

UC Santa Barbara

UC Santa Barbara Previously Published Works

Title

Populism Is a Distraction

Permalink

<https://escholarship.org/uc/item/2ht8x41q>

Journal

New Global Studies, 12(3)

ISSN

2194-6566

Author

Pieterse, Jan Nederveen

Publication Date

2018-11-27

DOI

10.1515/ngs-2018-0020

Peer reviewed

Jan Nederveen Pieterse*

Populism Is a Distraction

<https://doi.org/10.1515/ngs-2018-0020>

Abstract: Should a discussion of populism be concerned with populism—along with revulsion of its various extremisms (perhaps along with hints of social and psychopathology and hence, implicit endorsement of ‘moderate’ positions)? Or should it rather be concerned with the failure of institutions and the misbehavior of elites in a world in which 8 billionaires own as much as half the world population? Option a) will yield a totally different and probably somewhat more predictable discussion than option b), which may include ‘from bad to worse’. According to option c) different types of populism—including ‘pluto-populism’—should generate different treatments. This discussion follows options b) and c).

Keywords: style or substance, unscrambling populism, pluto populism, new centrism

Like many terms nowadays, populism has become weaponized. A question then is what function does populism discourse fulfill? What role does it play in the discursive field? Consider recent headlines:

Corbyn and Trump versus the liberal order (Philip Stephens, *Financial Times* 9/1/2017)

Populist swing alarms financial titans (Gillian Tett, *Financial Times* 1/19/2018)

Gillian Tett cites a chart about ‘modern politics’ produced by the Bridgewater hedge fund that is, in her words, alarming: “The number crunching revealed that the proportion of votes garnered by populist, anti-establishment candidates in the west, such as US president Donald Trump, France’s Marine le Pen and Jeremy Corbyn, leader of the UK Labour party, exploded from 7 per cent in 2010 to 35 per cent in 2017.”

Consider the elements that are at play in these and many similar accounts. Using lumping concepts (populism, anti-establishment) enables a numerical representation. Clustering movements and parties under the heading populism yields momentum, hence the idea of a wave of populism or an explosion (Judis 2016). Many accounts treat populism as a transnational or global trend. Many discussions cast the other side of the spectrum as ‘liberal,’ as in liberal

*Corresponding author: Jan Nederveen Pieterse, University of California Santa Barbara, Santa Barbara, CA, USA, E-mail: jnp@global.ucsb.edu

democracy, liberal values, liberal capitalism, the international liberal order. In shorthand this may also be represented as democracy, as in democratic capitalism. Lumping Corbyn and Trump ‘versus the liberal order’ further suggests they represent disorder.

The term *liberal* is a British and American terminology that has a nearly opposite meaning in continental Europe where liberal political parties are typically right of center pro-business parties. Calling Europe ‘liberal’ doesn’t make sense outside of Britain, as in ‘liberal Europe’ (Zielonka 2017) or in this headline: ‘Merkel leads Europe’s fight for liberal values’ (*Financial Times* editorial 1/3/2017). This oddly overlooks that she leads a Christian Democrat party.

Developments in the US and UK have brought the theme of populism to the foreground. The election of Trump and Brexit created the impression of a populist wave. It was grouped together with rightwing parties in Europe, with political developments in Turkey, the Philippines and India and with the ‘pink tide’ in Latin America. Also part of recent memory is the Tea Party in the US. The role of ‘strongmen’ in several countries such as Putin, Erdogan or Kagame in Rwanda added to an impression that democracy is waning. Thus the theme of populism features alongside litanies about threats to democracy and capitalism.

The global democratic recession (G. Rachman, *Financial Times* 8/7/2016)

Democratic capitalism is in peril (M. Wolf, *Financial Times* 8/3/2016)

Emerging powers can be saviours of the global liberal order (A. Acharya, *Financial Times* 1/19/2017)

Thus an entire field is defined, a global order with an inside and outside, a center and periphery, a field in which ‘anti-establishment forces’ oppose ‘the establishment.’ In this setting populism becomes a salient, central problem. Populism functions as a term of boundary policing. The search is on for a definition, demarcation and sociological account of populism.

Meanwhile the focus on populism, the definition and morphology of populism, places ‘the establishment’ out of view. Concerns that may have generated populism, such as trade pacts and globalization (i. e. the way globalization has been organized), come up but discussions imply that given the morphology of populism such concerns are best left to the establishment.

Style or Substance?

However, look closely and the picture unravels. There is no wave of populism. Yes some surface manifestations look alike, yet the genealogies, political

economies and contexts of the movements and parties are profoundly different. By highlighting surface similarities the populism discussion may actually be distracting and misleading.

Populism by most accounts refers to a political style (critique of elites, bypassing institutions, direct appeal to people) while the agendas range widely. A focus on the morphology leads to a broad clustering of populism, across left and right, while a focus on agendas leads to steep differentiation. One concerns style, the other concerns substance.

There should be clear demarcations between populism and leftwing movements and parties. During recent years, right and leftwing forces share criticism of trade pacts and ‘globalization.’ But while the rightwing attacks immigrants, minorities and foreign countries (‘China’), the left (such as Indignados, Occupy Wall Street, the Sanders campaign) attacks corporations, banks, institutions and police brutality. Rightwing policies look to deregulation, tax cuts, tariffs and renegotiating trade pacts (difficult because corporations are interwoven in global value chains), while leftwing policies focus on reregulation of banks and corporations, corporate tax increases and social support and investment policies. In other words, the profiles are fundamentally different.

Is populism anti-pluralist (Galston 2018; Müller 2016)? It is rather majoritarian and hierarchical. It claims a rank order of difference and status and special rights for the ‘majority.’ In several cases the net effect is ethnocracy, as in Israel. In Turkey, this places Turks above Kurds and Alevis; in India, Hindus above Muslims, Dalits and Adivasis; in the US, Anglos above Hispanics and minorities; while in European countries, populist parties target Muslims.

Unscrambling Populism

Should the focus be on outlier movements and parties, or should it rather be on the wider field that has generated the movements as well as the discourse of opprobrium? Decentering populism means looking at the entire field from a wide angle perspective. Populism, then, is a symptom and the focus should rather be on the disease.

The empirics are plain: eight billionaires own as much as half the world population (2017). Inequality has been increasing across the world, most steeply in liberal market economies. According to Oxfam International (2018), the “richest 1 percent bagged 82 percent of wealth created last year - poorest half of humanity got nothing.” Is this the liberal order? Apparently some think that disorder might be a better option.

One way of unscrambling populism is to differentiate among varieties of capitalism; a basic typology is liberal market economies, coordinated market economies and state-led market economies, each of which involve markedly different state-society relations.

The difference between the liberal market economies of the US and UK and coordinated market economies in Nordic Europe is marked. In the US and UK, the agenda of populist movements is broad—it includes jobs, deindustrialization, regional uneven development, immigration, inequality, trade pacts, globalization and international competition ('China'); in the UK, add the European Union. (In parentheses, the UK is a hybrid formation with a relatively strong public sector such as the National Health Service.) But in Nordic Europe the agenda of populist parties is simply: immigration and Islam. The difference is that liberal market economies leave everything on the table, corporations come first, the overall public sphere is rightwing and people are far more exposed and insecure than in coordinated market economies. In this setting populism is to some extent a fairly minor variant, a quirk, different in style and degree but not in substance.

In most state-led market economies populist movements barely exist besides a rightwing nationalist fringe, as in Russia or China. A fringe because the overall public sphere is nationalist already.

In Eastern Europe, the prevailing political discourse is nationalism, which is no wonder given long histories of occupation (Germany, Austria, the USSR). Nationalism comes with authoritarian leanings and cultural strands ('Christian values') and in Hungary authoritarian politics comes with crony capitalism. Governments in Hungary and Poland reject immigration and Islam and rail against 'Brussels.' Calling this populism barely adds value; the keynote is nationalism.

In Mediterranean Europe, the main concern of Syriza, Podemos and the Five Star Movement is governance and institutional questions of clientelism and corruption. The second agenda is austerity and the European Union; third is immigration and refugee flows. They are leftwing parties and calling them populist is superficial and a misdirection.

In Western Europe, populist parties typically focus on immigration. Social democracy is a national social contract and immigration has been its Achilles heel all along. Deindustrialization, austerity and welfare cuts reinforce this, as does the spillover of wars and conflicts in the Middle East. More comers are to share a shrinking pie. The cultural glue of the social contract has also become brittle amid accelerated globalization. But other than immigration and Islam populist parties bring nothing to the table, no economic program to speak of. In France, the Netherlands and Germany they have lost while in Austria, the Czech

Republic and Italy they have inched forward (2017–2018). These parties should be called and often are called anti-immigrant parties (such as Progress in Norway).

Populism in Latin America has a lineage that goes back to the era of Peron. The ‘pink tide’ in Latin America has at times been called populist. From the point of view of the financial sector populism means instability, slower growth, or worse, a policy shift towards social priorities, or restrictions on the financial sector. The financial sector has long arduously watched populist trends in Latin America, but the tide has receded in Argentina, Brazil, Ecuador, Peru and Chile and is crumbling in Venezuela (Authers 2018). Yet, political risk is up at a time of major corruption investigations and a year of elections (Rathbone 2018).

Erdogan and the AKP in Turkey belong to an entirely different configuration. The backdrop is the rural-urban gulf between the Muslim countryside of Anatolia and urban secular-military coalitions that have governed Turkey for decades, as part of a modernization drive that goes back to Atatürk in the 1920s.

Table 1: Agendas of forces called ‘populist’.

Capitalisms	Region	Agendas
Liberal market economies	US, UK	Broad: Economic, social, jobs
Coordinated market economies	Nordic Europe	Narrow: Immigration
State-led market economies	E. g. Russia, China Turkey, AKP	Extreme nationalism From secular to Muslim nationalism
Hybrids	Eastern Europe	Nationalism, immigration; EU
	Mediterranean Europe	Transformation (clientelism); EU, immigration
	Latin America	Social progressive (e. g. Peron, Chavez, Kirchner, Lula)
	Philippines, Duterte	Strengthen security forces

AKP bridged that gulf with Islam, a Muslim bourgeoisie and rural migrants in the cities as bridges, paired with social policies (as well as liberalization) and nationalism. The AKP marks a shift from secular nationalism to Muslim nationalism, along with ‘looking East’ and towards the Middle East in foreign and economic policies.

The Duterte government in the Philippines has again a very different background. The Philippines has typically been ruled by parties led by large

landholding families. Land reform, long a major concern, is no longer even on the agenda (Bello 2015; Bello 2017). Duterte's war on drugs shifts the agenda from political economy to security and strengthens the security forces (as in Brazil) while doing nothing to transform the political economy. An overview of agendas of forces labeled populist is in Table 1.

Is what matters the strength of populist forces or rather the weakness of established political parties? An undercurrent in many expressions of populism is the failure of established parties. In Latin America, "Traditional parties are breaking down, outsiders are forcing change and popular anger threatens to rewrite the constitution" (Rathbone 2018). Other examples are the Congress Party in India and the establishment parties of landholding elites in the Philippines.

The Trees or the Forest?

Among variants of populism, the US and UK stand out. These metropolitan economies have long driven and shaped the world economy. Institutions in the UK and US have tilted in favor of rightwing priorities since the 1980s, since Margaret Thatcher ('there is no alternative'; 'society does not exist') and Ronald Reagan ('government is the problem'). Since the 1980s they spearheaded wide-ranging transformations with the Washington consensus, structural adjustment, the IMF and World Bank. Wall Street and the City of London led the epoch of financialization. From the point of view of the financial sector, growth is paramount, redistribution isn't profitable, and supply-side economics is the normal.

By one account, "The populist right sweeps aside the left: The traditional left is nowhere to be seen" (Philip Stephens, *Financial Times* 12/2/2016). But pro-market bias and the emphasis on growth has marginalized leftwing politics all along since the 1980s, also in the Third Way of New Labour and New Democrats. Disdain for the left has become normal in the public sphere, especially in the US and UK. The center cannot hold, yet alternatives are cast aside and populism is a new bogey—even though it has been fomented to bulldoze aside moderate alternative positions.

After four decades of supply-side economics (growth, corporations first), demand-side economics (growth and redistribution) is no longer part of the mainstream American agenda, is often rebranded as 'hard left' in the UK, while austerity outflanked redistribution in Europe (Blyth 2013). In the course of four decades governance gaps have grown ever wider—in finance, big tech, tax evasion, climate change and global public goods. Forty years on the search

is for institutional buffers against the massive erosion that has been ongoing. Reining in financialization, progressive taxation, a wealth tax, curbing tax evasion and crony capitalism are among the priorities.

In the US and UK the rupture with past trends that populism represents is most marked and salient. Populism is but one among many stress signals. In the US four decades of median wage stagnation, steadily growing social inequality, economic insecurity and poverty, poor infrastructure, unaffordable healthcare and higher education make for dark undercurrents of deaths of despair, an opioid crisis, mounting gun violence, domestic abuse, etc. A world of deindustrialization without a safety net. Wages for low skilled work are unlikely to rise, the cost of higher education is ever rising and student debt reaches unsustainable levels.

That the agenda of populism is broadest in the US and UK suggests the issue isn't populism per se but rather the shape that liberal market economies are in. Is then the key issue the morphology of populism, or the career of liberal market economies after four decades of radical liberalization?

While discussions zero in on populism arguably the actual battlefield is the institutions. On this score when in government populists have nothing to contribute; they just add to crony capitalism, just like authoritarian and military governments in developing countries. Yet a lot of attention goes to populism, as if torpedoing populism would somehow fix the conundrum. It is in particular liberal forces that rail against populism, in the name of liberal democracy, liberal capitalism, the liberal order, etc. Yet in advanced economies these same liberal forces have caused the conundrum we're in.

The political counterpart of liberal market economies is liberal democracy. In liberal democracies the emphasis on individual rights leaves social rights behind. Whether the issue is labor rights, globalization, trade, media, tech or governance, markets and corporations come first (Nederveen Pieterse 2017). Genuine political choice is barely available; that markets and corporations come first is a bipartisan principle.

Arguably, in relation to overriding forces that are at work since the 1980s (restructuring, government debt, austerity, cutting corporate taxes, tax evasion, financial speculation) the morphology of parties and movements (populist, liberal, authoritarian, military) matters relatively little. The differences though they seem major up-close are marginal from a wider angle. In many countries the majority of people is being squeezed and is looking for a way out, without much hope. In liberal democracies this situation is business as usual. These are the regimes that have brought about institutional erosion; yet according to establishment pundits, we should zero in on and target the symptom, so the threat can be identified and contained or rolled back.

Here the diagnosis itself is a symptom of the disease. Whom does discourse serve? What is the sociology of populism knowledge? The Bridgewater hedge fund is a \$160 billion fund. The *Financial Times* and *Wall Street Journal* are newspapers for the financial sector. Similar accounts figure in *The Economist*, *Foreign Affairs* and *New York Times*. Populism can serve to distract the attention, misdirect the focus while in the process institutions further tilt rightward, as in the case of the Trump administration.

In the US much of what is deemed ‘populism’ involves dark money at work (Mayer 2016). The Tea Party was funded by the Koch brothers. In the US contemporary populism refers to market populism (Frank 2000; Lichtenstein 2016). The Trump campaign was good for the ratings of CNN. “CNN had a problem. Trump fixed it” (Mahler 2017). Further add the *National Enquirer*, Fox News and Murdoch-Trump connections. In all the campaign received some \$5 billion free airtime. The Polarization Industrial Complex with information cocoons of the two party system also thrives. The hedge fund billionaire Robert Mercer funded Breitbart News, the Alt-right movement, and Cambridge Analytica that helped Trump’s campaign harvest Facebook profiles. Thus a subtext of the rise of populist forces is financialization and rogue finance at work.

In recent years the conversation has turned to the threat that populism poses to democracy. But how does this compare to the steady erosion of institutions over decades of liberal democracy (deregulation, liberalization, anti-government government), particularly in the US? In liberal democracies populism has been able to spread precisely because of the steady self-immolation of liberal democracy.

One diagnosis is ‘sophisticated state failure,’ i. e. ‘to have a functioning state in which nothing gets done’ (Techau 2016). However, it’s not that nothing gets done but what gets done makes things worse (social inequality, governance gaps). Also this diagnosis doesn’t say why ‘nothing gets done’ and misreads the crisis that is afoot.

The New Centrim

On a world scale there is a long-term shift from the Atlantic economy to the Pacific economy (just as in the sixteenth century the Mediterranean world was overtaken by the Atlantic turn). Another shift is that after four decades of supply-side economics, the center no longer holds. Brexit and the election of Trump indicate this order is unraveling.

At one level populism is an expression of a waning order. At another level populism functions as a new boundary marker. As if Francis Fukuyama’s claim

that after the end of the cold war liberal democracy is the only political ideology left standing makes a comeback, now as a civilized counterpoint to populism. In this new centrism the Atlantic order resumes its place as world order (e. g. King 2017). The subtext of populism as it functions in many discussions is the relegitimation of a waning order.

Now this world order makes a comeback as provincialism. In Britain (Brown 2017) as well as the US the rural vote takes the lead. Cities in the US are responsible for 85 % of economic growth but the rural vote leads, courtesy of the Electoral College, GOP gerrymandering and voter suppression. Provincialism is embedded in the American bubble (national sports cast as World Series, national network news is like provincial news) and in the guise of populism it returns to the stage as aggressive provincialism, with a vindictive streak.

When in government American populism takes the form of pluto-populism with huge, permanent regressive tax cuts (Wolf 2017a). The Trump administration is 'A field day for America's one per cent' with the biggest winners on Wall Street, the fossil fuel industry and defense (Luce 2017). Aggressive provincialism may team up with stable plutocracy, a combination of institutional degradation and rising inequality in tandem with a divided populace (cf. Wolf 2017b).

Populism is a distraction for several reasons. First, in most cases this heading adds no value. Second, as a theme populism diverts the attention from substance to style. Populism discussions tend to be long on morphology and short on content. Forms of populism are fluid and media-chameleonic and often spectacular in a media-genic era, but it's the substance that matters. The heading creates a misleading impression of transnational cohesion.

It is not likely that liberal democracy can address inequality. A likely outcome over time in the US is plutocracy, i. e. the institutionalization of what has been in place already, with aggressive provincialism as companion. Issues in the EU are of an entirely different order. Because of aging populations immigration and multiculturalism are the way forward. Without Britain the EU may be able to put in place a stronger social charter. Social and Christian democracies may be able to generate a social compromise that will make this possible over time.

References

- Authers, John. 2018. "Fears over LatAm Populism Overdone as Stocks Play Catch-Up." *Financial Times* 1/25: 20.
- Bello, Walden. 2015. "The Left in Power." *The Nation*, April 6, 112–115. (150th anniversary issue)
- Bello, Walden. 2017. "Duterte's Revolt Against Liberal Democracy." *Global Dialogue* 7: 2.

- Blyth, Mark. 2013. *Austerity: The History of a Dangerous Idea*. New York: Oxford University Press.
- Brown, Gordon. 2017. "Brexit Is an Opportunity to Make a Federal United Kingdom." *Financial Times* 3/28.
- Frank, Thomas. 2000. *One Market under God: Extreme Capitalism, Market Populism and the End of Economic Democracy*. New York: Doubleday.
- Galston, William A. 2018. *Anti-Pluralism: The Populist Threat to Liberal Democracy*. New Haven: Yale University Press.
- Judis, John B. 2016. *The Populist Explosion*. New York: Columbia Global Reports.
- King, Stephen D. 2017. *Grave New World: The End of Globalization, the Return of History*. London: Yale University Press.
- Lichtenstein, Nelson. 2016. "Twenty-First Century 'Populism': Not for the Unions and a Good Thing Too." *The Forum* 14 (3): 235–247.
- Luce, Edward. 2017. "A Field Day for America's One per Cent." *Financial Times* 2/27.
- Mahler, J. 2017. "That's Great Television." *New York Times Magazine* 4/4.
- Mayer, Jane. 2016. *Dark Money: The Hidden History of the Billionaires behind the Rise of the Radical Right*. New York: Doubleday.
- Müller, Jan-Werner. 2016. *What Is Populism?*. Philadelphia: University of Pennsylvania Press.
- Nederveen, Pieterse. Jan 2017. "The Atlantic Twin Tunnel Vision." *Global-E* 10 (71): 10/31.
- Rathbone, J. P. 2018. "The Year of Living Dangerously." *Financial Times* 2/8: 7.
- Techau, Jan. 2016. "Sophisticated States are Failing, so Politicians Need to Take Risks." *Financial Times* 4/20: 9.
- Wolf, Martin. 2017a. "America's Pluto-Populism Laid Bare." *Financial Times* 5/3.
- Wolf, Martin. 2017b. "Inequality Is a Threat to Our Democracies." *Financial Times* 12/20: 9.
- Zielonka, Jan. 2017. *Counter-Revolution: Liberal Europe in Retreat*. Oxford: Oxford University Press.