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Populism: causes and counter strategies

ESDN-Workshop Berlin 2019

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Outline

- **Populism: definitions, characteristics**
- Causes and socio-economy of voters
- Track to power and cementation after failure
- A counter strategy needs four steps
- Summary

Definition of populism: from neutral technique to ideology



Oversimplified interpretation of problems of the society

1. Binary polarisation between „us“ and „them“
The ordinary, virtuous citizens and the corrupt self-serving elite
2. Knowledge of the „true wants“ and the sole ability to serve them
3. Implicit assumption: natural, positive homogeneity of “our people”

The range of definitions:

from **technique of successful politicians** (Kreisky, Roosevelt)
to radicalism and extremism, if hard ideology is added (communism, fascism)



Predecessors and variants

- Agrarian movement: against nobility, banks,
 - today: against lobbyists, Wallstreet
- S-America: from liberation theology to totalism Castro, Chavez
- Europe (and California): Students movement of 68

Right wing: anti-pluralistic, national; sometimes xenophobic

Left wing: enlightening, emancipative, sometimes totalitarian

Today USA: „progressive left“: Sanders, Occupy Wallstreet

Today Europe: Fico, Zeman, Orban, Lafontaine, Melenchon

- Neoliberalism and austerity are the “parents of all problems”



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Reasons for today's discontent: Europe and USA



EU

- Low growth, unemployment, inequality
- Status loss (from middle class to underclass, recipients of transfers)
- Inability to boost personal income beyond parents
- Migrants take our jobs/regions
- “Population Exchange” ideology (identity movement)

USA

- Loss of position as world economic power no 1
- Deficit in current account, stagnating wages since 1970
- Globalisation critique from Trump to Sanders
- Trade unions, Tea Party



Four root causes of populism

Economic causes

- Unemployment, inequality, low dynamics

Cultural changes

- From **conservative** → **liberal values** (gendering, living habits)

Fear and uncertainty

- Speed of change, globalisation, technology, status loss

Policy failure

- No compensation or **empowerment** of loser, forgotten regions

⇒ The turbos: migration, feared loss of identity

Features shared by today's populists



- My country first (nationalistic, nativist, egoistic)
- **Polarisation**: we versus them (the corrupt elite)
- Post Truth Politics: post fact society, science is biased
- **Pessimism**, framing that "all was better in glorious past"
- **Homogeneity** endangered, takeover (**Umvolkung**) by Islam
- **Climate change has been invented by Chinese**,
 - if it proves to be real: it is "natural" not made by humans
 - if evident: declared **less important** relative to other problems

Socio-economic structure of voters for populist parties



- Low incomes, but not lowest
 - „Middle class“ with apprenticeship or Matura
- Agrarian regions and elder people (sometimes also young)

Decreasing with

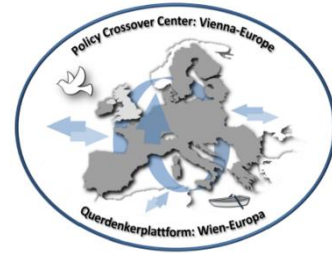
education level, income, and international experiences
share of migrants in the region and contact with them

Increasing in

rust belts, regions with decreasing population, entry ports

⇒ Empirical evidence reflects mixes of causes

Accelerators



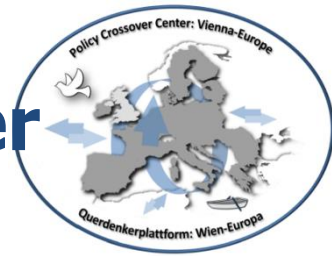
- Migrants/exchange of population/globalisation
- De-industrialisation (Rust Belts)
- Unequal distribution, winner takes all society
- Science is not independent, it can prove anything
- Youth unemployment and forgotten regions, decline of population
- Education and wealth inherited from parents
- Too narrow specialisation, no training for change
- Social media, echo chambers, missing integration



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On the road **to** and stabilisation of **power**



- Regional groups, direct democracy, secession requests
 - Including former liberals (Fidesz, AfD, FPÖ)
- Coalitions mainly with conservatives, GR, I left +right

After taking power and if **policy instruments do not** work

- eliminating checks and balances (**parliament, courts, government**)
 - Takeover of courts, police, media by government
 - Military build up
- ⇒ **Construction of an external enemy (capitalists, Islam, Soros, EU)**
- ⇒ **Changing constitution and voting system, walls and borders**



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Counter strategy

1. **Correction** of wrong analyses and pessimism (**reframing**)
situation complex, but on average increasing incomes
2. **Where to go and why together** is better: **vision 2030**
optimism that Europe is best model for rich society,
delivering wellbeing, jobs, decarbonisation (**better than China, US**)
3. **Game changing instruments** and **communication** channels
Tax reform, regional policy connected to goals, no micro-interventions
new communication channels: social media, NGOs (incl. Hungary, Turkey)
4. Look for a new narrative, **after peace**, serving emotions of citizens
A Europe that empowers and opens life chances



1. Correction of wrong framing

Rejecting wrong framing of pessimism and glorious past

⇒ Europe is a success model, even if in a Midlife-Crisis

- No war since 70 years within EU-28
- SDG goals document increase in quality of life
- Quickly rising life expectancy, **in contrast to the US**

Admitting that in some countries incomes do not increase:

- Greece, S- Italy, „forgotten region“ with population loss (CEE)
- In others low incomes are flat, top 1 percentile wins

⇒ **Populists have no concept for these problems**

2. Optimistic Vision: Europa 2030 different to US, China, Russia



EU: Role model for high wellbeing

- Indicator: high, increasing, healthy life expectancy
- Lower unemployment and inequality (personally and regionally)
- Lead in combatting climate change
- Life quality depends on abilities, not transfers

Some important pressing goals need joint efforts
climate, migration, diseases, corruption

Internal: Bottom-up, experiments. NGOs, one regulation in two out

External: shaping globalisation according to European standards
different to USA, RU, China and today by MNEs

3. Game changing **instruments** and **communication channels**



Instruments boosting wellbeing

- Broader education: empowerment instead of protection and lifelong transfers
- Technology and production steered by societal goals
- Connect m with ageing, and new markets (circular migration, learning)
- Bottom-up and discovery processes, taking youth and NGOs on board
- **European lead in sustainability, conflict solution, globalisation**

New communication channels

Social media not only EU-Meetings, Councils, Communications even more important

- * if and when populists rule and have invaded media
- * stay connected with population to pre-empt story of enemy

Rational migration strategy with internal and external pillar



Internal: Europe is ageing, 1.4 kids by two adults instead of 2.1,
iIn some countries population declines by 30%, youth by 40% (up to 2050)

- ⇒ Qualified immigration, to integrate and use qualifications of humanitarian migration
- ⇒ Steering migration: into regions where demand is high and which have strategies
- ⇒ Investing in regions, which respect EU goals, call Ex-Patriots back or for support

External: * Population doubles in Africa, conflicts have to be solved
* Inroads of China, Russia, Turkey, Iran

- ⇒ Europe should invest in neighbourhood: education, training, partnerships

⇒ Triple dividend for Europe:

- Dynamic market for exports
- Lower differences in education, culture, repatriates as door openers
- Less and better qualified migration

=> Circular migration creates mutual understanding and partnerships

4. Development of a new narrative

which reconnects citizens emotionally with EU



- A Europe that opens life chances, empowers its citizens, offers variety as an asset
- Individual chances created by common rules
- Chances depend on abilities, empowerment for change

⇒ European regions with a multitude of choices

Caveat: this is a tentative proposal,
the counter message to isolation and glorification of the past
but narrative cannot be developed by scientists



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Short-run impact of populism

- Polarisation and **even more** uncertainty
- Less firm entry, lower FDI, **depression**
- Democratic structure, **pluralism, human rights downgraded**
- Border **controls and fences**, military build-up
- Brexit, stopping **peace and accession efforts** for West Balkan

⇒ When economic problems aggravate

an external enemy has to be found

⇒ Populism converts to extremism, radicalism

sole representative of the truth,

end of check and balances, and liberal democracy

Long-run threat: populism endangers the European project and Paris 2015



Deepening, expansion, conflict solution become difficult
As well as improvements of current internal governance –
e.g. quicker decisions by ending unanimity requirement

Open agenda: less pronounced the nearer the elections come

- End of the Euro and the stabilization of the real economy by ECB
- Downsizing structural and regional funds
- Climate change is a fake, invented by nuclear lobby

**Hidden agenda: dissolving the EU if not radical unrealistic reforms
renationalisation,** exit from climate and Human Rights compacts

⇒ **Support for EU-membership stable above 50 %**

but no peace building in Serbia, Kosovo, no partnership Africa

⇒ **Citizens and youth want a more ambitious climate policy**

The counter strategy in a nutshell



1. Reframing: realistic analysis of successes and problems
 2. A vision, confident to offer the best model
 3. New strategy, game changers, communication with citizens, lead in new technology incl. decarbonisation
 4. Looking for a new narrative
Europe empowers, offer chances for citizens and neighbours
- ⇒ A Europe that opens chances is the goal, this also promotes peace
- ⇒ Largest variety, broadest abilities, positive heterogeneity shaping globalisation and lead in combating in climate change

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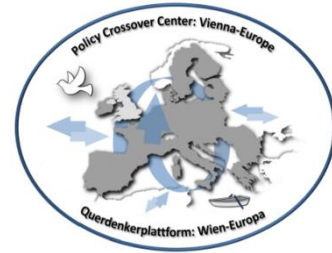
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Cooperation right & left populism



- Theory - Horseshoe hypothesis: share similar goals and methods
- Milder version: Right and left wing populists need each other

Common features

- Against globalisation, EU, finance, **pro Russia/Putin**
- No real problem with authoritarian systems
- Big government, strong men can bring past glory, size back
- Less power of markets, big government, division of labour/power

Differences: bashing of foreigners vs emancipation

Right: advantage of homogeneity anti-pluralistic, exclusive

Left: emancipation, supporting disadvantaged; 1000 blossoms
anti-austerity & neoliberalism, positive role of public sector

When populism becomes dangerous radicalisation and extremism



- It can be technique of successful politicians (Kreisky, Palme, Roosevelt)
- Politicians have to simplify, referring to emotions for change
- It may be a corrective to address „forgotten“ problems/regions

Danger: claim to be the **sole representation of truth** „Alleinvertretung“
tolerating violence (this one is „counter violence“ only)

Extremism/Radicalism unconciliatory, promoting violence

If complemented by hard ideologies (communism, fascism)



Two tiers for dynamics and migration: domestic strategy, neighborhood policy

- European strategy: more dynamics by empowering rules (instead of the 5 scenarios)
- From centralisation to European rules plus decentral operationalisation; example for taxes: transparency rules enable bequest tax without base shifting
- Engagement in East and South (Black Sea, Africa)
 - Reduces unemployment in Europe
 - Market growth 1% (Europe) or 5% (Neighbourhood)
 - Investment - ERP-like Program for Black Sea and Africa
 - Schumpeter-Programs for education (following Fulbright)
 - Reduced uncontrolled migration, enables better qualified

Peace, opening of chances, dynamics



European integration is historic peace project, 500 mn people, no war since 70 years, noble price, J. Sachs, K. Arrow, World Bank

Peace narrative still important but no longer motivating

- A Europe that empowered and open life chances
- Making heterogeneity an advantage
- Homogeneity neither possible, nor desirable

New dynamics necessary and feasible

- Consumption due to less uncertainty
- Tangible and even or intangible investment
- Responsible globalisation
- Efficient public sector



Anders als bisher und anderswo

- Vision unterscheidet sich von EU Praxis **u n d** US, China etc.
- Sie ist optimistisch, partnerschaftlich, sozial und nachhaltig
 - Verglichen mit Populismus und meisten Medienanalysen
 - Verglichen mit negativem Unterton in Echokammern und Verglichen **mit....**
 - **USA:** sozialer, bottom-up, weniger profitorientiert
 - **China:** individueller, partnerschaftlicher, post-materiell
 - **Russland:** demokratischer, weniger oligarchisch
 - **Iran, Türkei:** Vielfalt, keine Expansion, religiöse „Führer“



Weg zur Macht und ihre Zementierung

Start:

- Regionale Gewinne, Forderung nach Direktdemokratie
- Niedergang der Mainstream Parteien
- Koalitionen mit Verschiebung der Agenda, Polarisierung

Zementierung:

- Griff nach Gerichten, Medien, Wahlrecht
- Erfolgreiche Wirtschaftspolitik, Leugnung des Klimaproblem
- Schuldzuweisung an fremde Mächte inkl. „Brüssel“

⇒ Popularität wird genutzt für neue Rechtslage/Medien

⇒ Hindernisse für demokratische Abwahl aufgebaut