## INTERNATIONAL AND STRATEGIC STUDIES REPORT



DEC 28, 2016 ISSUE. 45

Institute of International and Strategic Studies, Peking University

## **Profound Basis and Strong Impact of Populism**

Wang Jisi, President of the Institute of International and Strategic Studies, Peking University

Like all other political concepts, "populism" has different definitions and interpretations. In this article, populism refers to the trend of political thoughts that is popular among middle and lower classes of society and is characterized by the strong dissatisfaction with the absence of justice and polarization between the rich and the poor, the rebelling against political and intellectual elite, as well as the pursuit of equality. The word "populism" is a borrowed word. Populism is also known as "plebeianism", and is opposite to "elitism". Being popular all over the world, populism is originated in and based on five global development trends.

The first trend is the unbalanced development of world population, acceleration of transnational and cross-regional population migration and increasingly highlighted bottleneck of urbanization.

While growth rate of the world's population is in a downtrend, population growth in different regions is very unbalanced. Population growth in Russia, China and developed countries other than the United States is slow or has stopped, but in most of developing



countries, population is growing fast, and the poorer countries are, the faster the growth is. 95% of the global annual net increase of population is in developing countries.

As the world's population development becomes unbalanced, two major global social issues emerge. First is that aging of population in developed countries has slowed down their pace of economic development by increasing the burden of social welfare, social security system and public health expenditure. Second is that high youth unemployment in developing countries with fast-growing population has become the breeding ground for social unrest and violence.

With the development of economic globalization and information and communication, population is migrating from poor areas to developed areas with a faster pace. In this process, urbanization in developing countries develops accordingly. With the acceleration of urbanization, governance issues in many aspects have been exacerbated, such as the issues of housing, electricity, oil and gas, water supply, transportation, healthcare, food safety, public security, environment and waste management etc. In developed countries, a large number of ethnic minorities, vulnerable groups and new immigrants have inhabited in large cities, bringing more disturbance to the cities.

The second trend is the identity crisis of many groups caused by acceleration of global population migration. In the Middle East and other regions and countries, tribal and sectarian conflicts are escalating, and extremism and ethnic separatism are on the rise.

In European countries, there are a large number of Muslims and other minorities among immigrants from North Africa, Turkey, the Balkans and other places, who have difficulties to integrate into the local society in Europe. This has made the identity crisis in aspects of culture, language, race, religion and politics even worse. Most

natives are intolerant and prejudiced against new immigrants, and they are vulnerable to right-wing conservative opinions. Historically, groups lived in the same neighborhood were of the same ethnic group, and they believed in the same religion. But today, some people are far from home and live in a completely strange country because of war or poverty; others suddenly find a large number of people who are of different races, religions and cultures in their own towns and communities. Barrier and collision between these groups are unprecedented in history. They need a long period of time or even several generations to handle their relationships well and form new social identities. Mass influx of immigrants and refugees also increasingly deepens the existing social conflicts, and triggers riots and violence, especially under the situation of economic downturn and political instability in the host country.

The third trend is that the unfair distribution of wealth and lack of social justice around the world have seriously affected social stability and increased political polarization.

The financial crisis broke out in the West in 2008 has revealed the deep contradictions of modern capitalism. As the world's economy slows down, contradictions caused by the unfair distribution of wealth have become more prominent. To most people, the idea of fairness or equality is generally associated with the distribution of income in the economic field. As wealth increases significantly in modern world, poverty has been alleviated. But alleviation of poverty is not directly related to fair distribution of wealth. In the early 19th century, the per capita wealth in the richest countries were three times more than the per capita wealth in the poorest countries; now the gap has expanded to 100 times. Since 1980s, economy in developing countries has been growing faster overall than in developed countries, and the gap between per capita wealth has been narrowing. In this sense, cases of "the rich getting richer and the poor getting poorer" have been lessened. Meanwhile, however,



the gap between the rich and the poor in most developing countries is expanding. Application of high and new technology in production and circulation reduces the demand for labor, leading to higher unemployment and further exacerbating class divisions.

In economics, Gini coefficient is usually used to measure wealth distribution in a country or region. Degree of equality in other aspects, such as educational equality, equal opportunities and income mobility, can also be measured by Gini coefficient. With the expansion of income gap, social inequalities in other aspects are also gradually increasing. As President Xi Jinping said at the G20 Summit held in Hangzhou in 2016, "according to statistics, Gini coefficient of the world has reached about 0.7, and exceeded 0.6, the recognized 'danger line'. This must be brought to our attention."

The fourth trend is the imbalances in global economy, which is difficult to reverse. Manufacturing and energy resources industry in emerging countries has become more matured, but they still depend on investment, services and technological innovations from developed countries.

In Western countries, fiscal deficit, derivatization of the financial sector, high household debt and high welfare spending have resulted in large current account deficits; in emerging powers and resources-exporting countries, as their economy is often driven by investment and exports and lacks household consumption, they have accumulated excessive external surpluses. Yet, the relocation of manufacturing, capital, technology and jobs from developed countries to developing countries is an irreversible trend. Emerging economies' growth of strength is mainly reflected in aggregate economic volume, size of the market, foreign trade, manufacturing and natural resources development etc., but in aspects like technology innovation, system innovation, high-end human resources, business branding and financial products and

their reputation, developed countries still take a commanding leading. While the economic gap between emerging countries and developed countries is narrowing, the economic gap between emerging countries and less advanced developing countries is widening, leading to divergence among developing countries. In some countries, economic recession, social decay and loss of control of politics caused by various reasons will continue. Because of the imbalances in global economy, in many countries and groups, there are sentiments of putting the blame on foreign countries and immigrants.

The fifth trend is the rising power of individuals and groups as participants in politics on the strength of rapid development of social media. Social media is a double-edged sword. It not only promotes sectarian, ethnic and national solidarity, but also contributes to deeper ideological divisions and group divisions in a pluralist society.

The Internet is a collecting and distributing center of thoughts and cultures and an amplifier of public opinions. Individuals as well as large and small groups get together through social networks. Different groups and individuals can make totally contradictory reports and completely different value judgments on the same events. As the power of a state is decentralized and transferred to a lower level, unpredictable factors in social governance have increased dramatically. With individual rights and pluralism of thoughts and cultures penetrating into almost every corner of the world, all sorts of populist ideas are rapidly spreading through the internet, impacting traditional political logic and boundaries of state power.

Under the impact of the above five major trends, the rising of populism is inevitable. Populism has both moral rationality and charisma and political subversiveness and destructive power. In addition, nationalism, the twin brother of populism, usually



echoes populism and rises as populism rises. Some events happened recently are exactly products of the fusion of populism and nationalism, such as the United Kingdom European Union membership referendum and Donald Trump's winning of the election by calling for "America first" and other slogans.

The confluence of populism and nationalism has formed a counter current against globalization, which creates strong impact on the political order at national, regional and global level. At the national level, facing populist pressure from both left and right, governments and political elite of Western countries need to push through significant reforms in electoral system, parliamentary system, division of powers between central government and local government, public supervision of government and other aspects. Such reforms would not achieve remarkable results in the short term, and might even inflame the situation. In those "transitional countries" and developing countries that adopted a multi-party system after the end of the Cold War, disorder in the democratization process, including vote buying, corruption, violent conflict and political confrontation etc., might even lead to resurgence of the former regime and strongman politics.

At the regional level, although the European Union is unlikely to dissolve in the near future, the alternate rise of populism in its member states and interaction between member states have significantly weakened its cohesion. In East Asia, regional integration is at a halt, and will even go backwards due to factors like the lack of strategic trust between China, Japan and Korea, disputes in South China Sea, ASEAN's weakened role of a leader as well as jumbled and overlapping multilateral economic cooperation mechanisms. Regional cooperation in South Asia, the Middle East, Africa and other places are also in a difficult stage.

At the global level, the public generally shows strong dissatisfaction at moral degradation, absence of justice, shortage of resources, ecological environment deterioration and other phenomena emerging in the process of globalization. As Western countries are still in a dominant position in the world in terms of politics, economy, culture and military, and often take advantage of the dominance to interfere in internal affairs of non-Western countries, many people in developing countries naturally blame issues of social injustice on the United States and the West. Meanwhile, people in the developed world often attribute their dissatisfaction with the reality to immigrants and the rise of the developing countries. Therefore, nationalism is more appealing to the public, and there is still a distinct division between the West and non-West.

Although neoliberal policies and ideas, once prevailed in international political and economic order, are criticized theoretically and boycotted by the society, it won't have any competing political trends and social thoughts in the near future. Socialist ideology in Soviet-era, traditional liberal values and orthodox Islamic doctrine are not able to provide a complete answer for social progress and equality and fairness in the era of globalization.

Fundamentally, populism comes from the widespread insecurity of the public. This insecurity isn't mainly from the threat of war, violence and terrorism, but from issues closely related to the vital interests of the public, such as drop in relative income, insecurity of social welfare, inequality in educational opportunities and medical treatment, unemployment or frequent change of jobs, traffic congestion and environmental pollution etc. The public is thus having more and more complaint about the intellectual elite who gives advice for and defends the existing political system. Other intellectual elite as well as politicians who take advantage of the anti-establishment sentiments incite xenophobia and nationalism. Therefore, populism and nationalism are becoming a new "political correctness". Under the trend of weak governance and serious political polarization inside the country, the more intense the anti-



foreign sentiments are and tougher foreign policy stance is, the easier they will gain domestic political support. On the other hand, advocating the priority of one's own country and implementing trade protectionism will not only do little to address the issues of economic downturn and lack of justice, but result in the vicious circle of besetting with difficulties both at home and abroad. From this point of view, the root cause of the so-called "return of geopolitics" and reemerging risk of international war lies in poor governance, social divisions and economic stagnation in some countries, rather than the conflict of interests in international relations.

However, despite the populist and nationalist impact on the international political and economic order formed after decades and the increasingly fierce competition in the fields of geostrategies and international rules, the international political and economic order can still remain basically stable in the foreseeable future. The reasons that the order can remain stable are, first, the contrast and balance of power between the European Union and powers like China, the United States, Japan, India and Russia won't change dramatically, and second, the international political and economic rules based on the Charter of the United Nations haven't been questioned yet. Governments around the world need to comply with the rise of populism and defend against its destructive power at the same time. Nevertheless, whether the series of significant changes in world politics and events in 2016 heralds an important turning point in human history and under what circumstances will the international political and economic structure, order and rules established after the end of the Cold War change in quality remain to be seen.

Edited by Dr. Gui Yongtao and Dr. Lei Shaohua

Tel: 86-10-62756376 Email: iiss@pku.edu.cn Fax: 86-10-62753063 Web: www.iiss.pku.edu.cn

Address: IISS, Peking University, Beijing, China