Virtual Event | Is There a Future for the American Middle Class?

TRANSCRIPT

Discussion

- Michael Lind, Professor of Practice, The University of Texas at Austin
- Walter Russell Mead, Ravenel B. Curry III Distinguished Fellow in Strategy and Statesmanship, Hudson Institute

Disclaimer: This transcript is based off of a recorded video conference and breaks in the stream may have resulted in mistranscriptions in the text.

A video of the event is available: https://www.hudson.org/events/1935-virtual-event-is-there-a-future-for-the-american-middle-class-32021

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Walter Russell Mead:

All right. I am Walter Russell Mead, the Ravenel Curry Distinguished Fellow at the Hudson Institute, and we are having another one of our events and series on the American middle class. Today we are lucky enough to have with us one of the most original and distinguished commentators and observers of American life, that is to say, Michael Lind. Among his other many qualifications, Mike is an old friend of mine. We were associated at the founding of New America, a think tank now based in Washington.

Mike is currently a professor of practice at the LBJ School and has previously taught at Harvard and Johns Hopkins. He’s been assistant to the director of the Center for the Study of Foreign Affairs at the US State Department and has been an editor or staff writer for The New Yorker, Harper’s, The New Republic, and The National Interest. A co-founder of New America, Lind co-founded New America’s American Strategy program and served as policy director of its economic growth program. He’s the author of more than a dozen books, including Land of Promise: An Economic History of the United States, 2012, and most recently, The New Class War: Saving Democracy from the Managerial Elite, of 2020.

Mike, I'm always depressed when I look at your long list of publications and positions held, because I realize that I'll never equal them. But, I do wonder, do you have another book that you're working on, and what is it?

Michael Lind:

Yes. I do have new book following The New Class War, based on an article I wrote for Tablet, The Five Crises of the American Regime. I argue that there's a political crisis, an identity crisis, a social crisis, a demographic crisis, and an economic crisis, which ultimately is the base of the other crises. That should come out in 2022 or 2023.

Walter Russell Mead:

Well, this gets, I think, at one of the ways in which you are almost unique in America today, in that you tend to put economic issues at the forefront of your analysis of what’s going on while many commentators seem to be dealing with identity politics or other cultural factors.

Michael Lind:

Yeah, I don't know that I dismiss the importance of identity politics. Driving a lot of the identity politics, I would argue, are class conflicts, which are expressed through identity politics in many cases. And, driving the class conflicts are this historic transition which we are in between the electoral mechanical era of the 20th century, when the leading industries were automobiles and oil, and we had an entire social contract, as you had written about, based on labor unions and the mid-century welfare state. That's long been obsolete. But, we haven't constructed a new social contract to address some of the same challenges.

So, I think in these periods of transition, there was another one between the Civil War and the early industrialization and the New Deal, where if you followed politics, you would think it was all about prohibitionism versus anti-prohibitionism, or Catholics versus Protestants, and that was the case at a
certain level. But, we look back now, and it was about the transition from an agrarian society to a society, then, of factory workers and clerical workers.

**Walter Russell Mead:**

This brings us to the question that is on my mind right now, which is what is the future of the middle class, and is there still a middle class? In some ways, what we think of in America as the middle class was a fusion of the working class having a much higher standard living than many people. So, the lower middle class was blue-collar workers, upper middle class, white-collar professionals, they were all together in that middle distribution. And, often, people thought of themselves at every level of that as middle class. Do we still have a middle class, in that sense? And, if not, what's replaced it?

**Michael Lind:**

In my book *The New Class War*, I don't even use the term middle class because I think that your observation that there was a common consumption standard 50 years ago for prosperous blue-collar workers and minor professionals, I think that is no longer the case. The greatest divide in Western societies is between what I call the college-educated overclass. It's about the top third of the population on both sides of the Atlantic, in Europe as well as the US. What I just call the working class, that is the high school educated. I argue that having a college diploma or not is the primary divide in modern Western societies, and, increasingly, there's a growing gap in terms of both compensation, access to healthcare, and to benefits, and prestige and dignity between the upper working class, if you want to call it that, and the lower overclass.

**Walter Russell Mead:**

Can you fix that just by sending everybody to college? That seems to be at least one angle that people are taking. Well, if that's the difference, let's increase the percentage that go to college, and that should solve our problems, right?

**Michael Lind:**

Well, that's an initially good interest on my part as a college professor. But, I would argue too many people go to college. According to the Federal Reserve, about one-third of Americans with BAs are working in jobs which require only a high school diploma. If you look at the correlation between a BA and income, health outcomes, and so on, it's striking, and you can come to one of two conclusions. One is everyone should get a BA, and they'll be better paid and happier and healthier. The other is that we need to decouple outcomes in life, basic outcomes, adequate income, adequate access to benefits, from the need to have a college education.

**Walter Russell Mead:**

Now, let's shift a bit into politics and try to think about the two parties along the lines of these questions that you're raising. I guess the Democratic Party, you've written, from being a party in which the college-educated were one of a number of interest groups and the weakest, they've now become the strongest element in the Democratic coalition. Do you want to expand on that and maybe what it means in terms of Democratic Party positions?
Michael Lind:

If you look at Franklin Roosevelt's popularity, he was unpopular among college-educated professionals, popular among high school workers who were the majority back then in the 1930s, and his highest popularity was among people whose educations ended with a sixth grade. So, it was a big sixth grade vote back in the New Deal. And so, in 1950, only about seven percent of the US population had a BA. Now it's about 35%, very slightly for men and women, with women being slightly more college educated.

At the same time, about a third of the population in the New Deal era either worked on the farm or worked in factories or in ... It was gendered. The women worked as secretaries and typists, the clerical factories. Now less than two percent of the population is employed on farms. And, the manufacturing, partly because of offshoring, but partly because of automation, the manufacturing workforce has shrunk under 10%. So, to the extent that the social base of the Democrats is what used to be the social base of the Rockefeller Republicans, it's the college-educated professionals. That group now dwarfs the old farmer labor Democrats, and it should be no surprise that representatives of the old order, if you think of Jim Webb, or if you think of Marcy Kaptur or Sharon Brown, who represented the traditional blue-collar Democrats, that they've lost power to these new corporate suite professional class Democrats.

At the same time, blue-collar workers and pink-collar workers to some degree are increasingly migrating to the Republican Party. What we saw in the last elections is that while there's still racial and ethnic polarization between the parties, it's declining. Trump picked up more African-American, Hispanic, and Asian-American votes in 2020 than he did in 2016, while Biden picked up chiefly college-educated, white-collar, former Republican voters. So, we're seeing racial depolarization accompanied by class polarization, within all races.

Walter Russell Mead:

Can the Democrats regain that blue-collar base? Do you think the trend of racial depolarization is going to continue?

Michael Lind:

Well, I think you have to distinguish two working classes in the US. In my book The New Class War I distinguish, inspired partly by your blue city, red state work. You were way ahead of the game on a lot of this analysis. There's what I call the hub city working class. It's largely foreign born, largely immigrant, tends to work directly as servants or in service occupations, catering on very wealthy professionals and rentiers and managers and executives in big cities.

There's what I call the heartland working class. By heartland, I just mean the outer suburbs and exurbs and beyond. That is a group that works in a lot of the so-called essential industries, which are still physical industries. These are still real world. It's Amazon fulfillment warehouses. It's logistics. It's infrastructure. It's also mass restaurants, mass marketing for working class people as the clients, not wealthy people downtown. So, you're going to get a divide just on the basis of urban versus exurban, and that divide tends to be racial and ethnic as well, in as much as the more recent immigrants tend to work in the hub city service class.
Now, on that point, I think it's important to realize that our picture of blue-collar workers and suburbanites being white is 20 or 30 years behind the times. Every single racial group in the US now is predominantly working class, not poor. And, it's predominantly suburban or exurban. Most African Americans, most Hispanics, most Asian Americans are working-class people who live in the suburbs. And, this is left out of this old stereotype that you have the urban Black poor and the affluent white suburbs. We've evolved towards a more European situation where the periphery, as they call it in France, tends to be lower income than the urban centers.

Walter Russell Mead:

I actually remember in Washington, 30 or 40 years ago, finding it hard to believe that all the rich people were condemning themselves to these long commutes every day, and all the poor people were living close to work. Obviously, rich people have figured out it's better to walk to work since then. I mean, looking at this, the Democrats still seem to be doing well, I mean, disproportionately well among African Americans, Latinos, Asian Americans. A lot of their political appeal is ethnically or racially based. I think it was Joe Biden said of Mitt Romney, "They're going to put you back in chains," or something. And yet, as you say, Trump seemed to be doing a bit better. How long does this identity rhetoric win for Democrats among these voters, and there is talk [inaudible 00:14:11] the Biden COVID relief plan is aimed at providing some economic benefits to these targeted groups of people. Are the Democrats trying to consolidate this group? Do you think the prospects are good of doing it?

Michael Lind:

Well, I think the analysis is confused when you treat non-whites or people of color ... This is a nonexistent group. It's not a real anthropological group. It's just a statistical abstraction. People say American politics is terribly racially polarized, but if you look only at non-Hispanic whites, Hispanics, and African Americans, it's not that racially polarized. That is, you get a lot of white Democratic voters and a lot of white Republican voters. Going back to the '80s and '90s, you get 30%-40% of Hispanics vote for the Republicans in states like Texas, which are conservative, and for presidents like George W. Bush, to some degree. Trump was just going back to the norm of having Hispanics divided.

Obviously, any group is going to be divided unless it's absolutely 50/50. It's going to lean more towards one than the other. I'm just saying that we're terribly racially polarized when Hispanics ... If one party gets 70% or 30%, 70/30 is not 90/10. The 90/10 tends to be the African-American pattern, with good reason, because the Republicans had ... Originally, they got most of the African-American vote, and then, because of the New Deal, even before the civil rights revolution, they were switching to the Democrats. And, it was Barry Goldwater, the head of the modern conservative movement, voted against the 1964 Civil Rights Act, and for several generations, that did far more to cement African Americans to the Democratic Party than I think any of their particular economic programs.

What you see according to analysts is that among younger African Americans who do not go to church, are more likely to vote for Republicans than older, churchgoing African Americans. That shows you the extent for the civil rights generation. The Black civil rights movement, of course, was led by religious leaders like the Reverend Martin Luther King, Junior, the Reverend Jesse Jackson. There was a fusion between the Democratic Party and the Black church in the sense there was in the Bush era between
white evangelicals and the Republican Party. As the younger generation gets more liberal and more secular, then I think some of these loyalties are going to be up for grabs.

Walter Russell Mead:
Do you see an emerging majority for either party?

Michael Lind:
No. No, I believe in the theory that parties do not like to lose. If they lose too much, then they will figure out a way to pry some constituency from the other party. Particularly now, where the parties are so nationalized, I think the reason you had a New Deal Democratic majority from the ... in Congress, particularly, just absolute New Deal domination, was that the Democrats were not a national party. They were a coalition of quite radically different parties. There was a segregationist, oligarchic, Southern party. There was a populist wing of the Democrats. There was a trade union, Northeastern, largely immigrant labor wing. And then, there were old Protestant WASPs, social Gospel progressives. And so, if you actually have to have a single party that has a coherent message, it's going to be much harder to have a majority because it's a diverse country, and neither pure Democratic progressivism nor pure Republican conservatism appeals to more than a minority of the population. People have very mixed views that can be exploited by the opposition party.

Walter Russell Mead:
If you're going to be advising, say, the Republican Party on how to build win elections and where to go forward from 2020, what would you suggest that they do?

Michael Lind:
My suggestion is the least coherent party wins in the United States, and the reason is our first past the post electoral system which we inherited from Britain in the 18th century. Most countries have proportional representation now. But, under first past the post, third parties are punished, and you tend to get a stable two-party system. But, as I said, you'd have a two-party system imposed on a five or six or seven or eight-party country, right?

As paradoxical as it may seem, the more incoherent party that has more factions that have different views, will bring them more voters than the purist, doctrinaire, ideological party, which wants to kick people out if they don't ... So, basically, the national party ... And, this is true of the Democrats. I'm giving Republicans and the Democrats the same advice. Keep your national program to a minimum, and give your state and local representatives a free hand on all sorts of issue, even if other members of the coalition don't agree with them.

Walter Russell Mead:
How would you manage the Trump/No Trump split among Republicans? That seems to be one of the deepest cleavages in American politics right now.
Michael Lind:

Well, the actual cleavage preceded Trump. That is, there were these dissatisfied Republican voters who were moderately traditional on social issues, skeptical of full-on intervention, and accepting of the New Deal. They like Social Security and Medicare and middle-class, working-class programs. They were frozen out by the power structure in the years of the Bush dynasty, so they went to Ross Perot. In the primaries, they would go to candidates like Mike Huckabee and Rick Santorum, and Trump ended up representing them. But, with Trump gone ... He may come back. We'll see. But, the coalition was there before him.

So, the real question is both parties, are we going to have a party system where the dividing line is social issues, where as long as you're a social conservative or a social liberal, you can agree to disagree within your party about economics, about foreign policy? Or, are we going to have an economic-based system, which was more like the New Deal system, where the division between Republicans and Democrats was not over abortion or gay rights or race, even, but over the role of the government and the economy. I think we're probably stuck with a social issue division. So, both parties should say, "Well, we'll give members a free hand on big government or small government. But, you have to follow our party line on core cultural and social issues." I think that's where it will go.

Walter Russell Mead:

Do you see that as advantaging either party, or is it equally just ... Does it come out in the wash, and you have to just manage it?

Michael Lind:

Well, I think at this point, the parties are equally distant from mainstream public opinion on many areas. For example, most Americans, particularly younger Americans, are pro-gay rights. The conservatives have just lost that battle. At the same time, abortion attitudes have hardly changed at all. The country is very divided on that, and it's hardly changed in 30, 40, 50 years. The trans rights issue is very divisive. I don't see that going away, as opposed to gay rights. So, neither the Democrats nor the Republicans has a message that appeals to this kind of heterodox, eclectic view on social issues that much of the public has.

Walter Russell Mead:

One of the things that I think a lot of observers find odd about the contemporary American scene is that you have these apparently very radical ideas about trans rights and others, and then you have establishment, corporate America, and even the military, leaping to embrace them. This fusion between what people instinctively would see as a radical agenda and then the establishment, I think that's causing a lot of [inaudible 00:24:12] and it's leading among some to some fairly conspiratorial views about how things work. How would you deconstruct or explain that phenomenon?

Michael Lind:

Well, I see it in terms of both class and culture. That is, if you look at class, what I call the overclass, that is, the college-educated minority ... And, I don't think there's a billionaire class. You and I are both from
the South. We know that your class is the class of the family you were born into. It’s not how much money you make when you’re 40 years old. And so, the college-educated elite in the US tends to be quasi-hereditary. The most successful college students tend to have one or both college-educated parents. There’s some people who are first-time students. What’s more, most billionaires were born to overclass, upper middle class parents. They were the Walton heirs. There’s some others. And so, the culture of this elite, which dominates both parties at the higher levels, is more or less libertarian. It’s socially liberal, believes in free markets, mass immigration, somewhat hawkish on foreign policy because they want the US to lead the world. And so, they’re globalist.

And then, if you look at high school educated people of all races, it tends to be the opposite pattern. They tend to be relatively conservative. Now, the definition of socially conservative changes, right? I like to tell people, "In 2040, the big debate will be over polyamory, with the Democrats being in favor and the Republicans saying that marriage is between two gay men only." So, the goalposts tend to change, but at any given moment, the working class tends to be more traditional than the elite on social issues. At the same time, they benefit from the welfare state, the government programs, social insurance, often favoring tariffs or immigration restrictions against labor competition.

So, I think it’s not a left-right thing. I think it’s a top-bottom thing. And, as the organizations that used to represent working-class people, however imperfectly, including local political machines, churches, and trade unions, as they've lost power, then pretty much politics and both parties gets captured by the social liberalism and economic neoliberalism of the dominant college-educated minority.

**Walter Russell Mead:**

Yeah. I do think that a trend that people don’t pay enough attention is what I want to call the objective loss of power of the working class, so to speak. But, if you go back to, say, 1950, the railroad workers, the coal miners, unions could shut down the country. And, you would then have to persuade them to go back to work. In the same way, the state needed a conscript army to defend itself. This happened to the Germans in 1918. If the conscripts stop fighting, there's really nothing you can do. Your state collapses against its external enemies. And so, you had an institutionalized, broad power, not a constructive power, but going back to Roman history, the veto power of the plebs against the patricians. That seems to be a lot weaker in the sense that if the 7-Eleven workers all went out on strike today, it's not necessarily going to bring the country to its knees. And, the last thing the military wants is a conscript army. So, you see, there's been a weakening.

It also meant that if you wanted an elite career to be successful, you had to know how to get along with union leaders if you wanted to be a successful corporate executive, and you would want to demonstrate as an officer in the army your ability to lead regular old soldiers, which meant you had to know how to communicate. We now seem to have a working class that's much less powerful, an overclass, as you would call it, that is more powerful, but also, many, many fewer reasons why people in the overclass should care about their ability to talk to, persuade, work with or engage the working class. Is that a dynamic that you see, and if so, what can be done or should be done? Is it possible to do anything?

**Michael Lind:**

Yeah. I agree entirely with that analysis, and that's why I emphasized material factors, technology and industry and the evolution of the economy, you had these choke points in the era of mass industrialized
production and mass industrialized welfare, right? The Kaiser had to abdicate. You had the soldiers begin to mutiny. You had to have a labor piece in World War I and World War II. So, Presidents Wilson and Roosevelt insisted that corporations make deals for the duration of the war, if not later, with the trade unions.

Flashback to a world like the early modern period in Europe where you have a bunch of decentralized peasants. The older cities with their militias had declined. In the Age of Absolutism, you have mercenaries from all over Europe, right? And so, if the urban militia says to the king, "Well, you need to negotiate with us," it was like, "What urban militia?" That was the Middle Ages. This is the 17th century. We just hire mercenaries. If the peasants revolt, then it's a rebellion in one village. They can't organize. That's true ... the 7-Eleven workers. I think a better example would be most of the low-wage jobs being created are in healthcare. So, let's say if it's nursing home workers, you can shut down one nursing home, but that doesn't cripple the economy the way shutting down Detroit would. The 1950s.

So, that makes me pessimistic about the ability of bottom-up challenges to the authority of the ruling overclass. I think if there's going to be an impulse to reform, it won't come from rebellion from below, and it won't come out of the goodness of hearts of dissident members of the elite. It'll come from geopolitical competition, where a faction of the elite will say, "Even if we don't need mass conscript armies, you can say, in order to compete with China, today, maybe with India 50 years from now ... Who knows? We have a fraction of their population, and we need to mobilize it and use it efficiently."

There was a national efficiency movement, as you know, in Britain in the 1900s, with people like George Bernard Shaw and the Webbs and H.G. Wells. They're kind of a footnote in history, but they were traumatized by the loss of Britain in the Boer War. British won, but it was a Pyrrhic victory. Very costly. And, anxious about the rise of Germany, so they said, "Well, if we're going to be a great power in the 20th century, we can't have sickly people. We can't have illiterate workers. We've got to emulate the Germans in having a decent welfare state, public education, health programs, even if we reject their authoritarian system. And so, I think maybe ... And, maybe I'm clutching at straws. But, if our rather selfish American elites do anything for the majority of the population, I think it will do so because of Cold War-type considerations.

**Walter Russell Mead:**

Well, one does see, I think, in electoral rebellions, which we're getting a lot of ... On both the left and the right, we have these populist electoral rebellions against the machine, against the establishment. It looks like a working class that can no longer count on its institutional methods of power, through unions and so on, is reaching for the one lever that it might still possess, which is numbers and votes. I think that's how you can explain the election of someone like Trump, who, whatever else one thinks of him, was fundamentally opposed to the consolidation of the power of your clerical upper middle class type group. But, then, in power, he found it very difficult to make a lot of the changes that he wanted to because of entrenched resistance of this group.

You can see we're producing empowered workers, this Google workforce. The people in the digital economy or The New York Times newsroom, which is rebelling against management in the way that labor unions used to rebel against their owners in saying, "Editors can't tell us who is allowed to work in the newsroom and who isn't." So, we have this one group of workers that are now imposing preferences and feeling power and then other groups of workers who are feeling ever more alienated from power.
Does this end well? Do you see a deepening polarization? Or, do we reach some kind of power balance and accommodation?

Michael Lind:

Well, I think in the absence of some kind of program to rebuild labor institutions, civic institutions, and so on, to incorporate a rather anomic and atomized working class, as I say in The New Class War, we may be facing a doom loop indefinitely between what I call technocratic neoliberalism and demagogic populism, which was represented to some degree by Bernie Sanders, as well as Donald Trump. We have the experience of this in Latin America, where you have the 30 ruling families, and, periodically, a demagogue comes along. We have this experience in the American South, including my native Texas, between the Civil War and the civil rights era, where it wasn't between left and right. It was between oligarchs and between demagogues who mobilized voters and supporters to get elected, but in the absence of elite allies who could help carry out longterm programs and institutional reform. Even if they meant well, they ended up either being co-opted by the existing oligarchy in the Southern states, or, like Huey Long, they created their own family dynasty. We will see if the Trumps are a multigenerational populist dynasty like the Longs were. And so, either way, their working class constituents are ultimately disappointed.

Walter Russell Mead:

All right. Well, on that happy note, actually, do you have a happy note that you could leave our viewers with, an optimistic take from Michael Lind?

Michael Lind:

Well, I would quote Walter Russell Mead, who one time observed, "The 22nd century will be a golden age."

Walter Russell Mead:

All right. Good to see you. See you soon. Thanks for joining us. Thanks, everyone, for joining in. Goodbye.

Michael Lind:

Thank you.