

PRAGMATISM AND THE LEFT

Social democratic ideology: A conversation with Elizabeth Anderson

Karl Pike

For the philosopher Elizabeth Anderson, at the core of a conservative work ethic is the claim that ‘whatever the market delivers to you is what you deserve’. In contrast, a progressive work ethic includes the idea that a person’s work relates to other people’s work, in a society of mutual respect and flourishing. In a conversation with *Renewal* co-editor Karl Pike, Anderson discusses her philosophy on the topic of work, pragmatism as a philosophical partner to social democracy, and why social democrats – including the UK Labour Party – need to be more ideologically confident.

Elizabeth Anderson is one of the foremost pragmatist philosophers working today – a tradition from the United States that includes the philosophers William James and John Dewey. In her two most recent works – *Private Government* and *Hijacked* – Anderson has applied herself to thinking about work and the workplace, asking new questions about power, public policy and politics. In *Hijacked*, Anderson also turns her attention to conservatism and social democracy, with a focus on rival ‘work ethics’ within those two ideologies. Anderson’s work not only plays a role in rethinking and reframing the history of ideologies; her writing challenges social democrats to rethink and revise their approaches to contemporary politics too.

Karl Pike (KP): Can we begin with the intellectual journey you’ve taken with the last two books that you’ve written? Beginning with your book *Private Government*, and why you ended up there, and now onto *Hijacked*, what led you to examine work, our working lives and now this study of two sets of ideas: the conservative and the progressive work ethic?

Elizabeth Anderson (EA): Work became a central preoccupation for me as an undergraduate at Swarthmore College. At the time, when I entered college, I had been raised by a very libertarian father. I was steeped in this pro-market ideology, and had read Milton Friedman, *Free to Choose* and works like that. But I also believed deeply in a liberal arts education. A big part of that is, as John Stuart Mill would tell you, you’ve got to study views you disagree with. I was taking economics, as well as philosophy, but I decided to enrol in courses in radical political economy, which were a thing back in the day, in the seventies! Now there’s not much of that going on outside of Amherst. But back then it was much more widespread. So, I’m going in there and looking for a fight. Because I’m totally free market. We’re assigned Karl Marx’s *Economic and Philosophic Manuscripts of 1844*, where he’s talking about the alienation of labour, and just how horrible factory labour is under the industrial revolution. I was floored, because libertarians had absolutely no good answer to this critique.

It got me thinking about this gigantic gap in libertarian thought. It was just obvious that you can’t really say ‘take it or leave it’ if all work is that bad, or if large groups of people have no other reasonable option but to accept such work. Then the freedom is pretty lame, and the freedom to quit is pretty lame, since you still have to put food on the table. I was also taking summer jobs. Even though it wasn’t factory labour, I was recognising the authoritarian nature of the workplace. Even though my job wasn’t particularly bad – I worked at a bank – there were some problematic features of it that I thought could have been avoided had the workers been con-

sulted. But of course, in these workplaces, consulting the workers is never really part of the programme. If management wants to find out what the workers are thinking, they'll maybe hire a consulting company to talk to them. But they're never going to condescend to talk to the workers themselves, unless the workers are unionised.

So that got me thinking. I ended up going into philosophy rather than economics, partly to give myself space for thinking more critically about these issues, and in a more normative frame. With *Private Government*, I was returning to some of these themes. As I read more deeply in the canon, I recognised that figures like Adam Smith were way more left than anyone imagined. That's a formative issue for me, because often people speak about neoliberalism as if it's just free markets. I'm saying, no, that's just a misunderstanding. It fails to look at the innards of the firms where we work. The critical thing about our current system is not so much that we have markets, because there really is no other credible way to organise large swathes of the economy. That, of course, was a great lesson that even socialists learnt, due to the failures of comprehensive centralised planning. So you get market socialism: 'we need markets, we can't really do without them.'

What really is worrisome is authoritarianism in the workplace. That's about the governance of firms: these 'private governments' I talked about in my previous work. That's a big problem. In *Hijacked*, I'm looking at authoritarianism more broadly, at the fact that large firms today in our capitalist world don't just rule over their employees. In many ways they set policy in all kinds of domains. The dominant firms set the rules for the marketplace. That's what deregulation means. It doesn't mean there are no rules anymore. It really means 'deferred to the most powerful corporations as to the nature of those rules'. Obviously, they're going to rig the rules in their own interest. And then you get giant monopolies: Amazon for online sales; Facebook, that owns most of the big social media platforms; things like that. They'll rig the rules in their own favour and create monopolies that rule us as consumers.

Also, deep down, the neoliberal theory of the corporation is shareholder capitalism: corporations exist to maximise profits. What that has meant in policy terms is the lifting of any constraints on corporations to use extractive and predatory business models to redistribute income from workers and consumers to shareholders, even without adding any value. That's the focus of *Hijacked* – not just authoritarianism at the micro level in an individual firm, but really capitalists' rule more broadly. That brings us back to Britain before it democratised. It was a cabal of aristocrats and capitalists in the nineteenth century who ruled Britain in parliament. They filled all the seats in parliament. They ruled in their own interests, just took what they wanted, as in the enclosure movement. And that's what we're getting today. Only it's

not via policies like agricultural enclosures, but still financial firms and big tech firms are pretty much taking what they want, breaking the law with impunity, and nobody can stop them, because they're so huge. And they're demanding more impunity. 'No regulation, hands off, let us do what we want.' It's the same unaccountable power.

KP: Yes, and what you bring out a lot more in *Hijacked* is ideology. You talk about ideology a bit at the beginning of *Private Government*. But here what we get is the classic political ideologies that have played a part in the last two hundred or so years in terms of how society is run. And on social democracy you have an interesting comment, where you say – as an aside – that it is interesting that no social democratic theorist has been canonised. That made me think of this next point, because you're one of the foremost pragmatic, Deweyan philosophers working today, and you can see that tradition through *Hijacked*. I wanted to ask specifically about pragmatism and social democracy, because you say in the book, 'only through patient democratic experimentation will we discover how to organise society, so that it promotes the common good consistently with the freedom of each individual'.¹ And you're talking about Eduard Bernstein here, alluding to his very famous thinking about the 'movement' being everything. And it reminded me of a recent book from Axel Honneth, called *The Idea of Socialism*, because he also goes to Dewey, and tries to think through Dewey, as to how socialism could and should be. Do you think pragmatism is a good philosophical partner for social democracy?

EA: Absolutely it is. Eduard Bernstein is a pragmatist through and through. It's important to recognise that there are currents and thought that are happening in parallel in North America and Europe. That's been true since North America was colonised by Europe. Bernstein is picking up on pragmatist currents. It's not necessarily through direct influence from the United States, but just that these things are in the atmosphere. That's why in *Evolutionary Socialism*, he [Bernstein] is looking at the data in the late nineteenth century, and pointing out that none of Marx's predictions are coming true, and that it's time to set that aside and think about the potential for democracy to bring about better lives for workers. Marx was a revolutionary because at the time he was writing democracy was grossly underdeveloped. But even at the end of Marx's life he starts turning a bit when he sees the development of democracy. He basically says at the last meeting of the First International, 'our agenda has to be to encourage the workers to form social democratic parties and compete for seats in parliament – that's an opening for us, and we got to take it'. So even Marx was changing in the end.

Ironically, the German Social Democratic Party was caught in a gross contradiction between its practice, which was parliamentary representation, and its ideology, which was orthodox Marxism and all about the revolution. Bernstein, unfortunately, was marginalised as a theorist, when they really should have taken him up with

enthusiasm, and seen that there are alternate pathways and alternate ways of thinking about the ultimate socialist objective and how to realise it, both means and ends. That's why Honneth is on the same wavelength. We have to rethink things. When you think about the history of socialism, we've seen a lot of, [and] we imagine certain institutional embodiments of socialism. And one after another they failed.

In the early nineteenth century, the most common imagined embodiment of socialism was its utopian communal form. Across the United States – the United States at the time was the very fount of utopian socialist experimentation – there were literally hundreds of communes that were founded in the first half of the nineteenth century in America. And virtually all of them failed. Now, part of it was because they're founded by dreamers, when what you really need are founders with solid agricultural skills. But there were also inherent difficulties. You have a group of people who are sharing a common living space, in a large compound, as well as working together in the fields. The coordination you need to make sure that the work is divided properly, that everybody's doing their fair share, and that you don't have too many personality conflicts when you're living in close quarters – there's just a lot of arguments that break out. Socialists rapidly transcended that communal model, recognising that it wasn't really working out as people imagined.

Then you move to some kind of command economy, with centralised planning, and that didn't work out very well either, as we see in the communist countries. But you also had nationalisation of industry which was practiced also in Western democracies like France and Britain. Bernstein anticipated this. He says government officials, the type of people who go into the civil service, have different dispositions and skill sets from businesspeople. They're not likely to be able to run a successful enterprise, at least for a lot of goods. For other goods, nationalisation actually does pretty well. In education, for instance, all the best educational systems are state-run. And similarly, for healthcare. As we're discovering in the U.S., turning it over to for-profit enterprises is an unmitigated disaster. I'm shocked that the UK has not looked at the grotesque failure of American healthcare, and concluded, 'No, what we really need to do is shore up the NHS'. It's shocking. Don't they see the manifest failures of healthcare in the United States? We're paying four times as much per capita for far worse health outcomes? Is that really what the UK wants?

KP: If we think of the so-called postwar, 'golden age' of social democracy, and you can fold in there the post-1930s and then postwar American New Deal, those sorts of programmes, you see a version of this. What did social democracy do? We know from Thomas Piketty's work, and others who've looked at equality, that if we think about equality, and if we think about a reduction in economic inequality – and we should be specific, because we are thinking about economic inequality quite narrowly here – higher tax rates and the establishment of welfare states kept

economic inequality at a relatively lower level than it had been in the late nineteenth century and the beginning of the twentieth century. And we'll come back to tax. But in a sense, you could also think that through in a pragmatic philosophical style: it was trying things, and when we look back, it worked.

EA: Absolutely. I think social democracy is the best model that we've come up with so far. But it's clear it's fallen on hard times, and it desperately needs revival and updating. That, I think, is the best path for future experimentation. But that also means that social democracy needs to recover and renew a sense of the larger aspirational goals at stake. I'm totally on board with Piketty's critique and the critique of other scholars of social democracy, such as Sheri Berman and Gøsta Esping-Anderson, who say social democratic parties have lost their vision. They reduce themselves to the administration and defence of existing programmes, even though the world is changing. We have to deal with climate change and other major obstacles and challenges. So it desperately needs renewal both of its normative vision and of its policy implementation.

KP: Yes, I completely agree. Let's jump back a second, away from social democracy as a political movement and back more specifically to the argument of *Hijacked* and the work ethics themselves. Perhaps you could say a little bit more about those. You recognise, obviously, there is more to conservatism than the conservative work ethic. Likewise, there is more to social democracy and socialism than the progressive work ethic. Do you see a difference in terms of the importance placed upon those work ethics within each ideology? In other words, does it matter to social democracy more, the progressive work ethic that is, than the conservative work ethic does within conservatism?

EA: That's a great question. A primary thing that conservatives have gotten from the work ethic is a class-based esteem hierarchy, based on the presumption that if you're rich you must be doing things right, working harder, saving more, practicing the work ethic virtues. And that if you're poor it must be because you're failing to exemplify those virtues or practice them. That leads to a profound contempt for the poor and a complete failure to recognise that poverty is built into the system. It's not like anybody took a survey of who is bad, and then said, 'let's create a number of really bad, horrible jobs that pay nothing to the people who are already known to be bad'. Nobody ever designed the economy that way.

No, we designed the rules of the economic game in such a way that it's going to generate lots of low-wage jobs. It doesn't matter how hard you work in those jobs, you're still not going to make it. We've also designed the economy to increase the number of bottlenecks that prevent people from moving up, no matter how virtuous they might be in their lower positions. Then we created an ideology according to which you're at the bottom because you're either bad or lacking in

talent. Neither of these things are true. Adam Smith, much to his credit, insisted that they were not true. He argued – I have these wonderful quotes from his lectures on jurisprudence – that there’s basically an inverse correlation between how hard you work and how much you get. Now, today, of course, that reality is obscured by the fact that people like Elon Musk are basically at work 24/7. The people at the top are extremely busy and they’re at work all the time.

I argue that, although they’re very busy making money, a lot of their activity doesn’t count as work, from the perspective of the original Puritans who invented the work ethic. Simply being very big, busy, and disciplined in making money is not sufficient to have your activity count as work. The work has to actively promote the welfare of other people besides yourself. That’s absolutely central. This implies that business models that are predatory or essentially extractive don’t count as work. And there’s a lot of those models out there. In *Hijacked*, I single out private equity for special opprobrium. The fundamental model of private equity is just various techniques for screwing over your counterparties, by putting them into a vulnerable position and taking advantage of that vulnerability to redistribute income from them to oneself. It’s not fundamentally about improving the efficiency of the firm, or its productivity, or expanding its markets. It’s draining it dry of its assets and exploiting and breaching trust with all the counterparties. It has sent one industry after another in the United States into wreckage and decay.

KP: Yes. And I remember you note – similar to Mariana Mazzucato who talks about finance for finance² – the proportion of financial work which is just geared towards more financial work.

EA: Yes, exactly. So finance beside private equity: those are two great ogres of the book.

KP: You mentioned something which takes me quite close to another thing I was going to ask you, which is how does the conservative work ethic defend disparities of wealth? If you were to identify the strongest arguments that need to be contested and defeated that come from the conservative work ethic, what do you think they are?

EA: It’s that people are getting what they deserve. That’s really the core part of the conservative work ethic, that whatever the market delivers to you is what you deserve. It is very difficult to justify the extreme inequalities that we observe on any other terms. It’s impossible to justify it with ‘we need these incentives’. If you look at the empirical evidence, it’s also impossible to justify it on the grounds of desert. We know, for instance, that even though executive compensation has galloped ahead to hundreds of times what the line worker makes, there’s zero correlation between a chief executive officer’s performance and how much they’re paid. How much they’re paid is mainly just a function of how big a firm they are leading. It’s

just about size. It isn't whether they're making production more efficient, expanding into new markets, being more inventive, or anything like that.

KP: And if you think about something like share buybacks, which have had quite a lot of focus in recent years as well, you know the idea that to boost shareholder returns, one can spend profits, buying back shares.

EA: It's a scandal, an absolute scandal! Look, share buybacks used to be illegal. Because they're just pump and dump schemes. When you think about it, share buybacks jeopardise the future of the firm, because what they're saying is instead of investing our profits, which would enhance our productivity in the future, we're just going to buy back our stock to juice the stock price right now.

KP: Very late in the book, you set out some proposals and you say that in your view they would increase taxes. And you make the good point that, for instance in the American case, not paying higher taxes does not mean that you are not paying for something like healthcare. You're just procuring it through private means.

EA: Which are way more expensive, and the same goes for higher education, by the way.

KP: Indeed. But politicians in different parts of the world are scared of raising taxes. Partly because of the perceived electoral risk, and maybe you want to add other reasons for that. But I think, perhaps worse, there is also this lack of understanding about what tax can do as a policy tool. It is one of the biggest policy tools we have for tackling economic inequality and obviously for funding programmes and provision that try to reach progressive goals. In a sense, tax is good – and it can achieve goods, but I don't think you'll ever hear a politician on the left say that. You're quite relaxed about tax in the book. Do you think politicians will ever get a little bit more relaxed, because if we think back to that 'golden age' that we just talked about before, there were incredibly high marginal tax rates relative to what we have today. And of course, the world changes, the global economy changes. I'm not suggesting that you can just take that off the shelf and apply it today. But there is definitely a need across different states for higher taxes.

EA: Oh, absolutely. But here's the thing that I think is grossly under-recognised, because of all the propaganda about high marginal tax rates. In the United States we have a very complicated system because we have local, state and federal taxes, three different systems, and they're all autonomous. The so-called low-tax states, like Florida and Texas, are only low tax on the very rich. They impose crushing tax burdens on the ordinary person and impossible burdens on the poor. The tax rates are shockingly high on the bottom half of the population compared to, say, California, which is reputed to be a very high-tax state because it has high marginal

tax rates that mainly hit the billionaires in Silicon Valley and their very highly compensated software engineers. Whereas the average tax rate that the typical person pays in California, at the state level, is considerably lower than what they would have to pay if they lived in Florida or Texas.

So, there's a lot of delusion going on here. And similarly, even at the federal level in the United States, it's notorious that the billionaire's secretary pays a much higher marginal tax rate than the billionaire himself (who is almost always a man). The secretary has to pay wage taxes, Social Security and Medicare taxes, whereas the billionaire has rigged his compensation so that it all comes in the form of capital income, which is taxed at a much lower rate. He doesn't have to pay wage taxes. Not to mention that the rich are hiding a third of their assets, anyways, and aren't paying any income tax even on the unrealised capital gains, or they have them in trust, and various other scammy loopholes that protect their assets from taxation.

KP: And Biden's talking about this, right? President Biden has talked about a billionaire's tax.

EA: Yes. The incredible thing is Biden is actually by far the most progressive president in my lifetime. I never expected that when I voted for him!

KP: And why do you think that is?

EA: Partly, ironically, it's because Biden is an old guy. In the United States, the left in the past 20 years or so has taken a sharp turn towards so-called identity politics. It's about race, gender, sexual orientation, gender identity, issues like that. These are all important issues. But to a great extent, since the 1970s, class has kind of fallen out. There are many diagnoses of this. The biggest one is the decline of organised labour. Labour doesn't have a strong voice anymore. But Biden's an old guy. His political formation came when labour was really strong, and he always kept that focus. He's a working-class guy in origin. And so always kept that strong class orientation. In that respect, he's like Bernie [Sanders], another old guy!

And ironically, it's kind of funny because I've done lots of work on race and gender. But I was educated by John Rawls, the big class guy in American political philosophy. His theory of justice is all about distributive justice – it's a very class-oriented book. And my more recent writing has partly been an attempt to urge the left to think much more carefully and closely about class. What that means is class is a very important dimension of inequality, and not just for the very poor, but for ordinary working people who might be middle class, but who are disadvantaged by the system as well.

KP: You end the book by talking about why you wrote it, which gets to some of the things that you've just been talking about. Are you optimistic?

EA: That's a great question. I think we could go either way. We're seeing the rise of populist authoritarianism in Europe as well as North America and South America. It's everywhere now, not to mention India, Turkey, and the Philippines. We're seeing it in a lot of places. Our societies could go either way. Demographic panic is a big factor that's leading people to the right – fears of immigration, at being overwhelmed, declining fertility rates, and emigration from some of the EU countries like Hungary. For the latter, much of the depopulation is due to the fact that when they joined the EU, suddenly their youth decamped to higher-wage places like France, Germany, and the UK (before Brexit). So people get more defensive about shoring up their culture and are very hostile to immigration. That turns people right.

On the other hand, we're finding that even the populist authoritarians are attacking neoliberalism. I think we're seeing the crumbling of that paradigm and the loss of its dominance. In reality, as you know, this populist rhetoric on the right is mostly a sham. Take a look at the Brexit campaign. The Tory party gets behind it, they want to steal the thunder from the further right parties so that they don't collapse, so they take on this anti-immigrant rhetoric. And it's pretty clear, I think, from the political scientists' analysis that it was really fears of immigration that put Brexit over the top.

KP: It was certainly a big part of the campaign and a big part of the discourse.

EA: But now, regardless of what the Tory party is saying about 'levelling up', we know that's a hollow promise. They haven't diverted from their original game plan for Brexit, that was published at the time, which was all about: if we leave the EU we will be free to drive a libertarian global market economy with low wages for the masses of people, weaker social services, and let capitalism rip. It's really a neoliberal agenda, with an anti-immigrant veneer to capture the vote. It's very cynical. I don't think the Tories have it in them to be helpful to the working classes or to the welfare state; quite the opposite. What I find shocking from an American point of view is, why isn't Labour jumping all over this?

KP: My colleague, Tim Bale, who is an expert on the Conservative Party, would certainly characterise what's happened to the Conservatives as a move towards what he calls an 'ersatz populist radical right' political party, that has lost what people would call mainstream or moderate conservatism.³

EA: I see. So it's more like Trumpy?

KP: Yes, and I think the challenge for Labour is connected to some of the things we've been talking about, which is why do you lack so much confidence? Why are you not sure that you are correct, and that they [the Conservatives] are wrong? And it feels like even when the Conservatives end up in a mess, and they've gone through numerous meltdowns over the last decade for a variety of reasons, they

still pick themselves up and assert that they are definitely correct. And it feels like a lack of ideological confidence on the left.

EA: But it's shocking. Let's just give an example. After the financial crisis, Britain practiced austerity, and they were stuck in stagnation for longer than the other rich countries in the West. The United States had too weak a stimulus under Obama to really get out of it, but they still recovered faster. Each of the countries that were sunk into recession after the financial crisis recovered pretty much in proportion to their fiscal stimulus. It's there in the data. Government spending works to get economies back up to full employment. It really works. The pandemic spending showed that even more dramatically. There was barely a blip, really. We didn't have a recession [in the United States], just by spending unbelievable scads of money. That was really a great thing. So Labour should have more confidence. And I just found it shocking that Labour was not yelling constantly at the Tory party for running an austerity regime.

KP: Well, it takes us back to these big messages you have in your book. I think fear – political fear – is underplayed in how we evaluate politics. A lot of politicians have a lot of fear, quite a lot of the time, and there is a lot of fear amongst Labour and the left more broadly that everything they say might lose them an election. People think 'well, if I say that, then the Conservatives will say spending is going to be out of control, it will be inflationary, it will put up your mortgages', despite the fact that you can say all of that about what the Conservative Party has been through the last 12 to 18 months anyway. I honestly think it does come from a place of a lack of confidence, and it's a lack of assuredness that that your politics is better than the other team's politics.

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Notes

- 1 E. Anderson, *Hijacked*. Cambridge University Press, Cambridge, 2023, p241
- 2 M. Mazzucato, *Mission Economy: A Moonshot Guide to Changing Capitalism*, Allen Lane, London 2021.
- 3 T. Bale, 'The British Conservative Party's journey towards the populist radical right', ECPR The Loop, 14 April 2023. <https://theloop.ecpr.eu/the-british-conservative-partys-journey-towards-the-populist-radical-right/>