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Is liberalism under siege? What does Donald Trump's presidency mean for ideological battles emerging across the globe? Battles between progressive values and liberalism, between solidarity and nationalism, between democracy and autocracy. Up next on *Trending Globally*.

From Brown University's Watson Institute for International and Public Affairs, this is *Trending Globally*. I'm Sarah Baldwin.

With the inauguration of Donald Trump as America's 45th president just around the corner, Ed Steinfeld, director of the Watson Institute, is joined by political scientist Margaret Weir and political economist Mark Blyth to explore why so many people from the United States, to Europe, to Asia are rejecting liberalism, globalization, and multiculturalism.

Ever since the Brexit vote and the Trump vote, all kinds of people, all kinds of scholars, have been talking about the demise of liberalism. It's not exactly a new topic. People have been talking about the demise of the traditional liberal order for years now. And so what I am curious to find out from you all is, what is the traditional liberal order? What's meant by that?

That's a really great question. I'll tell you by way of anecdote. So about 15 years ago, I was at the American Political Science Association's Annual Bore Fest-- I mean, Conference.

And there's a guy called John Ikenberry, and John's a big IR scholar. And John's one of the big liberal theorists. And he's written extensively about this, the liberal international order that was set up by the US Bretton Woods, post-Bretton Woods. It's about free trade. It's about democracy, integrated markets, etc.

And I was sitting next to a British scholar who I hadn't met before. And as John was talking, he was growing more and more agitated. And I said to him, what's the deal? And he goes, this is incredible. I've never heard anything like this.

And to me, of course, as a naturalized American scholar, I was like, what's wrong? That's how we think about the world. He said, this is nothing but a justification of American behavior before, during, and after the Cold War. And when I thought about it for a minute, yeah, I can see exactly how it looks that way.

The thing about liberal orders are, to the people inside of them, who accept the rules, they are the most natural thing in the world. Liberalism's great trick has been to naturalize utilize very, very difficult political contests and turn them into technocratic rules, objects of market, rather than political contestation. And that's been the great liberal

trick, is to make it seem incredibly normal to make it look like that's the only game in town.

And what's happening now is it's not just that British guy. Lots of people are saying, hang on a minute. This is a bit of a trick, isn't it.

But traditional liberalism goes back to the 18th century, the 17th century even. So of course, there's an international sense of a liberal order. But there's a domestic side of that liberal order. So what does that mean? What's the tradition?

I think traditionally, it has been associated with democracy, and it has been associated with the move to more freedoms and more widely spread economic welfare. And I think that's what's changing right now. And perhaps this isn't the case in Europe, and I'd be curious to hear what my colleague has to say.

But in the United States, what strikes me is that we're in a period where not only are the rules of the world order and free trade, etc., up for grabs. But we're also in an era, particularly in the United States, where open democracy, the move towards greater participation is being challenged through vote suppression. And we're also I think on the verge of eliminating many of the key social protections that people became accustomed to in the 20th century.

Margaret, the reason why I'm asking is that, in my limited understanding, the liberal order is all about rights and liberties and a limited state, and the idea of the yeoman farmer, and maybe the small entrepreneur-- and it's Herbert Hoover. And that order died long ago, arguably, and was replaced by progressive politics. No?

I don't know that it was replaced by progressive politics. It was replaced by social protections that the majority of people supported, and continue to support. I don't know if those are progressive, or those are just the result of a state responding to the needs that people legitimately have, and the kinds of securities that are widely supported, that a rich society can provide for its people.

Do you think that the anger that we seem to feel with the Brexit vote or the Trump vote, is it anger about the evaporation of rights, intrusion into people's lives of the state? Or is it anger about the erosion of things that the state provides, like social welfare and guarantees and a safety net security?

Well, I think it's anger about what the economy no longer provides. That it no longer provides good jobs. And that's partly related to the erosion, in the United States, of state protections for organized labor. It's partly related to trade rules that were passed in 1992, NAFTA, with very little thought about what impact it would have on people in the areas that depended on manufacturing.

And here, I think the point about liberalism being a technocratic world order makes a lot of sense. That

technocrats, economists said this will lead to the greatest good for the greatest number of people. And it was a very abstract kind of argument about the greatest good that left very specific people in very particular places without the lives they had once known.

Mark, you raised the issue of technocracy. Liberalism seems to be about the individual against the state, and even the individual against the other individual. And technocracy seems to play into that. It's about individual experts running the show. None of that kind of discourse says anything about solidarity.

The Brexit discourse I think says something about solidarity. The Trump discourse as something about solidarity. Populism says something about solidarity. So where did solidarity go? And is there a more benevolent kind of solidarity beside the type that's being handed out to people now as an option?

Well, let's pick up on where Margaret left off. So the notion of what economists did with free trade in the '80s and the '90s. This begins with the notion of the abstract individual who wants to maximize their welfare, and they do this with the consumption of various goods and international comparative advantage means that we should ship jobs here, because then you'll get your stuff cheaper etc., etc., all of which is true. And again, as Margaret said, this leads to massive redistributive effects. And basically, this is part of why the 1% is the 1%, and everybody else isn't.

Now, where did solidarity go in this? There's no solidarity in that to begin with, none. This is basically individuals, in an abstract sense, in some kind of global market doing stuff.

So solidarity has always been bound by the nation. Democracy has always been bound by the nation. These are inherently national institutions. And that doesn't mean that the nationalist.

But if those protections are eroded, then a national or nationalist reaction is incredibly easy to find. Because it's very easy to say who are these others? Who are the ones who are threatening us? Either they're taking our jobs or they're threatening our culture or they're invading our schools, or whatever it happens to be.

So to go back to an earlier comment that you raised, is that the question of rights being eroded or is it the question of benefits being taken away? Well, in Europe, you see both. And actually here in the United States, with Bernie Sanders, we saw both. Because there are people who think that their fundamental liberal rights to non-interference by the government are being encroached upon, and you could call that a right reaction.

You can see a reaction which is part of the Trump coalition, which is a claim to the American economy and the protection of the American worker, which is very much a nationalist reaction. But you can also see throughout Europe, in particular Podemos, Syriza, the Corbyn Labour Party, a nationalist reaction, which is deeply suspicious

of international trade and international entanglements, the euro, etc., that also wants to protect the nation. They just have a very different definition of who's in and who's out of the nation. So solidarity rises and falls with democratic control of the economy. And once you cede this to international forces and abstract individuals, you get that kind of cosmopolitanism, which doesn't sit well at all, unless you happen to be a member of the cosmopolitan elite.

Let me say something about solidarity in the American context. It is a much more troubled notion in the American context because of our racial history. I think the concept of solidarity is not one that sits easily in American discourse. And when we talk about solidarity, it often takes on racial connotations in the United States. So in the United States, when you get this reaction against internationalism, it also leans against the movement that we've made on racial inclusion over the last 50 or 60 years, or expansion of rights to African-Americans, and leads to a solidarity that is racially defined. Very, very dangerous, backward-looking kind of solidarity in the American context.

So for the solidarity that arguably existed in the New Deal era, was that possible only because there wasn't real racial inclusion in New Deal programs?

Yes, it was possible, only because there wasn't real racial inclusion. Because otherwise, Southern Democrats would have blocked the New Deal. As it was, the New Deal was inherently flawed and inherently limited, because African-Americans didn't benefit from those programs initially. And it took many decades of fighting to have those programs become more inclusionary.

We've talked a little bit about, to some extent, phenomena at the aggregate level and abstractions, international trade and deals, and even the New Deal at the national level. But so much of citizens' lives, I would think, is happening at the local level. The way they interact with the state is happening at the local level, the kind of public goods they access. So Margaret, what does the public goods access situation look like today in American cities? How's it involved?

I think the main thing, if you look at American metropolitan areas, is that they're fragmented by race and they're fragmented by income. So what public goods you get in American metropolitan areas very much depends on where you live. So if you live in a white suburban area, your public goods are likely to be geared towards what you need and want. So you may have good parks and good schools.

But many of our key public goods that are provided locally, especially schools, are things that are bought. And they're bought by buying a house in an expensive neighborhood. That's how you get good public schooling in the United States.

In big cities, I would say it's a bright spot in a number of prosperous cities. Or I guess I would say that it's a mixed story, that some cities are doing very well if they're prosperous. Like New York City, you see gentrification, you see some ability to spread out public goods. But at the same time, you see people being pushed out if they don't have enough income.

So cities like San Francisco, New York, Boston, so expensive, housing so expensive, housing policy so weak, that you get more and more low-income people living on the periphery that have not, frankly, developed the institutions or the supports that low-income people need. They don't have the transportation to get to the jobs. Some people have called this demographic inversion of the old model, where low-income people are now living on the outskirts.

But at the same time, you have cities that have imploded, with Detroit being number one. But a number of smaller cities are also having imploded. Erie, Pennsylvania, a small industrial city, has been talking about eliminating its school system, and sending people out to the suburbs because it can no longer afford to keep its school system. So I think at the local level, the supply of public goods is extremely variable. And where low-income people live, the supply of public goods is increasingly not available to them, because they can't afford to live there anymore, or it is declining in really dramatic ways.

Why do people put up with this? We're talking about a democracy. And whether it's the sort of problems you talked about, Mark, or the sort of local problems-- the lack of access to public goods, maybe inequity in how those goods are distributed for decades, people seem to put up with this.

Maybe they wanted it and voted accordingly? Or maybe they just accepted it and voted accordingly, or maybe they weren't being provided choices of alternatives. But why does this persist in a democracy?

Well, part of this-- and again, this is global, rather than just to the US. Beginning in the 1980s, when you have this big regime change, away from promoting full employment and controlling the flow of capital and opening up to capital, globalizing production architectures, all this sort of stuff, politics on the domestic level changes. You professionalize politics. It becomes much more expensive to run campaigns everywhere. It becomes much more presidential, even in parliamentary systems. And essentially, if you lose two elections, and you're a big political party, you start to go out of business.

So in the 1980s, left-wing parties, particularly in Europe, basically gave up on the full employment agenda, and went with the neoliberal consensus that it's your fault and it's your skills, and you need to upskill. We'll do skills, we'll do some rights. And then after that, it's just desserts.

And in terms of policy, they gave up producing a lot of public goods. So for example, trade policy gets you into trouble. Everybody signs up the WTO monetary policy. That's difficult. We'll just give that to an independent

central bank.

Labor market policy, we don't have one, other than flexibility. Education, that's a tough one. We do believe in skills. We will spend some money on that. But then, it's a zip code lottery, where you live, or a postcode lottery as they call it in Britain.

Health care, we're all getting older, that's really expensive. We need to cut back on that. Private sector alternatives wherever possible. Same with education.

So what you find is that politics everywhere has become much more marketized. And those people who did well over the past 30 years, the top 20%, of the income distribution, do have private sector alternatives and have used them. And this is true everywhere.

Now, when it was the bottom 20%, and only the bottom 20%, who never got anything in the first place and only ever did well when weird things happened, like the first Bush presidency or the post-JFK years, when the preferences of the top 20% and the bottom 20% coincided, then you didn't care because they didn't vote. But then that kind of deprivation of quality public goods and access begins to creep up the income distribution, so that the middle class, their incomes are stagnant. They take on more private debt to cover those things.

But then, there's only so much debt you can take on when your wages aren't rising. So now we've got to a stress point where it stretches right across the middle classes to the top of the middle income distribution, which is \$120,000, where people feel completely stressed out financially. And in terms of their employment prospects, their sense of control over their work, because of technological changes.

All of these forces have converged, and our political parties gave up the ghost and trying to actually talk about, articulate, and do anything about these changes 20 to 25 years ago. My evidence for this, in closing, is just look at Clinton's campaign. Clinton's campaign was essentially--

[INTERPOSING VOICES]

Hillary. He's a really bad man. That was it. And once that message stopped, there was nothing.

If you went on the website, what you found was an alphabetical list of policies. There was no sense of priority that went from Alzheimer's to campus rape, all the way down the bottom. It was it was like liberal Mad Lib.

Now, what exactly is the message? What exactly is the plan? How do you address these concerns? How do you make up for that gap in the production of serious public policies? There nothing there.

I think there's something particular in the United States about public goods, which is really, since the Reagan era,

no one has wanted to defend government. A consistent finding of American public opinion is that Americans are operational liberals and philosophical conservatives. If you talk about government, they say they hate it, they don't like it. If you ask them about specific programs, they say yes, I would support that, I like that.

And in this sense, Democrats have ceded the philosophical terrain to conservatives. You saw it-- I was going to bring up Bill Clinton in 1996. He says that the era of big government is over. And after that time, he continued to do what one commentator called only teeny-weeny initiatives.

And the idea that government is there, it is cushioning you, it is making you bear life's risks in a way that is important, no one has made that case very strongly. And so now people are faced with the idea that Medicare, health care for the elderly, may be cut in ways that they have no clue about that. About how they will provide for the health care of their elderly relatives, about their own health care in the future. But no one has been out there defending these programs as something that helps you live your life in a better way.

I'm willing to buy that there's something particularly American about that. But just a few years ago, I was also willing to buy that Germany, Northern Europe, offered some kind of alternative. That there was a softer, more benevolent form of social democracy that did democracy well, did rights well, but took care of people.

Yet Mark's saying that's the same kinds of things you're describing are something analogous is happening in Western Europe as well. Do you buy that? Are we converging toward a Bill Clinton model?

I don't think we're exactly converging, because the United States is so far out on the extreme. I think part of what you see in Europe, yes, there is much more of a move towards marketization. But what you see in Europe is more what might be thought of as welfare chauvinism.

We want to keep our welfare state. We want to keep those protections. But we only want it for ourselves.

In the United States, this kind of Trumpism not accompanied by welfare chauvinism. It's accompanied by lashing out against others and those who don't belong in this sort of white solidarity. But it's also accompanied by a very, very extreme radical libertarian streak that has taken over the Republican Party.

So it's not a-- so in some ways, I think Europe still does provide an alternative. But it's an exclusivist closing of the door of you know who gets what's left of the welfare state. Whereas in the United States, I think people are going to be somewhat surprised at how far the efforts go to just do away with what people have become used to for nearly a century.

I think [INAUDIBLE] there's another way of telling that story, which is the same thing. That you can invert it. So I think the welfare chauvinism point is exactly right about what happens on a national level in Europe.

But there's also this thing called the EU. And what the European Union, particularly members of the Eurozone, have been doing is basically marketizing everything that isn't nailed down in the name of structural reform. And this has created a massive backlash against the EU, which is playing out at an entirely different level.

So there's an analogy here almost between the United States federal government versus local governments. So Europeans now hate the federal government, in terms of the EU. And that's much more fragile than Europeans are willing to acknowledge. That really could go south quite rapidly. And this is the US example.

But the US example goes another way as well. So the United States has 50 experiments in different places, many of which are very large economies on their own. And if you think about California's sense of welfare protections, which are peculiarly Californian, but nonetheless very, very high environmental standards, so on and so forth, a serious discussion of universal basic income, etc. So in the United States, there's a kind of national protectionism that happens at a state level.

Now, of course, you can then get the Wisconsin version of this, which is let's get rid of everything. But again, I want to just make that analogy between the states and the states. There's a supranational thing here that's analogous to the federal thing and attempts to basically force marketization upon populations from that level tends to produce the similar sort of backlash against governments, on public goods provision in general.

To what extent is this just a reflection of weak society? I mean, maybe Bob Putnam's right. We're just bowling alone. And there's so much anomie and so few social relations.

The networks are weak, especially maybe locally, and people don't really deal with one another. And so they're getting the politics-- not that they deserve necessarily. But people are getting politics that simply reflects the absence of social glue.

I think it's-- I think the issue is that the Republican Party has been organized at the local level. It has received lots of support from elites, and the Democratic Party has not. The Democratic Party hasn't shown up in the places where people are hurting. They then have no other way to explain what they are experiencing. So I think there's been a real asymmetry in the way that the two parties have mobilized and organized at the local level.

And the point I really want to make is that Hillary Clinton won the popular vote. She won it by over 2%. Americans voted for Barack Obama twice. Americans are ready for a positive message, when that positive message is offered to them. And so I think we can go too far in diagnosing the ills of Americans and thinking about what's wrong with America. And what we may be about to do, because of this election, is to take away the century worth of social protections and efforts to build inclusion in the United States that made us a liberal society, and gave us a sense of progress for much of the 20th century.



Do you think the Obama administration provided that message of hope?

I do think it provided the message of hope. And I think that the Republican Party was utterly cynical in refusing to ever agree with a single thing that he tried to do. And that their message of no unprecedentedly never agreeing to support aspects of Obamacare-- when it was a program that Republicans had proposed, it was a market program, their dedication to destroying it because it could become a popular program. Their refusal to support his nominee for the Supreme Court, I think it was a very cynical way of governing. And it very much undermined the Obama administration.

But Obama still remains incredibly popular. When millennials were polled about a month ago, before the election, their first choice was to have Obama stay in office for another four years. So I think Obama did, but I think he was hamstrung in what he could do.

I would agree with that. But I want to push back on that. So first of all, the 2 and 1/2 million votes figure, it pretty much happened in two places.

It's California and New York, with a sprinkling in Miami. The rest of the country, that didn't happen. If you do the electoral maps, it's incredibly telling where the democratic vote is concentrated.

If you take Texas out, everything would have been great for the Democrats.

So therefore, we have a geographical thing, which is very important. We can't discount this. Essentially you have a couple of coastal hubs for the Democrats, and then you have a couple of specific regional places for the Republicans. And then right in the middle, essentially, in terms of the way the gerrymandering, etc.

So we have a divided polity. So that creates the lack of trust. That creates a lot of the problems we're seeing.

Going for millennials for a second, I think there's something else going on here. So two examples. I was in California last week, and I was being driven around by a guy.

And I said, so when did you get here? It's in '96. What did you pay for your house? Half a million.

What's it worth now? Marin County average, \$2.5 million. Because of Proposition 13, I can move to six other jurisdictions and take my tax rate with me and trade it.

And now's really, you can do that? He says, yeah, District 6 [INAUDIBLE] you have an agreement, hopefully you can do this. [INAUDIBLE].

So I said to him, you realize, of course-- this guy's about 60. You realize, of course, those services have to be provided. So if you're not paying taxes, someone has to. Uh, yeah.

I says, so this is an intergenerational put option, in a sense. You're basically asking younger people to pay for the benefits that the older afford for themselves. Oh, yeah. I suppose so.

About two weeks ago, there was a [INAUDIBLE] moonshot done by Congress, one of the few things they've actually passed. And they put \$6.3 billion, I think it was, into this we got to cure cancer. Now, who gets cancer? Old people.

And given congressional rules, if you find new money for something, you have to take it away from something else. You know what they took it away from? Preventative care. Who benefits from that? Young people.

Who votes? Old people. Who don't vote? Young people.

It's not just a geographical division that's emerging here. There's an intergenerational one. And all people care about is giving the Boomers more of what they've already taken for themselves.

So I have to disagree a little bit with both of you, but in a personal way. In January of 2009, I stood out in the Mall in Washington with my two kids, one on my shoulders, and with my wife. And we watched the inauguration. And it was an incredible feeling, my own partisan politics aside.

It was a great moment and it felt like being part of something big. It felt like being part of a movement. And I'd never felt that in my life.

Certainly, not politically. It felt a little bit like when the Red Sox won the World Series in 2007. But it felt different.

And then soon after, it stopped feeling different. It felt like the same old politics of triangulation, or at least politics of compromise. And that kind of movement mode seemed to disappear.

And now I, again speaking a little bit personally, don't have sympathy for the politics of people who attend Trump rallies. But I think I have some sympathy for their enthusiasm and their feeling that they're part of some kind of movement, something big. And I'm guessing that people who were caught up in the New Deal felt something about politics changing. That they were part of a movement, and that they were being given a vision that didn't necessarily benefit them individually. But they were part of something involving solidarity.

And I'm disappointed at the Obama administration. It's not that they would have been able to pull it off. Because Margaret, as you were saying, the Republicans weren't going to permit that to happen.

But I felt like they stopped articulating the message, stopped articulating the fight. And I wonder whether that's the right reading. And if it is, why? Where did the politics of movements go.

Bob, I'll go with being the right reading. You might want to go with it being the wrong reading, I don't know. But let's remember what happened.

He had his own security team. Obama had his own security and his own economics team. And they were all fired within the first three months and replaced by all the people around the Bill Clinton administration.

So you had Rubin come back. Summers came back in the midst of the crisis. He had all the same technocrats that had been running the show, even under Bush. And the first thing they did was they bailed out Wall Street.

Now, there were other ways it could have been done. You could have ring-fenced deposit, or you could have build mortgages, you could securitize mortgage debt, let the investment banks fall. But we didn't do that we bailed out the creditor class, and then we stuck the costs on everybody else through the sequester and everything else.

Take the Republican obstructionism as a given. That has been a given since the 1990s. You know they're not going to do anything.

Despite that, the Democrats consistently go into a gunfight with a butter knife, expecting compromise every single time and been rebuffed every time. There was a promise to close Guantanamo, went nowhere. There was a promise to reform the Middle East.

We made a complete pig's mess of this. Every country from Tunisia right through to Afghanistan has been on flames for the past eight years. And we've either sat on the sidelines and done nothing, because there's nothing you really can do-- for example, in Syria. Or alternatively, we continually backed the wrong horse.

So I see an administration, which was mobilized by great hope and great anticipation that proved to be both weak, and in terms of its choice of personnel went straight back to type, and they produced no real policies that transformed the game, or attempted to transform the game. You could point to Obamacare as a singular achievement.

But ultimately, what it did was it leveraged the debts of insurance companies by guaranteeing an income stream, and insuring a certain part of the population to the detriment of the people who were just up from them in the income distribution who don't get covered, thereby making them staunch opponents of Obamacare. So I would bargain the past eight years, and I don't know what to make of it. Certainly not a success.

Well, I was also there on the Mall in 2009. And it was very, very cold. And it was very, very exciting. And the thing

that I remember was the excitement of walking there, people with signs, African-Americans with signs that said, "Yeah, Obama, baby!" And people were thrilled.

And the thing I remember is that Obama's speech was a downer. It was a very somber speech. There was a fear that the world economy was going to slip into a prolonged and deep recession, depression like we had not seen for half a century.

And I think Obama's initial moves towards addressing that were good. They were strong. It was a strong, strong stimulus that he wanted to do. And he was limited in what he could do, because Republicans would not vote for it, unless it was kept small. So I think from the very beginning that what Obama wanted to do policy-wise was hampered by his opponents' intransigence.

I think that one thing that you are right about is that Obama was not a party builder. There was something strange about the way he was so inspiring as a speaker and a mobilizer during the election. When he got into office, he dropped that role and took on his law professor technocratic hat, and dropped that role of mobilizer and party builder.

And I think, in some ways, the idea that people benefit from Obamacare, but voted for Trump, is the result of not having been a party builder. And then there to take credit and to show people what it takes in order to provide them with the basic security they need to live their lives in a decent way, and to have basic things like decent health care. So I think the story of Obama is that he was restrained by the contexts, both the economic context and by the political context. But that he certainly could have done more to be a party builder, and to keep up that sense of social movement.

But let me say something about Trump's social movement. That is a social movement that is a racially exclusive social movement. And it is a very dangerous social movement.

One of the reports that I read that I found very convincing-- conservatives like to talk against the notion of safe spaces, and ridicule college students for wanting safe spaces to talk about different kinds of things. One report I read said, during the campaign, this feels like nothing more than a safe space for people who want to talk about white supremacy. And I think there's a reason that we have what people want to call political correctness. How do you live in a multiracial democracy if you don't have rules about what you can say and how you can talk about other people, and a kind of basic respect for their rights?

So yes, a social movement. But Obama's social movement was an inclusive social movement that I think spoke to the best of America. And I think Trump's social movement is a backward-looking social movement that speaks to the worst of America.

I want to push back against that for a bit because, it's just too easy and too black and white, if you pardon the pun. This isn't just about race. I mean, there are these commonalities across different countries in the sense that we have populist right-wing backlashes. Some of them are anti-immigrant in their focus, and have a similar sort of cadence. But others do not, and there's a left-wing variant as well, and this sort of stuff in terms of eating away at the center parties of both the left and the right.

So it's not just them, the deplorables. When you do this, it just makes it too easy. We can dismiss the economic rationales, etc.

Of the five states that went for Trump, I believe the majority on a county level actually voted for Obama, twice in some occasions. So these people became suddenly racist? I think this does a huge disservice to our understanding of this phenomenon, and simply says they're deplorables. Put them on the naughty step.

And what also gets articulated, and blaming the Republicans for everything as part of this as well-- and I want to push back against this. Yes, they're horrible. But that's a constant. And you can't explain variation with a constant. You know you're constantly facing this.

What the real disappointment here is, let's go back and think about the key lacks of legislation that have been passed that have caused some of these dislocations. So NAFTA was done under Bill Clinton. End of welfare as we know it, done under Bill Clinton.

Let's do the commodities modernization and derivatives modernization in 2000. That's done at the end of the Bill Clinton administration, which allows the growth of behemoth banks and will lead to the financial crisis. The people who did all that stuff come back in 2008 and start writing policy.

The minute you say the deplorables, they're all like, they're all racist, it just gives the Democrats in this country a huge exculpatory power to say it's not us. It's them, it's the Republicans, it's the racists. And that means there's no self-examination as to why it is that the policies that Democrats have produced may actually alienate people may be at fault themselves, and may need a radical rethink.

I understand your point, and I agree with that. But I think that the danger of promoting white nationalism in a country like the United States is a huge, huge danger. Our history is different from histories in Europe. Our racial history is different. And to become, and to have it be, OK to openly talk about white nationalism is a huge step backwards for our country.

What I think you're certainly right about is, of course there are people who did not vote for Trump for that reason. I read an article about a county in Pennsylvania where people had voted twice for Obama, and this time voted for

Trump. This woman had lost her son to heroin addiction, and she thought maybe building the wall would keep some of the heroin out from coming into Mexico. People in some parts of the country have been so hard hit and feel so desperate to be heard. I understand that.

But I would also say that the Republican Party is more the cause of that than the Democratic Party. If you look back at the vote for NAFTA, yes, the Democrats were in power then. Bill Clinton was in power. But if you look at the congressional vote, it was Republicans who were way in the majority. The majority of Democrats opposed NAFTA in Congress.

The Democratic Party has been split, and the technocratic side of the Democratic Party has been in the majority. I remember people I know who were staffers in Congress during welfare reform. They were from white-flight counties in Michigan. And they said, no, my boss is not voting for that. He said, I didn't come to power to vote for this kind of thing.

So I would say that there has been a split in the Democratic Party. I think that you're right that the technocratic elites became the face of the Democratic Party. But there has always been a strong sense of supporting working people who have been hit by these economic changes.

And they've been there in the Rust Belt. Sherrod Brown in Ohio. Jennifer Granholm was governor of Michigan. So I think there is a debate that has to be had within the Democratic Party, and I think it is going to happen. How do you build a party up and start to represent the part of the party that is not simply run by the technocratic elites.

In some ways, in some ways, it almost doesn't matter whose fault it was. The Democrats had their go at it. The Republicans then, we've arrived at a particular moment of extreme politics.

And I'm cautious about analogies to the 1930s. But I think the 1930s in Europe are somewhat akin to what we face now. It's the politics of extreme times, and those are being met by extreme politics, really.

And whether we dislike those politics, I think many of us do, responding to them censoriously I don't think is an answer. There has to be some kind of counter-narrative, counter-movement, something to answer the racism, the misogyny, the xenophobia that seems to be catching fire among a group of people. Whether they are deplorable or not, there are enough people who see glomming onto this. That there needs to be some kind of other answer. But where's that other answer going to come from and what's it going to look like?

Well, look, I would say one thing is the majority of people who voted for Trump are not at his rallies shouting racist things. I mean, this is a subset of a subset of a subset. So you can go way overboard about what this is.

I'm just saying if he's going to spend the next four years running around the country with Steve Bannon, spreading

racist views, that's not going to be good for the country. What do we have? I think it's pretty clear what we stand up for. We stand up for this bait and switch, which is about to start, which is, from day one, we're going to cut taxes on rich people, and cut health care for people who didn't really think he was going to do it.

I think there's a very positive message about government that helps people manage life's risks versus government and that enables oligarchs, whether they're in the United States or whether they're in Russia, to have a free rein to do whatever they want. So I think there are both positive messages and cautionary messages that are majoritarian messages in the United States that need to be articulated.

I find that, even speaking for myself, when I hear critiques of Trump, critiques that often I agree with about, this policy approach is wrong, or this group of people who is associating himself with you know at the cabinet level, they're not right-- while I agree with a lot of those critiques, they have that same feeling of professionalism and technocracy that I resent in the past. I guess what I'm asking are saying is that it would be, I think, imperative-- it is imperative that there is some kind of positive message, some kind of alternative. It doesn't have to come from the Democratic Party. Maybe it will come from the Republican Party. But something that can effectively counter an insurgent.

And I think that is what we're seeing in Europe and in North America. We're seeing political insurgencies. And insurgencies have to be met, if they're to be met effectively, by some kind of coherent alternative program. And I don't see that program coming together yet. I don't know who is going to articulate it in Europe or North America, for that matter.

A different way of thinking about Trump-- I like to think of him this way, and I got it from my friend, Nassim Taleb is Trump is McDonald's. Here's what I mean by that. You're driving around on a highway. You're hungry. You can consistently get disappointed by your food options, and you have been consistently disappointed about your food options.

And then there's a McDonald's. And the nice thing about McDonald's is, you know why it works? It's a very limited downside. You're not going to get an amazing meal, but you're not going to get a bad meal. You know exactly what you're going to get.

Now, how does this apply to politics? Imagine you've been in one of these Rust Belt states. Imagine you've lived in a town like Gary, Indiana, that suffered an enormous equivalent to a GDP shock as plants closed down and jobs were outsourced. And you've heard politician after politician coming through this Democratic heartland saying, I really care, and I'm totally with you on these issues. And things just get worse and worse and worse and worse and worse.

So they're liars. They're just liars. Their ability to effect change, regardless of their feelings, is nonsense. It just doesn't work.

So as a voter, what do you do? Well, you have a possibility of a very large downside by voting for the next version of that, or you can vote for McDonald's. Because at least with Trump, you know that it's not going to get any worse than it is with these clones already.

And there might be an upside. You don't know. So let's give it a chance.

Now, that's when it gets dangerous. Because this isn't McDonald's. The analogy holds. But at the end of the day, he can do a lot more damage than a McDonald's ever can.

So if your choice is, I no longer believe anything that mainstream parties have to say to me, and I'm willing to vote for someone just because they're different, just because I believe there's no downside, there's only an upside, you could get a very big shock. Now, that shock's coming. The Dow was massively overvalued.

The Trump rally has been fantastic for the 1%, who are about to get corporate tax relief. They're about to get an even bigger bonus with tax cuts, all the rest, it's going to be awesome. That's not the people who voted for him.

So the downside disappointment on this bad McDonald's meal is going to be huge. And at that point, if you do not have, as [INAUDIBLE] saying, a really positive [INAUDIBLE]. Doesn't have to be minutia. Doesn't have to be policy wonk. That's where the Democrats went totally wrong.

But a coherent narrative about what's gone wrong, how we're going to fix it, and why this is going to benefit you, and we're all in this together crucially, then you're in trouble. So Trump's going to create an opening over the next three years. But whether the Democrats are around to fill it up, I don't think they are. I think they're way past or sell-by date.

To your point earlier, Margaret, I think that insurgents, to the extent they break the system, they create their own answer, which is more racism, more ethnic tension, more xenophobia. And it seems that just creates even more of an imperative to provide some kind of alternative to that dark narrative.

And it's going to be critical, because the other thing that is going to happen is continued efforts to limit the franchise through voter suppression, so that the voting public will be much less diverse. I mean, this is not a new tactic in the United States. It's a very, very old strategy in the United States. And you define the people in a very particular way and you limit the franchise, you engineer it so that they become the majority.

And I think that is going to be the danger in the United States. And you keep them rallied up through whatever



Steve Bannon is going to be doing in this administration.

A very, very, very troubling appointment. I want to disagree. I want to be optimistic and say that there are forces in the Democratic Party that I believe are going to rise to the occasion, that are going to defend the kind of policies that have offered people the chance at a decent life. And they have offered it to all Americans, through programs such as Social Security, Medicare--

Anything else? Because we don't do education anymore, and health care is getting rolled back, and-- yeah, I'd like to be in that optimistic space as well. Let me-- I think we're going to close soon, so let me close on a slightly more pessimistic note, because--

No, I won't do it.

I'll do it for you. It's about Europe.

No.

Now it's very similar. So in 2017, the French are going to have an election. So the big problem here is the National Front. So the National Front are bad, because they're all racists.

Now, if you actually go to their website, and then just look at their economic policies, I find it much more progressive than anything else that's on offer. And the mainstream French left have completely collapsed. They can't even field a candidate.

So the way this is going to play out is, it's entirely possible that the National Front will win on the forefront of the voting. They have two rounds of voting. And at that point, what's meant to happen is, the entirety of the French left the voting public is meant to get behind their equivalent of Mrs. Thatcher, who thinks that what France needs is a healthy dose of markets on austerity to get it going again, and to vote for that person to stop the Front.

Now, on every issue, apart from immigration, you actually agree with the Front's policies, and you disagree with everything this guy's got, except immigration. That has "I'm not going to show up" written all over it. And that's how, basically, the National Front gets in, because there's absolutely no reason for the left to actually campaign for this.

Now, even if they do, here's the big problem. If you engineer societies, whereby the whole function of democracy is to stop people effecting change because the status quo and the establishers of the status quo don't like it, what's the value in democracy? Because all you are is a blocking coalition.

And we're at a moment just now-- and I wish I had that faith in the Democrats. I do, and my favorite line about the

Democrats is one that was applied elsewhere, but I'll use it again. They never miss an opportunity to miss an opportunity.

I, unfortunately, think that this is true across the board. And that once democracy loses its voice and its ability to make those claims, particularly on capital, particularly on the people who have done the best, in terms of not just the redistribution of wealth and income, but also in terms of life chances and fairness, that we end up with a bunch of blocking coalition protecting a status quo that nobody actually wants. And that's where we find ourselves.

I'll become optimistic when some party-- I don't care whether it's the Republicans or the Democrats, or the Christian Democrats or the Social Democrats, somebody comes up with a program, with a message, that's not about beggar thy neighbor or hate thy neighbor, but something about solidarity and making for a better community.

I think that was Obama's message. And that message is still out there. And I want to say, because I want to be optimistic, the majority of people did not vote for Trump. The majority of people are going to be shocked when they find the basic protections that they've relied on are now in jeopardy. And I think there's a very different scenario that could play out in the American context, even with a Democratic Party that is not strong enough to take advantage of it, which is a very strong uprising that happens all over the United States, about the need to have a voice for the people so that they can be protected against life's risks. And that government does have a role in helping them live decent lives.

The conversation will be continued.

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