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Jacob Fuller

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Backfire: How the Rise of Neoliberalism Facilitated the Rise of The Far-Right

By: Jacob Fuller, Arcadia University

Intro:
Since the election of President Donald Trump in 2016, it is indisputable that there has been a notable rise in the visibility and activity of the far-right in the United States. According to the Southern Poverty Law Center, there was a 30% increase in the number of operating hate groups across the United States, a number that has coincided with the rise of the Trump campaign and his subsequent election as President of the United States.¹ Therefore, much attention has been drawn to the rise of these movements and thus scholars have sought to seek out and identify the root cause of these movements and what can be done to prevent them.

One of the most compelling and popular explanations for the rise in the far-right is that it has emerged as the result of decades of neoliberalism as the dominant form of economic ideology across the globe. This paper will examine the debate as to the cause of the increase in the far-right, specifically in regard to the role of neoliberalism, and will ultimately argue that neoliberalism acts as a parsimonious explanation for the rise in the far-right and has created the conditions for the rise in far-right groups.

Literature Review:
For the purposes of this article, the operating definition of “far-right” that will be used comes from Arie Perlinger’s definition of what constitutes a far-right ideology in his report, “Challengers from the Sidelines: Understanding America’s Violent Far-Right,” in which he defines the far-right as expressly nationalistic groups, which focus heavily on homogenization within the nation.² This definition is useful as it allows for a greater number of individuals to be counted as far-right while maintaining similar views on the most important values within their movement, defined as homogenous nationalism. Thus, organizations such as the Tea Party, the MAGA movement, and the Ku Klux Klan fit these characteristics, whereas groups like the Federalist Society do not.

A leading explanation for the rise in far-right movements across the United States is the cultural and political dominance of the neoliberal ideology. Neoliberalism is the sociopolitical ideology that is primarily characterized by free markets, globalization, massive deregulation, and shifts away from state welfare programs.³ Since the 1980s, neoliberalism has become the dominant political ideology of much of the developed world and has become the new normal for political discussion. Today, it achieves a hegemonic position as the leading global ideology across both the center-left and the center-right.⁴ While the politics of neoliberalism may seem to be initially contradictory to the goals and motivations of the American far-right, many argue that they are not all too dissimilar, and for some, neoliberalism necessarily leads to the rise in the far-right.

Scholars studying the link between neoliberalism and the rise of far-right ideologies see a causal relationship between neoliberalism and far-right ideologies, where neoliberalism is a distinct cause for the rise of far-right groups. Those who argue this position argue that the institution of neoliberalism or neoliberal actors intentionally or unintentionally have promoted or empowered American nationalism and far-right movements, which ultimately culminated in the election of President Donald Trump and the rise of far-right sentiments in the United States. Within this debate, scholars argue that neoliberal governance has unintentionally created the conditions for the rise in far-right groups. Scholars argue that its failures, namely market crises and rising

3. Perlinger, Challengers from the Sidelines, 16.
unemployment, created an environment that has facilitated the rise in far-right groups. Further, the far-right has seized on the fears created by its consequences, namely the rise in immigration and market collapse, to gain power. Researchers such as Neil Davidson and Richard Saull argue in their paper, “Neoliberalism and the Far-Right: A Contradictory Embrace,” that neoliberalism has created a unique and historically unprecedented opportunity for far-right groups to gain traction, as it has established how society ought to be organized economically but has failed to resolve how it will organize itself socially. Thus, wedge issues such as environmentalism, LGBTQ rights, and most importantly anti-racism have emerged as the main topics of political discussion, rather than economic issues. Furthermore, since neoliberalism has stripped the working-class of their ability to see capitalism as the problem, alternative scapegoats must be invented to attribute blame. One example of these alternative scapegoats is immigrants, whether illegal or legal. These immigrants occupy the role of the “Intruder” in far-right narratives, coming into the country bringing crime and stealing job opportunities, all while being protected by incompetent government officials. Similar to Davidson and Saull, author Samir Gandesha argues that populist politics of both the far-left and far-right have emerged in opposition to the last four decades of neoliberal policies. Gandesha proposes that while neoliberalism has resulted in a myriad of benefits conferred to millions, it has, in turn also resulted in a series of unintentionally adverse effects, arguing that it “has increased both economic insecurity and cultural anxiety via three features in particular: the creation of surplus peoples, rising global inequality, and threats to identity.”

Another approach that some scholars have taken in identifying the relationship between neoliberalism and the far-right is the argument that neoliberalism is in fact not antithetical to nationalism but rather requires nationalism to maintain itself. In his paper on the rise of neoliberal nationalism, Adam Harmes argues that despite the typical belief within international studies that neoliberalism is necessarily antithetical to nationalism, Harmes proposes that, in fact, neoliberalism is quite compatible with nationalism and that in many cases, nationalism is required to uphold neoliberal values. Harmes argues neoliberalism is more opposed to international institutions that seek to harmonize policies related to the regulation of capital and market failures and that instead it typically is shown to advocate for regulatory sovereignty when dealing with matters concerning international monetary mobility. This is not to say that neoliberalism is entirely against the state, as Harmes proposes that it seeks to lessen the impact of the market in some areas such as market regulation and wealth redistribution and increase its involvement in other areas, such as protecting property, enforcing contracts and creating markets. This is described by Andrew Gamble as a “free economy and a strong state.” However, in the context of international regulatory bodies to which it is opposed, nationalism is required in order to combat them. Thus, it is important for neoliberal actors to promote nationalism within countries as long as it does not conflict with free trade and international capital mobilization. Further, in his essay on the subject, Blake Stewart posits that the far-right’s primary objection to neoliberal cosmopolitanism comes from its pro-immigration and open borders policy, which far-right critics have argued is an intentional attempt at undermining national sovereignty and lowering labor standards and costs on behalf of the global elite. Yet, Stewart argues that, while critical of this cosmopolitan attitude, it is in favor of its economic policies, believing that it can be better reproduced through an authoritarian and chauvinist state, rather than through a cosmopolitan open

9. Harmes, 64.
Counter to these neoliberal focused explanations for the rise in the contemporary American far-right, some scholars propose that the rise of the far-right had more to do with racial anxieties created by demographic changes, as well as the presidency of Barack Obama. These scholars tend to focus more so on the role of race within American politics, rather than economic anxiety, highlighting the historical and cultural role that race has played in the United States and typically highlight the election of 2016 as a source of mounting racial anxieties and frustrations experienced by white Americans. In their book, *Identity Crisis: The 2016 Presidential Campaign and the Battle for The Meaning of America*, authors John Sides, Michael Tesler, and Lynn Vavreck argue that the rise in the far-right was primarily due to an activation of racial anxieties, due mostly to the rise of Donald Trump and the 2016 Presidential election. They argue racialized economic anxieties, that is, economic anxieties that have to do more with loss of power along racial lines, were slowly building in the U.S. in part due to the shrinking influence of whites in America, as well as the presidency of Barack Obama, with economic anxieties “refracted” by racial anxieties that resulted from a backlash against growing diversity in the country. Similarly, in their chapter for “Trumping the Mainstream: The Conquest of Democratic Politics by the Populist Radical Right,” authors Christopher Sebastian Parker, Sebastian Mayer, and Nicole Buckley argue that the rise of American far-right movements are reactionary, and that while there are economic components, it ultimately has more to do with cultural anxiety among white Americans. As to the cause of this anxiety, the authors highlight a changing cultural environment such as the increased representation of minorities in positions of power, the election of America’s first black president, or white representation in the media. Further, Trump and the contemporary American far-right follow in the footsteps of past reactionary movements, such as the KKK, the Tea Party, and the John Birch society and are thus not uniquely located historically. Ultimately, the first theory provides the greatest explanation for the rise in the American far-right. This is largely due to neoliberalism acting as a parsimonious explanation, with the alternative theories acting as complementary to it. While much of the academic research as to the cause of the increase of the contemporary American far-right falls primarily along racial explanations, they do not preclude neoliberalism as the macro cause of the issue. Additionally, the bulk of the understanding as to alternative explanations falls within the belief that the current movement within America’s far-right is a mere continuation of the reactionary American attitudes, rather than economic anxiety, which is scarcely brought up in the literature. Furthermore, while the dissent among the white working-class towards gains made by minority groups may explain some rise, this can also be largely attributed to the decline of the white working-class identity offered in theory one. Therefore, a mixture between the first two theories will ultimately be analyzed, as they offer the most explanatory potential.

**Analytical Framework:**

In order to analyze the theory on the role of neoliberalism within far-right development, claims and predictions of these theorists need to be broken down into meaningful, operationalized concepts that can be measured over time. In this case, the condition that needs to be evaluated is what the far-right is and how it can be measured. Contemporary political writers have written at great length about how the right has gained considerable ground in contemporary politics, but in practice this is often difficult to measure due to a significant lack of historical ideological polling. Further, the existence of this polling would not necessarily demonstrate a gain in ground by any one particular group, especially as it relates to government. Instead,
it is likely that a better alternative would be analyzing the ideological composition of members of the House of Representatives. Therefore, one way of determining the extent to which far-right movements have gained ground in contemporary political discussion will be examining the composition of ideologies within the House of Representatives and how they have changed over time. This can be done by analyzing historical and contemporary DW-Nominate scores and how they have changed over time and whether those changes line up with certain important historical turning points such as the beginning of modern neoliberalism in the 1980s. DW-Nominate scores are a scoring metric developed by researchers Howard Rosenthal and Keith Poole, which looks at voting behavior of members of Congress in order to create a multiscale left-right spectrum for politicians. This ultimately produces a number between -1 and 1, with 1 being the most far-right and the -1 being the most far-left. As parties move towards the political right on issues, eventually a greater percentage of House members represent beliefs of the far-right. This can already be evidenced by the presence of members such as Steven King and Marjorie Taylor Greene, two open nationalists who have been regularly cited as having ties with white nationalists. Although much attention on the far-right has focused on hate groups such as the KKK, according to the operating definition of far-right that was explained earlier, the far-right does not necessarily encompass exclusively ethno-nationalists. It can even encompass extremely conservative members in Congress. Lastly, the final measurement that will be examined is membership statistics to far-right organizations or hate groups, as well as increases in the total number of hate groups over time.

According to the neoliberal conditions theory, a series of conditions need to be in place for these working-class individuals to be attracted to far-right populism. The first condition that will be examined is increasing immigration, which is argued consistently across most articles as a major motivating factor within the rise of the far-right. The second condition that will be examined is the rate of unemployment and wages following large scale free trade agreements between the United States and other countries such as NAFTA, the beginning of the neoliberal movement in the 1980s, and China’s entrance into the World Trade organization in 2001. Additionally, the overall increase in the U.S Gross Domestic Product since these major events will also be examined and will explore whether or not those gains have been reflected throughout all of society, particularly, if there is a correlation between GDP and average single-family income. This leads into my third condition, rising inequality, which will be measured by examining historical and contemporary inequality indexes, in order to identify changes in inequality over time. Finally, this theory seems to suggest that while typical measures of economic growth may have shown economic gains due to neoliberalism and globalization, perceptions among racial groups towards the economy have shown increased anxieties, particularly among whites due to their eroding position relative to other groups. This, in turn, has led to their move towards the far-right. In order to measure this, polling performed on perceptions of class, identity, and racial equity among various different racial groups and how they have changed over time will be examined as well.

Methods:

In order to examine and evaluate these series of events, I will be employing the process tracing method of analyzing historical case studies and will attempt to evaluate whether the causal mechanisms envisioned by these theories exist and can be demonstrated. This will involve examining the historical events that led to the rise of the contemporary far-right in the United States, and what members of the far-right have cited as a major reason for their rise and evaluating whether these are consistent with the current theories on the rise of the far-right and evaluating gaps in these theories. For example, if a theory suggests that increases in immigration causes a rise in membership to far-right groups, I will examine data for immigration statistics around the expected time period, as well as membership to far-right groups, and attempt to determine whether there was an increase in immigration, as well as if that increase was proportional to the rise in far-right groups that was expected by that theory. If these theories do not adequately

account for the changes within these statistics, I will attempt to account for the gaps in these theories by accounting for other variables or explain how a lack of evidence to explain the prediction weakens the theory overall.17

Before delving into the claims surrounding the origin of the far-right’s resurgence, it is important to first ascertain whether it actually has reemerged and when this occurred. Operating under the working definition of “far-right” already provided, it seems as if much of the Republican Party can now be considered as falling under the “far-right,” despite popular imagination associating it with groups such as the KKK. For example, while many members of far-right groups were arrested following their involvement in the Insurrection at the U.S. Capitol, many were unlikely to be involved in hate groups but rather were merely right-leaning members of the Republican Party. It is likely that many who hold far-right views today may not even consider their views far-right. Therefore, to establish the extent of the far-right’s influence within the Republican party DW-Nominate scores of the House of Representatives are illustrative. DW-Nominate scores are given to each member of the House and range from 1 to -1, with 1 being the most conservative, and -1 being the most liberal. This is based entirely on voting records of the House members and can generally be used to establish ideological and political orientation within the membership of the House of Representatives. Since the House of Representatives is a proportional body that reflects the views of the American people and operates within the political mainstream, it will be used to determine the percentage of the Republican party, and the country, that has been moved towards the far-right. Although there is no definition provided for a DW-Nominate score that is considered “far-right,” according to VoteView, a DW-Nominate score of -.25 to .25 is considered “moderate.” For the purposes of this paper, a DW-Nominate score of above a .45 will be used to establish the minimum threshold for what constitutes a “far-right” politician. This range was chosen as it includes every member of the far-right House Freedom Caucus with the exception of Lee Zeldin of New York. Notable individuals in this range includes Marjorie Taylor Greene, Matt Gaetz, and Steve King, all of whom score well above this threshold and are notable for their openly right-wing views and attachments to far-right organizations with scores of .81, .62, and .61 respectively.18 Thus, individuals who score over this threshold consistently vote towards the extreme end of the conservative spectrum and are often associated with far-right groups and figures. Although this does not ensure that the House member holds far-right positions or beliefs, it does demonstrate that they are more likely than others to hold far-right positions or belief. Therefore, by analyzing the percentage of Republicans over time who fall above this threshold, it can determine the greater propensity for far-right positions and beliefs to become mainstream in politics as well as demonstrate the greater proportion of Americans who support these beliefs.

According to the theory that neoliberalism has created specific material conditions in which unfavorable conditions for white working-class eventually resulted in an a social backlash, I will be examining the extent to which these conditions have changed and compare them to the polling on class identity and perceptions of racial equity among various different racial groups since the 1980s. The reason that I will be analyzing unemployment rates and wealth gains following the beginning of neoliberalism in the 1980s is that theorists have consistently argued that these movements have been largely motivated by the disruption caused by neoliberalism unleashing the global market on to ordinary citizens and that the gains created by the system have only affected the few at the top, and thus the working-class has been increasingly attracted to far-right populist rhetoric as a means of combating this situation. Therefore, by measuring the unemployment indexes at certain significant points since the 1980s, such as following the signing of NAFTA, I will be able to test whether these theories have the statistical backing to their claims.

Analysis

The Growth of the Far-Right:

To understand whether or not the American far-right has grown, I will be examining historical data from VoteView, a database run by the University of California Los Angeles, which tracks DW- Nom-

18. “UCLA Presents Voteview.com Beta.”
inate scores of every member of Congress throughout recorded history. My timeline will consist of the years 1945 to 2019, and the data is plotted in the table below. Additionally, I will examine the rise in hate groups from 1999 to 2018 and will attempt to establish a correlation between the two datasets.

Prior to 1980, the DW-Nominate score of the Republican party had remained largely stagnant. However, following 1981 to 2019, there is a steep increase in the average DW-Nominate score of the Republican party. The change in percentage of the average DW-Nominate score of Republicans in the House during this period is 59.1%, whereas the change between 1943 and 1979 is -5.1% demonstrating almost no change at all. In the last 4 electoral cycles, the average Republican member of the House has a DW-Nominate score over the .45 threshold for being considered “far-right.”

Figure 1: DW Nominate Scores Average Among House Republicans


From this, several conclusions can be drawn. First of all, it is very likely that there has been a considerable rise in members of the House of Representatives that hold far-right views. The views of the House of Representatives are useful for gauging the general will and consensus of the American people. Although the process of gerrymandering and the lack of an increase in size has gradually eroded this ability, it does remain somewhat representative of the American people and more representative of the current status of political parties within the U.S. Thus, as the average DW-Nominate score of the average House Republican increases, especially to the point above the threshold that can be defined as “far-right” in terms of voting record, it is very likely that this is representative of the general shift in the Republican party towards the far-right. As the average DW-Nominate score of House Republicans increases substantially, the proportion of members who hold far-right views will also increase. This can be seen through a qualitative analysis as the rhetoric of the Republican party has become far more nationalist and right leaning than its predecessors. One example of this is the difference between the Tea Party and the MAGA movement. Secondly, this change only occurred following 1981 and has increased gradually since then. One explanation for this change was the rise of Ronald Reagan and the birth of modern neoliberalism within contemporary American politics. The election of Reagan and the subsequent transformation of the Republican party marked a turning point within the GOP and within American politics with the establishment of the New Right and likely was the cause of this change as many scholars have argued.19 Reagan’s election marked a significant point within American politics as his implementation of neoliberalism caused a significant shift within the political landscape20 and also marked a significant realignment of the Republican party towards an anti-welfare and pro-business party grounded in evangelical values.21 From this point onwards, the Republican Party has moved consistently towards the right. Interestingly, this trend is not visible during the Republican Party’s “Southern Strategy” in the 1960s, which indicates that it was not until the election of Reagan and the rise of neoliberalism that this trend first began. Therefore, it can be concluded that this trend likely resulted from a structural change, such as the adoption of neoliberalism as the dominant economic model in the United States; however, it remains to be seen if this influenced the move towards

20. Jones, Masters of the Universe, 16.
the right up until 2019.

Another indication as to the growth of the far-right is the dramatic rise of hate groups since the 1990s. According to data obtained from the Southern Poverty Law Center, the number of hate groups in the United States has increased by over 400 since 1999 and has shown no signs of slowing down.\(^{22}\) Although this data does not include figures from as early as the 1980s, what evidence there is indicates that there was a considerable spike around the 2000s and another spike during the campaign and subsequent election of former president Donald Trump. Furthermore, as outlined in the method section, there can be a reasonable inference that the rise of hate groups strongly indicates the overall rise in the far-right within the United States, as an increase in the total number of hate groups evidences a larger demand for alternative forms of politics and the growing power and normalization of white supremacist and nationalist rhetoric within the U.S. Additionally, the Southern Poverty Law Center has also indicated in this report that this record high in the number of these groups correlated mainly with white supremacist and nationalist groups, which were specifically emboldened by the actions of President Trump during his campaign and time in office.\(^{23}\)

While the rise in hate groups alone demonstrates an increase in activity of the far-right, this rise coupled with the gradual move towards the far-right within the Republican Party demonstrates a continuous growth of the far-right since the 1980s. In this sense, the far-right has expanded through both nontraditional and traditional means of politics simultaneously, with defined starting points. This indicates that this growth was not a natural progression of an already existing trend but rather had some form of definable cause. Below, several explanatory factors will be discussed and examined as they relate to the cause of the far-right, yet all of these factors stem from a larger cause, neoliberalism.

\(^{22}\) “Hate Groups Reach Record High.”
\(^{23}\) “Hate Groups Reach Record High.”
\(^{24}\) Davidson and Saull, 711.
\(^{26}\) Sears, “NAFTA and Its Twenty-Year Effect on Immigration,” 671.
This decline in agricultural production, coupled with a sheer reduction in wages due to a lack of labor and regulatory standards in the agreement, created over 1.3 million lost jobs in the Mexican agricultural sector alone, leading to an unprecedented level of immigration into the United States. The end result of this has been mass unemployment on both sides, with one report as early as 2005 estimating that NAFTA had caused a loss of over 1 million U.S. jobs, primarily in Texas and California.

NAFTA was not the only trade policy that affected the U.S. labor market. Since China joined the World Trade Organization in 2001, it has risen to be a major trading partner with the United States. Due to the cheaper cost of manufacturing in China, many U.S. companies have outsourced their labor abroad. This has resulted in a massive trade deficit between the U.S. and China and has led to a loss of around 2.4 million jobs since 2013, or almost two-thirds of all U.S. manufacturing jobs. The result of these trade policies has been the decimation of the American working class. The job losses described here are not upper management positions but rather jobs formerly occupied by the white working class. Further, with the gradual decay of the American social safety net, as well as a lack of comprehensive healthcare, the mortality rate for the white working class has increased significantly, with many dying due to drug overdoses, liver failure, and smoking-related cancer, in what authors Case and Deaton have described as “deaths of despair.” Thus, the position of the white working class as a dominant force within American politics and society has certainly diminished due to decades of neoliberal policies and has likely led to a significant cultural anxiety surrounding their decay.

Alongside the decay of the white working class has come the rise of reactionary politics, which, while motivated by this decline, are not entirely economic. The diminishment of the white working class has not just resulted in a loss of numbers and economic importance but also the racial makeup of the working class has become increasingly less white and more diverse. According to the Economic Policy Institute, by the year 2032 the majority of the working class will be composed of people of color. This demonstrates the phenomena of the erosion between whiteness and gainful employment that Davidson and Saul argued led to a cultural backlash from white Americans and has caused them to move from the left to the far-right as a form of retaliation against the neoliberal cosmopolitan left. According to the evidence, the second part of this premise seems true as well.

One example of the retaliation of the white working-class tension can easily be reflected in the rhetoric of the modern Republican party that has been primarily shaped by former president Donald Trump. Trump, an unusual candidate for the GOP was a rhetorically populist, self-proclaimed open nationalist and an aggressively anti-immigrant candidate that to the surprise of many, swept the Republican convention and later defeated Hillary Clinton to become president of the United States. During his time in office, Trump began a “zero tolerance” immigration policy which separated migrant children from their parents who

27. Sears, 672.
28. Sears, 673.
29. Sears, 672.
32. Davidson and Saull, 712.
34. Davidson and Saull, 712.
entered illegally,\textsuperscript{36} began construction on a symbolic border wall, attempted to ban Muslims from entering the United States, and engaged in a protectionist trade war with China. To some, the election of Trump demonstrated a sharp rebuke of the neoliberal policies that have damaged the association of white Americans with their status as working class. While it is undoubtable that Trump specifically appealed to concerns of the white working class, data indicates that these tactics did not actually result in a net gain of white working-class voters. In the 2016 election, Trump gained the same share of white working-class voters that Romney had received in 2012.\textsuperscript{37} According to one study, “the white working class has constituted a slowly-growing share of GOP voters in recent elections—an impressive finding given that white working-class people are declining as a share of all Americans….\textsuperscript{38}” This trend has remained constant since 1992; however, the study does suggest that the percentage of the white working class in the Republican party has seemingly plateaued since Trump.\textsuperscript{39} While Trump had certainly appealed greatly to the white working class, it would be more fair to say he is merely a reflection of a greater trend of the white working class moving increasingly towards the right, and his election into office merely demonstrated how far-right the white working class have become since the 1980s. Thus, it is indisputable that the white working class have consistently been moving away from the progressive left since the 1980s and have moved towards the far-right, evidencing a truth behind Davidson and Saul’s claims.\textsuperscript{40}

\textbf{Conclusion:}

The rise of the far-right over the last 40 years has been strongly influenced by a backlash from neoliberal policies that have created social and economic conditions that have adversely affected the white working class, as well as some segments of the white middle class. From massive job losses, increased competition from immigrant labor sources, and deaths of despair, these conditions have led to the breakdown between the relationship between race and class in the United States. This erosion of the association between race and economic stability, coupled with a lack of social safety nets and any substantial remedial efforts to address poverty, have pushed the working class towards the right and has pushed national rhetoric towards the far-right.

\textsuperscript{39} Carnes and Nicholas, 59.
\textsuperscript{40} Davidson and Saull, 712.


