

# **Nowhere Fast**

*Democracy and Identity in the Twenty First  
Century*

By

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## Preface

There seemed to be an inevitability in the talk of globalisation and the 'end of history' which ushered in the twenty first century. This emanated from the post World War 2 era of New Deals and free trade, and of a dollar hegemony supposedly built on a dichotomy of liberalism and democracy. There was a broad consensus amongst academics and liberals, combined with a myopic belief in the progressive benefits of technology, that a brave new world consensus was forming and that war and discontent was ebbing away like the tide from an old broken Empire.

Economists tend to measure globalisation in 'Trade in Goods' and FDI (Foreign Direct Investment) flows across borders. Yet this is like sailing a passenger ship in the North Atlantic with 'Icebergs' disabled from the navigation system. There are Icebergs floating around... and lots of them. 'Trade Openness' (calculated as Exports plus Imports as a % of GDP) grew steadily from 1945 onward. It reached its peak in approximately 2005 and has since begun to tumble.<sup>1</sup> There is now a trend to onshoring with the dual impacts of Covid and Ukraine. There are declining rates of return on investments<sup>2</sup> and the problems of geopolitical uncertainty. The world, effectively, is splintering into blocs (*Grossraums*, 'great spaces') and the result is chauvinistic assertion manifested in military conflicts. But the reasons for the collapse of interrelated economies goes deeper. It is not purely economic. There is an underlying shift in what Carl Schmitt called the '*Nomos of the Earth*'. Whilst the twentieth century may have been one of globalisation and

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<sup>1</sup> <https://www.weforum.org/agenda/2023/01/deglobalisation-what-you-need-to-know-wef23/>

<sup>2</sup> United Nations Conference on Trade and Development (UNCTAD), World Investment Report, 2019.

trade, it was also one of a 'total mobilisation' of resources and human resources for a system of capital accumulation - which heaps excessive demands on international relations.

In political philosophy it often takes a period of nuanced reflection to assess the real 'telos' or 'nomos' of what occurred before or what is transpiring. At first Colonialism appears as a philanthropic and mercantile escapade. The 'nation state' appears to be the solution to the Holy Roman Empire and the despots of monarchical Europe. Democracy appeared to be the solution to the woes of the nineteenth century. However, when the dialectic unfolds, we are left with the real 'Nomos' (law, 'lex' in Latin or 'right to the land'). The '*Nomos of the Earth*' was the concept which Schmitt outlined which, having begun with the discovery of the 'New World,' the Americas replaced the 'Old World' of Europe and Asia. The 'nomos' is the real title to land, to a culture, and it is beyond International Law. In this however came the ambivalent nature of US policies of interventionism and isolationism. Establishing an American '*Grosssraum*', as in the Monroe Doctrine, becomes problematic. The maritime Empire of the British was another '*Grosssraum*'. The nation state, however, works in contradistinction to this reality. It only works out in an international system of agreed law, of equal liberal nation states. When this breaks down, we have the polarisation of '*Grossraums*' and the casualties of diminutive nation states. So 'nomos' means the real original title to land and when conflicts arise, it is usually a consequence of this disputed title, as in the Ukraine or Israel, or in Taiwan.

From the Middle Ages there developed a code of civil and ecclesiastical law to regulate conflicts of Church, Republic and Prince. The Holy Roman Empire acted as a type of 'Katechon' or protector against the antichrist. It was therefore more of a guiding ethos, or telos regarding Empire, an ideology even. The ascendancy of nation states in the nineteenth century sees the demise of the

'Katechon' or ethos. As in Washington's final address the emblem of the modern era becomes 'As little politics as possible, as much trade as possible'. So, nation states become largely conduits for trade, for globalised trade. Such a myriad of conflicting interests, mostly economic, has resulted in a 'forgetting' or rational/technical society without an underlying ethos. Now civilisational states, such as Russia's 'Holy Rus', Chinese 'Tianxia', or Islamic states see themselves as unified (however corrupt). The American '*Grossraum*' on the other hand, consists of liberal contradictions, the weakness of representative government, a confusion of foreign policy and an anarchic domestic world of anomie. Yet the liberal elites act as though they hold some higher moral 'progressive' framework. Hegel had said that there was no real American 'state', that it lacks a commonality of culture.

It is not in effect a process of deglobalisation which is occurring, but the fundamental dissolution of the de facto independence of nation states and its replacement with regional *Grossraums*, akin to Empire. The current dying pains of economic globalism are ringing around the world. Notions of International Law break down when its implementation is unequal and sporadic or when the civilisational states and empires resent encroachment. Schmitt envisaged, presciently, a world, not of globalisation, but one of differentiated '*Grossraums*'. He contrasted fixed 'culture' states such as Germany with flighty mercantile sea empires such as Great Britain. Land based realms, close to the soil, to nature are more stable. Again, there is a contrast between Kantian notions of universal international states based on a system of International Law and its opposite in civilisational Eurasian states who emphasise local and particular cultures. The Westphalian <sup>3</sup> world, which ushered in the modern notion of nation states is under threat. The problem for modern

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<sup>3</sup> The Treaty of Westphalia 1648 brought peace to the Holy Roman Empire by the establishment of de facto nation states.

nation states is that the sovereign no longer is able to wield the 'exception', to secure the safety of the state. This is due to the decadent form of liberalism which runs amok *inside* nation states. The absolutely sovereign Hobbesian state is in abeyance. The liberal state, based on economy, rationalism and progressive universality is unable to defend itself. The Katechon is under threat, not ostensibly from warring civilisational states, but from inside.

The liberal and Marxist world envisaged an unfolding progress to a Utopian end of history schema and its naivete is now visible. It is more akin to Hegel's development of spirit but one rooted in nature and culture. The liberal world must accept the particularity of cultures and their equal jurisdiction; there is no universal human rights, no good and evil. Man has moved from land to sea to air, to space. Yet we need to return to the land and a '*jus gentium*' (law of nations) based on natural law rather than positive law which protects peoples rather than land borders. This, in itself, involves a sea change to real democratic participation in the polis and a move away from nationalism to community. In the middle ages there was a recognition of an authority that existed, be it the Emperor or the Pope, and an informal common law. There were no wars between states, only competition between nobles. They largely concerned the pushing out of terrain rather than defending 'borders'. We are now encompassed by borderlands and all its ensuing strife and war. Modern globalisation only concerns matter rather than spirit. Competition between modern states is delineated by a type of economic piracy. We have a version of maritime colonialism dressed up as globalisation. It is merely the naming which has changed.

This international sea like empire is rootless. It imagines ownership of titles rather than ownership of culture. It is extractive rather than productive or creative. It provokes 'ressentiment' from the poor and disenfranchised. It creates borders and division because it has no underlying theology. The theoretical underpinning of the Chinese

'Tianxia' (all under heaven) of a cultural Chinese empire is its, according to the Chinese, opposite. In this argument the empire must understand the relevant cultures it ascribes to. It is not one off dominion but understanding, however far-fetched that might seem with the present Chinese incumbents.

War has an economy of its own. When the underlying 'telos' to nation states is economic only, then this permeates all aspects of life. It is like a plague of sorts jumping from one realm to another: it invades healthcare, education, and war. So, war has become Keynesian in an era of diminishing capital rate of returns ( $r > g$ ).<sup>4</sup> Capital follows a pattern of osmosis- seeking any host. Stocks in defence industries are booming. There seems to be no limits on technology and capital. War is not incidental to the modern era - it is a fundamental part of the 'wealth of nations'. An International Court of Justice should be based on fundamental natural law, not allied to political institutions and particular states. Multicultural states are unrooted and their capital elites unmoored. There is in essence a dysfunctional quality to modern occidental states. Economy must be subservient to theology and telos.

Much of modern and late modern conceptions of Democracy and Identity are general, universal assumptions about how scientific research is done. Scientists and liberal philosophers start from the premise of how things 'should' be, not about what they, in fact, are. Our quest, then, is to find this dominion and how 'Being,' as an ontological concept, is not objective or fixed, but phenomenological, that is it is local and particular, in flux all the time. This conception nullifies any universalist attempts to 'categorise' or objectify other cultures. It therefore renders invalid much of the liberal assumptions on universal law, democracy, human rights and identity.

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<sup>4</sup>  $r > g$  (the rate of return on capital against social income). From Piketty 'Capital In the Twenty First Century'.

The map of the dominion, I believe, can be travelled in four domains, that of Political Economy, the 'Polis' (Democracy), Elites and Identity, although they all share common terrain. We follow Clifford Geertz in 'believing, with Max Weber, that man is an animal suspended in webs of significance he himself has spun. I take culture to be those webs, and the analysis of it to be therefore not an experimental science in search of law but an interpretive one in search of meaning.' Therefore, I approach these subjects from the position of phenomenological description and hermeneutics to give access to meaning. Since Plato, philosophers have established forms, or categories, noumena or Gods, as a framework of usurping nature. These 'systems' have imprisoned culture in artificial reason or metaphysics, divorced from nature, from the reality of good and evil. By analysing a 'forgetting' of the underlying assumptions of morality (and how they have been overtaken by reason), democracy and identity can be removed from obscurity, from a hermeneutical hiding since the Enlightenment.

# Introduction

The question to be posed here is that of '*dominion*.' What is the *form* of the twenty first century, where does dominion lie, beyond the spectacle of modernism? Is it to be found in universalism or the particular? What does this mean to our ideas of 'democracy' and 'identity'? When the French Revolution abolished the 'Estates General,' and appeared to usher in the Enlightenment virtues of egalitarianism, the accepted liberal historical view was that the age of absolutist and clerical elites had been confined to the dustbin of history. The absolutism of the past was replaced by varieties of liberalism and representative democracy. Yet the overriding problem of 'democratic legitimacy' has never been solved. The nature of elite governance, whether liberal or authoritarian, has separated and reduced the majority to passive tolerance and the 'spectacle.' The post war 'economic concordat' also now reveals a legitimacy problem whereby the free market consensus between labour and capital is in abeyance. The dialectic between these two crises has been played out since the beginning of the indigence of liberal democracy in the 1920s. The 'Dialectic of Liberalism' proceeds from the 'Dialectic of Enlightenment',<sup>1</sup> in that specialism and Keynesianism had refuted the need for revolutionary change, in fact, through its synthesis, it produced Stalinism and National Socialism. Therefore, we are left with an 'anomie,' a still dislocated, fractured worker, democratic illegitimacy and cultural decay. So, whilst the twentieth century was largely this grasping for the form of the worker, the twenty first century ushers in a new dialectic, the '*Dialectic of Liberalism*.' In this the 'form' of the present epoch is approached from a hermeneutic tradition. Therefore, to attempt to engage with the present, we need to decode the 'form' of modernity

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<sup>1</sup> Adorno, T. W., and Max Horkheimer. [1947] 2002. *Dialectic of Enlightenment*, translated by E. Jephcott. Stanford: Stanford University Press.

through meanings. This is not done through an apodictic approach, through empiricist method or rationalism. These are prey to the deception of Hermes; and the messenger of language. To decipher the present an approach is taken to locate the true forms of political economy, elitism and the modern role of the 'worker' and its decadent result in identity. In the final concluding chapter, I position the findings in the broader setting of the new civilisational era we have embarked on; the true dialectic of liberalism. In understanding these four areas I make no apologies for the scope of the book, in its broad approach, for it is not possible to define the enormity of the current civilisational impasse through a study of a microscopic area of research. In this we need to look back to the Greeks, to the nature of 'being' and to hermeneutics.

The first contention I put forward is that the present economic and democratic 'crisis' is not a merely ephemeral one (i.e., due to Brexit in the UK). It goes back to the beginning of history in the Greek 'polis,' the fateful day man left the home and abandoned certainty for a new quest of being ...to the infinite. It was formed in the turn to the 'rational,' the giving up of Patocka's 'care for the soul' and its replacement with 'having.' It revolves around the vacuum left by the Nietzschean death of God and the world of the Industrial Revolution. Therefore, modernity is attached to the past and weighed down by its legacy.

The second contention is that the present liberal elitism, represented by the 'knowledge' (statist) class is more volatile, more exploitative than before. I will look at the formation of the new 'Liberal-Techno' class. Therefore the 'Estates General' implies a reshuffling of the elites akin to Robert Michel's 'Iron Law of Oligarchy.' Liberalism has changed due to the economic circumstances: it has moved from an anarchic Adam Smith core to one of substantial collective statism. This, in turn reflects the technological turn from industrialisation to technological infrastructure. The new 'value' based liberalism

replaces the Keynesian industrial model. In this model, business and individuals are taxed at an ever-increasing rate in order to finance, not hospitals and schools, but a state sector of the new administrative class. At the pinnacle of the sector are the elites. 'All societies' wrote Burnham 'including societies called democratic, are ruled by a minority...the primary object of every elite, or ruling class, is to maintain its own power and privilege.'<sup>2</sup> Therefore, this second contention, that the present 'crisis' is 'specific' to post war society elitism, must be backed by the understanding of the first contention- that of the 'setting' of history in a resource driven political economy.

The elites of the new class or nomenklatura resemble the Czech grocer in Havel's 'Power of the Powerless'<sup>3</sup> who places a sign in his window: 'Workers of the World Unite.' Havel asks if this sign shows the grocer's enthusiasm for socialist principles or even his huge desire to show people his faith in his beliefs. No, answers Havel; what it shows is nothing about the *content* of the sign, but what this *implies* about the shopkeeper or his loyalty. The shopkeeper is really not interested in the worldwide socialist movement- but he is acting out his 'loyalty' to the correct ideology. Now in the new phase of administrative liberalism, the elites diffuse their loyalty through the public sector of cadres; the economic language of class displaced by the appeal of 'progressivism,' of a morality which is both Brahmin like and self serving. The result of the liberal hegemony, however, has been a resurgence of democratic 'populism,' a largely working-class phenomena through populations increasingly deracinated and valueless.

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<sup>2</sup> Burnham, J. (2014). *Suicide of the West: An Essay on the Meaning and Destiny of Liberalism*. Encounter Books.

<sup>3</sup> Havel Václav, & Keane, J. (1985). *The Power of the Powerless: Citizens Against the State in Eastern Europe*. Hutchinson.

The neo-liberal elite assault on working-class influence was a reaction to the power of labour which came out of the New Deal period in the US and the rise of labour and unions in Britain after World War 2. In this, social income was eclipsing the return on capital. The neo-liberal response was increasing free trade, open border policies such as the EU, and the attack on unionism. This 'supply side' tactic was engineered to free up alienated labour, remove labour legislation and introduce 'flexible' labour markets. Therefore, the argument that inequality was anything but ideological was a chimera as the return on capital, historically, has widened against social income: ( $r > g$ ).

The role of elites, through media domination, is to present capital as a neutral Adam Smith 'invisible hand of the market' phenomena. However, the nature of 'elitism' is not only seen in an urban class dynamic. The nature of the elite knowledge class is also peripheral, as outlined by Christophe Guilluy<sup>4</sup> in France who shows the divergence of elites from ordinary working/agricultural concerns in the countryside. He also applied this analogy to the rise of Trump as a 'populist' response. The nature of 'populism,' however, although presented as bigoted by the media and the elites, is a by-product of the breakdown of substantial working-class interests. The 'entente-cordiale' which occupied the post war consensus between labour and capital has been discarded by the neoliberals. In all realms, including social and cultural, judicial, media, government, corporate – the working-class have been usurped and excluded. The 'populist' response is a nascent assertiveness to this sense of homesickness and uprooting, to the overriding nausea of liberal 'negative freedom.' The political parties of liberal democracy are

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<sup>4</sup> Guilluy, C (2019). *La France périphérique: Comment on a sacrifié Les Classes populaires* / Christophe Guilluy. Flammarion

consumed by the elites; whether that be the Democrats in the US or the Labour Party in the UK. Their emphasis on representative democracy fails to solve the problem of 'democratic legitimacy' as working-class interests are edited and deleted in the realms of labour and community groups. The elitist diaspora is floating in an international managerial, corporate, borderless ocean. The working-class are, economically and spiritually, cast adrift in the increasing wastelands of modernity. The nature of working-class life is rooted in a 'task assigned' communal life, noted by Hannah Arendt<sup>5</sup> in 'The Human Condition.'

The globalisation of the 1990s seemed to herald in a new world order of international cooperation, free trade and cheap imports for the west. This positive spin, however, hid huge structural changes brought in by the neo-liberal elites. The UK, once the economic industrial powerhouse of the industrial revolution, now stands as one of the poorest nations in Europe. From 2005 to 2018 wages in Germany had risen by 40 percent. In France 39.8 percent. In the UK the figure is 9 per cent.<sup>6</sup> This is not a result of Brexit, although that has had a detrimental recent impact. The neo-liberal switch to 'deindustrialisation' of the elite class under Margaret Thatcher had factored in the consequences of placing London at the apex of the financial world. This meant the abolition of industries, mass unemployment and the 'managed decline' of British industrial cities. The win win for the elites meant the weakening of labour and the outsourcing of production to China. It meant a return on investment for shareholders and a stagnation in wages for workers. Yet the financial crisis of 2008 exposed the shallowness of the neo-liberal project, the instability of the house of cards. With an imploding

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<sup>5</sup> Arendt, H., Allen, D. S., & Canovan, M. (2018). *The Human Condition*. University of Chicago Press

<sup>6</sup> Nick Ferris, (5 July 2022) 'UK wages have fallen behind European rivals.' *The New Statesman*

banking sector, the worst productivity rates in Europe, and then Brexit, the working-class had entered the realms of a dystopian novel. Yet the liberal left talk about degrowth and the environment. The US faces similar structural problems and, again, the left elites speak with outrage against economic growth. The West seems to have forgotten the 'telos' of what made them successful.

The managerial elites, however, have not been defeated by the globalist, neo-liberal earthquake. They have merely placed a new sign in Havel's window and moved the mannequins around. A neo-liberal elite has now used the public sector civil servant hegemonies to elicit funding for a wide platform of liberal projects, NGOs and state sector consultancy. A rise in state sector funding has a large negative effect on investment and productivity. Research has shown how rent seeking, rather than profit seeking, has a negative impact on economies and economic growth.<sup>7</sup> Monies from taxation are siphoned off to rent seeking consultancies and civil servants, thereby diverting government expenditure from productivity, industry and investment in technologies etc. Max Weber had predicted this: as well as the bureaucrats replacing the revolutionaries, the equality funding is whittled away on bureaucracies. At the same time real wages for workers has fallen. In the midst of the structural crisis along came Covid and the Ukrainian war and all the knock- on economic consequences of expensive energy. Therefore a 'post-modern populism' entered the stage; a pluralist populism which reflects the insecurities of working- class communities.

The second section of the book looks at the 'populist' response to the crisis and examines if a more 'democratic' movement away from centralist government (included in this centralist notion is both visibly authoritarian government, for example Russia, China and

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<sup>7</sup> Buchanan, J.M. (1980). Rent seeking and profit seeking. In J.M. Buchanan, G. Tullock and R.D. Tollison (Eds.), *Toward a theory of the rent-seeking society*, 3–15. College Station: Texas A&M University Press

also the liberal democracies of Europe) is feasible. This section is a refutation of both Marx and Piketty who root working-class angst into materialistic territory or the loss of 'surplus value.' In their discussion -production, GDP, economy provide the answers (admittedly different) to the malaise. Yet it was the likes of Adorno and Marcuse who began to realise that 'One Dimensional Man' needed a transcendence of 'political economy' -it being insufficient to affect 'being' in a 'gestalt' like manner. Political economy is still rooted in the thinking of the Enlightenment, and tied to a minimalist representative political elitism and an abstract vision of liberty (Rawls). Materialist or Utilitarian philosophies ignore the *necessity of 'freedom'* as a construct; in fact, all current ideas on the liberal left forsake freedom. The question addressed here is how that freedom is attained- through the market and GDP, through representative democracy or through the 'polis': community, participation, association.

The above analysis places the spring of populism in the mountain of capital; neoliberal markets, globalisation, deindustrialisation, deregulation of labour markets. These are the structural changes in the economy which have poured molten lava on the aspirations of the working-class. However, another well of discontent has been the legacy of the end of military Keynesianism. This was the almost constant war economy and lifting of aggregate demand since WW1 in the US and Britain. This war economy came to its end in the late 1990s. Its effects were the structural erosion of manufacturing industry in the US and Britain.

The Fordism of the US, combined with statist centralisation had required a turn to automisation and standardisation. The concomitant consumer culture of materialism has also caused a psychological uprooting of the citizen away from the very traditional American virtues of self-sufficiency, individualism and autonomy. Therefore, it is argued that this abandonment of

tradition, the squeezing of democratic participation, this 'one dimensional man,' to quote Marcuse, has produced a rise in nascent populism. Human capital is further deracinated from its social and cultural environment—the individual is uprooted and homesick. The dialectic of reason has produced an atrophy. Hence this analysis avoids 'universal' explanations of humankind and draws on themes sometimes elucidated by both left and right (Marcuse, Gramsci, Heidegger etc) in seeing 'being' changing over time and particular to cultures. For example, Lasch (from a psychological viewpoint) shows how the American personality (in the twentieth century) had evinced a degradation from well formed independent to the minimal self, dependent on the state and corporation for sustenance and satisfaction.

It is no surprise that populism per se is taken up by conservative thinkers and parties – for the left of Habermas or The Frankfurt School have abandoned the working-class for the pyrrhic victories of managerial elitism. The reason why post-modern intellectuals avoid 'populism' is that they feel contaminated by its visceral cultural aspects; those of community, nationalism, tradition. Lukacs in his 1952 'The Destruction of Reason'<sup>8</sup> highlighted what he saw as the dangers of elite theory and populism – that being the 'irrational' aspect of political thought. This, it is said, is the irrationalism which yields to fascism. Yet the pluralism of the post-Enlightenment settlement has not materialised for the blue collars. Reason has produced a technological, bureaucratic landscape which does not reflect a form of authenticity for labour or community. Community is rationalised to autonomous individuals for the benefit of the market and in this there is a revolt of longing. It is also the realisation that modern Liberalism is, by definition, without values, without metaphysical positions, without Idealism. Having abandoned its classical positions for the market and capital; it exists as a

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<sup>8</sup> Lukács György, Traverso, E., & Palmer, P. (2021). *The Destruction of Reason*. Verso

bureaucratic method of the new 'Estates General.' The reason why populism has assumed recent importance is because it incorporates other aspects of popular sovereignty- such as federalism and regionalism. In this, it is a reaction against the failures of centralised administrations to reflect the identities of groups (both indigenous populations and 'outsiders'). Rather than the liberal universalism of modernity- we have a movement, a retreat almost, to Westphalian principles. This is visible in the windy spectre of populism stirring in the mountains of Europe.

Liberalism, as the moral successor to Christianity, has inverted itself. Since the English Revolution and Cromwell, the economic has determined the political, i.e., the representation of powers and interests. But now the new need for liberal global legitimacy has produced a 'corporate-state elite-university' knowledge class—the 'trahison de clerics' of liberalism. They do not produce or manufacture, but administer a values-based system at odds with practical or populist populations. The value hierarchies of regimes, of Cromwell (the 'Protectorate'), Robespierre (the 'incorruptible'), Marxism ('equality') becomes, for modern liberalism, an elitist religion of ephemeral 'rights' and 'negative equality.' However, as in the 'dialectic of enlightenment'<sup>9</sup> it has produced only the '*Hollow Men*,' the profound '*Wasteland*' of the modern. The modern working-class have existed in ersatz consumer bliss, subsumed by brands and technology. Yet the dawning of post- liberal stagnation, and the closing of the 'Faustian' contract with reason, has exposed the '*dialectic of liberalism*'; the new nomos of the earth turns away from 'representation' towards authentic existence.

The final section examines the modern concept of 'Identity' and how the formation of Identity has continued what Foucault termed a

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<sup>9</sup> Horkheimer, M., Adorno, T. W., Jephcott, E., & Noeri, G. S. (2020). *Dialectic of Enlightenment*. Stanford University Press.

focus on the self, a turning inward and away from the Homeric tradition of the Greeks. It is enframed by this 'dialectic of liberalism'; the problem of technological alienation and atomisation of the individual. So, there is a friction between authenticity and instrumental reason. Between Rousseau and Kant, between metaphysics and phenomenology. Yet as humans in a historicist environment, we can attempt to bridge the gap between the two, and this is the attempt in this section.

## Part 1

# The Political Economy of Serfdom

The first section of the book attempts to position democracy and identity in a background of political economy (which, itself, arose from a valorisation of capital). Whilst economists are more interested in, for example, inequality, rates of economic growth; philosophers or political scientists are engaged in other debates, for example, metaphysics or democracy, elections etc. Each will claim for themselves an 'a priori' justification for omnipotence. However, all of these realms are intricate webs of the same force, out of a long historical tradition, around the '*nomos*' of the earth. Hence there was a complacency accruing from the period of the 'Social Democratic Age,' of say, 1945 to the 1980s in the North Atlantic/European diaspora that the great questions of the day, after the dissolution of fascism, had entered a settlement. Later these New Deal hallucinations reached their apogee in Fukuyama's 'End of History' hypothesis, that, in equally maddening Hegelian dialectic, liberal democracy had arrived at a perfect state solution of global well-being. This glaring anomaly sheds light on the need for a more integrated historical approach which avoids, for example, in economics, such things as the '*Kaldor Fact*' which announced the end of inequality in the mid-twentieth century. Then came the '*Kuznets Fact*' where in again, inequality inexorable falls in mass consumerist society. So, these are not 'facts' at all, even scientific facts are often updated, replaced or rejected.

The New Deal and halcyon days of the post-war and social democratic settlement have been attributed to a kind of social contract with working-class/labour militancy or a payment of sorts for the angst and pain of successive wars. The wars of the twentieth century are seen therefore by many analysts as temporary affairs.

There was therefore a temporary equality out of the New Deal consensus. Yet the twentieth century was enframed in a 'total mobilisation' of resources including human capital, where the blurring of objects and subjects overlap. There are several aspects of political economy which influence aspects such as democracy and identity but it is not a Marxist economic determinist argument for these forces are all interrelated. For example, the inequality present in late modernity is extreme but is a consequence of many factors not just attributed to inherited wealth. These are the abilities of wealth to access influence i.e., medias and government. This plutocracy (as we discuss in the next section) is an eternal recurrence, an elitist one. Therefore, we are not interested in transient overviews of say Political Science or Sociology. We are keen to get to the 'dominion' of the earth, its underlying telos.

Inequality, war, depressions are often approached by economists i.e., Piketty,<sup>1</sup> in that they can be solved or levelled by taxation, by welfare, by tinkering with the ephemeral economy. It is argued that it was the wars of the twentieth century which produced capital destruction, and that, in order to revitalise the economies, a 'New Deal' social democracy was reluctantly handed out to labour. It is put forward that these wars discredited capital and that besides, it was merely a response to fascism. Wars are the catalyst to more equality. However, rather it was a strategy of elites in the US and Europe, to organise interests at home and abroad, which led to war and the Great Depression. *The explanation for the 'total mobilisation' of modernity and late modernity is therefore not to be found only in the realm of economy.* Capital, war, elites are to be found in the history of culture and a clash between several forces and a departure from the thinking or 'telos' which had guided pre-history. Therefore, the

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<sup>1</sup> Piketty, T. (2018). *Top Incomes in France in the Twentieth Century: Inequality and Redistribution, 1901-1998*. The Belknap Press of Harvard University Press.

argument is multi faceted but is rooted in the axis of the *particular-universal*.

Rather than capital being disgraced by world wars and expensive new deals, the core elements of elitism and inherited wealth remained unabated. Mass enfranchisement in representative forms has had no positive effect on social income. For example, the social democratic post World War 2 consensus consisted of taxation on wealth and income in order to finance social infrastructure in the US and Europe, there was the introduction of collective bargaining, and a departure from the Gold Standard. These were forced in the four main industrial countries (the US, Germany, Britain, France) in the 1920s/1930s through the emergence of a national working-class party in these industrialised economies. They may have borne separate names but they were essentially of the same stock and reaction to these developments in the higher stages of twentieth century capital.

These developments seemed to usher in a new ideology of modernism -a socialistic state, the social market. These were assumed as fact, a dialectical change, an end of history. Most liberal academics in the twentieth century welcomed in the new age. Yet this benevolent episode has now returned to the ideology of the norm. Income and wealth distribution has returned to pre- New Deal times. Income and wealth are diverging at a faster rate. The way in which Piketty assumes this divergence only stops during war, fails to see the total mobilisation of modern society. It is ideology which, descending from a rationalist, a value formation of capital, in the post -Enlightenment world, has assumed a dominating presence. So, the hiatus goes further back, even to pre-history, at least to Homeric Greece.

In '*Capital in the Twenty First Century*' Piketty states that 'the history of the distribution of wealth has always been deeply political, and it

cannot be reduced to merely economic mechanisms.’<sup>2</sup> He argues ‘it is almost inevitable that inherited wealth will dominate wealth amassed from a lifetime’s labour by a wide margin, and the concentration of capital will attain extremely high levels- potentially incompatible with the meritocratic values and principles of social justice fundamental to modern democratic societies.’ On the one hand, therefore, we have the inexorable divergence of  $r > g$  on an economic level yet the very political institutionalisation of inequality, as if from elites or institutions. This would suggest that this continuance of inequality, and other indicators, reflects a base level of formative assumptions. It is my argument that these fundamental assumptions stem from a refusal to look beyond the simulacra of appearances, that elitism is alive and well and that the problems of modernity are a consequence of the occlusion of notions such as democracy and identity. Capital is more than a relationship of supply and demand. Capital is a social relation, not merely a stock of assets in the neo-liberal economic mode. It is a method of value.

The rate of return on investments has traditionally been greater than the rate of economic growth (social income). The only aberration, in modern history, was the interwar period and the 1960s/70s. This period was labelled the ‘Great Compression’ by economists Claudia Goldin and Lawrence Katz.<sup>3</sup> Yet this was due more to the destruction of capital during the world wars, than to do with welfarism, progressive taxation etc. A threatened capital market, uncertainty, in the mid twentieth century, meant a kind of Keynesian ‘annihilation of the rentier.’

Since the days of the New Deal and post war welfarism there has been an unprecedented movement of wealth to the top decile of the

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<sup>2</sup> Piketty, T. (2014). *Capital in the Twenty - First Century*. translated by Arthur Goldhammer. London.

<sup>3</sup> Goldin and Katz. (2007). ‘Long Run Changes in the Wage Structure: Narrowing, Widening, Polarizing.’ *Brookings Papers on Economic Activity*.

US and European elites. Despite the kind of Adam Smith invisible hand of the market beneficent view of capital, modern economies do not work like that in the era of capital accumulation. The key is the 'rate of return on capital' which outpaces that of social income (Piketty). However, Piketty's analysis is that the return on capital will so outpace growth that growth will stagnate and invert. This is the miasma of capital, that its dialectic is negative, in economic, and also in the realms of democracy and identity. Yet it is not an automatic hidden hand that Piketty ascertains. Economics, like Science tends towards universal, general laws. Yet as Daren Acemoglu and James Robinson noted:

...the quest for general laws of capitalism is misguided because it ignores the key forces shaping how an economy functions: the endogenous evolutions of technology and of the institutions and political equilibrium that influence not only technology but how markets function and how the gains from various different economic arrangements are distributed.<sup>4</sup>

Consequently, institutions and values are also a mover in inequality outcomes and this is highly visible in the US and Europe where the 'New Class' of administrative civil servants, institutions, NGOs, the EU, are funded by the hierarchies. Likewise, ideas of 'capitalistic' countries are now moribund and a more correct analysis would describe European economies as 'coordinated market economies,' for example France and Germany where large state affiliated industries dominate economies. The role of the state is one of taxation and extraction and redistribution to a loyal cadre of civil service nomenklatura. Piketty does indeed acknowledge the vagaries of institutional influence on capitalism; he scolds fellow economists on their scientism:

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<sup>4</sup> Daron Acemoglu and James Robinson.(2005)29. 'The Rise and Decline of General Laws of Capitalism.' *Journal of Economic Perspectives*.

...an easy way of acquiring the appearance of scientificity without having to answer the far more complex questions posed by the world we live in.<sup>5</sup>

The answer to these questions lies in the changing nature of the state in the late twentieth century. Elites realised that in order to counter socialist tendencies apparent in the New Deal sentiment, they needed to monopolise government, institutions and liberate the financial institutions from state control or influence. They needed to dominate media in order to couch the domination in a form of liberal virtue; populations losing wages, property and freedom are framed with a virtuous narrative which we see in the later section on identity (Identity being a reciprocal 'spectacle' of public approval). Previously, as in the neo-liberal 1980s monetarist supply side reformation, the narrative was built of the necessity of a free market invisible hand mechanism. The working-class have been excluded from 'democracy' likewise, as documented in the section on 'The New Class.' Economists tend to respond to market malaise and increasing inequality with policy recommendations, a deliberative democratic method, a belief in the efficacy and well meaning of political elites of Brussels and nation states. This ivory tower Habermasian delusion defies knowledge of class and identity, and also exonerates the elites from responsibility. Civilisations, societies are governed by an idea, a '*telos*' of value, which deracinated, starting in the post Westphalian era, and gave way to '*economic*' nation states. There is in this a wider question about the meaning of the polis; is it essentially a conduit for a relationship of economics? Wealth taxes and redistribution aside, the origins and consequences of the 'Event,' that moving out of the 'polis,' the abandonment of Patocka's 'care for the soul' are more epochal than materialism. It is more about the forgetting or the end of truth in the Greek sense of '*aletheia*' (or

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<sup>5</sup> Piketty, T. (2014). *Capital in the Twenty - First Century*. translated by Arthur Goldhammer. London.

unconcealment). Therefore, it is found in ancient conceptions of democracy and identity.

There is a direct link then between economics and levels of inequality -and therefore democracy (the notion of 'democracy' we analyse in Part 2 is the Greek 'polis' i.e., participatory democracy). And this contraction and squeezing of participation has, in turn, its effects on identity and community. We briefly look at this dialectic and frame it in a deeper historical setting. Albert Hirschmann in *'Exit, Voice and Loyalty'* (1970) was an early documenter of the clashes of modernity. Hirschmann noted three realms of discontent. The first was *political voice*. This opposed, for example, Ronald Dahl's view of the pluralist US, where interest groups give voice to embedded communities. In this formulation the role of government is to mediate between pluralist groups. This is important because a pluralist interest driven substrate sends information vertically to policy makers. For example, the US in the post second world war period had a plethora of trade union, local political groups rooted in working-class communities. It was therefore critical for political survival that representatives listened to feedback, concerns. A recent study showed how this type of representation has shifted significantly to the wealthiest quotient of US society.<sup>6</sup> They voted 99 per cent of the time, 68 percent contributed money to politics, 41 percent attended rallies, meetings, dinners. Over 40 percent had contacted their Senator. Contrast this to working-class communities where contact/participation has evaporated. Another study by Marty Gilens and Ben Page showed that, from analysing 2000 policy outcomes over twenty years saw that 'elites and organised groups representing business interests have substantial independent impacts on US government policy while mass interest groups and

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<sup>6</sup> Benjamin Page, Larry Bartels, Jason Seawright. 'Democracy and the Policy Preferences of Wealthy Americans.' *Perspectives on Politics*. 2013. 11.

average citizens have little to no independent influence.<sup>7</sup> There is an empirical mismatch between democracy and those at the bottom of the income distribution. Yet what is perhaps the most interesting fact from the above studies is that the wealthy middle classes of the US (Piketty's 'patrimonial middle class') whilst active in protecting their wealth through active solicitation of political campaigning etc, are also more socially liberal than the general public. This accords with my thesis that the ideological support for inequality, the loss of identity of working-class people, is wrapped in a top down liberal veil of morality. 87 percent of wealthy Americans do not think it is the duty of government to reduce income discrepancies. Furthermore, recent research debunks the 'tech' impact hypothesis that links income widening differentials to the rise of the IT crowd. The source of inequality is political and ideological, and this is transferred into 'agenda setting.' So, whilst elections and the circus of spectacles is the main focus of attention from the media; the purpose of elite framing exists in 'agenda setting.' The people who set the agenda have changed over the post war period. Whilst the nation states had their reluctant welfare and New Deal giveaway in the post war period through militant trade unionism and organised national working parties in the US and Europe, that agenda has moved back upstairs.

The previous combination of unionism and civic organisations in local communities is in abeyance. The lack of this platform reduces working-class communities to spectators now in the policy agenda furnace. This consultation conduit has been replaced by a top-down brahmin media and social medias, in which agendas are set, and only a simulacrum of debate appears. The retreat from the Aristotelian community, to a civil society of modernity, where interests were delegated was the feature of the twentieth century.

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<sup>7</sup> Larry Bartels (2008.) *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton NJ.

Yet there was at least delegation and representation. This aspect has been eclipsed by lobbying and consultation of corporate interests. Political representatives now see themselves as entrepreneurial interests building accounts with paying clients in various industries. This has placed a cloud over worker interests. Corporate lobbying amounts to 2.6 billion dollars per year in the US, and the dynamic has changed. Corporates now bring government into their organisation. Long gone is the 'keep government out of the economy' neo-liberal model. In fact, as Lee Drutman has shown<sup>8</sup> Congress in the US is heavily reliant on information from Corporates. Politics then becomes the pursuit of self interest. Interests of financial clout therefore wield excessive power in countries where the system is fragmented, for example in the US. The US 'possesses a distinctive complex of weak national administration, divided and fragmentary public authority and non-programmatic political parties.'<sup>9</sup>

In Part 2 I discuss the 'geography' of elitism and it concurs with another aspect of late modernism: the concept of 'exit.' This idea sees a concerted move away from certain public and geographic areas by the wealthy. Segregation is on the rise, despite the rhetoric of the think tanks of liberalism. Cities gradually emptying of the more affluent and the remains of stagnation and the victims of globalisation left behind. Places such as Detroit, California, face 'exit' on massive scales. Elisabeth Jacobs notes the trend that:

Economic inequality has translated into dramatic economic segregation in the US. Americans increasingly live lives segregated by class, and experience public goods in an

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<sup>8</sup> Lee Drutman.2015. *The Business of America is Lobbying: How Corporations Became Politicized and Politics Became More Corporate*. OUP.

<sup>9</sup> Margaret Weir and Theda Skocpol. 'State Structure and the Possibilities For Keynesian Response to the Great Depression in Sweden, Britain, and the United States. in *'Bringing the State back In.'* Evans, Rueschmeyer, Skocpol. Cambridge. 1985.