as the elites desired, a harsher nation for the poor and for ordinary
Dutch public expenditures on education and public works, the government programs that benefited the general population, remained stingy through the first half of the nineteenth century, varying between 10% of the total budget in peacetime and 5% during wars. Only after William I abdicated in 1839, and a “stable, centralized and limited regime was established in 1848” that swept away many elite institutional privileges, did those expenditures reach 18-20%, a level it remained from 1880 until “the start of World War I” (Dincecco 2011, pp. 11-12).

Dutch taxes remained regressive until World War I. A modestly progressive income tax was enacted during the Batavian Republic and then permanently in 1893. However, it provided only a tenth of state revenues and did not undo the overall regressive nature of the Dutch tax system until a vastly expanded income tax was introduced in 1914 to pay for the war effort (Fritschy 1997). Earlier efforts to create a progressive income tax were supported by popular forces that backed the Batavian Republic and “public opinion on the income tax had become generally quite favorable since 1870” Fritschy 1997, p. 1054). However, in both periods enactment of an income tax was deflected by elite control of the central government. Before 1914, most revenue came from excise taxes on commodities that were consumed by the entire population and land taxes that were set by provincial quotas that had the effect of placing a heavier burden on the poorer provinces. The rich were targeted with land transfer taxes and death duties, but the levels of those taxes were too low to make up for the regressive nature of consumption taxes (‘t Hart 1997; 1999).

British politics and governance, in contrast to the Dutch stasis enforced by elites, were transformed significantly in the half-century before World War I. The franchise was expanded by the 1867 Reform Act and the 1884 Representation of the People Act, the former sponsored by the Tories and the latter by the Liberals. Together, they ensured that by the 1885 general election, “Sixty-six percent of adult males were now eligible to vote, including upward of 40 percent of male manual workers (although many were prevented from voting by biased registration procedures). Perhaps half the electorate were workers”

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6 This paragraph relies on pp. 654-664.
The growing strength of workers and their Labour Party led the Liberals to make an electoral pact with Labour for the 1906 and subsequent elections. As a result, the Liberals won the 1906 and the two 1910 elections allowing them to govern first alone and then in a coalition with Labour, which elected 29 MPs in 1906 and 40 and 42 in the two elections of 1910, and the Irish Parliamentary Party (Mann 1993, p. 623). The 1911 Parliament Act, which limited the power of House of Lords, ensured that the mass electorate’s preferences, as mediated through the parties, could not be vetoed by hereditary elites.

The Liberals pushed through a raft of legislation in the years from 1908 to 1911. The Old Age Pensions Act of 1908 provided low, means-tested pensions for those over age seventy, paid by national government, and sick pay and unemployment insurance financed by worker and government contributions. The 1911 National Insurance Act provided health insurance to be paid for by contributions from workers, employers and the national government. In addition, “The 1906 Trade Disputes Act [gave workers] full collective organizing rights” (Mann 1993, p. 620).

Britain devoted only 5% of its government spending to social benefits in 1910, while Germany spent 8% (Mann 1993, Table 11.5). Since Britain did not have conscription, it lacked the extensive benefits for veterans and war widows that existed in late nineteenth century France and the U.S. The main social expenditure by the British government in the 1870-1910 period was on education, which rose 531% in those forty years, a higher percentage increase than in Austria, France, Germany, or the U.S. (Mann 1993, Table 11.5). Total British central government spending remained low in its post-hegemonic decades, ranging from 6% to 8% in the years from 1876 to 1913, rising to 11% in 1901-02, the peak years of the South African War (Mitchell 2003, pp. 816-21, 905-13).

Nevertheless, the Liberal reforms before World War I created a notion of social citizenship that was broader, if still less generous, than in Germany. “Under Lloyd George, [the liberals] achieved substantial results: his 1911 scheme for health and unemployment insurance and his major switch from regressive indirect to more progressive direct taxation. The state would redistribute and encourage self-help through state-regulated insurance. Insurance covered only workers in larger firms, but brought together the state, most unions, large employers, and private insurance
companies. This was the first genuine reformism, in a twentieth-century sense, to occur in any country. It had come less from labor, more from a cross-class party trying to rally workers, middle class, and some regions and religions” (Mann 1993, pp. 618-19).

Despite the British creation of social citizenship, government tax policy did nothing to change the distribution of income or wealth. There was no income tax in Britain until 1909 when a top rate of 8% was introduced. By comparison, rates rose during World War I and reached 53% by 1918 and never fell below 50% until 1988 (Piketty 2014, online Table S14.1). The top inheritance rate was 8% until it rose to 15% in 1907 and 40% by the end of World War I (Piketty 2014, online Table S14.1). As low as the top British income and inheritance tax rates were in the pre-World War I years, they were higher than in Germany, France or the U.S. (Piketty 2014, Tables 14.1 and 14.2).

Britain’s electoral reforms and social welfare legislation are significant because they antedate the wave of similar progressive policies that were forced on the governments that mobilized their citizens for World War I. Several recent synthetic analyses, most notably Piketty (2014), identify the era from 1914 into the 1970s as unique in the centuries of capitalism and nation states for the degree of income and wealth equality, produced in good part by unprecedentedly high tax rates on top incomes and large estates. Scheve and Stasavage (2016) find that income tax rates were not related to suffrage or to whether left parties were in power. Instead, the variance is explained entirely by whether countries drafted their citizens for the world wars and were electoral democracies (i.e. Germany, Austria, and Italy all conscripted but were not democracies during World War I and thus did not impose high taxes on their rich).

Scheve and Stasavage show that legislators in Britain, France, and the U.S. who advocated high taxes on the rich during the world wars framed those impositions as compensatory conscription of wealth to match the conscription of men. They conclude that in the last decades of the twentieth century, after the end of conscription, leftists were reduced to making vague arguments for ‘fairness’ that were vulnerable to the counterargument that it is unfair to tax the rich at higher rates than others. Scheidel (2017) argues that the end of mass mobilization warfare and therefore of conscription has removed the most convincing argument for redistributive taxes.
In any case, the end of conscription allowed conservatives to abandon support for high taxes on the rich. As American leftists love to note, the top tax rates they advocate are well below those maintained throughout the 1950s during Republican Dwight Eisenhower’s presidency. While Scheve and Stasavage, like Scheidel, can’t quantify the effect of such rhetoric, they are able to show that the top rate of income tax fell in the twenty richest countries in the last quarter of the twentieth century.

Military and Foreign Policy After Decline

Dutch elites, as we saw in Chapter Five, were unwilling to raise taxes to pay for an army and navy capable of playing a decisive or even significant role in the European wars of the eighteenth century. The Netherlands remained neutral in the Seven Years War (Fritschy and van der Voort 1997). The Dutch instead focused their limited military investment on retaining its colonies and trade routes in Asia and the Americas. This decision reflected elites’ rational and reasonable appraisal of their power and resources relative to Britain and France. It also reflected the fact that elites profited from their access to other European markets, an access that would have been threatened by a more aggressive foreign policy, and that could be maintained without applying military force.

Similarly, in the colonies, the Netherlands and the VOC assumed a largely defensive posture by the mid-eighteenth century (de Vries and van der Woude 1997, pp. 681-83). Thus, the Dutch did not intervene or try to take advantage of the British-French conflict over India during the Seven Years War (1756-63). The Netherlands’ lost control over trade among its Asian colonies and with Europe as the British were able to commercially and diplomatically penetrate those territories. The VOC was forced to grant ever-greater autonomy to its agents in Asia, in the hopes that the company could still realize profits from acting as a conduit between its self-dealing and self-financing agents and the European markets in which the greatest profits still could be realized (Nierstrasz 2012). The VOC’s successor, the Nederlandsche Handelmaatschapij (NHM) was, in essence, a joint venture of Dutch colonial officials and Javanese nobles to enforce a monopoly on exports from that island which served to enrich both those elites as well as Dutch and Chinese merchants, and industrialists back in the Netherlands who got first access
to the Javanese exports that they then processed and sold in Europe. The Dutch-Javanese elite alliance was able to impose higher taxes in Java that allowed the post-1848 liberal Dutch government to cut domestic excise taxes, boosting the home economy, and pleasing ordinary consumers (Zanden 1993, pp. 142-51).

The one exception to this cautious foreign policy came when Amsterdam merchants broke the British embargo and supplied commercial and war-related goods to American revolutionaries and to France. Amsterdam’s unilateral actions were opposed by the Stadholder, but supported by the merchant-dominated States General, which ordered the Stadholder to provide naval escorts for the merchants’ commercial ships, which the Stadholder did half-heartedly. Nevertheless, Dutch state actions were enough that Britain responded with a declaration of war in 1780.

The Fourth Anglo-Dutch War of 1780-84 was a geopolitical and economic disaster for the Dutch. Britain won control of the Netherlands’ Indian colonies and access for its merchants to the Dutch East Indies, most importantly to Batavia [present-day Indonesia] (de Vries and van der Woude 1997, pp. 683-87). Dutch failure in the war, and the depression that resulted from the wartime disruption of trade, provoked popular protest. ‘Patriots’ opposed the Stadholder, initially with support from the Holland regent elite, but then in 1787 the Patriots turned on the regents. By this point foreign powers became decisive in determining the outcome of Dutch domestic conflicts. The Prussians restored the Stadholder and crushed the Patriots in 1787, while Napoleon forced the Stadholder to flee in 1795 (Israel 1995, pp. 1098-1130).

The Netherlands never was the dominant military power in Europe, even when it was the hegemon. Britain was the hegemonic naval power, which gave it the advantage beyond Europe, while on the Continent its army never was able to dominate. Instead, as we saw in Chapter Six in our analysis of the bases its hegemony, Britain relied on allies to do most of the land fighting in Europe and weakened enemies with naval blockades. The British government, like most elements in the fragmented Dutch polity, recognized that it was ever more unable to assert its authority over rival European powers, and in the case of Britain, the U.S. as well.

The British government’s increasingly realistic approach to geopolitical realities in the late nineteenth and early twentieth centuries was aided, as we saw in
Chapter Six, by elites’ unwillingness to pay higher taxes for a military buildup and by mass opposition to conscription, which mattered when the franchise was widened. Self-interested colonial businessmen and officials undermined restraint, but they were concerned mainly with strategically marginal lands in Africa. But even in Africa, Britain was careful not to provoke rival powers. Thus, when Britain intervened in Egypt, which was considered vital geopolitically and to its bankers, it mollified Germany by supporting its colonial ambitions (Porter 1984, pp. 111-18; Mann 1993, p. 777). Similarly, Britain relied mainly on diplomacy rather than military intervention to manage its competing interests with Russia as the Ottoman Empire weakened, and Britain negotiated with the other major powers to divide China into spheres of influence (Porter 1984, pp. 152-67).

For both the Netherlands and Britain, geopolitical realities, and an inability or unwillingness to spend enough to overpower their European rivals, limited the terrain on which narrow elites could play outside of Europe. The Dutch, with the exception of its commerce with France that led the British to declare war in 1780, kept itself neutral in European wars once it had become a second level military power. British officials, in contrast, didn’t limit the scope of commitments state officials made within Europe.

“Nineteenth century liberals pinned hopes on the predominantly transnational organization and ‘interdependence’ of capital” to prevent war (Mann 1993, p. 776), just as late twentieth century neoliberals did, and still do. While no Briton was as simplistic as New York Times columnist Thomas Friedman, who wrote in 1996 that “No two countries that both have a McDonald's have ever fought a war against each other,” faith in the pacific effects of free trade did blind British elites to the dangers of their nation’s participation in the system of alliances in Europe (Friedberg 1988).

While those hopes were dashed in 1914, Mann points out that the main competitors for colonial territory—Britain, France and Russia—“actually fought as allies” (1993, p. 777). Britain was pulled into war by it European, not its colonial or commercial, commitments. Despite, ongoing policy debates, which Britons engaged in within the government and in civil society from the 1870s until the day World War I began, Britain never made concessions (which of course might have proven to be never enough) to
Germany’s rising power on the Continent. Friedberg (1988) and Porter (1984), who provide the best overviews of the protagonists and positions in those arguments, agree that the debates did lead to British restraint in the colonial sphere and to justifications for cuts in military spending, but they don’t identify any restraints in British assertions of its interests in Europe.

Britain ended up fighting in what became World War I, a war that, in combination with round two in 1939-45, ensured the destruction of the British Empire and the triumph of American rather than German hegemony. Yet, that disastrous war was not sparked by any combination of British capitalist elites, unlike the way in which the greed of Amsterdam merchants set off the Fourth Anglo-Dutch War. British elites’ abilities to pursue their particular interests in the post-hegemonic decades of decline meant that capitalists mattered mainly in their demands for low taxes and extensive colonial commitments, which underfunded Britain’s military and diverted forces from Europe, and in their inability to cohere to challenge the autonomous decisions British diplomats and politicians made that propelled their nation into war with Germany.

The Future of Inequality in America

We saw that the Netherlands was highly unequal in its hegemonic era and remained roughly the same in decline, while Britain became slightly more equal after a wave of unionization in the 1890s. Ordinary Dutch people became absolutely less well off in the era of decline, while Britons became better off.

Americans, as we discussed in previous chapters, have become less equal since the 1970s, and the majority has become absolutely less well off since 2000. The low level of unionization forecloses the most likely path to reducing inequality in the future. While, as we saw earlier, Obama and his Democratic predecessors did nothing to strengthen unions, Trump and Republicans in Congress and at the state level, again like their predecessors, will take actions to weaken unions. The most robust union sector, that of public employees, is under siege because state governments have the legal power to restrict the union rights of their employees. Private and public sector unions are being attacked by the spread of right-to-work laws, passed by Republican-controlled state governments in northern industrial states. Neil Gorsuch’s appointment to the Supreme Court provides the fifth vote for a majority that
will allow workers to assert that their free speech rights are being violated because they are forced to pay dues to unions for collective bargaining on their behalf. Such a ruling was forestalled in 2016 by Justice Antonin Scalia’s timely death. But with Gorsuch, we can expect the Court to hear a case in the next few years and deliver the ruling that will undermine the remaining private and public sector unions.

President Trump’s policies will deepen inequality in at least three ways in addition to further undermining unions: First, his proposed tax cuts would benefit the wealthiest 1% to an even greater extent than George W. Bush’s 2001 tax cuts did. Second, the tax cuts will deepen the deficit, resulting in cuts to programs that benefit lower and middle class Americans. Third, deregulation in finance and other sectors will allow an upsurge in predatory and fraudulent business practices that transfer income from the mass of citizens to the managers and owners of firms that are able to engage in those maneuvers. (Trump’s, or, more accurately, House Republican’s, plans to repeal Obamacare would have been a fourth source of inequality since it combined tax cuts for the rich, in the form of a repeal of a surtax on investment income that funds the Affordable Health Act’s subsidies for low income Americans’ insurance premiums, with cuts in the Act’s benefits.)

Can these regressive policies be countered? The attacks on unions at the Supreme Court and at the state level will almost certainly go ahead. Only Democratic victories on the state level in 2018 could reverse state legislation, which we can expect Republicans to rush through, especially if they sense coming electoral losses. Some activists argue that workers should organize outside the confines of the National Labor Relations Act. However, their proposals depend on the as yet unrealized potential of “such as workers’ centers, community and occupational groups, and identity caucuses that can work in partnerships with established unions; class action plaintiffs’ firms dedicated to enforcing workplace rights; and government agencies and [state] attorneys general.” However, the success of these actors and any strategies they will develop depend on Federal judicial recognition of “more robust constitutional protection for group action in its many forms [which] is essential to create breathing space for worker mobilization. That protection can and should be founded upon the First Amendment freedom of assembly”
But those protections, in Crain and Matheny’s analysis, would need to be granted by Federal courts, the very ones now being packed by Trump and Republican Senators with rightwing judges who are highly hostile to union rights and indeed to public demonstrations of any kind. Of course, workers could strike and occupy workplaces without relying on legal protections, as workers did in the 1930s before passage of the Wagner Act and in the face of judges and state governments that usually were ready to repress strikes. Such action would require an escalation of current almost invisible levels worker identity and mobilization.

As of mid-2017, when I completed this book, Obamacare remains intact, and the level of opposition to its gutting might ensure that it never is undone, even as Trump takes executive actions that will destabilize the subsidized insurance markets in some states. Comprehensive tax ‘reform’ is unlikely to pass, and Senate rules make it impossible to pass a bill that increases the deficit without enough Democrats to clear the 60-vote hurdle. More likely is that Trump and the Congressional Republicans will take the same path as Bush and pass a bill that expires in ten years, which will allow tax cuts that are not offset by other tax increases or spending cuts. So, for at least ten years, the tax system will add to inequality. If the Democrats are in office, or even if they control just one branch of Congress or the presidency, the tax cuts would expire and rates on the rich would increase, as they did under Obama. However, during those ten years, the Federal government will be in perpetual and severe fiscal crisis and run up deficits that will impede the creation of new or enhanced social programs when the Democrats are in office again.

The Fate of American Social Welfare

Dutch, British and American decline each came at different moments in the history of social welfare. Social benefits were essentially non-existent at the end of Dutch hegemony, and the Dutch government’s piecemeal and inadequate additions to poor relief were not innovative but neither were they retrogressive. The British social programs established before World War I were, along with those in Germany, unprecedented in scope, although they still were a small part of the state budget and did little to reduce inequality or improve Britons’ living standards or life chances. U.S. decline is occurring after decades of
neoliberalism. The era of ‘conscription of wealth,’ instituted during the world wars, ended with serial cuts in top income and inheritance tax rates since the 1970s, in much of Europe as well as in the U.S. (Piketty 2014, Tables 14.1 and 14.2). While much of the social welfare state has survived, albeit with cuts that vary among wealthy nations, there has not been significant expansion of benefits in any OECD country in recent decades. Thus, to expect new social benefits in post-hegemonic America would be to predict the U.S. would move against the political economic trends of this era, and from a lower base than in other wealthy countries. The question is not, whether benefits will expand, but how drastically they will be cut.

Trump, in an effort to burnish his daughter Ivanka’s image, voiced support for a Federal childcare program. However, the actual plan his Administration outlined offers a tax credit that benefits only the wealthiest. Those earning under $40,000 a year would get a benefit of $20 annually from the Trump plan, and “more than 70 percent of the total tax benefits would go to families with income above $100,000, and more than 25 percent to families with income above $200,000.” The plan is utterly inadequate to the scale of the need. “The president’s child care proposals would cost about $115 billion over ten years, about 2 percent of the total net cost of his campaign tax [cut] plan of about $6.1 trillion over ten years” (Batchelder et al. 2017).

The U.S. has a history of social innovation at the state level, but most of that occurred in the period from the 1890s to the advent of the New Deal. Today, state and local governments are in perpetual fiscal crisis, and the political base for tax increases large enough to fund state level social benefits is almost nonexistent. New York State in 2017 made public universities free (albeit only for fulltime students, which excludes many of the poor who need to work and study at the same time). New York City created a free preschool program for four year olds in 2016, and in 2017 Mayor Bill DeBlasio, who made the existing program the centerpiece of his 2013 election platform, proposed extending it to three year olds. However, it is important to note that DeBlasio’s proposal to fund preschool with an income tax surcharge on the rich was rejected by the New York State legislature. Funding for preschool in New York City and the rest of the state comes from the general state budget and so is vulnerable to future fiscal crises. A few, very few, other states have offered similar piecemeal
extensions of social benefits that, at least up until now, have had no discernible effect on national politics. The states as “laboratories of democracy,” a phrase coined by Louis Brandeis, is an anachronism in the twenty-first century.

Republican efforts under George W. Bush to privatize Social Security failed after the Senate voted unanimously against the plan, and there is no evidence that there wouldn’t be massive opposition to a renewed plan. Despite House Republicans’ deep desire to privatize Medicare, that too would be almost impossible to enact, in part because Medicare is vital to the profitability of hospitals, physicians, and pharmaceutical firms. Privatization would be not so much a transfer of the financial burden of medical care from government to patients as a decimation of the medical industry since the Federal government is, in essence, the payer of last resort for that sector of the economy because few elderly Americans could afford private insurance or pay bills out of pocket.

The existing universal social welfare programs, above all Social Security and Medicare, are widely popular, as are programs like Federally-subsidized student loans and mortgages, and also, it now appears, the Affordable Care Act, even though it came into effect just in 2014. However, the long gaps between the establishment of the New Deal and Great Society programs, and then the almost fifty year gap until the Affordable Care Act, demonstrate the difficulty in adding new programs despite the popularity and effectiveness of existing ones. Political struggles during the Trump Administration will revolve around preserving existing programs or preventing cuts to them rather than expanding benefits. Entirely new national programs, like free college, which was espoused by Bernie Sanders in his 2016 presidential campaign, or universal childcare will have to await a post-Trump political turn that is at least as drastic as the Democratic sweeps of 2006-08 or 1964. Any such gains would not return the U.S. to the forefront of social welfare it occupied in the 1930s, but instead would, as Obamacare did, partly narrow the gap between America’s backward social welfare state and those of other rich nations.

Empire on Autopilot
Just as the British acted in its empire and in Europe without acknowledging its economic and military weakness or the rise of Germany, so too the U.S. today pursues a
geopolitical strategy that assumes continuing military supremacy and economic preeminence. Unlike the rethinking and restructuring that occurred under Nixon, Obama didn’t attempt to recast America diplomacy or reduce its military stance. Trump, despite voicing criticisms of American failures in Libya, Iraq, and elsewhere, albeit in isolationist rather than anti-imperialist terms (Parenti 2016), has assembled a national security team led entirely by retired and serving generals. Trump’s ignorance, inexperience and laziness, and the cluelessness of his Secretary of State, former Exxon CEO Rex Tillerson, ensure that the shadow diplomatic corps created by the military through its regional commands around the globe will become even more the source of American foreign policy.

Reassurance for allies, in the early months of the Trump Administration, has come from the Secretary of Defense and the National Security Advisor (the former a retired, and the latter an actively serving, general) rather than from the diplomatic corps or from White House officials. Trump’s announcement of a $110 billion arms sale to Saudi Arabia during his visit to that monarchy in May 2017, merely continues America’s longstanding policy of cementing links with dictatorships through military ties as well as Obama’s own $115 billion of arms sales to the Saudis during his two terms. Indeed many of the sales Trump announced actually were negotiated under Obama (Landler, Schmitt and Apuzzo 2017) and others, as in deals announced during previous Administrations, may never occur. Those sales, while always announced by civilian officials, are in substance negotiated by U.S. generals with their foreign counterparts. Arms sales also are a boon for the firms that make the weapons and, as we noted in Chapter Eight, serve to offset research and development costs that the U.S. military otherwise would have to absorb entirely.

Trump’s withdrawal from the Trans-Pacific Partnership in the first week of his presidency matters less for the TPP itself, which was unlikely to be ratified by the U.S. Senate even if Hillary Clinton had become president, than as a signal to other nations that the U.S. no longer is willing to negotiate or even maintain treaties that open some American markets to foreign competitors in return for other nations’ participation in a global trade regime designed by the U.S. In essence, the U.S. government now appears before the world as seemingly unable to muster the domestic political consent to spend the resources needed to sustain its economic hegemony. Of course, the costs of that
hegemony have been borne, as we saw in Chapter Nine, by industrial workers rather than directly in the state budget. However, in the past, elites came together and were able to suppress popular resistance to enact a series of treaties and to empower international bodies that built and maintained, through decades of crises, the U.S.-led trade and financial system.

Even if Trump were to leave office tomorrow, the U.S. will remain the country whose electorate made a man like Trump president, and earlier elected and reelected George W. Bush. If voters didn’t learn (or only learned for two election cycles) the lessons of the Bush Administration, there is no guarantee that any lessons from the Trump years will have a lasting influence on U.S. politics. A future U.S. president could be just as, or even more (if that is possible), unstable and reactionary. Any rational government in the world (and almost all governments, at least those with substantial economies and militaries, are rational) now will try to reorder its affairs so that it is less dependent on the U.S. for military and diplomatic protection and for economic growth. German Chancellor Angela Merkel publically and explicitly made this point after her first official meeting with Trump in May 2017.

The reordering of global alliances is being manifested in concrete actions in the first months of the Trump Administration. The China-led Regional Comprehensive Economic Partnership is moving toward a final agreement in the wake of the demise of the TPP. This new agreement, like TPP, would do little to deepen and accelerate the already dense trade links among the signatories. Rather the RCEP would be the first step in moving China to a central position in the regulation of global trade and finance. At the same time, China’s huge investments in infrastructure in southeast and south Asia and in the Middle East through the “One Belt, One Road” scheme could lock in the economies and trade networks of countries through Eurasia with China, permanently disadvantaging the U.S. and impelling the EU to at least in part shift its focus from North America to China.

Trump’s withdrawal from the Paris climate accord in June 2017, joining only Syria and Nicaragua, has led other countries to reaffirm their commitment to the Paris process. Indeed, Trump’s ability to increase fossil fuel use in the U.S. remains dependent on favorable court decisions and will be countered by various states’ and cities’ increasing regulation of energy production and use.
It is, as yet, unclear if America’s withdrawal will lead other countries to pull back on or intensify their programs to cut CO2 emissions or if some countries will combine to impose transnational carbon taxes that would disadvantage U.S. exports, putting further pressure on the U.S. to return to the fold, albeit after ceding (thanks to Trump and the Republicans in Congress) diplomatic and technological leadership to China and the EU.

We examined at the end of Chapter Nine the reasons why China is unlikely to become globally hegemonic in the financial realm, despite its growing power and economic centrality in Eurasia. Giovanni Arrighi (2007) argued that the U.S., after the debacle in Iraq, was unlikely to confront China directly and instead would seek to build an alliance of Asian nations as a counterweight to China. The demise of the TPP undermines that option. The danger remains that the U.S. will stumble into a military encounter with China as it asserts the right to send military vessels and planes right up to China’s sea and air borders, or as it defends other Asian nations’ claims to parts of the South China Sea. More likely, those nations will resolve or muffle their geopolitical differences with China as part of their strategic move away from the now unpredictable and frightening U.S. government and as the importance of trade with China grows ever larger. In any case, the American generals who now largely run their nation’s foreign policy never were committed to Obama’s ‘Asian pivot,’ and instead focus their plans and weapons procurement on maintaining an abstract geostrategic ‘full spectrum dominance’ and on counterinsurgency in the Middle East and Africa. Neither objective would be advanced by an exchange of fire with China.

The U.S. in 2017, despite recent and forthcoming diplomatic reverses, remains in a far stronger geopolitical position than Britain held in 1914. Most of the strong military powers are American allies and neither Russia nor China has any plans to confront the U.S. or to attack smaller countries that would provoke the U.S. into war as Britain was by Germany’s invasion of Belgium. The realignment of trade and diplomacy in Asia, as we just discussed, largely eliminates the possibility of war between China and its neighbors. Neither the U.S. nor NATO regarded Russia’s intervention in Ukraine as a casus belli, and that assessment most likely will not change. Nor will Russia, whose army depends largely on volunteers and
professionals since it reduced the length of conscription to twelve months and broadened exemptions in 2008, risk fighting a war against a hostile populace backed by NATO in the Baltic nations. Thus, the U.S. has no fear of being drawn into a war with any nation that has a significant military.

The real risk the U.S. faces, like Britain in the second half of the nineteenth century, is of its interests in peripheral lands leading to escalating commitments of American forces. The Afghan and Iraq wars, which were greatly deescalated under Obama, became sites of reescalation toward the end of Obama’s second term and now the generals are asking a compliant Trump to authorize further troops supplements in those two countries and Syria as well.

Hendrik Spruyt (2005), in his study of British, French, Dutch and Portuguese decolonization after World War II, offers a useful template for understanding when imperial powers sustain their colonial presence and when they withdraw (albeit in many cases to sustain a degree of dominance through informal means). Spruyt finds that “the more fragmented the decision-making process in the core, the greater the resistance to change in territorial policy and decolonization” (p. 6). Multiple elites, especially if they commanded “veto points,” were able block majority preference for compromise with nationalists or secessionists in colonies. The elites with the potential to block decolonization were “business interests with direct investment in the contested territories and settler populations” (p. 8). Corporatist or autonomous militaries were veto players in authoritarian states, and militaries exercised that power because they could and did lose resources and prestige when colonies were surrendered. Thus, Britain, whose army was under civilian control and where executive and legislative power were united in a Parliament with two strong parties that alternated in power, decolonized more easily than the other European powers. That decision reflected the civilian government’s judgment about its resources and post-war geopolitical standing and British investors’ view that the best way to save their colonial assets was through concessions to moderate native forces.

The French Fourth Republic was divided among actors commanding numerous veto points, multiple parties in the National Assembly, and a weak president. Colonial military forces and settlers enjoyed strong enough autonomy to block
efforts to decolonize, leading to wars in Vietnam and Algeria. A similar situation in the Netherlands would have led to a prolonged war in Indonesia except that the U.S., seeking to bolster its anticolonial image, forced the Dutch, on pain of losing their Marshall Plan aid, to grant Indonesia independence.

The Portuguese military, settlers, and metropolitan business interests invested in the colonies all had reasons and enough power in the authoritarian state to ensure that Portugal would fight rather than grant independence. While those actors determined policy in Lisbon, they were unable to suppress the independence movements. Rising casualties in the colonies led to a decline in applicants to officer schools from the upper class families that had supplied all the high level officers in the Portuguese military. This opened access to lower class recruits and space for NCOs to be promoted up the ranks. The new, lower class officers became the core of opposition to the colonial wars, and the revolutionaries who overthrew the regime in 1974. Some top generals who saw the wars as lost and worried they’d be blamed for defeat joined the revolution. Spruyt concludes, “although the military may often be guided by narrow corporate interests, for example, in its choice of particular strategies that guarantee large budgets and military autonomy, ultimately armies need to win the war” (p. 196).

The U.S. is unlikely to pull back from its efforts to dominate peripheral countries for some of the reasons Spruyt identified in post-war Europe. Specific groups of capitalists hold investments in Latin America, Africa, Asia and the Middle East and unless and until they are bought out by, or wiped out in competition from, Chinese or European firms those capitalists will want the U.S. government to restrain local governments from endangering their assets and profit opportunities. Those investors have access to enough Members of Congress to block efforts to defund the military presence in those lands, and in any case the military retains its own interest in preserving the worldwide network of bases that gives it the capacity to project power throughout the globe and gives the ever increasing number of generals and admirals their own commands.

While defeat forced the French and Portuguese out of colonies they otherwise would have retained, the U.S. military has far more resources today than either France or Portugal had when they surrendered their colonies. Defeat
has not damaged American officers’ careers in the twenty-first century nor has it led to budget cuts, in contrast to the post-Vietnam War era. As we saw in Chapter Eight, the U.S. is unable to bend resistant lands to its will and so can control only those countries that want to remain under the U.S. security umbrella and those that are understandably scared by the destruction that the U.S. wrought in Afghanistan and Iraq and which it can inflict on other resistant nations.

We can expect future American wars only in peripheral lands unwilling to kowtow to American dictates and whose peoples are willing, like the Afghans and Iraqis and the Vietnamese before them, to mount armed resistance to the U.S. Those resistances will succeed when they are willing to endure death and destruction over a long enough time to allow them to inflict sufficient casualties on American troops that domestic American opposition forces a de-escalation (as in Iraq and Afghanistan) if not a full withdrawal (as in Vietnam). Each such war will further expose the limits of American military power, deepen the global view of the U.S. as an immoral force acting outside international law, and further reduce Americans’ tolerance for the deaths of their own citizens. However, the military’s growing autonomy ensures that such wars and lesser interventions will continue to be launched even as America’s geopolitical position declines.

It will be a long time before any other power or concert of powers can compel the U.S. to refrain from launching such wars. Nor can we look to domestic mass opposition to prevent wars. Domestic U.S. resistance in the past has been ineffective in preventing wars or in blocking the deployments of troops or the making of threats that precipitate wars. An end or even cutback to U.S. military ambitions would require a level of geopolitical consciousness and action among the mass of Americans equivalent to that of the Vietnam War. Even in the wake of the Afghan and Iraq wars there is no sign of such a movement.

American Democracy: Dead After a Long Illness or Murdered in Its Sleep?

Any possibility of reversing the long slide away from egalitarian social policies and class relations, which Donald Trump’s election as president now has accelerated and deepened, depends on an upsurge in electoral or non-electoral mobilization. As of now there is little
indication that either is occurring. What are the prospects for a reversal of American political quiescence?

In Chapter Seven we identified the structural changes and strategic factors that have blocked challenges from even a moderate left opposition. The restructuring of relations among capitalists increased the cohesiveness of business opposition to unions and social programs while allowing specific groups of capitalists to extract regulatory, tax, and budget favors that reduce governmental resources and capacities, further undermining the appearance and reality of the state’s ability to produce either legal equality or collective benefits for most Americans. These transformations allowed employers to decimate unions while, during the same decades, mass organizations with actual local chapters lost most of their members.

These structural changes have created incentives for politicians to shift their electoral stances and governing policies to the right, and Republicans have skillfully and cynically taken advantage of these opportunities. By winning control in 2010 of state legislatures, Republicans were able to gerrymander both Federal and state district lines. As a result, Democrats will need to win supermajorities to capture control of the House of Representatives and of the state legislatures that will redraw district lines again after 2020. The end of equal time rules for television and radio have allowed the emergence of overtly ideological TV networks like Fox and Sinclair and of rightwing radio ‘shock jocks’ like Rush Limbaugh and his many imitators. Such media have moved the Republican primary electorate to the right, resulting in the election of ever more intransigent Congressmen, and even when such candidates lose they make election campaigns increasingly harsh and vulgar. The vicious tone of rightwing candidates and media personalities combines with Republicans’ successful obstructionism under Democratic presidents to make politics repellent to ever more Americans, pushing down voter turnout, which thereby increases the fraction of voters who are motivated by religious fundamentalism and bigotry, and further reinforces the Republican drift to the right. Capitalists’ growing advantage in mobilizing campaign contributions and fielding lobbyists creates the appearance and reality of corruption in Washington and in state governments, further alienating and demoralizing voters.
The transformations of recent decades will deepen under Trump. The mild limits the Obama Administration imposed on mergers will be lifted by Trump. Judicial rulings and Trump appointees to the NLRB, as we noted above, will shatter more unions. Media concentration will deepen. In May 2017, Sinclair, a reactionary doppelganger to Fox, announced the purchase of the television stations owned by Tribune, creating the largest TV network in the US.

Republican political strategies, however, appear to be less effective under Trump than they were under Obama. Obstructionism is not rewarded when directed at a president and Congress of one’s own party. Trump’s vulgarity and his open flaunting of laws against self-dealing and contempt for the rule of law have provoked an unexpectedly broad resistance of as yet uncertain dimensions and duration.

The future intensity of opposition and the results of Congressional and state level elections in 2018 cannot be predicted, and I will not attempt such prognostication. Rather, what I can do is enumerate the obstacles facing such resistance. Opponents to the agenda that Trump and the Republicans are pursuing have virtually no organizations they can look to for resources or leadership. Unions are too weak now to serve that purpose and the Democratic Party itself is merely a ballot line. It no longer has a network of local parties with either paid or volunteer workers who can meet with potential voters, ensure that they are registered and bring them out on election days, tasks made more difficult by Republicans’ enactment of ever more onerous laws for proving voters’ identity. Mass media with few exceptions are either rightwing or adopt a supposed nonpartisan stance that legitimizes and regularizes extremist statements and policies.

Even before Trump took office, biased and shallow media already made it impossible for voters to know how well government programs are working. “Asked how the actual cost of the [Affordable Care Act] compares with estimates prior to enactment, roughly 40 percent admitted they had no idea. Another 40 percent thought costs were higher than predicted. Only 8 percent knew that costs were substantially lower than anticipated” (Hacker and Pierson 2016, p. 367). Similarly, voters think budget deficits increased under Obama when in fact they decreased. Voters way overestimate the portion of the Federal budget spent on foreign aid (in various surveys their average guess is 15-20%, when actually it is under 1%). Americans also
underestimate the fraction of the budget that goes to the military and overestimate what is spent on the poor. Voters’ preferences, when surveyed, are for substantially lower military and higher social spending as shares of the budget than was the case under Obama. Trump’s budgets will push the reality even further from public desires, but the lack of reporting on the actual situation makes it difficult for voters to make coherent demands on their elected officials or to translate their policy preferences into decisions on whom they should support in presidential and Congressional elections.

How will this ignorance be affected by the Trump Administration’s unprecedented dishonesty? While Trump will try to present himself as a success, his propaganda efforts will not spur more respect for government since he will frame his supposed achievements as the result of his unique deal-making skills and not as the outcome of government capacity. When the gap between his announcements and reality become glaringly obvious, confidence in government will be further undermined. The current and increasingly confrontational stance mainstream media take toward Trump is limited to calling out his lies, not to explaining how government or the economy actually operates.

Examples of research on voters’ knowledge of and preferences for Federal spending are: Lawrence (2010) and Gilens (2001).

The Indivisible Guide, https://www.indivisibleguide.com/guide/, written by former Democratic Congressional staff members, has been downloaded millions of times since it was posted in December 2016. It offers shrewd advice on how to effectively lobby and pressure Representatives and Senators, drawing on the Tea Party’s methods during their fight against Obamacare and on the staffers’ years of observations of how elected members of Congress react to criticisms at town hall meetings in their districts and states and to staffers’ reports of phone calls. An unknown number of Americans opposed to Trump and the Republican agenda have adopted the Guide’s advice, resulting in large hostile turnouts at town hall meetings and waves of phone calls to Congressional offices. The Guide has not been followed by the creation of any organizations that could prioritize issues for resistance. The level of protest, while more intense than any since the run-up to the Iraq invasion, remain subject to the varying interests and energies of a still diffuse opposition.
Disgust at Trump and rejection of his policies are unlikely to spur enduring consciousness and organization on the left. The legacy of opposition to Bush and the Iraq war was meager. We must acknowledge, and this is the strongest basis for hope, that previous mass movements, in the U.S. and elsewhere in the world, often emerged rapidly and unpredictably, creating organizations and communication media of their own. More likely, will be a repeat of 2006-08: The Republicans will be swept out of Congress and a Democratic elected president. Without a mass movement behind them, a new Democratic majority will be able to enact only piecemeal reforms and social programs that do not significantly challenge elites’ hold over resources and state powers. Such meager accomplishments, combined with relief at the departure of the loathsome Trump and his enablers, will lead voters and activists to lose the urgency and hopes that propel political action. In the absence of enduring organizations and ideologically committed media, it will be impossible to sustain involvement by all but a small minority of Americans whose personal, political or class identities and interests could make them recruits for new or revived unions and parties.

Elites to the Lifeboats

Surprising and ironically, even as elites’ command over politics and the economy becomes ever more secure and lucrative, more than a few of those privileged and powerful actors are coming to fear that they will not be safe living in the country they rule.

“Elite anxiety cuts across political lines. Even financiers who supported Trump for President, hoping that he would cut taxes and regulations, have been unnerved at the ways his insurgent campaign seems to have hastened a collapse of respect for established institutions. [A lobbyist turned hedge fund manager notes] ‘The media is under attack now. They wonder, Is the court system next? Do we go from ‘fake news’ to ‘fake evidence’? For people whose existence depends on enforceable contracts, this is life or death.’

“As public institutions deteriorate, élite anxiety has emerged as a gauge of our national predicament. [Another hedge fund manager, this one turned think tank director observes] ‘Why do people who are envied for being so powerful appear to be so afraid?...What does that really tell us about our
It’s a very odd thing. You’re basically seeing that the people who’ve been the best at reading the tea leaves—the ones with the most resources, because that’s how they made their money—are now the ones most preparing to pull the rip cord and jump out of the plane” (Osnos 2017).

Osnos and the hedge fund managers he quotes only speculate on the sources of this fear. We can expect, as the U.S. and the world becomes ever more oligarchic, more such articles and books as journalists and academics devote efforts to understanding the political and existential worldviews of the only social actors who matter in determining the futures of everyone else and of the planet on which we live. Nevertheless, even if the psychology of the ruling elites often is opaque, we can identify the material bases of their anxieties.

While Trump’s election and his appointments and policies are an unexpected boon to many at the top, the raw anger his campaign exposed and the open expression of socialist ideals by Bernie Sanders and his supporters revealed to elites the thick veins of resentment and despair that a genuine rightwing populist or a leftist in control of the Democratic Party could tap to mount a successful presidential campaign in the future. Such an outcome is, as I explained above, unlikely, but the rich have a long, worldwide history of reacting fearfully to even improbable threats from below.

There are genuine material bases for linking nationalism with anti-capitalism, even though Trump’s nationalism is grounded in racism and gave expression among his supporters mainly to bigotry. The U.S.’s perpetual trade deficit is having the effect of transferring capital assets into the hands of non-Americans. Combined with cross-border mergers, corporate inversions (the maneuver of relocating a corporation’s legal domicile to a lower-tax nation), and the move of American capitalists’ personal citizenship to other countries, ordinary American have increasingly real reasons for seeing wealthy foreigners (but not penniless immigrants) as the source of their powerlessness and economic immiseration. The rich already are removed in their daily lives from the experience of, and interactions with, their less fortunate fellow Americans. If they relocate to other continents they will appear even more alien to those left behind. Of course, extraordinary wealth depends, as we have documented in this
book, on political power. However, the rich are able to, and increasingly do, delegate the work of political influence to paid lobbyists. That can be done as well from New Zealand as from New York or Chicago.

What elites can’t accomplish from afar, and what they increasingly can’t even manage up close, is to override their particular interests and mobilize their power and resources behind policies that could sustain U.S. geopolitical or economic hegemony. Like their predecessors in the Netherlands and Britain, American elites are left to enjoy the loot they have pried from everyone else whether they remain in a country no longer at the center of the world or relocate to what they hope is a rising hegemon or to a safe restful corner of the world where they can bring their capital even though they will lack the political connections to realize super-profits. At home or abroad, those who profited from the era of American hegemony and from its decline will be able to insulate themselves from the consequences of their power and greed which will be increasingly manifest in political dysfunction, mass despair, domestic and global strife, and rising seas on a planet no longer able to accommodate billions of humans. The views, from their remote hilltops and guarded apartment towers, though not from bunkers, will be marvelous.