

Marshall here, welcome back to The Realignment.

My guest today, Saurabh Amari, is making his return appearance on The Realignment.

He's just released a new book, Tyranny Inc., Out Private Power, Crushed American Liberty, and what to do about it.

Before we dive in, a quick reminder that this show is supported by Supercast Subscribers.

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We posted a teaser this past Friday if you'd like a preview.

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On to today's episode.

I really enjoyed my conversation with Saurabh.

He's exactly the sort of figure who finds himself in awkward position during a realignment of the political parties slash transitional moment in American politics.

On the one hand, he's the founder and editor of Compact, a magazine that's best described as post-liberal.

He's a strident critic of the mainstream foreign policy approach, especially in Ukraine.

He's very social conservative, but he also, in this episode, describes himself as a new dealer.

Refreshingly, Tyranny Inc. isn't just a clichéd conversation, but wokeness and increasingly stale topic if I may say so myself.

In the episode, though, we discuss everything from how the right, with its focus on limiting government, misses the role that private actors play in limiting freedom, to the pitfalls of lifestyle liberalism, and the need for countervailing forces like unions to ensure that we have a balanced society when it comes to the interests of labor and capital.

Hope you all enjoyed this conversation, and you could, of course, find Saurabh's book in the link to the bookshop in this episode's show notes.

Thank you to the Foundation for American Innovation for supporting the work of this podcast.

Saurabh Ramari, welcome to the Re-alignment.

It's good to be back here.

Yeah, it's great to chat with you again now that you've got another book.

You're quite prolific.

I want to kind of start here just because labels are both unhelpful, but also helpful.

In some of the reviews of your new book, Tyranny Inc., you've been referred to as a post-liberal.

I'd like to get it from you.

Like, where would you place yourself on this kind of confusing 2020's era political spectrum?

Yeah, I think post-liberal is fine.

I've sometimes used the label.

The problem is that it defines itself in the negative against, you know, something as opposed to a positive vision.

So, you know, I'm opposed to liberal in the sense that I don't think that the ultimate goal of a political community should be to maximize individual autonomy, but rather to secure the good of the whole.

And that's, you know, woven through the entire Western tradition.

So it's not a novel idea.

It's just we're so used to liberal ideals about the point of politics being to maximize individual liberty that sometimes shocks unfamiliar ears, but really that's, you know, politics being about the common good is Aristotle.

It's St. Thomas.

And in complicated ways, it's also woven through the American tradition as well.

The American tradition, the real thing, the real textured thing, as opposed to the sort of airbrushed, founding sort of worship that you see, you know, at conservative think tanks and, you know, congressional retreats for congressional staffers of the GOP.

So, yeah, I mean, I think post-liberal is fine.

Another label that I think comes across more positively was actually flung at me by a critic, namely Jonah Goldberg.

I organized the conference on political economy at Franciscan University last year, and Jonah was watching the proceedings and he said, these guys are just pro-life, what did he say?

Yeah, these guys are just pro-life new dealers.

And, you know, of course, as one does in the age of social media, I immediately changed my Twitter bio to read pro-life new dealer because I'm, you know, in fact, one should note that most of the actual new dealers were still pro-life because this is 1930s we're talking about, but, you know, I'm economically precisely because, you know, I want a more moral politics geared toward the common good.

I'm, you know, economically left to put it bluntly.

In fact, the Economist magazine said of the book that my proposals are often scarcely different from what you would expect from Senator Sanders and Warren, but some of the same kind of moral impulses that draw me to the left economically also put me on the conventional right on social issues like abortion, euthanasia, and so forth.

So I think pro-life new dealer is just a better label.

And I welcomed the fact that it was meant as a smear, as an attack, you know, one one should take ownership of such things.

Yeah, it's funny.

You are within the firm American political tradition of critics offering labels that are adopted.

Think of the original neo-conservatives.

That was that was a pejorative attack that was adopted, but now obviously like neo-con is pejorative like once again, but if it's the 1970s, that's a label that was like accepted and welcomed.

So people should probably spend less time trying to label themselves and accept some outside critiques.

But actually, this is the perfect pivot to the actual book topic given that answer.

So you are saying that so much of your thought is pushing back against hyper individualism over the common good that you've written a book that is about tyranny and the removal and limiting of liberty via private power.

So tie this all together then.

Like, how did you go from what's focused?

Like, so for example, like it's 2023, you could have written your big 2024 book about common good conservatism, the, you know, New Deal pro-life or manifesto. So you're writing about private tyranny.

So explain that juxtaposition.

Well, it's worth talking about what what I define as private tyranny or tyranny ink as the book's title suggests Americans, Anglo Americans in general, Americans, especially, but a certain kind of post 1980s Republican or conservative above all is used to thinking of tyranny as only what government does to us, what the state does. And that's what's that's caused to happen.

I argue in the book is that it's made us lose sight of something that was familiar again to the classical and Christian tradition, which is the possibility of private coercion and therefore of private tyranny.

So I argue and then show through the book, which is mostly a reportorial book as, you know, it's not a theory book as you open it.

It's just one story after another.

And each of the stories sheds light on how in our supposedly non coercive society, we are in fact surrounded, enveloped by coercion.

It's just that this coercion is often meted out by private private actors, employers, you know, monopolistic producers, etc.

And precisely because our current way of thinking draws such a sharp distinction between public and private, the coercion that we face in the marketplace and the workplace is sort of removed from our contestation, our ability to push back democratically through democratic give and take, through legal justiciability, etc. It's all become this is a zone that you cannot touch.

And yet it's the zone where much of our life happens, right?

It's the marketplace where we, you know, shop, etc.

for our necessities.

It's a private space in which we do most of our public discourse, namely the Internet and these big platforms.

It's the workplace where we spend many, you know, most of our waking life, in fact.

And so we can get into some of the examples I cite later, but to tie it back to the kind of classical idea of what politics is about, tyranny classically understood is just government that that is exists for the benefit of the ruler and not for the good of the whole.

And it therefore, I mean, this is the classical kind of Aristotelian definition of a tyrant is one who rules for himself rather than for the people or for the common good. And therefore, I mean, that that necessarily implies actually a loss of real liberty for the for the majority, for the asset, asset less many in any society.

So what I'm contesting is not the classical definition of tyranny, but I accepted it's just what I'm shedding light on is the possibility that the

tyranny, the tyrant needed to be the government and that the threats to the common good can come from private actors.

And paradoxically, often these threats are justified in the name of liberty.

When in practice, they mean a profound loss of power and of rights that ordinary people would expect.

So just to give one example, I mean, one of the books,

you know, the one chapter that's garnered a lot of attention from early reviewers is about the privatization of what ordinary Americans, for the most part, consider eminently public goods, namely firefighting, emergency services.

Over the course of the 20th century, we got used to these things as being services that are based on our taxes and supplied by the government equitably to everyone.

But more recently, there's been a rise in growing privatization of these services.

So I tell the story of a family whose trailer home, a poor family whose trailer home burned down in Arizona and the public fire department responded.

But then also this privatized rural metro, it's a company responded as well.

They didn't do very much, but they charged the family \$20,000 because they said you hadn't paid for our fire subscription service.

Now, the neighborhood pointed out they had never received the plan.

They would have happily paid the \$400 a year for the useless services if it meant staving off \$20,000 bills.

And, you know, but the point is that the company wouldn't budge and the family had to turn to crowdfunding.

Other families I write about in this in that chapter, you know, resolve to just eat two meals a day instead of the normal three in order to pay their rural metro private firefighting bills.

And so when you have people who are in that position, your your basic liberty that our tradition is supposed to cherish, it is severely constrained and life has become very hard.

And you can, you know, you can be said to be formally free, but in substance, in fact, your liberty, your ability to flourish in community, etc. have been hollowed out.

And this is why I appreciate having read the book that it's report aerial in that I think it's easy with, and I think this is something that the weaker reviews of your book have been subject to, it's easy to, like, turn this into a big theoretical debate and not just, like, engage with the actual and what's happening.

So to cite three examples that you start the book off to, like, over summarize, you point out that there are, you know, key stroking incidents where, you know, a worker will log in and then like, there's their keystrokes are logged, and the employer gets access to their emails, possibly their bank account, etc. etc. Second, you have a requirement effectively in terms of like your pay to attend a Trump rally.

We're talking about Shell in 2019.

This is Donald Trump once again.

So you're being nonpartisan in your examples.

This doesn't have to exclude left or right, which I think is kind of at the broader point here.

And then finally, you had early, early, early COVID, you know, Amazon workers who were penalized for basically protesting unsafe working conditions.

This is way before COVID really polarized and before, you know, the clearness around safety was that straightforward.

So I guess my question is hearing those three examples, three proposals just seem to be obvious.

So A, no key stroking without consent.

I'm sure you could pass a law at the state, local or national level about that.

Two, sorry, if it's political speech, you can't force employees to like attend.

Like maybe they can have some sort of alternative activity.

And then three, sorry, if there's a public health emergency, there have to be bare minimum standards that like meet safety requirements.

If, you know, those requirements I've met, you can't fire people.

What would you say your more traditional conservative critics would think is incorrect and what I just kind of stated?

Because I think your examples are just helpful ones, right?

They don't require us to debate the new deal or Ronald Reagan's just sort of like, hey, we probably shouldn't have non-consensual key stroking, which leads to firing.

Do you know what I mean?

So like, where's the actual debate when we get into the actual and not the philosophical?

Right. I mean, those are all reasonable propositions.

You know, I think that some conservatives would be able to grant all of those if they were willing to look at the specifics.

But as you pointed out, in so far as the book, I mean, when we're recording, it's actually before it's Monday, August 14th.

The book comes out on August 15th.

So most reviews don't appear before the book's publication.

Only a few have so far and kind of predictably

the book has received good reviews from the center left, like the Washington Post or the left, like Jacobin, but has received more negative reviews

from what you would call libertarian or neoliberal outlets like The Free Beacon or The Washington Examiner and The Economist magazine.

And so or more critical reviews.

But yeah, in so far as they look at the specifics,

they might be willing to say, yeah, well, we would do this or that.

But then the point is, therefore, like, then why do we need a book like this?

Because, you know, you could easily, you know, you don't you don't need big reforms to to deal with these.

You could you could just address it with kind of discreet reforms.
But by the way, we won't actually look at any of the concrete issues
because they would necessitate looking at concrete reforms.
Now, the the proposal that I actually put forward in the book's concluding chapters,
which is more of a kind of, well, what what should we do type of series of chapters?
Is actually one that would address all three, which is actually just
restoring the relative balance between labor and capital
that was achieved under the New Deal order from 1945, roughly to 1973, 75,
whenever you think about the beginning of the collapse of the New Deal order.
If you have workplaces where you don't have individual employees,
many individual employees going up against a relatively few employers,
that disparity in the number of employers versus employees has always been
the source of the of the kind of unjust power of capital over labor.
And the way that the New Dealers in the United States
and social and Christian Democrats in across the Atlantic and Europe,
the way they address that is by legislating the possibility of the many
employees of mounting countervailing power
against the few who otherwise control most of society's financial and productive
assets. And this is not so much different from competition, right?
So even laissez-faire absolutists will grant that there could be monopolistic
sellers in a market and therefore government has the right to intervene
in markets in antitrust to break up monopolies.
Even classical laissez-faire theory grants that, except what we're talking
about here is not competition among sellers or among buyers,
but rather making possible competition on the other side of the market.
Sellers, workers, sellers of labor power,
many of them going up against fewer number of employers,
all things being equal, what workers will do is just try to their best
to get by, etc.
But then they're always vulnerable to the capricious boss, to the key stroking
software, to an accident at work, etc.
And then suddenly life is turned upside down for them.
But if they can if they can band together to exert countervailing power
against sellers going up against markets is a form of competition,
then the situation becomes just a little bit more balanced.
And that's what we had in this country under the New Deal order.
And then going back even further,
you know, these foundations of this were really laid in the pre-New Deal era,
even by people like President Hoover, surprisingly, if you look into his policies,
Hoover is not the same as Calvin Coolidge.
He was not this kind of free market fundamentalist.
Anyway, I'm giving a digressive answer,
but to show how that would address a lot of these problems.

Obviously, if you have if you have a stronger union in place, which is the case of the Amazon workers, then capricious firings because they protest health conditions, whatever the health conditions, whether it's COVID or whatever, will become less likely.

The employment agreement is not negotiated by the individual employee going up against a giant firm.

And the situation is in such that, oh, I've taken out a mortgage, I've moved across the country, I've leased the car, now I show up to work and they hand me a bunch of paperwork.

No one, very, very few people out of millions of such transactions, actually say, oh, you know, I object to that one clause that says you can use keystroke software to monitor my every activity, including my private life. Every people just signed the agreement because the power disparity is so vast. And likewise, you know,

forcing employers to to attend captive audience hearings, whatever the ideology may be, whether they're being told about critical race theory and gender ideology or whether it's a Trump rally, the idea of forcing workers to listen to political speech should be addressed by just the original framework of the Wagner Act, which is the 1935 law that essentially made it a federal mission to have collective bargaining at most workplaces.

So instead of doing those kind of little fix it reforms,

I suggest that the thing to do is to try to shore up the New Deal order.

We may have to rethink the Wagner Act because it's shop by shop and instead have regional or sectoral bargaining.

But the bottom line is that just a little bit more balance in the economy and the power between the asset less, many of the asset less few, would go a long way towards solving a lot of these individual problems.

Sorry, that was a long answer.

But I think I know it's it's an ideas book.

So it's good to get that out there.

I guess the

immediate issue that comes to mind, especially when you're talking about critics of this perspective saying, OK, why does this require us to reimagine our conception?

Is just the fact that you're offering a new paradigm for people to kind of think about like if you're like I interviewed Larry Kramer from the Hillup Foundation.

They've done some interesting work on the post neoliberal space.

And kind of their point is that neoliberalism is a paradigm.

It's how you're looking at the world.

And I think the reason why this idea of private tyranny is important is if you're talking about your average like Republican politician, right?

So like not your Josh Hawley is writing, you know,

law school level like books about Theodore Roosevelt, but you're just your average Republican state legislature, state legislator in a state like Texas or Florida.

They just do not have a conception of this concept of private tyranny outside of a wokeness debate, which is actually a little separate from what you're talking about here, but I would be curious in those three anecdotes that you bring up.

Obviously, there's a throwaway line about how there's the equivalent for the Trump rally could be like political DEI stuff in the workplace.

Where does wokeness in the sense of DeSantis versus Disney fall into what you're writing about if it's related at all?

Well, it's it's related in several complicated and interesting ways.

For starters, I mean,

you know, if you, as I said, if you just

restore a measure of balance in the workplace such that

employers don't have employees at their utter mercy,

then you can mitigate the ideological pressure coming from the from the employer, whatever the ideology may be.

And I think that's a

a better long term solution than trying to

to sort of like go to war against individual companies when there is a kind

of high profile case of, you know, wokeism or some other ideology being shut down the throat of workers.

But there's another issue here, which is where I so far, if you've been listening, you've basically noticed that I'm basically almost entirely punching right.

But I do punch left, meaning I criticize the existing left a little bit as well, because I think

a certain kind of wokeness, whatever you want to call it, I use the phrase

lifestyle leftism, which I borrow from the leader of Germany's left party,

Sarah Wagner, she uses lifestyle leftism to describe a kind of leftism or

progressivism that is mostly concerned with disciplinary or how ordinary people use language and what kind of thing the products they consume

and and not concerned with the sort of traditional commitments of of the left, right, of empowering the relatively powerless.

And that kind of lifestyle leftism or wokeism, whatever, can actually often

serve as a legitimating mechanism for the same old kind of

private tyranny that is the subject of most of my books.

So just there's a classic case of this, which I mentioned in the book.

It's also kind of funny, like the

outdoor gear chain, REI, which most people are familiar with in big cities.

You know, if you want to buy camping gear or whatever, you go to REI.

They have this, you know, company podcast and not too long ago, just a few months ago, they had their chief diversity officer doing this podcast.

And, you know, she began, hello, my name is so and so.

I use she, her pronouns.

And I just want to acknowledge that I come to you today from the traditional lands of the Olon people.

So she did a pronoun check and then she did a land acknowledgement.

But the topic of the podcast is why you shouldn't join a labor union, right?

Or I give another example of Carolyn Mahoney, who's a progressive lawmaker from New York City, you know, at the height of the pandemic.

This story came out in the times about how average CEOs are making, you know, hundreds and hundreds of times the average worker, the highest paid one was two hundred and eleven million dollars a year.

Now, this at a time when many people were out of work and social solidarity was all the more important because so many workers were feeling the pressure of job loss and all the insecurity that comes with that.

Carolyn Mahoney's response to this wasn't, oh, wow, that's really unjust.

That's a really unjust distribution of the social income.

It was where are the women CEOs?

Right. So, you know,

lifestyle leftism, wokeism, et cetera, as I argue, tries to sort of fill up the boardroom with like girl bosses instead of old fashioned bosses, but doesn't want to alter the kind of fundamental balance of power too often doesn't. And so I mean, I think I think wokeism does come into it, but it's in a more complex way than the right typically acknowledges, which is just that like Disney wants to transmute it.

And I guess the question I'd have for you is kind of take us into your interpretation of the mind of your average conservative leader.

Why is why is a conservative more attracted to, frankly, in many ways, punishing Disney for being like a center left corporation?

In the sense that it's like not shocking that Disney would have, you know, be an LGBTQ friendly company.

It's not shocking that the little mermaid would be black and a new updated portrayal.

Those just seem to me to be obvious center left things in the way, but it's like not shocking that like black rifle coffee is going to do like conservative boomerism.

And it's like political perspective.

It's a founded company that's aimed at like pushing back and woke disease seem to be inherent.

Why is that pushing back on that more attractive to people on the right?

Then these worker centric realities, because it's just we've run this experiment.

Like if it's 2017, 2018, we could have done this podcast.

We could say, oh, it's now emerging.

Maybe this could go a bunch of directions.

Very clearly, the wokeness direction got a lot of people on the right more interested in what's question, whether or not corporations were up for grabs.

What kind of explains why it went one direction, which, frankly, if you're

seeing kind of like the polling, even conservative voters are kind of getting tired of like, what's going on here?

Yeah. Well, I mean,

I was one of the conservatives who,

you know, soon after the rise of Trump warmed up to the idea of economic populism, including, but also including this sort of populism in its cultural dimension.

But as I've noticed as time wore on, especially over the past year or so,

I noticed that the much of the right, much of the media class of the right

and just the conventional GOP in general, was learning to rechannel

the economic discontents almost entirely into culturalist grooves.

You know, I mean, I think, first of all, we can talk about the failures of the

Trump administration in this regard.

You know, Trump came out with some great populist promise.

And as a result of that, he won the highest share of union households in 2016 since Ronald Reagan in 1984.

But other than China trade, which is admittedly a huge issue and, you know,

the decoupling that he said in motion has been upheld by his Democratic successor.

Other than that, you know, his administration was sadly all too conventionally Republican.

His signal legislative accomplishment was a corporate tax bonanza that was engineered

by Paul Ryan, his Department of Labor was stuffed with union busters like Eugene Scalia.

Basically, labor usually walked away, not usually, almost always walked away

disappointed from the from the Trump National Labor Relations Board and the Department of Labor.

And, you know, I mean, I kind of blame that on Trump's lack of discipline and the fact

that there isn't there isn't a kind of personnel that would eat that even knows

the language of thinking about economic issues in this way on the right.

It's kind of growing.

And I know you interview some of the people who are trying to build up that personnel.

But on the whole, it's still it's not there.

But the biggest reason why, you know, ultimately, the economic populism got channeled almost exclusively into culturalist issues.

As exemplified, I would argue, by the DeSantis campaign, but others as well.

The main reason is also the one that's the hardest to talk about,

because small business is so revered in the American tradition, the small time entrepreneur.

But it's this, I'll say it, the fact that the power base of the Republican Party,

not not necessarily the voting base, which is increasingly downscale,

but the power base of the party remains not even the billionaires, although the sociopathic billionaires have their own influence.

It remains the small time rich, what you would call small or regional capital,

not the, you know, BMWs and Disney's and whatever's of the world.

But rather the.

The guy who owns a chain of, you know, regional tire distribution centers, right?

That sounds like the keystroke.

King, that is that is the keystroke.

That's that guy.

Yes, it's like the rubber chicken dinners about the self-made man.

And this is a very kind of it's a powerful figure on the right, this type of person.

And, you know, they often are actually there's there's many things that's virtuous about them.

They love their communities, etc.

But they're in terms of wage class warfare, they're in any way they're in some ways more ferocious than than big capital.

And the reason is that they feel threatened by the topsy-turvy of the market system in a way that big capital does not.

And their idea of how to bring corporate power to heel is typically and this goes back to the Jacksonian era.

Just get rid of the government-linked privilege privileges of the large and let me kind of compete, leave me alone.

And that often what that ends up doing is just dismantling the few sort of regulatory structures that actually help constrain market actors that were down to the benefit of the large.

It's a kind of it's actually a kind of but it doesn't always work well for the small time rich either, but that's their kind of impulse.

And it's it's supremely powerful in the Republican Party.

Now, it all sounds very pessimistic and grim.

The one hope is the fact that even in 2020, especially in 2020, the Trumpian GOP not only consolidated its gains among the white working class, but it began to make encroachments among working class people of color.

And so if the Republican Party wants to maintain this new base, it will have to service them.

It will have to at least try to strike some coalitional bargains between the small time rich and the kind of entrepreneurs and between the workers that increasingly form part of its voting base.

That's what political parties do, right?

They make deals among their various coalitions.

If they don't, they will lose the working class because we're less people are smart.

And as you said, there are hints that people are getting tired of everything becomes about woke, right?

So like, sorry, I'll stop with this answer.

No, please Silicon Valley Bank collapsed.

There are really complex issues having to do with the problems of small and regional banking in the United States.

Again, it's a problem we've inherited from the Jacksonian era.

Most industrial countries have a few giant banks that are treated as public utilities, almost.

The US has these small banks which can't do damage because they're small. It has these huge banks which are super regulated, especially after 2008, 2009. But there's this middle band of banks like Silicon Valley Bank that precisely because they don't fit into either of those two groups, don't have as much regulatory oversight as they probably should. OK, that's a really complex and important issue. I think the Biden administration dealt with it really well by, you know, basically doing bailouts, but then with clawbacks so that ordinary Americans don't feel like their taxes are being used to bail out venture capitalists. What was the Republican response to the crisis? It was, you know why Silicon Valley Bank fell? Because it was woke. Now, if you look at the actual board of the SVB, the the the late bank, it's not it doesn't exist anymore. It was almost entirely white guys. What wokeness are you talking about? And so I think if you keep doing that to voters, voters, especially working-class people are intelligent enough to see through it. And I think they party paid a price for it, this kind of fake populism in 2022. And we'll see what 2024. But if the party wants to retain the working class, it cannot keep doing this kind of thing where, yeah, yeah, we hear you on Wall Street, on Big Tech, etc. But our actual policy agenda is the same old same old. Well, yeah, and it's and it's funny. And you actually I'm not going to break out my phone because we're due that gas. But you've been quite a good tweet, you know, cycle for a bit. And you noted that the center left kind of gets the woke vulnerability pretty accurately. Like it's, for example, not a shocker that the New York Times had very anti drug decriminalization in my hometown of Portland, Oregon coverage. And the Atlantic did the same thing. And then the Atlantic also had a hey, I was wrong about trigger warnings article. Like there's a very much alleging as a conspiracy where like an email was sent out saying, hey, everyone, we need to like pivot back to the center on like cultural issues. But it's currently happening. I think that's out of concern about Donald Trump coming back. But like a lot of Republicans just don't understand that it's not 2019 to 2021, where the basically center left is going to get rolled unquestionably by people who are like leftist activists, don't know what they're doing. So basically running up and acting as if it's that period, it's going to be a disaster. But something I want to go back to, because it's very helpful to explain why

the political coalition you're talking about has it come about is when you were talking about labor went to the Trump administration, came away unsatisfied.

I know that a lot of conservatives listening were like, yeah, of course, they did because Sorab, that's the AFL CIO, that's like the teachers unions.

Those are these big unions, which are operationally mostly political by serve the Democratic Party.

So it's not shocking that those organizations weren't made happy by anything that any even the most like popularized right wing administration would do.

So could you maybe explain how the right should separate, maybe distaste for like specific labor organizations from the fact that like we can't just treat like workers as these like disinterested individuals?

Because there's this like weird gap there.

So kind of like articulate the like weird in between you have to navigate.

Yeah, there's first of all the mythology of who's a working class American, which in the eyes of the typical

member of that conservative power base that I was telling about the sort of small time rich or the small entrepreneur, when they think of the worker, they think of typically almost like a roofer who has his own independent you know, roofing business and it's not at all the or at most a kind of team stirrer was a kind of burly team stir, electrician, carpenter, etc.

They will grant that as well.

But that's not what the working the modern working class looks like.

There's, you know,

low ranked accountants at big accountancies.

There's, you know, Filipina hospitality workers, you know, frankly,

I would include and this will probably out raise some conservative listeners, but, you know, the kind of permanent professional precariat of the urban cities who are, you know, with student loans, bear down on them and they can't, you know, find jobs that can pay the minimums in the minimum kind of requirements of life.

Now you can say, well, you should have been a plumber,

but this person was told for a generation, people like him or her have been told for a generation that they should go to college and do kind of informatic jobs and creative class jobs.

That was going to be the future.

And now they're stuck with an expensive degree that, you know, that doesn't bring a fulfilling stable job.

They don't think of these other classes of people as working class Americans so that you get this very idealized version of who a working class person is.

That's one point.

The second point to make is,

you know, about the point that you made is like, OK, well, you know, that's unions, etc.

Let me give you an example of

drawn from the book of a person put in a very difficult position by our current political economy and ultimately by our conservative kind of administrations from Reagan onward.

You know, I tell the story of this fellow named Steven Morris in the book.

He was a low level accountant, not a kind of partner or associate, but low level accountant working in at Ernst and Young during tax season.

He routinely had to work 50, 60, 70 hours a week.

And this is a wage job, right?

And made life unbelievably difficult.

He would wake up at like six in the morning, get to work by seven, get home at midnight, barely eat, barely sleep, and he's back at work.

And this is like these are the conditions of tax season.

We get it. But Ernst and Young, he alleges, didn't pay him overtime.

Why was he owed overtime?

Because he's not like a salaried high level staffer.

He's a wage employee and therefore under the Fair Labor Standards Act, which is the New Deal error law that gives you a minimum wage and overtime protections.

He was entitled to overtime as well under California labor code.

OK, now he wants to sue Ernst and Young to

to recover his what he believes are unjustly withheld wages,

which, by the way, amount to about two thousand dollars.

Ernst and Young at some point in Morris's employment, not at the beginning, but at some point later, sent an email saying,

if you show up to work the next day effectively, you are required to route all of your workplace grievances through our mediation and arbitration process.

Now, arbitration is this very old ancient practice, actually,

of sending disputes to a neutral mediator for quick resolution rather than going through traditional litigation with all of its kind of expense and drama, etc.

But it was always meant for merchants of relatively equal bargaining power.

Arbitration, these privatized courts was not meant for situations of vast power disparities like workers in a workplace and an employee, a giant global employer like Ernst and Young.

Yet, since the 1980s, mainly conservative Supreme Court justices

gradually expanded the scope of the Federal Arbitration Act to the workplace, to the point that in 2018, writing for a five four majority,

Justice Gorsuch appointed by the populist Trump,

held that Morris would have to be forced to do arbitration,

even though it would have cost him as an individual

two hundred thousand dollars in order to recover two thousand dollars.

So in order to recover one percent,

he would have had to spend two hundred thousand dollars in order to recover one percent of that amount and Ernst and Young didn't dispute the fact that he would have had to spend two hundred thousand dollars.

So it would only make sense for Morris, if he wanted to bring the suit to be in a class action, either a class action lawsuit or class arbitration, both of which was barred by the arbitration clause that the employer handed down, by the way, again, mid employment and the the federal statute under which he brought his suit, the Fair Labor Standards Act, is part of these new deal package of reforms that were aimed to encourage workers.

Congress aimed to encourage workers to band together to defend their rights, including banding together in court to defend their rights, when otherwise, if they had to go it individually, it would be irrational.

It wouldn't make sense for you to spend two hundred thousand dollars in order to recover two thousand dollars.

It only makes sense if you can band with similarly situated and aggrieved workers.

So why am I saying all this?

Because that's an easy case of collective action that is obviously within the scope of the of the Fair Labor Standards Act and of the whole spirit of the new deal and the idea of workers banding together.

And yet here's the Republican Party.

Here's a Republican appointed Supreme Court justices and the Solicitor General of the Trump administration that took the side of Ernst and Young against the employee.

So AFL-CIO is not involved in this.

Now, AFL-CIO, now here's the thing.

If AFL-CIO was actually more present at more workplaces, situations like that wouldn't come up.

Why? Because unions and employers arbitrate disputes all the time.

And it's actually there are studies like libertarian type free marketer studies that show that arbitration between a union and employer reduces externalities.

It reduces costs because right away something happens at work instead of court, etc.

Management and union meet and together they quickly resolve the issue, saving expense and headaches on all sites.

So if you just had a more, you know, a workplace that was more unionized, arbitration even would become acceptable because then it's not giant Ernst and Young, you know, putting its heel on the face, pressing its heel on the face of one guy, Stephen Morris, it would be a whole bunch of workers arbitrating against, you know, the large employer.

But so again, here's the thing, you know, as you said, AFL-CIO is super close to Democrats.

Why is that? Why has that become the case?

AFL-CIO votes were up for grabs for Republicans as recently as the Reagan era.

Reagan was competitive with labor. What changed?

Well, the Republican Party post Nixon became unbelievably hostile to labor, as the case of Stephen Morris showed.

So if you have a Republican Party that upholds that like unbelievably unjust arbitration agreement in the Gorsuch decision, again, appointed by Trump,

then labor will go to the one party that at least sometimes takes its side, which is the Democratic Party.

But if you have a Republican Party that's willing to be a little bit less vicious in this regard, then you make labor more independent because there's all sorts of reasons why labor shouldn't be totally married to the Democratic Party. As my friend Michael Lin points out, if you go visit the Twitter homepage of the head of the AFL-CIO, at least until recently, I don't know if she's changed it, but the pin tweet at the top is, you know, maximal reproductive rights are workers' rights.

I can't remember what the exact thing was, but it's against Dobbs. Now, tons of rank and file members of AFL-CIO are not quite where the Democratic left is on abortion. They may not be pro-life 100 percent the way I am, but they're definitely not abortion up to the birthing table or whatever like the last minute.

But why is it that they have to basically put up with Democrats is because the Republican Party is so awful.

And so if the Republican Party actually wants the labor vote and wants to divorce the sort of marriage of the Democratic Party and organized labor, it just needs to be a little bit less horrible, not that hard.

So in this last section,

I just love to ask you, because you've kind of alluded to this, where does the Biden administration's efforts in the categories we're talking about today, whether it's, you know, Lena Kahn or Rohit Chopra, who's been on the show. Where does that kind of find you politically?

So because obviously we're not talking about foreign policy in this podcast, and you are very if you think that you're a Biden shell, read your writing on foreign policy very much like once again, different conversation.

But that's just for listeners to think about.

But where is this word?

Where do you find the Biden administration on these categories?

On these issues, I'm quite Biden-pilled to put it on.

You know, I mean, I think I think that in many ways, it's the first post neoliberal administration since the rise of neoliberalism.

Whenever you want to place that, some some people say Carter, some people say Reagan. But at any rate, it's the first post neoliberal administration quickly defined neoliberalism, the idea that not only should the market be left alone, but market metrics and market market rationalities should also determine how we do politics, right?

It's a it's a much more radical neoliberalism is much more radical than old fashioned, you know, classical liberalism or kind of conventional conservatism. It goes further, says government should, you know, actively make remake much of life so that it's more market oriented.

And it was a bipartisan consensus by the by the the 1990s.

So much so that famously, as you know, Marshall, the when when. Margaret Thatcher was asked, what's your greatest greatest accomplishment? She responded Tony Blair. And likewise, in the United States, you know, plenty of neoliberal Democrats in the 90s pursued similar goals. And the real big problem with neoliberalism is what I call depoliticization. That is, it takes issues that are eminently about politics, public politics, and how we contest them and and shoves them into, you know, kind of private, non-justiciable, non-political realms where the weak are typically have their hands tied. So the arbitration, arbitration example I gave is one. Another is just how we how we did free trade, right? It was presented not not as something that's like democratically contestable. But oh, you know, it's it's this is the wave of the future. We can't make stuff anymore. It's just inevitable that we, you know, we have to ship all of our factories to places that don't have any labor or environmental protections, etc., etc. These were not inevitable natural developments. They were a result of elite political choices. But ordinary people lost their say. And I see the Biden administration like many others. I see the Biden administration as the first administration that's really meaningfully pushing beyond that. It does that in rhetoric. I'm sure you you listen to Jake Sullivan's the he's the national security advisor, his address on the Washington consensus and how it's been a failure at home and abroad, the Washington consensus is just another byword for neoliberalism. So they say it in rhetoric, but also in practice, you know, the Inflation Reduction Act, the CHIPS Act. Now, there are legitimate conservative criticisms of these because these are forms of industrial policy, essentially bringing back chip manufacturing to home, both on security grounds and otherwise, because it's the industry of the future or just spending a lot on green developments and so forth with the Inflation Reduction Act, there are legitimate Republican criticisms. One is, for example, some conservatives complain that the CHIPS Act doesn't actually spend enough money. The Inflation Reduction Act and conservatives complain is too focused on green energy at the expense of other forms of industrial development. All fine. I mean, by the way, I do think there might there are good jobs to be had out of green. China seems to think that way. So we should as well. I mean, we shouldn't write off green as everything green is not bogus.

It's a serious industry and a serious development.
But anyway, let me grant that the kind of conservative complaints.
At the end of the day, the Biden administration has an industrial policy.
I'll wait. I'll wait.
Let's wait to see Republicans come up with an alternative.
They will not. I guarantee you.
So the only thing they can do is complain or just go against the idea of industrial policy with the same old clichés.
Oh, you don't distort the market, as Kevin McCarthy said, etc.
You shouldn't distort the market while all of our China does that.
Every other country that's developed seriously has distorted the market and picked winners and losers, contrary to sort of 18th century Adam Smith theory.
So, you know, in short, and then, of course, on labor issues, sometimes there's been missteps like the railroad workers over last summer, as you remember, out now, sorry, last fall.
But that's that's that issue has been resolved.
But on the whole, you know, I'm I'm pretty Biden-pilled on domestic economic policies.
The problem is that it's all bound up with foreign policy, where my views are more complicated and critical of the administration.
And of course, cultural policy, I tend to be on the right.
So what that leaves me is it actually leaves me in a very kind of exciting and unsettled place. I see great hope in certain individual Republican lawmakers like Senator Rubio, Senator Vance, Senator Hawley.
They don't talk about this stuff exactly the way the left wants.
So it's often thankless.
They don't they're more gradualist because they're coming from the right and they have to bring constituencies over.
So it's imperfect.
And of course, the left says, ah, no, you can't be pro worker because you don't discuss these issues exactly the way we would discuss them.
And you're too gradualist.
But I think there's those are the green shoots.
And with the Biden administration being as resolutely post neoliberal as it is, there's a real possibility of building a new consensus.
And that's what I try to do in my sort of public intellectual life.
I'm almost private, too.
Like I bring together really surprising groups of people, you know, people who would otherwise never find themselves around the dinner table, you know, lawmakers, et cetera, policymakers and people of left and right to try to formulate a new kind of political economic consensus.
So but what it does mean is that I'm constantly like on my toes and a little bit I have to bring over a left constituency and win their trust that I mean it.
When I say I'm pro union, but then to try to convince people on the right

that there is a conservative tradition in favor of thinking this way.
And then there is a matter of, you know, what do you do with Biden?
So on these issues, it's much, much better than anything we've had in generation or two.
Again, it leaves me in a sort of
discomforting and unsettled place, but it's also an exhilarating place.
So for the last question, I'm really fascinated by
how directly you identify with the New Deal and this kind of like fills a hobby
course I've had recently, I've done a lot of episodes in FDR.
And I just think that there's a, especially given the fact that you alluded to this,
there's a certain way that conservative
institutions discussed the New Deal, they're hyper focused on, well, like, you know,
did this specific economic policy work, like was this the most efficient allocation?
They focused on the economic side of the New Deal and not on the political aspect
of the project, which to me was, oh, wow, it's 1930s, the old order is collapsing.
How do you put together a political program that obviously involves the economy,
political economy, sociocultural ideals, culture, etc.
To actually keep the country together in the face of fascism to the right
and communism to the left.
It was a tremendously successful political project.
And I don't think we should start by just, you know, getting nerdy and saying, well,
you know, if they've done this tax policy adjustment, the GDP growth put in this
level in 1930, that kind of misses the point of the project.
So can you just close with
your understanding of the New Deal, how you kind of really found yourself there
and like what that means for you going forward?
Take as long as you need to go, because this is the final question.
Yeah, I mean, I like many who
read or look into the New Deal, you suddenly become you, you, you become excited.
Both.
But for me, it's not nostalgic, right?
It's not like I think we have the exact
you know, same configuration of a macroeconomy and culture, etc.
Some many things have changed since then, but this the fundamental
recognition of the New Deal in my telling, which I mentioned in Tyranny Inc.
The fundamental recognition is that
the model of competitive capitalism that had reigned in the United States
in the 19th century and the early decades of the 20th century had actually failed
capitalism and was risking all sorts of social turmoil.
I think that should sound familiar to us in some ways today.
The competitive the competitive model, first of all, was based on
that New Dealers recognize the kind of illusory economy that hadn't existed
even in Lincoln's time, you know, when Lincoln
gave his address to the Wisconsin Agricultural Society, which is his big address,

kind of the emblematic presidential speech on political economy in the 19th century. He still Lincoln, unfortunately, for all his visionary leadership on obviously on the Civil War and so forth. Lincoln still has one foot in the Arcadia of the late 18th century before the Industrial Revolution displaces the Yeoman Republic and creates an economy in which there are a few employers and many, many other employees, wage earners who will never become their own bosses. Lincoln's vision was that there is no class antagonism between labor and capital, because labor and capital are really the same thing. And so the worker will eventually the penniless beginning beginner in the world, as he famously said, will start out poor, but then work and then he'll be able to afford his own tool or his own land, and then he'll get to hire some other penniless beginner. And then that person becomes a boss. And so he really thought of the labor and capital as a kind of composite figure and the same figure that economy didn't exist by Lincoln's time. You know, he was being a romantic in the mid 19th century. By the by the early decades of the 20th century, by clinging to that romance, the US had plunged itself into crisis, because in reality, most people were just workers for their duration of their lives. And if they didn't have enough power and if they couldn't mount enough power in response, in collective bargaining, etc., in collective action, then they wouldn't be paid enough. And when they are paid enough, they couldn't even afford the goods that they were producing, therefore generating a demand crisis that really threatened the whole system. And as you said, you had communism and fascism both sort of biting on both sides. So the the FDR comes along and the new dealers more broadly. And we should really think of multiple new deals. It's not just one. It's a kind of series of moves. But at any rate, they come along and they have this kind of more realistic view of what the economy is like. You don't have, you know, a gazillion yeoman and mechanics and so forth going up against each other in super competitive markets in which the price point really says something meaningful about supply and demand. You have an economy which already by the late 19th century, most industries were dominated by just a few sellers, right? Like Otis Elevator controlled 70 percent of its market. American Tobacco controlled 90 percent of its market. In those conditions, you don't really have price competition. Price is really an index of relative bargaining power. It's a it's a political and it can it's a political signal.

It's not really a
you know, supply and demand strictly speaking signal.
So wages are much more political than the kind of classical economic theory had
been willing to grant new dealers recognize this.
And so they what do they do?
As I said, the main effort, I think the centerpiece was the Wagner act of making
it encouraging Congress encourages not just allowing encourages
collective bargaining in most industries.
So what does that what does that result in?
It results in a period of mass prosperity of innovation.
This is the nuclear age.
This is the space age and it's an age which a lot of a lot of our, you know,
grandparents and great-grandparents recognize as a generally happy, prosperous age.
There were issues, obviously, for example,
the the stain of of legalized racism still would take several several more decades
to fully erase, but as a kind of economic matter, the fundamental thing that I
fundamental element of the New Deal that I appreciate, which I and I think we
should go back to is just economic realism, economic realism.
And, you know, on this point that markets don't
don't operate the way that econ one-on-one courses still teach, you know,
with just the price point being this perfect crystallization of supply in Japan.
No, it's it's a matter of how much bargaining power you have.
And if you if you're a worker, the way you increase your bargaining
power is by joining hands with others like you and bargaining, collectively bearing,
bringing collective action to bear.
So that realism is what we need.
Do we need the exact same matrix of policies as FDR?
No, conditions have changed, etc.
But that sort of realistic spirit about how markets really work is a stroke of
genius. And, you know, I just take pride in it as a as an American by choice.
I look back in the era with almost the kind of misty eyed reverence.
Almost. Well, Saurabh, that's a great place to end it.
Can you just shout the book out?
It's out. We're recording this on the 14th, but it will be out on the 15th.
Yeah, the book is Tyranny Inc.
How private power crushed American liberty and what to do about it.
And it'll be out Tuesday, August 15 at
wherever books are sold, including, you know,
Amazon, which is one of the villains of the book.
If folks enjoy this conversation, get it from the realignment's bookshop
so I could get 10 percent of that cut.
Thanks for joining me, Saurabh.
Thank you.

I hope you enjoyed this episode.

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