

Resistance In The Age Of Trumpism: An Interview With Gerald Epstein



Gerald Epstein is Professor of Economics and a founding Co-Director of the Political Economy Research Institute (PERI) at the University of Massachusetts, Amherst.

With Donald Trump in power, US society is likely to witness in the next four years a regression of social progress and environmental damage unlike anything the country has seen in the course of its modern history. In this context, progressives have their hands full and only massive resistance may halt the march to the precipice. But any effective strategy of resistance requires linking theory and praxis. It is imperative that we understand the dynamics in US society that brought Trump to power. It is imperative that we also understand what Trump actually represents and whether Trumpism is here to stay. Then we can think of the most effective ways to challenge the sort of political gestalt in Trump's miasma.

In this exclusive interview, radical political economist Gerald Epstein addresses these issues and offers his insights on how we can resist Trumpism. Gerald Epstein is professor of economics and co-director of the Political Economy Research Institute at the University of Massachusetts at Amherst, and author of

scores of books and articles on the political economy of contemporary capitalism.

C.J. Polychroniou: The rise of Donald Trump to power took a lot of people by surprise, although there were strong indications for a long time now that the conditions in the United States were ripe for the emergence of an authoritarian leader. Still, the actual reasons for the rise of a fake populist in power remain rather puzzling, so I'd like to start by asking for your views on what led to Trump's stunning victory.

Gerald Epstein: As you say, conditions of working people have been deteriorating in the US for many decades now, creating fertile ground for leaders outside the political establishment to offer anti-elitist explanations and offer apparent solutions for people desperate for them. This helps to explain both the Bernie [Sanders] and the Trump phenomena. But when you add on top of these the deep racist, sexist and xenophobic undercurrents that have always been present in American society and which are low-hanging fruit just waiting to be picked and utilized by a demagogue, you have Donald Trump.... In short, the Democratic Party's embrace of neoliberalism, which continued with Hillary Clinton, is a big part of the story. Still, one should not forget the devastating roles that the Republican Party played in the last eight years as they gained more and more power — not just in Congress, but also in state and local governments in many parts of the country. They were able to do this by exploiting Democratic failures, but also by a money-fueled long-term strategy by extreme right-wing capitalists, such as the Koch brothers and others. Without this massive financial input and a long-term strategy, this victory would not have occurred. More specifically, their electoral strategy in the last four to eight years ... was to incapacitate the government from helping poor and working-class people, while enriching the powerful and the elite — and then blame the Democrats for the fall out. Sam Brownback, governor of Kansas, and Scott Brown, governor of Wisconsin, as well as the Republican Party in Congress in Washington, DC, pursued this seemingly kamikaze approach to governing. Amazingly, it succeeded. It shoved poor and working people more and more into the dirt as cuts were made to public investments, benefits, living standards. But rather than blaming the Republicans, many of these Americans voted against the Democrat — Hillary Clinton.

This means that only a very weak party (the Democrats), a very weak candidate (Hillary Clinton) and a huge amount of luck — the rise of Trump, [former] FBI Director James Comey's last-minute attack on Clinton and an Electoral College

system that delivered the presidency to Trump despite losing the vote by 3 million votes — could have ultimately ended in Trump's victory. But the fact that he would have gotten so close even without these intervening factors underlines the deep rot in the system, including the Democratic Party's neoliberalism and the role of massive amounts of right-wing money combined with a long-term, revolutionary political strategy.

But to see the real underlying causes of Trumpism, we have to dig a bit deeper. All of the above is taking place in a context of a 30- to 40-year transformation of the US's place in the global economy — a transformation that would have required an economic policy directed toward managing it for the working classes and the poor, rather than for finance and the elite, which is what happened as I described earlier. The relative decline of the US as a site of production, the rise first of Japan, China, India and other countries in the developing world, and the intermittent competition with Europe and other countries meant that the economic institutions that the US relied on in the early post-World War II era could no longer deliver the goods to both working-class Americans and the capitalists. The Democrats and Republicans both went with the capitalists and a neoliberal faith in markets, rather than engaging in the reshaping of US institutions to thrive in a more competitive global environment. The mixture of financialization and subsidized support for US multinational corporations, and all kinds of free rides for elites, ultimately brought us to the age of Trumpism.

Is Trump another Ronald Reagan when it comes to economic matters, or does he represent a new version of neoliberalism?

Neither.

Of course, one can find elements in Trump's economic policies from Reagan's policies; and there are initiatives that draw on the neoliberal playbook. But there are important aspects of Trump's economic policies that are quite different from both of those, and it is important to be clear on these distinctions so that we can accurately identify the likely origins and impacts of these policies.

Before elaborating on these points, however, it is important to draw a few distinctions that often get muddled in discussions like these. The first is among Trump, Trumpism and Trumponomics. Trump is the person, the personality, the politician: the narcissistic, ignorant demagogue that the world has become obsessed with. Trumpism is the movement that Trump is leading. It is a

movement that, from Trump's perspective, is designed to keep him in power and enhance his power over time. It is made up of far-right white supremacists, neoconservative saber rattlers, neoliberal opportunists, fossil-fuel pushers, and people who are angry and desperate for change. Then there is the Republican Party core, which is made up of libertarians, neoliberals, neoconservatives and socially-moderate free marketers. Trumponomics is the set of economic policies that comes out of this rather inchoate and clearly unstable mixture of characters vying for power; a noxious mix that has not yet solidified into a coherent program. It reflects a manifestation of the relative power of these various forces with a heavy dose of accidental emergence from this very chaotic political process.

Trumponomics consists of a mixture of the following components:

1. *Reactionary Keynesianism*: Huge increases in military spending (sometimes called "military Keynesianism") combined with massive tax cuts for the wealthy that will tilt the productive structure in the US more toward wasteful and dangerous military spending, while at the same time dramatically worsening an already degenerate unequal distribution of income and wealth. Reagan, too, implemented aspects of these policies. Some Trump economic officials are even trying to offer Reaganomics "supply-side" rationales for this policy, including the claim that the tax cuts will pay for themselves because of induced rapid economic growth, but few people take such claims seriously since they have been thoroughly debunked in practice, including during the Reagan era.

2. *Neoliberal Deregulation Frenzy*: The thrust of administrative policy thus far in the realm of economic policy has been to signal a frenzy of deregulatory actions: from finance (the intent to roll back Dodd-Frank regulations), the choosing of a cabinet made up primarily of secretaries whose goal is to [weaken] or even dismantle the departments they head; the rule to cut two regulations for every new one enacted; and the war on the environment and attempts to fight climate change. This fit of climate change [absurdity] is one of such ferocity that it demands its own category.

3. *Kleptocracy or Crony Capitalism*: The US political system has always had a heavy dose of kleptocracy and crony capitalism associated with it, but, under the Trump administration, this appears to be poised to reach a whole new level. The ways in which policies are shaped because of the quite specific material interests of the Trump family and their inner circle may well become a central axis of understanding Trumponomics.

4. *Schacht Therapy*: In my recent article for Challenge

Magazine, "[Trumponomics: Should We Just Say 'No?'](#)," I argued that one of the most dangerous aspects of Trumponomics is the proposing of policies that *appear* similar to those that the left has proposed for many years — managed trade, infrastructure investment, more family-friendly policies — but in fact are likely to mostly solidify Trumpism's political power and reactionary policies, such as those that redistribute income and wealth to the rich, violate human rights and endanger the planet. The reference is to Hjalmar Schacht, Adolf Hitler's economy minister from 1934 to 1937 (and president of the Reichsbank), who implemented protectionist trade policies, massive infrastructure programs, such as the building of the autobahn, and creative banking and finance initiatives. These policies had the dual impact of generating employment and economic growth and cementing the political power of an authoritarian and murderous regime. In Trump's case, these policies have the potential to split the left, draw support to Trumpism from the working class and the left, and ultimately enhance the power of [a] highly dangerous and destructive movement and regime. This danger becomes all the more apparent when we note the fifth component of Trumponomics.

5. Fossil Fuel Protection/Planet Destruction: [The] final component is so powerful that it merits its own category: the evident Trump administration government-wide support that the Republicans are providing for the fossil fuel industry. The massive fossil fuel promotion scheme established by the Koch brothers is well known, partly thanks to the brilliant reporting of Jane Mayer and others. The Trump administration's and congressional Republican support for fossil fuels amounts to a kind of industrial policy for the fossil fuels industry and the planting a of a doomsday time bomb for the planet.

Trumponomics is a time-varying mixture of these approaches, not easily categorized as Reaganomics or even a new kind of "neoliberalism."

Any surprises on how the Trump administration has ruled during the first 100 days?

I have been somewhat surprised at the incompetency of the Trump administration, exhibited in its inability to piece together this economic patchwork by managing the Republican majority in Congress. One might have expected Trump to lead with the left dividing policies on trade and infrastructure, but he has done relatively little on that. It is not surprising, though, that he has led with massive tax cuts for the rich and massive increases in military expenditures, or the promotion of vile, xenophobic policies. All that was expected.

Many on the left regard Trump as something of a neo-fascist, although it is clear that there is no coherent ideology behind his views, and worry that the US is sliding towards totalitarianism, even though Trump has already been dealt with humiliating blows over his immigration stance (specifically the Muslim ban) and in his effort to repeal the Affordable Care Act. Do you find this kind of analysis helpful in the effort to understand the phenomenon of Trumpism, and for progressives and radicals to develop effective strategies for countering Trumpism?

Trump is clearly no neo-fascist since he does not have a well-defined ideology, and is mostly concerned with accumulating power, wealth and adulation. But Trumpism has a heavy dose of neo-fascist tendencies within it, and Trump seems happy to cavort with these tendencies if they will support his goals. Hence, I believe that Trumpism is proto-fascist in the sense that it is on a path toward fascism and authoritarianism; that doesn't necessarily mean it will get there. As I said earlier, there are many tendencies within Trumpism and in the Republican Party, and the balance of power among these will vary over time. However, I do think these neo-fascist tendencies which make Trumpism proto-fascist are extremely dangerous and important to keep in mind when thinking about the whole corpus of Trumponomics and what it means. It means that we should not analyze policies on a case-by-case basis, but rather see them as a part of a power play to enhance the power of Trumpism with its dangerous fascist currents. This should lead to a greater wariness and need for a more coherent political economy analysis to understand the power implications of supporting or opposing particular aspects of Trumponomics, for example opposition to NAFTA or infrastructure spending. It should also make us aware that, when Trump's economics policies fail, he is likely to turn toward "scapegoatism" — a standard authoritarian tactic — and blame immigrants, leftists and others for his failures. Coming from someone with severe authoritarian tendencies, this kind of scapegoatism is quite dangerous.

How should progressives and radicals stand up to Trump's economic policies and overt militarism and provide in turn a viable vision for the future of American society?

They should do what many are now doing: protest, resist and out the destructive policies of the Trump regime. And they should develop alternative policies and political strategies at the state and local levels to regain the policy initiative and

the political power. There are many effective actions happening in many parts of the country, from the movement for single-payer health care in California and elsewhere; the “Fight for \$15” to raise minimum wages; proposals for progressive tax reform; the multifaceted fight against climate change, including fights against pipeline construction. There are multiple positive initiatives, and some of these are tied to fielding political candidates at all levels. Progressive economists can help by doing analyses for these movements to identify the best proposals, fight against misinformation coming from the other side, and develop economic analyses that can improve plans and be used in campaigns to support them.

There is a lot of work to be done.

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