

Opinion

How Republicans stopped losing the US culture war



AMERICA
Janan Ganesh

When William Buckley launched National Review, and with it the modern US right, the aim was to stop the "radical social experimentation" of the hour. It was 1955. The age of Eisenhower and the draft, of the Hollywood Code and low immigration: if this scandalised him, his air of dejection as he neared the end of his gilded life half a century later comes easier to fathom.

Among the experiments he had been unable to thwart were the sexual revolution, creeping atheism, normalised if

not quite legalised cannabis and the doubling of the foreign-born population as a share of the US total. His conservative movement had been an electoral success and a howling cultural failure.

And now? There is no chance of a full or even substantial reversal of what was once called the Permissive Society. But, if nothing else, the pace of conservative retreat is slowing. In 2022, Republicans might gain control of Congress and still count it their second biggest prize of the year. Much dearer to them would be a raft of Supreme Court decisions curbing abortion and affirmative action while doing the opposite for gun ownership.

If these materialise, the conservative supermajority on the bench will have been worth the decades of work. The Federalist Society college chapters, the grooming of young "textualists" and "originalists" this is the closest the right has ever come to a Gramscian march through the Institutions. Given the

relative youth of the Donald Trump-appointed justices, it might still be paying off in the middle of the century.

In the more public terrain of electoral politics, things are almost as promising for the cultural right. Republicans are sure that new progressive norms on race and gender are losing propositions for

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the Democrats — as are, for that matter, lots of Democrats. Parental qualms about what children are being taught eased a Republican into the Virginia governor's mansion in November (though, after Covid-enforced school closures, so did an impatience to have

them taught at all). Democrats will never win over cultural conservatives. The danger is that they lose strict liberals for whom group rights and the inviolation of speech are heresies.

The right can count on presidential over-reach here. Bill Clinton used to scold incendiary rappers. Barack Obama was the "deporter in chief" to disappointed immigration liberals. Despite his more conservative instincts, Joe Biden has been slower to make overtures to non-progressives. His voting rights bill contains much of value. But if opposition to it is "Jim Crow 2.0", as he claims, that is news to a country in which 1 per cent of people name elections as a major problem.

Conservative jurisprudence, progressive hubris: both are in the normal swing of politics. The role of racial minorities, the third force to whom the cultural right owes its small recovery, is more surprising. There is no recovery is

for the gains that Republicans have made among Latino voters. Tying Democrats to the "socialism" of the countries some of them fled has helped. But another word is difficult to ignore. According to the Pew Research Center, only 3 per cent of these voters use the gender-neutral term "Latinx". When it passed the president's lips last summer, it was unlikely to resonate. Democrats will have to decide how long to persist with the underlying philosophy from which it springs.

As for other minorities, the legal case against Harvard's affirmative action scheme is that it disadvantages Asian-Americans. A suit against the University of North Carolina argues much the same. Racial diversity has not had the uniformly progressive side-effects that Democrats believed (or rather that Republicans believed Democrats believed). Cultural conservatives are left to caress an irony at least an

incongruity. Their comeback owes in part to their old defeat on immigration.

The danger here is to overstate the extent of that comeback. Even if the Supreme Court rulings transpire — conservative judges have disappointed the "movement" before — the right will, in boxing terms, have pulled back a round after losing the previous eleven. In 1996, Americans were more than two-to-one against same-sex marriage. They are now in favour of it by the same margin. Church membership is down. Even the right's embrace of someone of Trump's — let us go with "bohemian" — lifestyle shows how limited its options are.

Precisely because the rout of cultural conservatism has been so total, though, any recovery is news. It is hard to know whether Buckley was unlucky or blessed not to live to see what passes for success.

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The Fed is too late to remove the punchbowl

Martin Wolf Economics

Policy is still aggressively loose, even though the recovery and surge in inflation have long been clear



In November 22, US president Joe Biden nominated Jay Powell as chairman of the Federal Reserve. Eight days later, Powell told Congress that it was "probably a good time to retire that word and try to explain more clearly what we mean". The magic word he was about to retire was "transitory". That incantation had permitted the Fed to persist with an extremely expansionary monetary policy during a strong recovery accompanied by soaring inflation. A cynic might think there was something more than accidental about the timing of the word's retirement. I could not possibly comment. Let us hope instead that the shift is not too late.

In 1955, chairman William McChesney Martin remarked that the Fed "is in the position of the chaperone who has ordered the punch bowl removed just when the party was really warming up". It was sound advice, as the monetary turmoil of some two decades later demonstrated. Losing control over inflation is politically and economically damaging: restoring control usually requires a deep recession. Yet the Fed has been running this risk lately, because it has not even started to remove a highly alcoholic punch bowl.

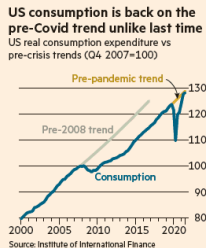
Whether inflation is indeed transitory is not mainly determined by what is going on in markets for specific products. It depends more on the environment in which such shocks emerge. The risk is that in a highly supportive policy

environment, such as today's, a price shock can too easily ripple across the economy as workers and other producers struggle to recoup their losses.

So we must start from the state of the world's health, argues the IIF, has been fiscal stimulus. (See charts.)

The labour market has also substantially healed and, on some measures, is hot. In a recent piece for the Peterson Institute for International Economics, Jason Furman and Wilson Powell show that the prime-age non-employment rate, unemployment rate, number of unemployed people per vacancy and quit rate are all stronger than the 2001-2018 average. The last two are at record levels. As Jay Powell himself noted in his press conference last week, "labour market conditions are consistent with maximum employment in the sense of the highest level of employment that is consistent with price stability". In other words, the Fed has already fulfilled its jobs mandate.

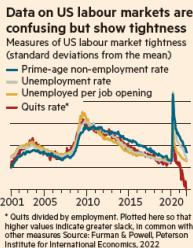
The strong labour market is also showing up in a rapid rise in nominal earnings, with total compensation for civilian workers above the pre-pandemic trend. Yet real compensation was



3.6 per cent below trend in December 2021. This was because annual consumer price inflation reached 7 per cent, the highest rate for four decades. Even core inflation (with volatile items such as energy and food stripped out) reached 5.5 per cent. Moreover, contrary to the belief that this is due to just a few items, the IIF shows that inflation is running at over 2 per cent on 70 per cent of the weighted index. This price surge is no limited phenomenon.

The rate of price increases on the

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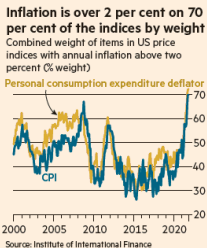
scarcest items will slow and many prices will even fall. But that will not be enough. One reason is that affected businesses and workers will seek to recoup their losses, risking an inflationary spiral. Another is that policy is still aggressively loose, given the ongoing asset purchases and a Fed funds rate of 0.25 per cent. Whatever the supply disruptions, a central bank still has to calibrate policy to demand. Yet the Fed continues to lade out the punch, even though the party is turning into an orgy.

Given, in addition, the "long and variable lags" in the relationship between monetary policy, the economy and inflation, described by Milton Friedman, it is hard to believe the Fed is anywhere near where it needs to be today. The Fed itself agrees: tightening is on the way. But the question is whether it can



still contain an inflationary spiral and keep expectations stable without having to inflict a recession. That is going to be extremely hard to pull off. Policymakers just do not know enough about the post-pandemic economy to calibrate the needed policy changes, especially as they are clearly too late.

In this context, the Fed board's December forecasts are bewildering. The median view is that core consumer price inflation will fall to 2.7 per cent this year and 2.5 per cent in 2023, as the unemployment rate stabilises at 3.5 per cent. Meanwhile, the forecast is for the Fed funds rate to be between 0.6 and 0.9 per cent this year, and 1.4 per cent and 1.9 per cent in 2023 (if we leave out the three highest and lowest). These forecasts are, we must note, below the Fed's own estimate of the neutral rate of inter-



est, which is 2.5 per cent. Moreover, the assumed real interest rates are also negative. Perhaps bond members believe that aggressive asset sales will deliver the needed tightening via higher long-term rates. Alternatively, they have to believe that the economy and inflation will stabilise smoothly even though monetary policy stays expansionary through.

This would be immaculate stabilisation. It is conceivable that the policy setting chosen during the worst of the Covid crisis still make sense today. It is conceivable too that the forecast tightening will deliver robust growth and smooth disinflation. Both are less unlikely than that the moon is made of green cheese. But likely? Not so much.

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West Africa's security challenges have global repercussions

Shirley Botchwey

Attica, the capital of Ghana, itinerant hawkers create pop-up mini markets to sell goods to rush-hour commuters. Sunglasses, pillows, doughnuts, peanuts boiled fresh in the shell, and colourfully-wrapped made-in-Ghana Golden Tree chocolates are briskly traded before the lights turn green.

But not everyone is selling. There is also a growing throng of children and mothers knocking on vehicle windows, asking for alms for their next meal. They are migrants from the Sahel — Mali, Burkina Faso, Niger, Nigeria and Chad — who have been forced from their

homes by jihadist terrorism fuelled by weapons from the conflict in Libya. These people are living proof of the desperate security situation for millions in the region.

This is one of three major problems the government of Ghana wants to see addressed during its two-year tenure on the UN Security Council, which began on January 1. The others are climate change and piracy in the Gulf of Guinea.

After their defeat elsewhere, jihadist franchise groups have gravitated towards the Sahel. The violence they wreak is increasing in frequency and brutality. Attacks targeting civilians in the region have risen from 581 in 2015 to 7,108 in 2021, with 12,519 fatalities, up from 1,594 over the same period, according to data from the Armed Conflict Location and Event Data Project. In 2020, seven of the top 10 terrorism-risk countries in the world were in Africa.

This bloody phenomenon is driving the forced migration evident in Accra, as well as human trafficking, including the headline-grabbing Mediterranean crossings in small boats to Europe.

But there's another driver of the tragedy — climate change. Lake Chad sums up the largest water body in the Sahel, it is estimated to have shrunk by 90 per cent in 60 years. Temperatures in the Lake Chad Basin are rising one-and-a-half times faster than the global average.

The worsening climate has triggered violent conflicts between nomadic

herders heading south in search of pasture and water and farmers in the savannah and forest belts threatened by streams of new arrivals and their anarchic livestock. Jihadis eager to extend their footprint then promptly occupy vacated towns and villages, using them as bases to encroach ever southward.

Worryingly, the security threats in west Africa now include piracy in the Gulf of Guinea. In 2020, all but one of the world's 28 kidnappings recorded at sea occurred in these waters. Similarly, in 2018, all six hijackings at sea, and 13 of the 18 incidents of ships fired upon occurred in the Gulf of Guinea. Of the 141 hostages held at sea that year, 130 were captured by pirates here.

Oceans Beyond Piracy, a project of Colorado-based non-profit One Earth Future Foundation, estimated the annual cost of piracy in the Gulf of Guinea at over \$800m as of 2017.

Insecurity in this maritime area con-

stitutes a threat to international traffic at a time of Covid-related disruptions to global supply chains. Yet despite the obvious global impact, and the chilling effect on foreign investments and the livelihoods of coastal communities, the Gulf of Guinea countries bear the burden of naval deployments and policing that most of them can ill-afford. International naval patrols were deployed to rid the Gulf of Aden of pirates, so why not the Gulf of Guinea?

Beating back terrorism, climate change and piracy in Africa cannot be left to a handful of west African countries when the consequences of inaction are global. They require the attention of the UN Security Council, and a recognition that the responses to the threats to world peace today and in the future should be different from the traditional peacekeeping approaches applied in Congo and Lebanon. We need innovative, nimble mandates, together with

technical and financial support, to enable us Africans to lead them ourselves. Ghana is eager to work with the UN Security Council to end the violent extremism and terrorism threatening our countries.

Africans stood with the rest of the world to fight the wars of the last century. We sacrificed lives to stabilise the global system that powered the prosperity enjoyed in much of the industrialised world today.

My Ugandan friends say: "The one who gets a good harvest of pumpkins forgets the one who gave them the seeds." May this not be said of the world's industrial nations when Africa needs them. In any case, inaction now only increases the cost of action if delayed. It's the English who have a saying for that: "Penny-wise, pound-foolish."

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