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## THE RETURN OF THE REPRESSED

**N**EOLIBERALISM ARRIVED with globalization or else globalization arrived with neoliberalism; that is how the Great Regression began.<sup>1</sup> In the 1970s, the capital of the rebuilt industrial nations started to work its way out of the national servitude in which it had been forced to spend the decades following 1945.<sup>2</sup> The time had come to take leave of the tight labour markets, stagnant productivity, falling profits and the increasingly ambitious demands of trade unions under a mature, state-administered capitalism. The road to the future, to a new expansion as is always close to the heart of capital, led outwards, to the still pleasantly unregulated world of a borderless global economy in which markets would no longer be locked into nation-states, but nation-states into markets.

The neoliberal about-face was presided over by a new goddess known as TINA—There Is No Alternative. The long list of her high priests and priestesses extends from Margaret Thatcher via Tony Blair down to Angela Merkel. Anyone who wished to serve TINA, to the accompaniment of the solemn chorus of the united economists of the world, had to recognize the escape of capital from its national cages as both inevitable and beneficial, and would have to commit themselves to help clear all obstacles from its path. Heathen practices such as controls on the movement of capital, state aid and others were to be tracked down and eradicated; no one must be allowed to escape from ‘global competition’ and sink back into the cushioned comfort of national protections of whatever kind. Free-trade agreements were to open up markets and protect them from state interference, global governance was to replace national governments, *protection* from commodification was to be

replaced by *enabling* commodification, and the welfare state was to give way to the competition state of a new era of capitalist rationalization.<sup>3</sup>

By the end of the 1980s at the latest, neoliberalism had become the *pensée unique* of both the centre left and the centre right. The old political controversies were regarded as obsolete. Attention now focused on the ‘reforms’ needed to increase national ‘competitiveness’, and these reforms were everywhere the same. They included more flexible labour markets, improved ‘incentives’ (positive at the upper end of the income distribution and negative at the bottom end), privatization and marketization both as weapons in the competition for location and cost reduction, and as a test of moral endurance. Distributional conflict was replaced by a technocratic search for the economically necessary and uniquely possible; institutions, policies and ways of life were all to be adapted to this end. It follows that all this was accompanied by the attrition of political parties—their retreat into the machinery of the state as ‘cartel parties’<sup>4</sup>—with falling membership and declining electoral participation, disproportionately so at the lower end of the social scale. Beginning in the 1980s this was accompanied by a meltdown of trade-union organization, together with a dramatic decline in strike activity worldwide—altogether, in other words, a demobilization along the broadest possible front of the entire post-war machinery of democratic participation and redistribution. It all took place slowly, but at an increasing pace and developing with growing confidence into the normal state of affairs.

As a process of institutional and political regression the neoliberal revolution inaugurated a new age of *post-factual politics*.<sup>5</sup> This had become necessary because neoliberal globalization was far from actually delivering the prosperity for all that it had promised.<sup>6</sup> The inflation of the

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<sup>1</sup> As will become even clearer below, concepts such as this one, which have become fixtures of the repertoire of political rhetoric, are being employed here against the grain. This essay is published with kind permission from Polity Press, and will appear in Heinrich Geiselberger, ed., *The Great Regression*, Cambridge 2017.

<sup>2</sup> Wolfgang Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism*, London and New York 2014.

<sup>3</sup> Wolfgang Streeck, ‘Industrielle Beziehungen in einer internationalisierten Wirtschaft’, in Ulrich Beck, ed., *Politik der Globalisierung*, Frankfurt am Main 1998, pp. 169–202.

<sup>4</sup> Peter Mair and Richard Katz, ‘Changing Models of Party Organization and Party Democracy: The Emergence of the Cartel Party’, *Party Politics*, vol. 1, no. 1, 1995.

<sup>5</sup> See note 1, above.

<sup>6</sup> On the following see Streeck, *Buying Time*.

1970s and the unemployment that accompanied its harsh elimination were followed by a rise in government debt in the 1980s and the restoration of public finances by 'reforms' of the welfare state in the 1990s. These in turn were followed, as compensation, by opening up generous opportunities for private households to access credit and get indebted. Simultaneously, growth rates declined, although or because inequality and aggregate debt kept increasing. Instead of *trickle-down* there was the most vulgar sort of *trickle-up*: growing income inequality between individuals, families, regions and, in the Eurozone, nations. The promised service economy and knowledge-based society turned out to be smaller than the industrial society that was fast disappearing; hence a constant expansion of the numbers of people who were no longer needed. This surplus population of a revived capitalism on the move looked helplessly and uncomprehendingly at the transformation of the tax state into a debt state and finally into a consolidation state, and at the financial crises and subsequent rescue programmes as a result of which they found themselves worse and worse off.<sup>7</sup> 'Global governance' didn't help, nor did the national democratic state that had become uncoupled from the capitalist economy for the sake of globalization. To make sure that this did not become a threat to the Brave New World of neoliberal capitalism, sophisticated methods were required to secure popular consent and disorganize would-be resisters. In fact, the techniques developed for this purpose initially proved impressively effective.

### *The 'post-factual' age*

Lies, even blatant lies, have always existed in politics. We need think only of Colin Powell's PowerPoint presentation to the United Nations Security Council, with his aerial photographs proving the existence of Iraqi weapons of mass destruction. As to Germany, one still remembers a defence minister, greatly revered up to this time as a social democrat of the old school, who claimed that the German troops sent into Afghanistan at the urging of the US were defending, 'at the Hindu Kush', the security of Germany. However, with the neoliberal revolution and the transition to 'post-democracy'<sup>8</sup> associated with it, a new sort of political deceit was born, the *expert lie*. It began with the Laffer Curve, which was used to prove scientifically that reductions in taxation lead to higher

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<sup>7</sup> Oliver Nachtwey, *Die Abstiegs-gesellschaft. Über das Aufbegehren in der regressiven Moderne*, Berlin 2016.

<sup>8</sup> Colin Crouch, *Post-Democracy*, Cambridge 2004.

tax receipts.<sup>9</sup> It was followed, *inter alia*, by the European Commission's 'Cecchini Report' (1988), which, as a reward for the 'completion of the internal market' planned for 1992, promised the citizens of Europe an increase in prosperity of the order of 5 per cent of the European Union's GDP, an average 6 per cent reduction in the price of consumer goods, as well as millions of new jobs and an improvement in public finances of 2.2 per cent of GDP. In the US, meanwhile, financial experts such as Bernanke, Greenspan and Summers agreed that the precautions taken by rational investors in their own interest and on their own account to stabilize ever 'freer' and ever more global financial markets were enough; government agencies had no need to take action to prevent the growth of bubbles, partly because they had now learned how to painlessly eliminate the consequences if bubbles were to burst.

At the same time, the 'narratives'<sup>10</sup> disseminated by mainstream parties, governments and PR specialists, and the decisions and non-decisions associated with them, became ever more absurd. The penetration of the machinery of government by previous and future Goldman Sachs managers continued apace, in recognition of their indispensable expertise, as if nothing had changed. After several years during which not a single one of the bank managers who had shared responsibility for the crash of 2008 had been brought to justice, Obama's attorney general Eric Holder returned to the New York law firm from which he had come, which specializes in representing financial companies under government investigation—and to a princely million-dollar salary. And Hillary Clinton, who together with her husband and daughter had amassed a fortune in the hundreds of millions in the sixteen years since leaving the White House—from Goldman Sachs speaking fees among other things, far above the earnings even of a Larry Summers—entered the election campaign as the self-designated representative of the 'hardworking

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<sup>9</sup> For the contribution of the economist Arthur B. Laffer to Reaganite taxation and government debt policies, see David Stockman, *The Triumph of Politics: Why the Reagan Revolution Failed*, New York 1986.

<sup>10</sup> This term has recently migrated from literary theory and psychology into politics, where it has made a meteoric career. No wonder. According to Wikipedia, a narrative is a 'meaningful story in which emotions are transported and which provides an orientation and conveys confidence'. This concept is especially popular nowadays with reference to 'Europe', where every time an election goes awry, self-appointed 'Europeans' call for 'a better narrative'.

middle class', a class that in reality had long since been reduced by capitalist progress to the status of a surplus population.

From the perspective of neoliberal internationalism, of course, which had developed the propagation of illusions into the fine art of democratic government, the post-factual age began as late as 2016, the year of the Brexit referendum and the smashing of Clintonism by Donald Trump.<sup>11</sup> Only with the collapse of post-democracy, and the end of mass patience with the 'narratives' of a globalization that in the US had benefited in its final years only the top 1 per cent, did the guardians of the dominant 'discourse' call for obligatory fact-checking. Only then did they regret the deficits experienced by those caught in the pincer grip of the global attention economy on the one hand and the cost-cutting in the education and training sector on the other. It is at that point that they began to call for 'eligibility tests' of various kinds as a prerequisite for citizens being allowed to exercise their right to vote.<sup>12</sup> The fact that the Great Unwashed, who for so long had helped promote the progress of capitalism by passing their time with the Twitter feeds of Kim Kardashian, Selena Gomez, Justin Bieber *e tutti quanti*, had now returned to the voting booth, was registered as a sign of an ominous regression. Moreover, distractions in the form of 'humanitarian interventions' or a reanimation of the East–West conflict, this time with Russia instead of the USSR and

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<sup>11</sup> On 15 November 2016, the editor of the Oxford Dictionaries announced that 'post-truth' had been nominated Word of the Year. This was followed immediately by the Society for the German Language, which declared 'post-factual' [*postfaktisch*] to be the German Word of the Year. 'Ever larger sections of the population' were said to be ready 'in their feelings of resentment towards "those up there" to ignore the facts and are even prepared to accept obvious lies. It is not the claim to truth, but the expression of a "felt truth" that brings success in the "post-factual age".' After decades of constructivist hegemony in the faculties of literature (see 'narrative!'), a sudden rediscovery of objective truth for the purpose of insulting non-academic fellow-citizens.

<sup>12</sup> The similarity to the literacy tests to which people with dark skins used to be subjected in the Southern states of the US is striking. On 29 November 2016, in an article in the *Frankfurter Allgemeine Zeitung*, Sandro Gaycken, 'Director of the Digital Society Institute'—which, according to its website, is 'a strategic research institute for digital topics of German companies'—wrote: 'We need a "gnosocracy". Whoever wants to vote must demonstrate political competence . . . to this end, every poll booth must be provided with a variable multiple-choice test, with simple questions from every sphere: external, internal, the environment, the economy, etc. Whoever passes the test may vote.'

over LGBTIQ rights instead of communism, seemed to have exhausted themselves. Truth and morality ceased to count, and in England a Tory politician, when asked why he was campaigning to leave the EU against the advice of ‘the experts’, brazenly replied: ‘People in this country have had enough of experts!’<sup>13</sup>

### *Moral high grounds and lowlands*

Characteristic of today’s zeitgeist is a new cultural divide that has struck the capitalist democracies without warning. Structurally, it has its roots in long-festering discontent with ‘globalization’, while simultaneously the number of ‘globalization losers’ has been steadily growing. The process reached a tipping point in the years following the financial crisis of 2008, when the quantity of discontent transformed into the quality of open protest. One of the reasons why this took so long was that those who had earlier spoken up on behalf of society’s losers had ended up joining the fan club of globalization, by the late 1990s at the latest. For a while, then, those experiencing globalization as a problem rather than a solution had no one to stand up for them.

The high phase of globalization sponsored the establishment of a cosmopolitan consciousness industry, which discerned opportunities for growth in turbocharging the expansionist drive of capitalist markets with the libertarian values of the social revolution of the 1960s and 70s and their utopian promise of human emancipation.<sup>14</sup> In the process, the technocratic *pensée unique* of neoliberalism became fused with the moral *juste milieu* of an internationalist discourse community. Its control over the airspace above the seminar desks established at the time serves today as an operations base in a cultural struggle of a special kind, one in which the moralization of a globally expanding capitalism goes hand in hand with the demoralization of those who find their interests damaged by it.

After decades of decline, voter participation in the Western democracies has recently begun to bounce back, especially among the lower classes.

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<sup>13</sup> Michael Gove, quoted in Henry Mance, ‘Britain Has Had Enough of Experts, Says Gove’, *Financial Times*, 3 June 2016.

<sup>14</sup> This is one facet of the way in which ‘1968’ was co-opted by a capitalism eager to adapt itself to an altered society, as described by Luc Boltanski and Eve Chiapello in *The New Spirit of Capitalism*, London and New York 2006.

The rediscovery of democracy as a political corrective, however, benefits exclusively new kinds of parties and movements whose appearance throws national political systems into disarray. The mainstream parties and their public-relations experts, which have long been closely associated with each other and with the machinery of the state, regard the new parties as a lethal threat to ‘democracy’ and fight them as such. The concept employed in this struggle, and rapidly included in the post-factual vocabulary, is that of ‘populism’, denoting left-wing and right-wing tendencies and organizations alike that reject the TINA logic of ‘responsible’ politics in a world of neoliberal globalization.

As a concept, ‘populism’ has a long history, one that goes back to the Progressive Era in the United States and to the likes of Robert M. La Follette (1855–1925; presidential candidate for the Progressive Party in 1924). Later on, populism was something of a neutral name for an ideology especially of Latin American political movements, which saw themselves as representing ‘the people’ in opposition to a self-selected and self-enriching ‘elite’.<sup>15</sup> In recent years, populism has been used by the parties and media of liberal internationalism all over the world as a general polemical term for the new opposition which is pressing for national alternatives to that internationalization declared to be without alternatives. The classical idea of populism is of a nation that constitutes itself in political conflicts as a united force to combat an elitist minority suppressing ‘ordinary people’. As such it could have either right-wing or left-wing connotations. This facilitates its appropriation by the globalizing faithful, because it enables them to avoid distinctions, so that Trump and Sanders, Farage and Corbyn, and in Germany, Petry and Wagenknecht can all be lumped together under the same heading.<sup>16</sup>

The fissure between those who describe others as ‘populists’ and the objects of their description is the dominant political fault line in the crisis-ridden societies of financial capitalism. The issue at stake is none other than the relationship between global capitalism and the state system. Nothing polarizes the capitalist societies of today more than the debates about the necessity and legitimacy of national politics. Here, interests and identities fuse and give rise to mutual hostility of a pitch

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<sup>15</sup> Ernesto Laclau, *On Populist Reason*, London and New York 2005; Chantal Mouffe, *Agonistics: Thinking the World Politically*, London and New York 2013.

<sup>16</sup> The ‘populists’ retaliate by describing all adherents to the globalist doctrine, regardless of their origins, as an indistinguishably uniform globalization ‘elite’.

such as we have not seen since the end of the Cold War. The resulting religious wars, which can at any moment escalate into moral annihilation campaigns, impinge on the deepest and most sensitive strata of social and individual identity, where decisions are taken about respect and contempt, inclusion and exclusion, recognition and excommunication.<sup>17</sup>

What is significant about the politics of internationalization is the conformity with which those described as ‘elites’, contemptuously by the ‘populists’ and approvingly by themselves, react to the new parties. ‘Populism’ is diagnosed in normal internationalist usage as a cognitive problem. Its supporters are supposed to be people who demand ‘simple solutions’ because they do not understand the necessarily complex solutions that are so indefatigably and successfully delivered by the tried and tested forces of internationalism; their representatives are cynics who promise ‘the people’ the ‘simple solutions’ they crave, even though they know that there are no alternatives to the complex solutions of the technocrats. In this way, the emergence of the new parties can be explained as a Great Regression on the part of the Little People, manifesting itself as a lack both of education and of respect for the educated. This can be accompanied by ‘discourses’ about the desirability of abolishing referendums or handing political decisions over to unpolitical experts and authorities.

At the level of everyday life, this leads to the moral and cultural exclusion of anti-globalization parties and their supporters. The declaration of their cognitive immaturity is followed by moral denunciation of their calls for a national politics providing a bulwark against the risks and side effects of internationalization. The relevant battle cry, which is to mobilize painful memories of racism and war, is ‘ethno-nationalism’. ‘Ethno-nationalists’ are not up to dealing with the challenges of globalization, neither the economic ones—‘global competition’—nor the moral ones. Their ‘fears and concerns’, as the official phrase puts it, ‘are to be

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<sup>17</sup> The international dimension of this conflict is interesting. The Internationalist International warns against the Nationalist International, which it wants to see combated by all in the name of democracy—and the same is true vice-versa. Occasionally, we hear talk of an ‘authoritarian’ International to be fought by the (neo-)liberal International in both domestic and foreign policy. (In this way nationalism and authoritarianism are equated.) The leaders of the European parties deemed populist, along with Trump and the emerging dictator in Turkey, do often speak positively about Russia, probably to escape entanglement in internationalist alliances for globalization.

taken seriously', but only in the mode of social work. Protests against material and moral degradation are suspected of being essentially fascist, especially now that the former advocates of the plebeian classes have switched to the globalization party, so that if their former clients wish to complain about the pressures of capitalist modernization, the only language at their disposal is the pre-political, untreated linguistic raw material of everyday experiences of deprivation, economic or cultural. This results in constant breaches of the rules of civilized public speech, which in turn can trigger indignation at the top and mobilization at the bottom. In response, losers and refusers of internationalization try to elude moral censure by exiting from public media and entering the 'social media'. In this way they can make use of the most globalized of all infrastructures to build up their own separatist communication circles in which they need not fear being reprimanded for being culturally and morally backward.<sup>18</sup>

### *Cut off*

Among the astonishing events of 2016 we must include the way in which Brexit and Trump surprised not just the liberal public but also their social sciences. Nothing documents better the divisions in the globalized societies of neoliberalism than the bafflement of their power and discourse elites at the return of the repressed, whose political apathy they had felt entitled to interpret as insightful resignation. Even the 'excellent' and correspondingly well-endowed universities of the East and West coasts of America had failed to serve as early warning systems. Evidently, little could be gleaned any more about the condition of the destabilized crisis societies of the present from opinion surveys conducted via twenty-minute telephone interviews. There seems to be a steady increase in the number of people who regard social scientists as spies from a foreign power who have to be avoided or, should that be impossible, whose disapproval one avoids by giving them the answers one believes are expected. In this way, the illusions of the 'elites' about the condition of their societies were pathologically confirmed. Only very few social scientists nowadays seem to be able to understand what lies beneath them; those who had read such books as Robert Putnam's *Our Kids: The American Dream in Crisis* could not have been surprised by Trump's victory.<sup>19</sup>

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<sup>18</sup> In Germany, the Alternative für Deutschland has more Facebook followers than any other party.

<sup>19</sup> Robert Putnam, *Our Kids: The American Dream in Crisis*, New York 2015.

It will be a long time before the globally bourgeoisified left understands the events of 2016. In Great Britain, the surviving Blair supporters in the Labour Party believed they could persuade their traditional voters to remain in the EU with a lengthy catalogue of the economic benefits of membership, without taking the uneven distribution of those benefits into account. It did not occur to a liberal public cut off from the everyday experience of the groups and regions in decline that the electorate might have wanted the government they had installed to show greater interest in their concerns than in international agreements and global capital markets. And there were plenty of voters who simply did not understand that international solidarity among workers in the twenty-first century meant that it was their duty to open up their own job to unrestrained global competition.

### *Interregnum*

What are we to expect now? Trump's demolition of the Clinton machine, Brexit and the failure of Hollande and Renzi—all in the same year—mark a new phase in the crisis of the capitalist state system as transformed by neoliberalism. To describe this phase I have proposed Antonio Gramsci's term 'interregnum',<sup>20</sup> a period of uncertain duration in which an old order is dying but a new one cannot yet be born. The old order that was destroyed by the onslaught of the populist barbarians in 2016 was the state system of global capitalism. Its governments had neutralized their national democracies in post-democratic fashion so as not to lose touch with the global expansion of capital, putting off demands for democratic and egalitarian interventions in capitalist markets by conjuring up a global democracy of the future. What the still to be created new order will look like is uncertain, as is to be expected of an interregnum. Until it comes into being, according to Gramsci, we have to accept that 'a great variety of morbid symptoms will appear'.

An interregnum in Gramsci's sense is a period of tremendous insecurity in which the accustomed chains of cause and effect are no longer in force, and unexpected, dangerous and grotesquely abnormal events may occur at any moment. This is in part because disparate lines of development run unreconciled, parallel to one another, resulting in unstable

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<sup>20</sup> Wolfgang Streeck, *How Will Capitalism End?*, London and New York 2016, pp. 35–46.

configurations of many kinds, and chains of *surprising events* take the place of predictable *structures*. Among the causes of the new unpredictability is the fact that, following the populist revolution, the political classes of neoliberal capitalism are forced to listen rather more closely to their national populations. After decades in which national democracies were hung out to dry in favour of institutions that promoted globalization, they are now coming back into their own as channels for the articulation of discontent. The times are now past for the planned demolition of lines of national defence in the face of the rationalizing pressure of international markets. Trump's victory means that it is highly unlikely that there will be any second referendum in Great Britain on the EU model according to which referendums are repeated until the people produce the right answer. A newly composed electorate will no more go along with supposed economic necessities than it will acquiesce to claims that border controls are technically impossible. Parties that have relied on *responsibility* will have to relearn what *responsiveness* means<sup>21</sup> or else they will have to give way to other parties.

The noteworthy 'One Nation' rhetoric of the new British prime minister shows that this has not escaped the attention of at least part of the political class. As early as her speech on 11 July 2016, launching her prime ministerial campaign, May called for changes that had not been mooted since the 1980s, not even by the Labour Party leadership: war on inequality, fairer taxation of higher incomes, a better education system, workers on company boards, protection for British jobs against offshoring, and all that together with limits on immigration. The fact that the vote for Britain's exit from the EU has reminded British politicians that their first responsibility is to their electorate is also evident in May's speech in November 2016 to the Confederation of British Industry, in which she explained the result of the referendum in terms of people's 'wish for a stronger, fairer country'.

May's neo-protectionist programme poses awkward questions for the social-democratic left. Trump, too, if he tried to make good on his industrial and fiscal policy promises, might become a problem for the left, and in fact the canny Bernie Sanders had already offered him support, both for the rehabilitation of the old industrial regions that continued to

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<sup>21</sup> Peter Mair, 'Representative versus Responsible Governments', MPIFG Working Paper, No. 09/8, September 2009.

decay during the eight Obama years, and for a 'Keynesian' programme to rebuild the nation's infrastructure. The increase in debt this would require, especially if the promised tax cuts are implemented, would fit the neo-Keynesian recipes that have long been favoured by politicians and economists of the moderate left ('end of austerity'). Given the resistance of the remnants of the Tea Party, these are measures that could be passed by Congress only with Democratic assistance. The same would hold for the use of 'helicopter money', another measure at one time contemplated by Trump, which would require in addition the cooperation of the Federal Reserve.

To be sure, even a post-globalist, neo-protectionist policy of the kind envisaged by Trump and May would be unable to guarantee stable growth, more and better quality employment, a deleveraging of public and private debt, or trust in the dollar and the euro. The financialized crisis capitalism of the present is no more governable nationally from below than internationally from above. It hangs by the silken thread of an 'unconventional' monetary policy, which is attempting to create something like growth by negative interest rates and an adventurous expansion of the money supply, engineered through 'quantitative easing'—the purchase of bonds by the central banks. The neoliberal structural reforms considered by 'experts' to be the indispensable complement to this have been foiled, in the countries where they actually might be of some use, by popular resistance to the 'globalization' of their ways of life. At the same time, economic inequality is on the rise partly because trade unions and states have lost their power or ceded it to the global markets. The utter destruction of national institutions capable of economic redistribution, and the resultant reliance on monetary and central-bank policy as the economic policy of last resort, have made capitalism ungovernable, whether by 'populist' or technocratic methods.

Domestic conflicts are also foreseeable where cultural symbols are concerned. Will enhanced 'populist' appreciation of the natives require a devaluation of immigrants in the broadest sense? And can the left succeed in paying a credible cultural tribute to those lately woken from their apathy? Too many angry words have been exchanged, quite apart from the fact that any reconciliation might well alienate the left's bourgeoisified supporters in the cosmopolitan new middle class. And in the event of economic setbacks, Trump, May and others could be tempted to deflect criticism by launching more or less subtle campaigns against ethnic

and other minorities. Rebellions of the decent as well as the indecent would be the consequence. On the international plane, matters might be less dramatic, at least initially. Unlike Obama, Blair and Clinton, as well as Sarkozy, Hollande, Cameron and perhaps even Merkel, the 'last defender of the liberal West',<sup>22</sup> the new national protectionists have no great human-rights ambitions, whether in China and Russia or, so far as one can tell, in Africa or the Middle East. Anyone in favour of humanitarian intervention in the broadest sense may well lament this. Russian intolerance towards performance artists such as Pussy Riot is unlikely to trigger missionary reflexes in the inward-turned governments of the period after Trump's election victory. In the United States, Victoria Nuland ('Fuck the EU') was not made Secretary of State after all, and the Human Rights faction of the State Department have now returned to their university teaching posts. Plans to draw Ukraine into the EU and NATO, and thereby deprive the Russians of their Black Sea port, are now off the table, as are any 'regime change' projects in countries such as Syria. US attempts to enlist Russia for a new Cold War may likewise have evaporated. Of course, China could conceivably take Russia's place, since President Trump will have to persuade it to abandon some market share in the US while continuing to buy and hold US Treasury bills.

In the under-structured context of the nascent interregnum with its dysfunctional institutions and chaotic causal chains, the 'populists' will be an additional source of uncertainty as they make inroads into the machinery of the state. The onset of the interregnum appears as a Bonapartist moment: everything is possible, but nothing has consequences, least of all the intended ones, because in the neoliberal revolution society has reverted to the condition of 'a sack of potatoes'.<sup>23</sup> The new protectionists will not put an end to the crisis of capitalism; but they will bring politics back into play, and remind it of the middle and lower strata of the population that have been the losers from globalization. The left too, or what has become of it, has no idea how the ungovernable capitalism of the present can make the transition to a better ordered, less endangered and less dangerous future—see Hollande, Renzi, Clinton, Gabriel. But if it

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<sup>22</sup> Alison Smale and Steven Erlanger, 'As Obama Exits World Stage, Angela Merkel May Be the Liberal West's Last Defender', *New York Times*, 12 November 2016.

<sup>23</sup> 'Thus the great mass of the French nation is formed by the simple addition of isomorphous magnitudes, much as potatoes in a sack form a sack of potatoes.' Karl Marx, 'The Eighteenth Brumaire of Louis Bonaparte', in *Surveys from Exile*, London 1973, p. 239.

has any wish again to play a part in this, it must learn the lessons of the failure of 'global governance' and the ersatz politics of identity. Among these lessons are: that the outcasts of the self-appointed 'knowledge society' must not be abandoned for aesthetic reasons to their fate and, hence, to the right; that cosmopolitanism at the expense of 'the little people' cannot be enforced in the long run even with neoliberal means of coercion; and that the national state can be opened up only *with* its citizens and not *against* them. Applying this to Europe, this means that whoever wants too much integration will reap only conflict and end up with less integration. The cosmopolitan identitarianism of the leaders of the neoliberal age, originating as it did in part from left-wing universalism, calls forth by way of reaction a national identitarianism, while anti-national re-education from above produces an anti-elitist nationalism from below. Whoever puts a society under economic or moral pressure to the point of dissolution reaps resistance from its traditionalists. Today this is because all those who see themselves as exposed to the uncertainties of international markets, control of which has been promised but never delivered, will prefer a bird in their hand to two in the bush: they will choose the reality of national democracy, imperfect as it may be, over the fantasy of a democratic global society.

*Translated by Rodney Livingstone*