

THE RISE OF AMERICA'S POPULIST PROGRESSIVISM

And you thought Barack Obama
was a left-wing President

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She is the rising star of the left, who attracts rock-star receptions at standing-room-only campaign rallies across the United States. She gives fiery sermons for economic populism and social progressivism. She blasts banks and big business,

and the Washington politicians who are in cahoots with them. She highlights the sluggish job market and the widening gulf between the wealthy and working class in Obama's America. And she opposes measures to cut costs to runaway spending programs, even if they contribute to huge budget deficits as far as the eye can see.

Meet Elizabeth Warren, the first-term Democratic senator for Massachusetts (Teddy Kennedy's old seat), who represents the hopes and dreams of a new generation of liberal activists who have grown disenchanted with Barack Obama.

The 65-year-old former Harvard professor has repeatedly said she will not run for the White House in 2016.

But her energetic supporters believe she is the candidate who could stop Hillary Clinton from claiming the Democratic nomination. Failing that, they want to use Warren—or any one of a new crop of partisan liberals, such as New York Mayor Bill de Blasio, New York Senator Kirsten Gillibrand or Maryland Governor Martin O'Malley—to move the party and country to the

political and ideological left.

For today's Democrats, Clintonian 'triangulation' and the 'Third Way' are out. Full-throated appeals to liberalism are back. From increasing taxes to toughening regulations on Wall Street, liberal activists want to party like it's 1969.

The new interventionist mood among Democrats may challenge

the idea that America is *The Right Nation* (the title of a 2004 award-winning book by John Micklethwait and Adrian Wooldridge of *The Economist*). It also causes a headache for Hillary Clinton, who is trying to combat the growing criticism from the left about her husband's broadly market-driven economic policies from 1993 to 2001.





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cus of an ideological realignment.

Indeed, Warren and her brand of populist liberals are lurching so far to the left that the President is viewed as weak and even a centrist. This might sound odd given that Obama himself has always aimed to be a consequential figure. During the Democratic primaries in 2008, he praised Ronald Reagan as a 'transformational president' in a way that Bill Clinton and Richard Nixon were not. The Gipper, Obama said, 'put [America] on a fundamentally different path because the country was ready for it'. With two years left in the White House, it is clear that the 'transformation' Obama himself has envisaged is a return to the pre-Reagan era of government expansion and left-liberal ascendancy.

After all, his administration passed a near \$1 trillion stimulus, the largest spending bill in US history, which included the vast expansion of domestic spending and eventually the first income tax increase in nearly two decades. They also introduced a national healthcare program, which has begun one of the most massive wealth redistributions in American history. They've increased environmental regulations and introduced major financial reform, which has led to unprecedented government power in the financial marketplace. And so on.

In American terms, as many leading conservatives such as Charles Krauthammer and Thomas Sowell have conceded, Obama's agenda has amounted to the most radical

ideological change in generations.

And yet no modern presidency has been worse for average Americans. According to the *Wall Street Journal*, median household income is still 4.4 per cent lower than when the recession ended in mid-2009, and the result of trying to reduce inequality instead of increasing growth has been more inequality and less growth.

That might explain why Warren and her fellow populists want to move America in a more liberal and interventionist direction. In her book *A Fighting Chance*, economic inequality is the result of the accumulation of vast wealth that fails to 'trickle down' from on high. To fix the problem, she argues, Washington needs to tax the '1 per cent' and close corporate loopholes, use the new revenues to subsidise the needs of the poor and middle class, increase benefits for seniors, relieve the burden of student debt, increase the safety net, and raise the minimum wage. In other words: a massive expansion in the size and scope of the federal government.

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What then does the rise of Elizabeth Warren and her populist message mean?

For one thing, it highlights the increasing polarisation of the American political landscape. We all know that the Tea Party has moved the centre-right Republican party in a more free-market-oriented direction. Meanwhile, Democrats are clearly becoming more liberal. According to the widely respected Pew Research Centre's values survey, Democrats are far more supportive of an activist



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government and more in favour of increased regulation of business.

The surveys, according to Pew's founding director Andrew Kohut, also show that liberals are becoming more cynical about achievement. Most don't agree with the statement that 'people can get ahead if they work hard' and relatively few fully agree that they admire people who have become rich through hard work. Add to this that liberals increasingly dominate Democratic primaries at both the congressional and presidential levels, that they place less emphasis on deficit reduction and more emphasis on more economic and environmental regulation, and you can see how the 'let-government-solve-it' mantra is making the Democrats into a more polarising and partisan force in Washington.

Which brings me to a second consequence of Warren's rise: the U.S. may be entering a new era of social liberalism and massive government expansion. We already know Obama's America has become a more progressive place.

Take social issues. As recently as 2010, Obama opposed gay marriage. In 2012 he changed his mind and

his U-turn did not hurt his political prospects one jot. In November, voters adopted a same-sex marriage initiative in as many as four states. This was after 32 defeats at the ballot box. Meanwhile, the so-called 'millennials'—those aged between 18 and 29—are far more progressive on drug reform, gun control, abortion rights, and same-sex issues than their parents. They also take a broadly non-interventionist view on world affairs, although, as the rise of Tea Partier Rand Paul shows, it is increasingly misleading to apply ideological litmus tests to foreign policy issues.

The distinguished historian Arthur Schlesinger Jr. once observed that American history tends to be in distinct and predictable cycles: decades of conservative governance alternating with decades of progressive reform.

As the rise of Elizabeth Warren shows, we may be on the cusp of a new liberal era of government activism. Certainly, after six disappointing years of Obama, many Democrats yearn to dream again.

Whether most Americans want to pay for those dreams is another question. **R**

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According to the prevailing wisdom in liberal circles, Bill Clinton's agenda—welfare reform, free-trade agreements (such as NAFTA), lax financial regulations (such as repealing Glass-Steagall Act, which removed barriers in investment and commercial banking)—contributed to the 2008 financial crisis and the economic malaise that accompanied it. Never mind that the Wall Street crash came courtesy of inappropriate government interventions, as well as the bursting of asset-price bubbles.

Even though Warren and Clinton are almost the same age (65 and 66, respectively), they represent two different Democrat perspectives and generations. 'Hillary is a post-Reagan liberal,' argues the columnist and

former Reagan speechwriter Peggy Noonan. 'Her generation of liberalism was defined by a reckoning with and accommodation to popular modern conservatism.' Warren, however, 'is a post-crash progressive,' says Noonan: 'She came to politics during and after the financial crisis of 2008, and her political message was shaped by it.' That may mean Warren is fresher, relevant—more 'with it'—than Clinton.

For now, though, the organisational muscle and fundraising prowess of the so-called Clinton machine mean Hillary remains the overwhelming favourite to win the Democratic nomination. But the point here is that Warren's populist pitch also indicates that the party is moving in a more liberal and left-wing direction—which suggests that the US itself could be on the

