



# Rise of the Right-Wing Progressives

BY RYAN BOURNE

**W**ashington has never been more polarized, so the cliché goes. American politics is reflexively hyperpartisan, plagued by bitter conspiracy theorizing, hypocritical rule bending, and tedious culture-war battles. And yet, true as that all might be, it's a growing bipartisan consensus on economics from groups on the left and the right that's worrying me.

An ascendant conservative faction—the “national conservatives”—now sound nearly identical to the progressive left, not just on the economic policies they advocate but also on their narrative about what's wrong with the country. This movement initially seemed like an attempt to put intellectual meat on the bones of Donald Trump's 2016 victory, creating a coherent agenda that might solidify Republican support among his working-class

voters. Yet it has since taken on a life of its own, embracing the expansive role for government traditionally associated with the left, albeit wrapped in the collectivist language of America's national interest.

Trump sought to marry nationalist efforts that he said would “protect” the working class from foreigners through restrictions on trade and immigration with domestic tax cuts, deregulation, and (an unsuccessful) defanging of the administrative state. The “NatCons,” however, take the logic of his anti-market economics to its logical conclusions at home, arguing not only for tariffs and less immigration but also for industrial policies, more welfare redistribution, and crusades against finance and Big Tech.

That's because the group—which includes thought leaders from Oren Cass's American Compass to Tucker Carlson, as well as Senators

Marco Rubio, Josh Hawley, and J. D. Vance—thinks that free markets are to blame for many of America's most acute social and economic ills.

In their reckoning, the libertarian zeal of the Reagan-Thatcher era unleashed a free-market economic dogmatism among elites of the left and the right. Their unwillingness to intervene in the economy led to corporate-centric policies that produced underinvestment at home and an outsourcing of “real” production abroad, creating a disintegration of our industrial base, wage stagnation for the working class, worker insecurity, and speculative or wasteful activity in finance and technology.

American Compass, in particular, has been busy developing its own historic and political narrative to prove this. The organization elevates the role of protectionism

and industrial policy as positive factors behind the United States' historic economic development, while painting recent trade liberalizations as misguided aberrations that sacrificed our national future for "cheaper TV sets and sneakers." China's entry into the World Trade Organization is seen as the pinnacle of this folly of opting for consumption over production—a move that sent American industries overseas, leading to a less resilient manufacturing base and the hollowing out of many towns. Immigration, similarly, is said to have compounded the squeeze on working-class wages, making dignified living elusive for many working-class families.

American Compass has even developed its own metrics to paint a grim picture of Americans' financial health more broadly, selectively highlighting the rising costs of certain goods while ignoring evolving family choices to imply that middling one-earner families are worse off now than in 1985. This is supposed to prove that workers haven't sufficiently benefited from economic growth, precisely because of the pro-market agenda of "tax cuts, deregulation, and free trade."

By the organization's conclusion, the past 40 years have been a disaster for the country and workers in particular: "Globalization crushed domestic industry and employment, leaving collapsed communities in its wake," boomed its recent Handbook for Conservative Policymakers. It went on: "Financialization shifted the economy's center of gravity from Main Street to Wall Street, fueling an explosion in corporate profits alongside stagnating wages and declining investment. The decline of unions cost workers power in the market, voice in the workplace, and access to a vital source of communal support." Issues such as deaths of despair through opioids, lower male employment, and families feeling like they are struggling with basic living costs are all deemed downstream problems of this material squeeze.

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fundamentalism" for the country's afflictions, then the state is looked to for salvation. In pursuing "the common good"—used synonymously with America's "national interest"—the NatCons therefore see an expansive role for the federal government. They want it to use its powers to tax, spend, and regulate to allocate more economic resources, whether by industry, region, or socioeconomic group. In their vision, the government should lean on the private sector to ensure that more activity takes place in the United States, more manufacturing occurs relative to services, more finance is directed toward these endeavors, workers are given more power vis-à-vis their employers, and families with children receive more transfers from other taxpayers.

#### **RIGHT-WING PROGRESSIVE PRINCIPLES**

Addressing the bad history and dubious empirical claims directly is beyond this article. Suffice to say, it is news to us libertarians that our ideas have monopolized Washington's economic policy for 40 years. But what's striking is how familiar the narrative is. It's largely the same sort of stale, left-progressive critique of free-market economics we've heard for decades. Indeed, look closely and you'll see not only that many of the national conservatives' starting points mirror the progressive left but also that their analysis leads them to similar policy conclusions.

Like progressives, national conservatives

do not think economic liberty is inherently desirable, nor that the government's role should be strictly limited to providing public goods and dealing with market failures. Rather than constraining government as a means of allowing us to pursue our own interests, policy should instead aim to enhance the highly subjective concept of the "national interest" or "common good." How that "common good" is defined is different from progressives—anchored, for NatCons, in championing one-earner families and manufacturing industries and supporting flyover country. But economic liberty is not seen as an essential part of the common good.

When it comes to policy goals, in fact, national conservatives share the progressive left's contradictory stances on materialism. Their critique of our current economic policy constantly shifts from bemoaning that certain workers or regions aren't richer (the portions are too small) to bemoaning that policy has focused too much on material prosperity or gross domestic product anyway (the food tastes terrible). The logical implication is that, like left progressives, they regard redistribution of various forms as a higher-order priority than economic growth. In championing industrial policy, for example, Cass admits it "has nothing to do with the most efficient allocation of resources" but is seen as desirable to achieve other social objectives.

When it comes to the role of government, many national conservatives want to find peace with the administrative state to help their agenda. Many of them regard today's left as so radical that a more aggressive form of conservative governance is required—one that will use state power to "reward friends and punish enemies," as *Newsweek's* Josh Hammer famously put it. They believe it's misguided to hope for a government that acts as neutral referee, because progressives leverage government power to mold both cultural and economic outcomes anyway. NatCons like Vance thus think conservatives

should seize the administrative state for their own ends, stuffing it with conservatives, rather than pursue ambitions to abolish it. If that means giving more power to agencies that right now are overwhelmingly staffed by Democrats and would be run by Democrats circa half the time, so be it.

This view speaks to a central truth. National conservatism, as with the left progressivism of, say, Sen. Elizabeth Warren (D-MA), is necessarily a top-down, centralizing, elite project. For all its shrouding itself as a movement of the working class, the very concept of a government delivering on a “common good” that deviates substantially from people’s free will requires a small class of people to overturn the decisions of individuals, families, businesses, and states. Survey after survey, for example, shows that most workers in the gig economy are satisfied with their work, given the flexibility it affords. Yet national conservatives argue that these business models have eroded workers’ negotiating power and job security. They propose new government rules to force gig economy companies to discuss terms with sector-wide organized labor categories such as “drivers.” This approach would jeopardize the whole business model.

Who would define this common good that policy should pursue? Well, the federal government in Washington primarily. Just like their progressive brethren, the NatCons want to grow Washington’s power further to the detriment of not only families and companies but also states. Tucker Carlson has himself acknowledged that building up state power further in response to the supposed libertarian dominance of current policy would likely go too far. In his own words at the 2019 National Conservatism Conference, Carlson admitted that “in a reaction against libertarianism, we’re going to make the DMV a lot bigger, and probably give them guns. And that’s bad, but there’s kind of no getting around it.” National conservatism might want a different group of technocrats directing the economy

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from Washington, but their vision is the same.

Indeed, the similarities with progressive government principles have not escaped the notice of left-leaning donor networks. American Compass, for example, obtains substantial funding from the Hewlett Foundation for “research on alternatives to neoliberalism.” It also obtains funds from the Omidyar Network’s “reimagining capitalism” project, which desires a “fundamental change in how corporations and capital markets operate.”

#### **RIGHT-WING PROGRESSIVE POLICIES**

Unsurprisingly, given that the progressive left and nat-con right agree on so much of the diagnosis and the principles under which government can legitimately act, there’s huge overlap on the types of policies both support.

Yes, the left is much more concerned about using policy to deliver on climate change mitigation and equity goals, whereas the nat-con right wants to support certain types of industries, regions, and families. But what American Compass’s recent handbook sees as the essential “scaffolding” to support capitalism is a set of tools nearly indistinguishable from those idealized by progressives.

The overlap on trade policy is well docu-

mented. Both the left and NatCons support the use of tariffs to try to reshore domestic industry, often predicated (though not exclusively) on the threat of China. American Compass goes much further than the protectionism maintained by President Biden—in fact, echoing 1980s anti-trade leftists by calling for a global tariff of 10 percent on all imports that escalates until the country’s trade deficit is eliminated. Since basic economics suggests trade deficits are overwhelmingly determined by a country’s savings and investment levels, not tariff policy, this ratchet would become increasingly destructive, to little end.

Industrial policy is seen by both as crucial to reshaping the economy toward certain industries too. American Compass celebrated the passage of the Chips and Science Act, a Democrat-backed set of industrial subsidies to boost American semiconductor production. The Biden administration has since used this approved funding to set conditions, such as requiring that recipient firms commit to deliver on childcare and equity goals. But despite how predictable this politicization of industrial policy was, the NatCons originally supported it for the same essential reason as the left. They regard it desirable that the government direct capital to encourage marginal investment in certain favored industries to deliver goals that depart from economic efficiency. The only difference is what those goals are.

Given that they think the current composition of the economy is somehow “wrong,” both left and right progressives unsurprisingly rail against finance, which fails to reallocate capital to their preferences. Senator Warren used to accuse “Wall Street” of “looting” businesses. The NatCons similarly decry the economy’s supposed “financialization,” which apparently has produced too much speculation rather than proper investment. What exactly “financialization” is seems to be a moveable target, but it leads them to propose a new financial transactions tax on “secondary-market sales

of stocks, bonds, and derivatives” and a ban on stock buybacks, two long-standing policies of the progressive left, to try to encourage more “real” investment.

The national conservatives’ gravitation toward endorsing organized labor marks a considerable shift toward more progressive stances too. To be fair, their preference leans toward European-style sectoral bargaining rather than confrontational union models. Yet they also favor German-like codetermination policies, like worker representation on corporate boards, just like those Warren championed in her presidential campaign. This idolization of economic policies from nations less affluent than the United States is, of course, another shared trait among these factions of left and right.

Free-market economists would say that productivity growth is the overwhelming source of sustainable wage gains. NatCons, like progressive economists, put much weight on the need for tight labor markets, bargaining power, and a voice for workers. This leads some NatCons to unusual political stances. For instance, Oren Cass has often praised the supposed bargaining power workers have had in the tight labor market under President Biden. Firms should quit moaning about worker shortages, he says, and simply raise wages. Yet firms are constrained by the need to turn a profit and can’t pay workers more than they are worth sustainably. More important, these ultratight labor markets have in large part been a result of overly stimulatory policies that exacerbated inflation, which actually eroded real wages, harming those workers.

Then there’s Big Tech. Both the current Federal Trade Commission chair Lina Khan and her trustbusters in Congress are skeptical or outright hostile to the consumer welfare standard application of antitrust laws. Many NatCons agree. Sen. Josh Hawley (R-MO) has proposed a “Bust Up Big Tech” bill, which would ride roughshod over customers’ preferences by simply barring large online platforms

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from promoting their own products and services on their own websites, whatever the effects on consumers. So no more Amazon-branded goods on Amazon Marketplace or Google Maps appearing on Google Search. Like progressives, NatCons deem certain big businesses “bad” by virtue of their size or power.

There’s also substantial overlap on the issues that they’d prefer not to talk about. Federal budget deficits and the long-term debt challenge associated with an aging population are largely ignored by both sides of this neo-progressive consensus. In fact, to the extent that they do talk about budgeting, it’s typically to defend unsustainable entitlement programs or argue for further expansions of the welfare state. Hawley, for example, wanted to “exempt

Social Security and Medicare from the debt ceiling.” American Compass, Sen. Marco Rubio (R-FL), and others have also long championed more redistribution toward families with children—increasing the entitlement state’s reach—albeit to different types of families.

National conservatism, then, shares with progressives not only the analysis of what’s gone wrong with America but also many of the pillars of the progressive policy temple. It’s little surprise that this new movement has been written up favorably by progressive commentators in the media as a welcome bipartisan development.

But we must be clear on what it is: it’s an agenda that believes the ills of this country arise from too much economic liberty. The solution offered is more central government direction of capital flows, the feds’ shaping the country’s regional and industrial economic composition, and new efforts to tilt the deck toward organized labor. If that sounds like the economics of left-wing progressivism, it’s because it is. ■

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