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The Political Economy of Populism

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des Populismus)

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ABOUT THE BOOK

»Whoever utters populism, should also utter capitalism.«

Populism is a polymorphic phenomenon. Sometimes it comes from the right, other times it comes from the left; sometimes it articulates a protest against open markets, other times it turns against migration. Its geographic distribution, too, varies greatly: in southern Europe leftist populism holds sway, in northern Europe that of the right. Philip Manow develops a comparative explanation for this picture which, initially, appears to be contradictory.

The point of origin lies within the respective economic models of growth, the structure of the labour market and the social state – in short: the particular political economies. What becomes apparent is that in talking about populism while disregarding capitalism, one is always going to end up with nothing but identity politics – and is inevitably going to take sides in the conflict.

ABOUT THE AUTHOR

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1. Preface

Donald Trump, Marine Le Pen, Beppe Grillo, Matteo Salvini, Geert Wilders, Hugo Chavez (and his revenant Nicolas Maduro), Pablo Iglesias, Jarosław Kaczyński, Beatrix von Storch and Alexander Gauland, Norbert Hofer and Heinz-Christian Strache, Jimmie Akesson, Jean-Luc Melenchon, Nigel Farage (and Boris Johnson?), Viktor Orban, Alexis Tsipras, Recep Tayyip Erdoğan, Rodrigo Duterte, Narendra Modi – and so on and so forth.¹ Or: FPÖ, SVP, Lega and Movimento, the Finns Party and the Swedish Democrats, the Vlaams Blok, PVV, the Norwegian Progress Party and the Danish People’s Party, the Rassemblement (formerly known as the Front) National, AfD, PiS, Fidesz, AKP, Syriza, Podemos and La France Insoumise ... a never ending list, so it seems. Populists all over the place! For many, this is cause for concern and the sign of a fundamental crisis, for others it an overdue, necessary protest that clears up the clogged pipes of democratic representation – admittedly with a rather acidic detergent. For a third group it is just much ado about nothing: isn’t populism just a deliberate misnomer, a strategic formula directed towards those who represent a different political opinion?

In spite of the wide variety of individuals and parties, in spite of the diversity of contexts in which they flourish, and of the many different political demands they represent, both right-wing and left-wing populists have achieved growing success in virtually all democracies over the past twenty years. It is difficult to think of countries in which populists are *not* challenging the established parties and the established way of conducting politics. They dominate the agenda almost everywhere because they are able to attract the entire public’s attention. In light of the considerable electoral gains by populist parties in recent years, there is the firmly entrenched impression that with the rise of populism we are not only witnessing a symptom of crisis in Western societies, but that we are also witnessing a moment that is further exacerbating this crisis. That is why the debate is largely conducted in a tone of concern: is the liberal post-war consensus of the West breaking up?

Against this backdrop, it is understandable that an interested and above all worried public would like to understand: what is going on here and why? The debate under the label of “populism” is in full swing, (political) science is intensively dedicating itself to the phenomenon (see overviews by Jorke/Selk 2017; Mudde/Kaltwasser 2017; Kaltwasser 2017), and the number of relevant publications is increasing with each day, making it difficult to maintain a comprehensive view. Broader diagnoses abound (Goodhart 2017; Lilla 2017; Moffit 2016; Mounk 2018; Muller 2017 [2016]; Stegemann 2017; Zielonka 2018) – and their prevailing tone is not exactly one of optimism for the future: *How Democracy Ends* (Runciman 2018), *How*

Democracies Die (Levitsky/Ziblatt 2018). Public ruminations about democracy in times of populism now predominantly take the form of a pre-dated eulogy.

And why yet another contribution to an already broad debate? Every book that wants to be read has to justify itself. And this may be particularly true for another addition to an increasingly overabundant literature on populism. This book wants to react to two—grave, in my opinion—deficiencies in the debates. Put pointedly, the first deficit consists in the fact that the topic of populism is overwhelmingly discussed without any mention of capitalism—apart from the rather unspecific lament about “neoliberalism” with which, as we know, everything (and thus nothing) can be explained. The fact that there could have been complex economic causes behind the increased political unrest is often ignored, mostly because already the definitions used explicitly disregard the political content of the populists’ arguments and merely attempts to understand populism as a particularly antagonistic mode of politics (see Chapter 2). We are assured that “populism isn’t about policy content”, but only about indignation, anger, frustration, and resentment; about moral claims to exclusive representation and a sharp rhetoric of demarcation; about a staged confrontation between the true, pure people whose authentic spokespersons the populists have declared themselves to be, on the one hand, and the largely corrupt, self-centered, cosmopolitan elite confined in its liberal bubble, which only has contempt for the will of the people, on the other hand. But where does all the rage come from so suddenly? And why does a critique of the out-of-touch elite that is as old as representative democracy itself seem to catch on so much better today than in the past?

If we only focus on this confrontation, we quickly take sides and reliably raise the debate into the realm of political passions and morality, which makes it so unproductive, and at the same time often so hysterical. At this level there is little room on each side for compromise and any concessions that the other side might also have an argument and a legitimate position. The respective camps supply themselves with strong emotions and clear identities. It is always clear who the opponent (or often already the enemy) is, and how good and evil are divided. Such a definition, which is based purely on the irreconcilable polarization of political debates, tends to run the risk of confirming – under other normative terms – exactly what the populists themselves constantly claim, namely that there is an increasingly insurmountable cleft between the indignant and the elite. Self-reflection—such as standing where one does, being possibly not (just) only an autonomous moral decision, but as a member of a certain socio-economic milieu or within the context of a specific political economy—appears to be a scarce supply on all sides. The public debate is in equal measure characterized by a lack of theory and an excess of morality.²

Those who want to talk about populism, while avoiding the subject of capitalism, usually only end up with identity politics—and then quickly find themselves in the middle of completely unproductive debates full of mutual stigmatizations. The sketch of a political economy of populism, which then has to withstand the empirical test, might provide us, I was hoping, with an antidote and might help us to gain a bit of distance and self-enlightenment. Such a perspective is, among other things, motivated by the assumption that systematically ignoring economic factors might itself be part of the problem. The suspicion is that talking about populism as a problem is often a way of not having to talk about it as a symptom of a problem. And the widespread tendency to regard populism as evidence of an advanced “culturalization of politics” (Andreas Reckwitz) and to thus always treat it as a purely cultural phenomenon often serves those who see it that way, and it rather contributes to aggravating and continuing the conflict. In my opinion, the diagnosis itself is symptomatic.

Contrary to such a culturalist perspective on the populist phenomenon, I follow a recent suggestion by Dani Rodrik (2018) to interpret populism essentially as a protest against globalization, more specifically against its two main manifestations: international trade and migration; in other words, the movement of money and goods across borders, on the one hand, and the movement of people across borders on the other.³ I will then outline how, against this backdrop, Europe’s political geography of populism can be explained, with the dominance of left-wing populism in Southern Europe, which protests against “neoliberalism” or “austerity,” within a context where the free movement of goods and money becomes problematic, and with the dominance of right-wing populism in continental and Northern Europe, which protests against “mass immigration,” within a context where the free movement of people becomes problematic. And with populist parties in Eastern Europe and Anglo-Saxon countries which articulate the interests of losers (‘outsiders’), and populist parties in Western Europe defending the interests of those who have something to lose (‘insiders’; cf. Chapters 3 to 5).

In my opinion, the lack of economic reflection that characterizes the current debate over populism is related to its second deficit: the lack of a systematic comparison—and that also means the lack of a comparative analytical framework. We usually talk about individual phenomena, which are then taken as *pars pro toto*: Yes, if I understand the Trump phenomenon better, I also understand the populism phenomenon better. Yes, it’s interesting and important to know the voters of the AfD. You would also like to know who voted for “Leave” and who voted for “Remain” in Great Britain in June 2016, and for which reasons. But what do you know exactly when you know that?

The individual findings do not automatically add up to the overall picture. This is because the often-implicit assumption that it is essentially the same motives everywhere that are responsible for the rise of populist parties and individuals seems very unlikely upon closer inspection. Does a Hungarian go with Fidesz for the same reasons that a Swedish voter opts for the Swedish Democrats and a Spanish voter for Podemos? Why should we assume that? If we do not at least rule out an economic explanation from the outset, it is implausible, given the very different function types for national labor markets, welfare states, economic growth models, and forms of external economic embedding work, to assume the same causal relationship everywhere in light of the respective countries' very different exposure to trade and migration. This assumption, however, is—albeit often implicitly—the basis of many studies in this field (Roodujn 2018). And it incidentally is also the basis of the general diagnosis of the problem as “neoliberalism.” But this simply cannot explain why the same “neoliberalism” would sometimes provoke right-wing, sometimes left-wing reactions, and sometimes no populist reactions at all.⁴ If we only conduct the discourse in terms of morals, then we are completely helpless and clueless when confronted with the observable variance—or does anyone have a good theory as to why morality should be determined by geography?

That is why the subject of this book is a *political economy* of populism as well as a *comparative* political economy of populism. As is so often the case, if we don't have well-founded and reliable expectation (i.e. no theory) about which patterns will be recognizable, usually none are seen, or if any, the wrong ones. One example: if, in keeping with the typical “modernization losers” thesis (cf. Spier 201), which regards economic disadvantage as a strong motivation for populist protest, we would assume that there is a connection between unemployment and the populist vote (equally everywhere). But if then this is not confirmed by the data, this regularly leads to the conclusion that economic factors cannot have played a role in the rise of populism. If it is not the economy, then it must have been the moral economy⁵, and if it isn't the modernization losers, they must simply be xenophobes. Thus, we quickly come back to the culturalization of the conflict. This interpretation in turn gains its *prima facie* plausibility not least because in most studies the protest against migration is always interpreted merely as an expression of a knee-jerk cultural defense. As if migration were completely without distributive effects and as if identity and interest could always be neatly separated from each other.⁶ But this is already weak on the analytical level: voters who reject migration frequently vote for parties that reject migration? What is flagged as a “cultural explanation” looks often more like a tautology. Yet, these kinds of explanations are also quite misleading: At least one will not be able to understand the political reactions to migration if one ignores its

distributional effects and, in order to make moral judgements, reduce the broad spectrum of motivations to a juxtaposition of unenlightened and enlightened individuals.

The argument proposed here views itself as an alternative to three approaches currently dominating the debates. The first largely excludes any particular set of causes or problems to which populism reacts, but claims that it is not at all about content, but primarily about outrage (cf. Chapter 2). An alternative hypothesis, secondly, claims that the so-called modernization losers, negatively affected by structural change, deindustrialization and technical progress, constitute the main constituency of populist parties—i.e. groups marginalized on the labor market that then also turn to marginal offers on the political market. Third and finally, contributions to the debate identify a new cultural cleavage between so-called “cosmopolitans” and so-called “communitarians,” between universalism and particularism, between “integration” and “demarcation,” between the global elite of the *Anywheres* on the one hand and the *Somewheres* on the other, the latter with a nostalgic longing for the cozy times of national confinement.⁷ Here populism is essentially interpreted as a reflex against the impositions of modern open society, against value-change, a knee-jerk reaction by the losers in a new “cultural competition,” as a counter-movement to the great period of liberalization that began in the late sixties/early seventies, or even as reaction to the diminishing significance of national decision-making vis-à-vis the increasing importance of supra-national organizations like the EU. And this explanation is sometimes enriched with social-psychology, sometimes with the reference to the supposedly national-authoritarian or universal-libertarian worldviews of certain social groups (see Chapter 3).

The argument of this book, which attributes different manifestations of populist protest (also with different ‘carrier groups’) to different political economies, claims that, in contrast to the first approach, populism actually reacts to *certain, specific* and above all *describable* problems. These are primarily economic in character and can explain the political form, left or right, that populist protest takes and also who are the main supporting groups. To these questions an explanatory approach focusing only on the exclusionary rhetoric is unable to provide any answer. In contrast to the modernization loser hypothesis, I emphasize, secondly, the *variation* of these economic problems, only one of which corresponds to the loser explanatory model. It is then unsurprising that this thesis does not find empirical confirmation in many contexts. However, this does not make it generally wrong — but only as a general explanation wrong. Finally, contrary to the third explanatory approach, the thesis of the new social division, which primarily interprets and evaluates populism as a cultural conflict, and which therefore also has significant difficulties explaining the variance to be found, I again

emphasize the economic, not cultural character of the problems that can cause populist protest, even if many economic problems become (must become) “culturalized” in order to serve the purpose of political mobilization.⁸

Let me briefly outline my explanation in anticipation of its more detailed elaboration in the following two chapters. First, as a rough sketch of the outset: the last thirty years have seen an enormous intensification of globalization in both dimensions indicated here, i.e. the movement of capital and goods as well as people across borders. This is generally true, but it is particularly true for Europe. A few developments will be briefly listed to demonstrate this point. After 1990, Eastern European countries were integrated into the free economic area of the EU, which resulted in many of these countries joining the European Union in 2004. As a common market, the European Union is an exceptionally liberal economic area in which the so-called basic freedoms—the free movement of goods, individuals, services, and capital—are strictly protected. With the introduction of a common currency at the end of the 1990s, the interweaving of these European economies gradually intensified further for a sub-category of countries (the countries in the Euro Zone). The Euro was associated with the loss of monetary sovereignty and thus the abandonment of an important instrument of macroeconomic management. The pressure to reform in order to adapt to a rapidly changing global environment is now wholly unmitigated in its effect on the national economies, and thus ultimately on the respective political systems that have to make such adjustments—economic crises thus quickly turn into crises of political legitimation. All of this takes place at a time when China has made the transition from communism to turbo-capitalism within a few years, transforming itself from an agricultural country into an industrial country, and now emerged in the world market as a new, extremely dynamic trading nation. Within this context, one important event was China’s entry into the World Trade Organization (WTO) in the year 2001 (Autor/Dorn/Hansen 2016). Through this process, trade between the EU and China has almost quadrupled in the mere fifteen years between 2000 and 2015. Chinese imports to the US increased by a factor of 35 between 1990 and 2010. The significant intensification of trade is extremely advantageous for countries such as Germany that primarily produce capital goods, as these are precisely the goods that China needs for its growth strategy. Yet it is extremely disadvantageous for countries that largely produce consumer goods, such as Italy. This is because China is also producing them, but at a much lower cost. In other words, the respective economies are under very different pressures.

Additionally, the whole of Europe was caught up in the maelstrom of the global financial crisis, which in 2010 turned into the Euro crisis. These events led to enormous condemnations

and tensions within the common economic and monetary area, under which the Eurozone nearly collapsed. Thus, the divergence of the Northern and Southern European economies that began immediately following the introduction of the euro currency, but was hidden during the initial boom phase, exploded into the open and triggered severe adjustment crises in Greece, Spain and Portugal. Italy had already entered a long phase of stagnation under the euro before 2008, which has lasted to the present day. The crisis revealed that some political economies cope with the loss of monetary sovereignty much better than others.

At the same time, there was a marked surge in migration to Europe from Africa and the Middle East – caused by a bundle of factors like war, civil war, poverty, corruption, overpopulation, lack of economic prospects and political repression, but also with income increases in the countries of origin, which made the option of migrating feasible in the first place (Collier 2014). These diverse migratory movements encountered their most dramatic intensification in the migration crisis of 2015 and subsequent years. Even before that, the sudden increase in income differences within Europe following the eastern expansion of the European Union 2004 following had caused internal migration—primarily from Eastern European countries—to grow significantly, a development that intensified even more in the wake of the financial crisis, now mainly from the crisis countries of southern Europe.

This—in an extreme simplification—is the starting point. It is clear that the respective economic and welfare models are impacted very differently by the developments outlined here. Nevertheless, this must be kept in mind because it directly concerns the question of the variety of populist motivations. According to my thesis, it is precisely these different patterns that can explain the geographical distribution of populist protest. The explanation states - with some measure of courage to simplify the picture – that migration becomes a political problem where the welfare state is generous *and* accessible (as in the case with continental and northern Europe). At the same time, these are the countries where the opening of foreign trade and the free movement of goods—in short, the globalization of goods—poses fewer problems *because* the welfare state is generous and comprehensive, because socio-political compensation diffuses the distribution-based consequences caused by the free movement of goods and capital (a context I will discuss in more detail in Chapter 3).

Already these circumstance define a different kind of crisis impact in Southern and Northern Europe, because the Southern European economic model relies less on exports, instead depending largely on domestic demand, and thus the loss of monetary sovereignty weighs particularly heavily here. At the same time, while the welfare state is also generous in Southern Europe, as a rule it is not accessible to migrants, as its services are mainly directed

towards labor market insiders, or rather, access to services is regulated by patronage (for an explanation of why there is a connection between a particularistic welfare state, on the one hand, and lower international competitiveness, on the other hand, I refer the reader again to Chapter 3). Even in high numbers, migration then does not become a problem in terms of redistribution. It creates realms below the already established, more or less patronage-based orders. According to the thesis, this is the main reason for the varying political orientations of protests in the North/South-dimension: In Southern Europe it is rather left-wing populist and directed more against the “neoliberal” economic order, i.e. the free movement of goods and capital, and the fiscal restraint on the part of the state (“austerity”). In Northern Europe it rather protests against migration, i.e. right-wing populist, and directed more against the free movement of individuals.

This is the short version of the explanation developed in more detail in Chapter 3 for different forms of populism in the North/South dimension (and then empirically tested in Chapter 5). In the East/West dimension, on the other hand, we are confronted with two groups of countries: the Eastern European states, on the one hand, and the Anglo-Saxon states on the other. Both do not maintain generous welfare states, the former because it cannot afford to do so (Eastern Europe), the latter because it does not want to do so (Anglo-saxon countries). If we confine ourselves to the European context, we find corresponding political reactions to the extent that after Eastern enlargement it is primarily the Eastern European countries from which those migrant workers originate who have easy access to the relatively flexible labor market in the liberal model – that is to say, the United Kingdom in particular, and in part Ireland as well. This is essentially the history of Brexit (Dennison/Geddes 2018).

Here the conflicts primarily erupt within the labor market, not in the welfare state (and it is more a matter of intra-European than non-European migration, not least because Great Britain’s situation as an island prevents it from being completely subject to European asylum system. The drama of the so-called “jungle of Calais” has made this obvious). However, this then affects other labor market groups, which tend to be the outsiders, instead of the insiders, as is the case in Northern and Southern Europe. Therefore, protest is less likely among industrial workers in regular employment (insiders), but rather among low-skilled workers in the service sector who are exposed to direct competition on the labor market,⁹ or among the losers of the great economic transformations experienced by Eastern Europe after 1990, such as those formerly employed in agriculture or heavy industry (outsiders).

This results in a different pattern of geographical distribution. It tends not to be the affluent regions, fully open to the global economy (like, for example the south of Germany or

the north of Italy) that tend to articulate (right-wing) populist protest, but rather rural areas. In the US, the “deplorables” in the middle of the country turn against the “bi-coastal elites,” in Hungary, Poland or Turkey, Fidesz, PiS and AKP mobilize the conservative and poor rural population against the cosmopolitan elites in Budapest, Warsaw, Brussels, and Istanbul. According to this interpretation, Brexit ultimately represents a revolt of the left-behind North against the obscene wealth of the City of London’s “anywheres,” who ostentatiously display their disinterest in the rest of the country and its economic fate. This is then where the thesis about the modernization losers still fits best with actual events, and it is this constellation that makes narratives of the genuine “heartland” and the degenerate metropolises possible, and of a “pays real”—which only finds contempt and no understanding in the “pays legal”.¹⁰

The difference between the explanation outlined here (in more detail in Chapter 3), which is initially just a rough sketch, and the typical approaches to be found in the literature is, on the one hand, that I offer an economic interpretation and do not interpret populism as an exclusively culturally motivated repudiation—as the literature overwhelmingly does, at least with regard to right-wing populism.¹¹ On the other hand, depending on the political economy, I assume different causal aggregates, i.e. I do not assume just *one* cause and one *monolithic* type of voter with an affinity for populism. In contrast to the prevailing approach, I also examine both right-wing and left-wing populism,¹² which at the same time means systematically including Southern European countries in the comparison, which have been rather ignored in many studies so far.

This is why I also chose a different methodological approach. In contrast to the dominant approach (if contributions do at all bother to ask empirical questions instead of simply lamenting normatively), my analysis does not start with the investigation of survey data and the expectation that relatively invariant causal connections for populist protest should emerge from them.¹³ Instead, the observation of geographical variance in the populist phenomenon is placed at the beginning, connected with the assumption that this can be explained—depending on the political economy—by the difference in the set of problems with which these are confronted. This necessitates identifying different context-specific protest factors. Such factors can be concealed in largely context-free comparisons. To give another example: if the unemployed only vote for right-wing populists in one political economy, but not in the other, in an overall comparison unemployment would remain insignificant as an explanatory factor for political protest, even if it is causal in one certain context. However, the conclusion regularly drawn from this—that economic factors could not have played a role—would then still be incorrect.

My alternative explanation is based on the observation of regional variance, of geographical problem patterns, and thus also corresponding patterns of reactions to these political problems, not of individual concerns and decision motivations, which can easily mask these patterns or neutralize each other—if collected in surveys. This is backed by an insight that is actually trivial, but nevertheless remains unconsidered in many studies on the subject, namely that different political economies are facing very different challenges, that migration or intensified competition on the global market *systematically* poses problems for them of varying severity. The *Anna Karenina* principle applies here: every political economy is unhappy in its own way.¹⁴ But then it seems plausible that it is primarily problems of varying intensity that explain the different political protests directed against them. This is what is meant by a comparative “political economy of populism”—*it has to deal with different capitalisms in order to explain different populisms*. Ultimately, the argument developed in this book also differs from the typical approaches in that the effects of migration are an essential part of the explanation. However, migration is seldom handled systematically in the comparative political economy literature, an omission that seems increasingly problematic given the urgency and scale of the phenomenon.¹⁵

Regarding the book’s structure: Chapter 2 provides an overview and a critique of the recent public debate. It criticizes a view of populism that increasingly prevails in these discussions, namely that populism should essentially be understood as an *intensity without content* and merely viewed as a particularly antagonistic mode of politics. This simply means to ignore the respective political positions and demands. Chapter 3 then deals more closely with relevant political science research, in particular that which addresses parties and elections. Here my criticism is directed against the pronounced tendency towards a largely “context-free” comparison across the different country cases which completely or largely ignores the institutional variety, the differences in labor markets and welfare states, or in short: the political economy.

Based on this critique, Chapter 3 then develops an alternative explanation and identifies its most important empirical implications. In other words, I design the analytical framework that guides Chapters 4 and 5. Chapter 4 is dedicated to the German case, the rise of the Alternative for Germany (AfD). The central question of this chapter addresses the reasons for the AfD’s electoral successes—and the answer is founded on the basis of the evaluation of a comprehensive new source of data, namely the combined statistics for electoral districts, regions, and labor markets for the federal elections (Bundestag) in September 2017. Chapter 5 extends the analysis to the European context and tests the hypotheses formulated in Chapter 3

in the comparison of North/South and East/West. Chapter 6 concludes with an outlook—rather melancholic—on the European project.

Translated by Bradley Schmidt

The following excerpt is a slightly abridged version of Chapter 2 of *The Political Economy of Populism* which originally appeared in *Merkur*, vol. 72 (827), April 2018 under the title »Dann wählen wir uns ein anderes Volk ...« Populisten vs. Elite, Elite vs. Populisten«.

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2. Then let's dissolve the people... *Populists vs the elite, the elite vs populists*

2.1 A heated debate

Following current debates on 'populism', one sometimes gets the impression that it is primarily a case of upper-class individuals expressing their disgust for the lower classes. These have been ignoring advice – offered of course, with the best of intentions and for many good reasons – and voting differently: for the economically ruinous and completely irrational Leave, instead of the sensible Remain; for a troll as president instead of an experienced, serious career politician; and for a relapse into atavisms such as isolation, nationalism and xenophobia, instead of cosmopolitanism, the United States of Europe and 'humanity'. But what to do if people don't vote how they should? Abolish elections to save democracy – as was recently proposed by David van Reybrouck? Or simply exclude the idiots – as Jason Brennan has suggested?¹⁶ For the Democrats in America, Trump's links to Russia ought to pave the way for his impeachment, as a way of correcting the American people's historic mistake of not electing Hillary Clinton. One sometimes wonders who is just losing all reservations – the populists or a milieu that calls itself liberal but flirts with fantasies of tyrannicide?¹⁷ Maybe it is both?

Given the present debate, there is much to say for Ralf Dahrendorf's definition of 'populist' as a popular term for a politician with a different opinion. If it is correct, it would essentially bring the debate to an immediate halt. Yet an alternative definition has been suggested some time ago by Jan-Werner Müller, one that almost everyone seems to be able agree on. It claims not to use the term populism as political polemic, and instead to understand

it in a purely formal sense, without any substantive orientation. It focuses on populists' claim to be the sole arbiters of truth, on their overt anti-pluralism – as when they contrast the 'true people' in whose name they profess to speak with the corrupt and out-of-touch elite.

For Müller, 'populism isn't about policy content' but 'always a form of identity politics' – 'us against them'. More precisely, it is a form of identity politics that denies its opponents' all legitimacy.¹⁸ This is in line with Cas Mudde's position when he talks of populism as a 'thin ideology' ('a set of ideas that appears in combination with quite different, and sometimes contradictory, ideologies') that is 'unrelated to the left/right distinction'.¹⁹ The president of Germany's constitutional court, Andreas Voßkuhle, argues that populism 'can be combined with almost any substantive orientation' and that 'a populist movement is indistinguishable from a non-populist movement in terms of its concrete political objectives'.²⁰ Despite the lack of clarity, one thing is supposedly beyond doubt: 'that populism is more form than content, more style than programme'.

But is that actually true? Is it enough to see populism solely as anti-pluralism, to understand it merely as an intense form of exclusionary political rhetoric? Doesn't that make the object of conflict irrelevant? If populism is more form than content, more style than programme, then criticism of it risks becoming a critique of mere style: "the focus on discursive ethics seems a bit like a lengthy argument about table manners while ignoring the food" (Kroll 2018: 15). An irked middle class requesting that the unwashed please take a bath before taking their seats at the discursive table. As long as they don't, there will be no need to engage with what they say – a pleasant side effect and, of course, entirely unintended!

However, engagement with populist movements is unavoidable, not least because, in political practice, the anti-pluralist definition constantly contradicts itself. The implication 'Come back when you've stopped foaming from the mouth' is dishonest and primarily a way to reassure an insecure middle-class. Essentially, all it does is confirm populist narratives of exclusion. What is needed instead is a substantive concept of populism, one able to answer questions of variance – why populism manifests on the right in some places and, in others, on the left. For populism is not, as Mudde argues, disconnected from left and right. This view is analytically imprecise, I suggest. The point is, rather, that populism is sometimes associated with the left and sometimes with the right, and that this is so for systemic and not just contingent reasons. By investigating the causes of these differences, and engaging with the political content of populist arguments, it might be possible to develop a better understanding of this increasingly prevalent form of protest politics.

2.2 The unwashed

Disregarding the substance of populism and focusing exclusively on its exclusionary rhetoric may succeed in protecting the definition of populism from everyday polemic, however it also allows one to ignore the political issues, in other words what populists are actually saying and why. This, at least, is compatible with the prevailing view that populist positions are so obviously irrational that there is no point in bothering to discuss them anyway. However, this is nothing but the abjuration of the pluralist claim bandied about to characterise populism in the first place. In particular, it enables avoidance of basic questions of redistribution and scarcity, such as that of the losers of cosmopolitan humanitarianism: a question that the (German) middle class no longer likes to talk about, because it hardly comes into contact with them.

The same goes for questions about the democratic legitimacy of the European Union, towards which in Germany an attitude of bourgeois conservatism reminiscent of the imperial period increasingly prevails. In other words, political participation is gladly forsaken in favour of submission to a legalistic European technocracy, on the condition that it takes care of a functioning market economy. But not everyone profits equally from that economy, meaning that the trade-off between political loss and economic gain doesn't leave everyone quite so nonchalant about Europe's manifest democratic deficit.

Without wishing to be cynical, it doesn't seem entirely irrelevant that maximal cosmopolitan morality tends chiefly to be endorsed by people with a certain set of socio-economic characteristics. To put it another way: such ideas are seldom heard from people working in the low-pay service sector. That the German Social Democratic Party is no longer a party of the working class, and that it now represents workers' interests only in exceptional cases, can be confirmed by looking at any random survey of the social make-up of its leadership. Is it the workers' fault, then, if they no longer feel represented?

And yet, if the elite systematically ignores the socio-economic preconditions not only of its own attitudes, but also of the attitudes of those that disagree, and instead attempts to conduct the debate solely in terms of morality, then it will fail. As Ivan Krastev argues, the inability of liberal elites to have a debate on migration, and to claim that the policies of the past few years have been a win-win situation for all involved, have led to liberalism being seen by many as synonymous with hypocrisy.²¹ Self-righteousness predictably outrages the losers. But is this outrage illegitimate merely because it is 'shrill'? And who is to judge that anyway? Why should the outraged parties care about such accusations? A concept of populism based solely on the vehemence of its isolationist rhetoric becomes partisan, because it is implicitly associated

with the status quo. It becomes a way for the elites to reassure themselves: criticism of us is populist – and thus illegitimate. Populism is interpreted from the perspective of the same elites that have been diagnosed by an increasing number of citizens as the problem.

When it comes to the precise socio-economic characteristics of populist voters, there has so far been no unequivocal evidence of any specific predisposition amongst particular groups within society or the labour market. The picture is complex, contradictory and varies widely between countries. That said, it is impossible to overlook certain correlations, for instance the confrontation in the United States between the ‘deplorables’ in the heart of the country and the ‘bicoastal elite’. Similar urban-rural divisions are obvious in the case of Brexit, and they also mark the lines of conflict in Poland, Hungary and Turkey, where PiS, Fidesz and the AKP mobilize the traditionally religious and conservative countryside against the urban elites in Warsaw, Budapest, Brussels and Istanbul.²² It is plausible that underlying these conflicts is an unequal distribution of life chances and economic prospects. It is certainly the case that cultural factors come on top of these conflicts and magnify them, but it cannot seriously be disputed that the bulk of those in eastern Europe who feel they have lost out under globalization are located in rural areas or in the old centres of mining and heavy industry, and that the winners tend to be based in the cities.²³ Nor can it be disputed that joining the EU has suddenly brought traditional rural structures in central and eastern Europe into competition with high-tech and heavily funded western European agriculture. Should we then shoot the messenger of the bad news that globalization – in the form of Europeanization – also produces losers?

Of course, this neither excuses nor justifies the undermining of the separation of powers, whether in the form of attacks on the independent judiciary in Poland or the emasculation of the independent media in Hungary.²⁴ But it is unclear whether this is a symptom of rightwing populist regimes in general, or specific to eastern Europe’s transformed nations; something similar is taking place in Romania, for instance, but without being connected to strong anti-EU rhetoric. Moreover, sociological understanding of these trends needs to be separated from political condemnation. Those who argue that phrases like ‘the losers of globalization’ patronize or pathologize certain social classes fail to understand that their formal but intrinsically moralistic concept of populism is more patronizing still.

Equally, when contrasting levels of support for the AfD between the electorates of western and eastern Germany, we should take into account that reunification in East was inextricably linked to a radical economic shock that for many people led to periods of unemployment, and for many more introduced the very possibility of such a thing into everyday

reality. It is true that the welfare state was able to cushion the blow of unemployment far more generously than in Poland, Hungary, Romania and other countries after 1989; but the fact remains that, in eastern Germany, many people's education and employment histories threatened to become virtually worthless from one moment to the next.

Given this experience, it is hardly surprising that the drastic reduction of the length of unemployment benefits introduced in connection with the so-called Agenda 2010 is seen differently in the East than in the West. Nor should it be a surprise that such biographical experiences may cause eastern Germans to view regulations concerning asylum seekers' entitlement to benefits, and the refugee crisis of 2015 as such, in a different light. So, when all the armchair ethnologists and hobby psychologists hold forth about the 'east German character', with no factor too abstruse as to explain the eastern German predisposition to fascism, then it says a lot about the distribution of power in German political discourse. Beyond that, however, it generally says little.

At the very least, we should not exclude the possibility that specific socio-economic situations exist that give rise to populist protest and that determine the political direction that such protest takes. Such mechanisms are not to be underestimated since, as Ivan Krastev writes, 'often the new populism represents not yesterday's losers, but those who expect to be tomorrow's losers'. In other words, the trend is not necessarily about the losers as such, but those who have something to lose. However, this cannot be straightforwardly interpreted from the data, and the relation between voting for extremist parties and deprivation is probably not linear: those who are truly excluded often don't vote at all anymore.

Of course, it could also be possible that we are dealing with a culture war – a backlash against the shift in values taking place since the 1970s – rather than the economic problems of the losers of modernization. Or perhaps it is a complex *combination* of culture wars and distributive struggles. But the answers to these questions, open as they are, should not be prejudiced by a specific concept of populism, since to do so is to rule out saying anything meaningful about variances in populist politics. A concept of populism that explicitly disregards the form populism takes – whether it is leftwing or rightwing, xenophobic or vulgar Marxist – necessarily falls short. Why is leftwing populism more prominent in southern Europe (e.g. Syriza, Podemos, Cinque Stelle, La France insoumise) and rightwing populism more prominent in northern and continental Europe? Why is there variance not just between west and east in Germany, but also between north and south in terms of support for the AfD? In the regional election in Baden-Württemberg in 2016, the AfD came third with 15.1 per cent, 2.4 per cent ahead of the Social Democrats. Was there no western television in Baden-Württemberg for half

a century? Had no one met any foreigners until after the fall of the Iron Curtain? Had ‘re-education’ after 1945 failed? Many of those ad-hoc explanations for the alleged east German affinity towards the populist right clearly fail to explain the AfD’s electoral success in Germany’s prosperous, booming, industrial south.

In the parliamentary elections of 2017, the AfD achieved its best results in the wealthiest regions in the east and west of the country respectively. If we compare this to Italy’s political geography, where the Lega Nord is stronger in the north than in the south, one might hypothesise that hostility to immigration is more likely in relatively prosperous regions, where people perceive an increasing imbalance between what they contribute to the (welfare) state in terms of taxes and contributions, and what the state spends on them. It should therefore not be at all surprising that statistical analyses, both at the national level and between European countries, indicate no direct correlation between deprivation and support for populist parties. That does not necessarily mean that there are no economic causes of populism. The cultural explanation struggles to account for why a shift in values across the whole of society should provoke a backlash with such wide regional variations. After all, the populist left – whether Syriza, Podemos or La France insoumise – take to the streets to protest not against gay marriage, but the euro.

It is far from clear how viable any concept of populism can be that rests on the claim of sole moral legitimacy. The rhetoric of exclusion swings both ways. There are plenty of examples of how liberalism combines social tolerance with political intolerance: sympathy for every form of social difference coupled with a lack of sympathy for anything politically different. The exclusionary language of the street (‘We are the people’) comes up against a different kind of exclusion by the elite. In both cases, it is always clear who belongs to what category and who does not. One can and should call a racist a racist. However, it is unclear why a different concept has been invented for ‘racist’ – i.e. ‘populist’ – if not to associate and dissociate, and to defend the status quo.

2.3 What now?

What does this mean for our understanding of the new populism? It means that we should take the political content of each individual variant of populism seriously. Only then can it be countered politically, as opposed to morally, or stylistically. Plausible arguments – for instance by Harvard economist Dani Rodrik²⁵ – have been made for a comparative understanding of the different varieties of populism in Europe and elsewhere, and of the interconnections between, on the one hand, economic growth models, welfare states and international economic

integration and, on the other hand, the challenges posed by globalization and populist protests against it.

Leftwing populism in southern Europe seems to be a reaction to the crisis caused by a model of growth that, for demand to be stimulated, would require fiscal and monetary sovereignty at the national level – a sovereignty, however, that was surrendered with the introduction of the euro. The rightwing populism of northern Europe, by contrast, should be understood not as a reaction to the consequences of losing national monetary sovereignty, but of losing sovereignty over national borders. The issue is thus, on the one hand, the free movement of goods and money and its distributive effects and, on the other hand, the distributive consequences of the free movement of people. Explained thus, the countries of eastern Europe are similar to those of the North, with the difference that in eastern Europe there is support for internal immigration within the bloc, while migration from outside Europe is rejected all the more emphatically. But here, too, the single market produces losers – and these are the ones being mobilized by parties like PiS and Fidesz.

An explanation of this sort should be placed in a longer-term context. As I see it, populist protest can be viewed as protest against globalization, against the background of the liberal hegemony in place since 1990, so aptly described by Francis Fukuyama. But this should not tempt us into bringing into play an undifferentiated concept of ‘neoliberalism’, since that would lump together the very different political economies of Europe and North and South America, and overlook the fact that over the last thirty years these have given rise to very different groups of ‘losers’ and groups of people with something to lose.

Translated by Saul Lipetz and Simon Garnett

¹ Should possibly also include others on the list such as Shinzō Abe, Benjamin Netanyahu, the Kirchners from Argentina and, as an early example, Silvio Berlusconi and his Forza Italia.

² Mudde and Kaltwasser, e.g. write “Despite the lively debate about populism, there are surprisingly few established theories about the success (and failure) of populist forces.” (Mudde/Kaltwasser 2017, p. 97).

³ As we will see (cf. Chapter 6), globalization can be understood in many respects as synonymous with “Europeanization”, since European integration has led to an incomparably intense movement of goods and individuals (Kriesi et al. 2012).

⁴ Here a distinction would have to at least be made between a *neoliberal episode*, especially in the eighties and nineties, with a clear dismantling of trade barriers, capital controls, extensive deregulation and privatization, and on the other hand, the different reactions of the respective political economies. For example, describing the Swedish or German economic model as neoliberal is likely only possible if the concept is completely emptied and every differentiating consideration is ignored. Then one might as well just say: capitalism.

⁵ Cf. Inglehart/Norris 2016; Merkel 2017.

⁶ In the German Longitudinal Election Study (GLES), the participants’ agreement with the statement: “Migration opportunities for foreigners should be facilitated (1)/restricted (10)” was used to measure their placement on the “libertarian-authoritarian dimension” i.e. migration is exclusively assigned to the socio-cultural dimension on the measurement level. To me, this is remarkable—and problematic.

⁷ See in detail Goodhart 2017; Kriesi et al. 2006; Kriesi et al. 2012; Merkel 2017; Zürn/de Wilde 2016.

⁸ Thus, the diagnosis of culturalization is often premature: “If the underlying shock is economic, its political manifestation can be cultural and nativist. What may look like a racist or xenophobic defense may have its roots in economic fears or distortions” (Rodrik 2018, p. 26). Thoroughly compatible with the reference to economic causes is the finding that right-wing populist parties primarily *mobilize* culturally, namely “along the dimension of identity and not along the socio-economic dimension of electoral politics (Roth/Afonso/Spies 2017; Rovny 2013).

⁹ There is a relatively detailed literature on the relationship between displacement progress in the labor market, migration, and anti-immigration attitudes (Ennsner-Jedenastik 2018; Helgason/Merola 2017; Polavieja 2016; Stockemer 2016, 2017; Talving 2017; Vlandas/Halikiopoulou forthcoming).

¹⁰ Cf. in relation to Trump country as a particularly illuminating contribution (Wong 2016).

¹¹ As a result, for example, the success of right-wing populist parties in the literature is seen as dependent on “national institutions” (e.g. election rules), the strategies and coalition patterns of established parties, the ideological orientation of right-wing populist parties themselves, their organization, and the charisma of their party leaders (Kriesi et al. 2006, S. 929), while differences in political economy remain practically unmentioned.

¹² Methodologically, in my opinion, the literature suffers from a tendency towards sampling on the dependent variable, i.e. from the fact that, for example, it tries to explain the right-wing populist phenomenon solely by examining right-wing populist parties and voters (Akkerman/de Lange/Roodujn 2016; Decker/Henningsen 2015; Mudde 2007; Pirro 2016) and correspondingly, left-wing populism solely by studying left-wing populist parties (March 2011; Ramiro 2016; Visser et al. 2014). This surely has something to do with the fact that right-wing populism has been a familiar phenomenon for decades, whereas left-wing populism is a rather new phenomenon. All the more urgent, however, is then the question of the reasons for the obvious geographical variance (Roodujn 2017).

¹³ In Chapters 3, 4, and 5, we will further discuss which methodological problems are provoked by such a procedure based on individual data without acknowledging a possible context-specific causation.

¹⁴ Named after the first line in Leo Tolstoy’s *Anna Karenina*: “All happy families are alike; every unhappy family is unhappy in its own way.” On the use of the concept in the social science, see Diamond 1999.

¹⁵ “Neither the literatures on the ‘varieties of capitalism’ nor common welfare state typologies have had systematically considered the implications of their models for firms’ or states’ responses to global migration.” (Freeman/Kessler 2008, quoted from Borang 2018, p. 5). This essentially continues to be valid to date—however, the book from Frida Borang itself is the first attempt to change that; cf. also Afonso/Devitt 2016; Romer 2017; Sainsbury 2006; Schmitt/Teney 2016.

¹⁶ David van Reybrouck, *Against Elections: The Case for Democracy*, London 2016; Jason Brennan, *Against Democracy*, Princeton 2016.

¹⁷ Cf. David Bromwich, *The Age of Detesting Trump*, in *London Review of Books*, 13 July 2017.

¹⁸ Jan-Werner Müller, *What is Populism?*, London, Penguin 2017.

¹⁹ Cas Mudde/Cristóbal Rovira Kaltwasser, *Populism. A Very Short Introduction*. Oxford University Press 2017

²⁰ Andreas Voßkuhle, *Demokratie und Populismus* (‘Democracy and Populism’), in the *Frankfurter Allgemeine Zeitung* of 23 November 2017; Christuan Juppke, *Erst die Moral, dann das Fressen* (‘First morality, then eating’), in *FAZ*, 12 June 2017.

²¹ Ivan Krastev, *After Europe*, Pennsylvania 2017.

²² David Goodhart, *The Road to Somewhere: The New Tribes Shaping British Politics*, London, Penguin 2017.

²³ Philipp Ther, *Die neue Ordnung auf dem alten Kontinent. Eine Geschichte des neoliberalen Europa* (‘The new order in the old continent: A history of neoliberal Europe’), Berlin, Suhrkamp 2017.

²⁴ See: Marta Bucholc, Maciej Kormornik, ‘Separation of powers undermined: The judicial reforms in Poland and the ruling of the ECJ’, Eurozine 25 October 2018, <https://www.eurozine.com/separation-powers-undermined/>; and László Györi, ‘Ubu Roi in Hungary Viktor Orbán’s “total offensive” on culture’, Eurozine 3 September 2018, <https://www.eurozine.com/ubu-roi-hungary/>.

²⁵ Dani Rodrik, ‘Populism and the Political Economy of Globalization. Discussion Paper’, Harvard 2017.