



## A Clinton-era centrist Democrat explains why it's time to give democratic socialists a chance

Zack Beauchamp

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The rise of the Democratic left, personified by Sen. Bernie Sanders (I-VT) and Rep. Alexandria Ocasio-Cortez (D-NY), has raised a serious question: Should Democrats lean away from market-friendly stances and get comfortable with big government again? Should they embrace an ambitious 2020 candidate like Sanders and policies like the Green New Deal, or stick with incrementalists like former Vice President Joe Biden and more market-oriented ideas like Obamacare?

One of the most interesting takes I've seen on this debate came from Brad DeLong, an economist at the University of California-Berkeley. DeLong, who served as deputy assistant secretary of the Treasury for economic policy in the Clinton administration, who is one of the market-friendly, "neoliberal" Democrats who have dominated the party for the last 20 years. The term he uses for himself is "Rubin Democrat" — referring to followers of finance industry-friendly Clinton Treasury Secretary Robert Rubin.

Yet DeLong believes that the time of people like him running the Democratic Party has passed. "The baton rightly passes to our colleagues on our left," [DeLong wrote](#). "We are still here, but it is not our time to lead."

It's not often that someone in this policy debate — or, frankly, any policy debate — suggests that their side should lose. So I reached out to DeLong to dig into the reasons for his position: Why does he believe that neoliberals' time in the sun has come to an end?

The core reason, DeLong argues, is political. The policies he supports depend on a responsible center-right partner to succeed. They're premised on the understanding that at least a faction of the Republican Party would be willing to support market-friendly ideas like Obamacare or a cap-and-trade system for climate change. This is no longer the case, if it ever were.

"Barack Obama rolls into office with Mitt Romney's health care policy, with John McCain's climate policy, with Bill Clinton's tax policy, and George H.W. Bush's foreign policy," DeLong notes. "And did George H.W. Bush, did Mitt Romney, did John McCain say a single good word about anything Barack Obama ever did over the course of eight solid years? No, they fucking did not."

The result, he argues, is the nature of the Democratic Party needs to shift. Rather than being a center-left coalition dominated by market-friendly ideas designed to attract conservative support, the energy of the coalition should come from the left and its broad, sweeping ideas. Market-

friendly neoliberals, rather than pushing their own ideology, should work to improve ideas on the left. This, he believes, is the most effective and sustainable basis for Democratic politics and policy for the foreseeable future.

What follows is a transcript of our conversation, edited for length and clarity.

Zack Beauchamp

I want to start with your notion of “Rubin Democrats.” What does that mean, exactly? What was the movement you identify with?

Brad DeLong

I would say it’s largely neoliberal, market-oriented, and market-regulation and tuning aimed at social democratic ends. It also involves taking a step in the direction of appeasing conservative priorities. The belief is that if you have a broad coalition behind such policy, it will be much more strongly entrenched in America and much better implemented than if it were implemented by a narrow, largely partisan majority.

And Rubin Democrats believe that you should prioritize economic growth. Once you have economic growth, electorates want to become a lot less Grinch-y and less likely to feel that redistribution to the poor is coming out of its hide, making them positively worse-off. Economic growth first, redistribution and beefing up the safety net second.

Zack Beauchamp

What you’re describing is a broad theory of political economy, in which a vision for what economic policies are best is intertwined with a particular view of what makes policies popular and sustainable. You say something about this is wrong — do you think it’s the political part, the economic part, or both?

Brad DeLong

We were certainly wrong, 100 percent, on the politics.

Barack Obama rolls into office with Mitt Romney’s health care policy, with John McCain’s climate policy, with Bill Clinton’s tax policy, and George H.W. Bush’s foreign policy. He’s all these things not because the technocrats in his administration think they’re the best possible policies, but because [White House adviser] David Axelrod and company say they poll well.

And [Chief of Staff] Rahm Emanuel and company say we’ve got to build bridges to the Republicans. We’ve got to let Republicans amend cap and trade up the wazoo, we’ve got to let Republicans amend the [Affordable Care Act] up the wazoo before it comes up to a final vote, we’ve got to tread very lightly with finance on Dodd-Frank, we have to do a very premature pivot away from recession recovery to “entitlement reform.”

All of these with the idea that you would then collect a broad political coalition behind what is, indeed, Mitt Romney’s health care policy and John McCain’s climate policy and George H.W. Bush’s foreign policy.

And did George H.W. Bush, did Mitt Romney, did John McCain say a single good word about anything Barack Obama ever did over the course of eight solid years?

No, they fucking did not. No allegiance to truth on anything other than the belief that John Boehner, Paul Ryan, and Mitch McConnell are the leaders of the Republican Party, and since they've decided on scorched earth, we're to back them to the hilt. So the politics were completely wrong, and we saw this starting back in the Clinton administration.

Today, there's literally nobody on the right between those frantically accommodating Donald Trump, on the one hand, and us on the other. Except for our brave friends in exile from the Cato Institute now trying to build something in the ruins at the [centrist] Niskanen Center. There's simply no political place for neoliberals to lead with good policies that make a concession to right-wing concerns.

Zack Beauchamp

Let's talk a little bit about the intra-Democratic fight. When you say "pass the baton to the left," does that mean give up on substantive policies where you — meaning Rubin Democrats — disagree with the left?

Brad De Long

No. It means argue with them, to the extent that their policies are going to be wrong and destructive, but also accept that there is no political path to a coalition built from the Rubin-center out. Instead, we accommodate ourselves to those on our left. To the extent that they will not respond to our concerns, what they're proposing is a helluva better than the poke-in-the-eye with a sharp stick. That's either Trumpist proposals or the current status.

Zack Beauchamp

So the position is not that neoliberals should abandon their policy beliefs. It's that you need to reorient your understanding of who your coalition is.

Brad DeLong

Yes, but that's also relevant to policy beliefs, right?

A belief in cap and trade — rather than the carbon tax plus huge, honking public research — was both a belief that the market really ought to rule here, plus a belief that stakeholders who are producing carbon energy can be bought off with cap-and-trade: that the Koch brothers would rather be selling their carbon allowances than having to actually burn coal to produce things. Plus, a belief there were Republicans who would actually think that global warming is a menace, and be willing to argue strenuously within the Republican coalition that something needs to be done about this.

A bunch of policies that depended on there being a political-economic consensus to support them, as part of a broad agreement about America's direction, are a lot worse as policies if that political-economic underpinning is not there. There also are a bunch of lessons about how policies that we thought are going to be very effective are rather less effective.

Zack Beauchamp

The response you hear from conservative and Democratic centrists, those Blue Dogs that remain, is that they are the partners that you need to appease, not the Alexandria Ocasio-Cortez left. The Democratic coalition depends on winning in red states.

Brad DeLong

The first lesson is the Gingrich lesson: If you're in a swing state, you lose your seat if the president of your party is perceived to be a failure. The highest priority for Blue Dogs in red and purple states — in 1994 and in 2010 — ought to have been making it clear the president of their party was a great success.

If there is a good state of the world in 2021 — the Lord willing and the creek don't rise — everyone and all Blue Dogs in office needs to recognize that and act on that.

That's the political level and on the policy level. We tried to do health reform the Republicans' way, and what's now clear with a Republican Supreme Court and with a lot of Republican governors, any attempt to do it the Republicans' way is going to get shredded. We tried to do climate policy the Republicans' way, and got nowhere.

Until something non-rubble-ish is built in the Republican center, what might be good incremental policies just cannot be successfully implemented in an America as we know it today. We need Medicare-for-all, funded by a carbon tax, with a whole bunch of UBI rebates for the poor and public investment in green technologies.

That's the best policy given the political-economic context. If the political-economic context were different — well, I'm fundamentally a neoliberal skill. It is very nice to use market means to social democratic ends when they are more effective, and they often are.

If you can properly tweak market prices, you then don't just have one smart guy trying to design a policy that advances an objective — you have 30 million people all over the country, all incentivized to design a policy. That's a wonderful thing to have.

Zack Beauchamp

But despite that substantive view, you think that instead of freaking out about the leftists at the gates, it's smarter to side with them — to treat them as political coalition partners.

Brad De Long

Our current bunch of leftists are wonderful people, as far as leftists in the past are concerned. They're social democrats, they're very strong believers in democracy. They're very strong believers in fair distribution of wealth. They could use a little more education about what is likely to work and what is not. But they're people who we're very, very lucky to have on our side.

That's especially opposed to the people on the other side, who are very, very strange indeed. You listen to [Never Trump conservatives] like Tom Nichols or Bruce Bartlett or Bill Kristol or David Frum talk about all the people they had been with in meetings, biting their tongues over the past 25 years, and your reaction can only be, "Why didn't you run away screaming into the night long ago?"

Zack Beauchamp

I don't know if what you're describing is a long-running reconfiguration of American politics, an emergency alliance with the left to stop an out-of-control right, or both. How would you describe the conditions that have pushed you toward a more-left oriented position than you had before?

Brad DeLong

I'd say we learned more about the world.

I could be confident in 2005 that [recession] stabilization should be the responsibility of the Federal Reserve. That you look at something like laser-eye surgery or rapid technological progress in hearing aids, you can kind of think that keeping a market in the most innovative parts of health care would be a good thing. So something like an insurance-plus-exchange system would be a good thing to have in America as a whole.

It's much harder to believe in those things now. That's one part of it. The world appears to be more like what lefties thought it was than what I thought it was for the last 10 or 15 years.

The other part is that while I would like to be part of a political coalition in the cat seat, able to call for bids from the left and the right about who wants to be part of the governing coalition to actually get things done, that's simply not possible as of now.

We shouldn't pretend that it is, or that it's going to be. We need to find ways to improve left-wing initiatives, rather than demand that they start from our basic position and do minor tweaks to make them more acceptable to their underlying position.