

Democratic Breakdown, Inequality and Populism in the 21st Century: Line-Cutters, Ladder-pullers and Unreachable Elites

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Introduction

When I began my current research project, which examines as one of its components the underlying causes of contemporary populism, I started with the conviction that both deepening inequality and democratic deficits generated by decades of neo-liberal economic policy were contributing to the current populist surge on the left and the right. The United States and the United Kingdom, where the recent populist surge has been most pronounced, were the first societies where neo-liberal economic policy was applied for a sustained period on a grand scale (Harvey 2005). The history of neo-liberal thought demonstrates that those who developed these ideas were uneasy with democracy and felt it should be limited. Secondly, they recognised that deepening inequality would be an inevitable outcome of the application of their ideas and were willing to live with the societal consequences of that inequality (Dardot and Laval, 2013). In teaching graduate courses on globalization, I often make the distinction between social science understandings of globalization which focus on connectedness – of people, money, media, ideas – and neo-liberal globalization – a specific economic and political project which has been enacted quite deliberately by governments and trans-national institutions influenced by think-tanks and universities since the 1970s. I think both forms of globalization have created sets of pressures which have contributed to the populist surge which we are witnessing.

Essentially in this paper, I want to accomplish a number of things. Firstly, I want to review some of the limited recent academic research on the rise of contemporary populism, some of which has challenged the idea that inequality has contributed to this populist surge. Secondly, I want to trace some key themes in the history of neo-liberal thought which demonstrate how both growing inequality and elite rule were envisioned an inevitable and not necessarily negative outcomes of the application of neo-liberal ideas. Finally, I want to highlight some of the lessons that can be learned by Irish politicians and policy-makers from the current populist surge in our two neighbouring societies.

What is populism?

In their influential book on populism, Albertazzi and McDonnell note;

Much like Dylan Thomas's definition of an alcoholic as 'someone you don't like who drinks as much as you', the epithet 'populist' is often used in public debate to denigrate statements and measures by parties and politicians which commentators or other politicians oppose. (2008, 2)

There is a long history of this type of name-calling even in the Irish context, where Fianna Fáil has often been described as a populist party particularly when their most publicly appealing policies are being de-cried by critics. In his recent book *What is Populism*, Jan Werner Muller (2016) defines populism as a how – a way of doing politics which can manifest on both the right and the left of the political spectrum. He argues 'populism is a particular moralistic imagination of politics, a way of perceiving the political world that sets a morally pure and fully unified people against elites who are deemed corrupt or in some way morally inferior' (2016, 5). He defines the phenomena by three characteristics;

- Anti-elitism and intense criticism of elites

- Anti-pluralism and a moral claim to be the sole representative of the people while criticising the corruption and non-belonging of others
- A form of exclusionary identity politics.

Albertuzzi and McDonnell adopt a similar approach defining populism as;

an ideology which pits a virtuous and homogenous people against a set of elites and dangerous others who are together depicted as depriving (or attempting to deprive) the sovereign people of their rights, values, prosperity, identity and voice. (2008, 6)

When their book was published in 2008, the study of populism was a relatively small backwater within political sociology. However in 2016, populism, sometimes described as the shadow or spectre of democracy, moved centre stage.

Populism and Inequality

After both the Brexit vote and the Trump victory in 2016, there was much soul searching in the international and national media of both the UK and US regarding the role of inequality and democratic breakdown in contributing to these outcomes. Typically, Stephen Long writing on the ABC News website commented;

First Brexit, now the White House: working class and once-were middle class citizens, who've seen their horizons shrink as economic globalisation and technology diminish their incomes and prospects, are having their revenge.... You can see it in the numbers. Lower income and lesser-educated voters handed Donald Trump the presidency... Normally in the United States, the Democrats have owned the working class. Not this time. White people without college degrees flocked to Mr Trump – he received significantly more backing from this demographic than his Republican predecessors... Rising income inequality has been a defining feature of modern times and the backlash is sweeping the developed world as an increasingly disillusioned lower and middle class find themselves threatened and disenfranchised by the economic forces unleashed by the rise of technology and increasingly global economy.

Media analysis of the Brexit vote focused on similar themes. John Harris writing in *The Guardian* on June 24th 2016 noted that;

Of course this is about so much more than the European Union. It is about class, and inequality and a politics now so professionalised that it has left most people staring at the rituals of Westminster with a mixture of anger and bafflement... Brexit is the consequence of the economic bargain struck in the early 1980s, whereby we waved goodbye to the security and certainties of the post-war settlement, and were given instead an economic model that has just about served the most populous parts of the country, while leaving too much of the rest to anxiously decline.

Given the widespread acceptance on the link between populism and inequality in particular within media analysis, it is surprising that the limited academic research on populism in the last two years presents a more contested picture. Jan Werner Mueller completely dismisses the role of inequality, saying that these analyses are linked to ‘a largely discredited set of assumptions from modernization theory’ (2016) – essentially, the idea that people in certain social groups can’t keep up with globalization. Ronald Inglehart and Pippa Norris published a working paper on Trump, Brexit and Populism (2016). Having tracked the considerable rise in support for populist political parties across Europe, their conclusion runs as follows;

- ‘Looking more directly at evidence for the economic insecurity thesis, the results of the empirical analysis are mixed and inconsistent. Thus populist parties did receive significantly greater support among the less well-off (reporting difficulties in making ends meet) and among those with experience of unemployment, supporting the economic insecurity interpretation.
- But other measures do not consistently confirm the claim that populist support is due to resentment of economic inequality and social deprivation; for example, in terms of occupational class, populist voting was strongest among the petty bourgeoisie, not unskilled manual workers. Populists also received significantly less support (not more) among sectors dependent on social welfare benefits as their main source of household income and among those living in urban areas.
- By contrast, even after applying social and demographic controls, all of the five cultural value scales proved consistent predictors of voting support for populist parties and pointed in the expected direction; thus populist support was strengthened by anti-

immigrant attitudes, mistrust of global and national governance, support for authoritarian values, and left-right ideological self-placement. The fit of the model also improves considerably.’ (2016).

They comment;

Overall we conclude that cultural values, combined with several social and demographic factors, provide the most consistent and parsimonious explanation for voting support for populist parties... Their contemporary popularity in Europe is largely due to ideological appeals to traditional values which are concentrated among the older generation, men, the religious, ethnic majorities and less educated sectors of society... The silent revolution of the 1970s appears to have spawned an angry and resentful counter-revolutionary backlash today. In the longer-term, the generation gap is expected to fade over time, as older cohorts with traditional attitudes are gradually replaced in the population by their children and grand-children, adhering to more progressive values. (2016)

Even more influential in contesting the link between inequality and populism has been this article, which appeared in the *Washington Post* in June 2017. Using data from various pre-election polls and the subsequent analysis generated by the American National Election Survey, political scientists Nicholas Carnes and Noam Lupu argued that the Trump vote wasn't a working class vote. Their analysis focused on the following themes;

- ‘Among people who said they voted for Trump in the general election, 35 percent had household incomes under \$50,000 per year (the figure was also 35 percent among non-Hispanic whites). Trump’s voters weren’t overwhelmingly poor. In the general election, like the primary, about two thirds of Trump supporters came from the better-off half of the economy.
- In terms of education more than 70 percent of Trump supporters didn’t have college degrees, but 70 percent of all Republicans didn’t have college degrees, close to the national average (71 percent according to the 2013 census). Far from being a magnet for the less educated, Trump seemed to have about as many people without college degrees in his camp as we would expect any successful Republican candidate to

have...many of the voters without college educations who supported Trump were relatively affluent.’

Line-Cutters and Ladder Pullers

Part of my own frustration with academic research on populism and inequality is that it draws on a very simplistic model of how inequality impacts on political behaviour. Firstly, it assumes that if there is a link, it must mean that the poorest citizens vote for populist parties. This model fails to recognise two features of social stratification: firstly, that social class is hugely fluid and that there has been huge social mobility in a downwards direction since 2008. Secondly, it fails to recognise that our assessment of our own social position is very much based on social comparison – how our social position compares to others and what we feel we deserve. Therefore, I think it is time to re-visit the very substantial volume of research on relative deprivation and political behaviour which emerged in the 1970s which demonstrates precisely how social comparison of mobility can have a profound impact on political behaviour. (Gurr, 1970)

If we shift the focus to social comparison, we find examples of research which very clearly demonstrates the link between inequality and the rise of populism. In her book *Strangers in their own Land* Arlie Russell Hochschild revealed the findings of her five year study of the American right. At the core of her analysis, she identifies what she calls the ‘deep story’ of the rise of populism which illustrates clearly how the economic inequality and the cultural backlash thesis are closely intertwined. This deep story runs as follows:

You are patiently standing in the middle of a long line stretching toward the horizon, where the American Dream awaits. But as you wait, you see people cutting in line ahead of you.

Many of these line-cutters are black —beneficiaries of affirmative action or welfare. Some are career-driven women pushing into jobs they never had before. Then you see immigrants, Mexicans, Somalis, the Syrian refugees yet to come. As you wait in this unmoving line, you're being asked to feel sorry for them all. You have a good heart. But who is deciding who you should feel compassion for? Then you see President Barack Hussein Obama waving the line-cutters forward. He's on their side. In fact, isn't he a line-cutter too? How did this fatherless black guy pay for Harvard? As you wait your turn, Obama is using the money in your pocket to help the line-cutters. He and his liberal backers have removed the shame from taking. The government has become an instrument for redistributing your money to the undeserving. It's not your government anymore; it's theirs. (Hochschild, 2016)

In describing the roots of this back-story, Hochschild argues;

The deep story reflects pain; you've done everything right and you're still slipping back. It focuses blame on an ill-intentioned government. And it points to rescue: the tea party for some, and Donald Trump for others. But what had happened to make this deep story ring true?... Most of the people I interviewed were middle class — many, however, had been poor as children and felt their rise to have been an uncertain one. As one wife of a well-to-do contractor told me, “we have our American Dream, but we could lose it all tomorrow.”... Being middle class didn't mean you felt secure, because that class was thinning out as a tiny elite shot up to great wealth and more people fell into a life of broken teeth, unpaid rent, and shame.

Interestingly, major research published on housing in the United States in 2015 reveals very clearly this insecurity and gives particularly good insights into perception and sentiment. In a report on Housing Matters funded by the Mac Arthur Foundation, it was found that;

- There is substantial pessimism about the potential for social mobility among the American people and about the future prospects for the millennial generation. Issues related to housing are central to both areas of concern.
- Four in five Americans believe it is more likely for middle-class people to fall into a lower economic class than for people in lower economic classes to rise up to the

middle class. 75% agreed that achieving a middle class lifestyle is becoming harder for people today.

My own recent research on young people who are moving towards populism on the left of the political spectrum also shows evident of a clear sense of relative deprivation. In their case, the focus on their concern is not so much on migrants (the line-cutters). Instead, they are resentful of those who have gone before them and enjoyed all the advantages of more affluent times and have now essentially pulled the ladder up behind them. Amy who is working as a pharmaceutical sales rep in Dublin comments;

My step-sister finished college in 2002. Within a year of leaving college, she had a good job and a year after she put a deposit on a house. She got married before the crash. Now she and her husband are stuck with a huge mortgage but at least they have their own home... I work my ass off and at the moment I don't think there is any chance that I could buy a house even though I've had to work a lot harder to get where I am, through internships etc. than she did ten years ago. I just find it hard that a few short years could make such a difference.

Ultimately, within this group, we are witnessing an experience of massively disappointed expectations where young people worked hard in the belief that they could access the same jobs and lifestyle, particularly in terms of housing quality, as previous generations. However, they are finding that it is much harder to enter the job market, their entry level positions are poorly paid and housing is precarious at best. Thus, this group are experiencing relative deprivation in a different form.

Unreachable Elites

Given my interest in inequality, I was surprised that the strongest theme which has emerged in interviews that I have been conducting in the UK on populism in recent months has been on the problems of governance by unreachable elites. Since the publication of Colin Crouch's book *Post-Democracy* (2004), there has been plethora of studies on Western political

structures which predicted a resurgent desire for popular control. Most recently, Frank Furedi noted how the decline of the traditional right/left divide had been accelerated by post-2008 austerity politics. Even before this contraction, the rise of technocratic governance has moved power over decision-making away from structures with democratic representations towards quangos dominated by experts which include social scientists like myself. Movements which challenge this technocratic governance are often dismissed as populist. Furedi notes;

It allows the elite to displace its anxiety about its lack of legitimacy, its isolation from the public, and transform it into the public's problem: the problem of populism. What's more, labelling movements populist is a way of suggesting that they are morally inferior to, well, the unpopular elite. Populism, then, has been redefined as the pathology of the simple-minded masses, those who are apparently predisposed towards authoritarian, xenophobic and anti-democratic sentiments. This contrast between what Hillary Clinton called the 'deplorables' and her own superior supporters flatters an otherwise morally disoriented political class, and turns the very unpopularity of elite values into a marker for their moral superiority. (2016)

He concludes;

Throughout the Western world, many people feel alienated and estranged from their governments and institutions. They feel patronised by technocrats and they have become sceptical towards the so-called truths communicated by professional politicians and experts. Many representatives of the cultural elite claim that the people no longer care about the truth. What they really mean is that people don't care about their version of the truth (2016).

Populism and Neo-liberalism

Perhaps the most surprising aspect of populism is that so many social and political commentators have been surprised by its visceral resurgence in 2016 or indeed, surprised at the two societies where populism on the right has made the most significant gains. The current populist surge is a reaction to the long-term pressures created by neo-liberalism which has tightened its grip on these societies since the 1970s combined with the more recent pressures generated by austerity and immigration. The US and the UK are the first societies where neo-liberal economic policies were robustly applied in a sustained fashion. One must track back through the history of neo-liberal thought in order to trace clearly how both the

rising inequality and democratic deficits of today were clearly accepted and acknowledged as inevitable and not necessarily negative outcomes of the application of neo-liberal policies. Neo-liberalism is, in the words of Pierre Dardot and Christian Laval (2013), not simply an economic ideology but a globalizing rationality – a way of making sense of the world and determining what is good/bad, right/wrong, desirable/undesirable. It was first introduced into the UK by Margaret Thatcher who was strongly influenced by advisor Keith Joseph. He, in turn, had been closely linked to neo-liberal advocate Friedrich Hayek and associated with neo-liberal think-tank the Institute of Economic Affairs. In the United States, one of the consequences of the re-structuring of big business interest representation through organizations such as the American Chamber of Commerce in the 1970s was the active promotion of neo-liberal thought through the funding of a TV documentary on Milton Friedman's book *Freedom to Choose*. Even more effective was the funding and support of neo-liberal thinkers in universities, particularly at the University of Chicago and neo-liberal think tanks such as the Heritage Foundation, the Hoover Institute and the Centre for the Study of American Business. The result was an increasing dominance of neo-liberal ideas within the US Republican Party as the 1970s progressed and within Ronald Reagan's own kitchen cabinet (Harvey, 2005, 44). What were these ideas? They are complex but essentially neo-liberal rationality is founded on a number of key assumptions;

- The market, which is based on competition, is the best mechanism for organizing societal activities because it encourages choice.
- The individual must be entrepreneurial in how they orient not only towards the market but towards all collective activities and must live with the consequences of their choices.

- Welfare safety nets which are too extensive discourage self-reliance, self-responsibility and an entrepreneurial orientation because they minimise penalties for poor choices. Essentially, the individual is responsible for themselves not the state.
- Democracy contains within it dangerous potentials and should be limited, as governance is best left to experts who have the technical knowledge to make evidence-informed decisions.
- The state's role is to minimise its own involvement in the market and in the lives of ordinary citizens.

While many of these ideas are often associated with the establishment of the Mont Perlerin Society (MPS) in 1947, they can actually be traced back as far as 1938 when many of the key neo-liberal thinkers met at what is now known as the Walter Lippmann colloquium in Paris. In witnessing the gathering clouds of World War II, attendees such as Friedrich Hayek, Ludwig Von Mises and Wilhelm Röpke were clear-eyed about the failure of 19th liberalism. However, that failure had produced, in their view, the monsters of Communism and Fascism where individuals looked to authoritarian states to redress their perceived wrongs. It is understandable therefore, that these thinkers sought to draw the individual away from the state. Contributors to the Colloquium had already been fairly upfront in their published works about their concerns with democracy. For instance, Louis Rougier commented 'the best legislator is the one who always abstains from intervening in the free play of economic forces and who subordinates all moral, social and political problems to them' (1938). He also noted;

Democracies must be constitutionally reformed in such a way that those to whom they entrust responsibilities of government regard themselves not as the representatives of economic and popular appetites but as the guarantors of the general interest against the special interest... they must inculcate in the masses, through the voice of new teachers, respect for qualifications, the honour of collaborating on a common project (1929, 18-19).

There was some variation amongst the group as to how much protection individual citizens might need from the growing inequality which would be the inevitable outcome of the

application of their ideas to entire societies. Ludwig Von Mises was sceptical of the need for any protections for citizens and stating that the individual must live with the consequences of their own choices:

The general theory of choice and preference... is much more than merely a theory of the economic side of human endeavours and of man's striving for commodities and an improvement of his material well-being. It is the science of every kind of human action. Choosing determines all human decisions. In making his choice man chooses not only between various material things and services. All human values are offered as options. All ends and all means... no treatment of economics problems proper can avoid starting from acts of choice (von Mises,1996).

Therefore, our economic situation is a result of our choices and we must live with the consequences of those choices. However, not everyone who attended this meeting agreed with this hard-line interpretation. Indeed, in a prescient paragraph subsequently written by attendee Wilhelm Röpke, he subsequently wrote;

The Market represents but one narrow sphere of social life, a sphere which is surrounded and kept going by a more comprehensive one, a wider field in which mankind are not simply competitors, producers, men of business, members of unions, shareholders, savers and investors, but are simply human beings who do not live on bread alone, men as members of their family, as neighbours, as members of their churches, as colleagues, as citizens of the community, men as creatures of life and blood with their sentiments, passions and ideals which invoke justice, honour, mutual aid, a sense of general interest, peace, a job well done, the beauty and tranquillity of nature. The market economy is simply a determinate organization and as we have seen, absolutely indispensable within a narrow sphere where it has its real undistorted place. Left to itself, it is dangerous and untenable, because it reduces human beings to an utterly unnatural existence. Sooner or later, they will then reject this market economy, which will have become hateful to them. (Röpke, 1996)

Therefore, some neo-liberal thinkers actively sought to limit democratic influence particularly in its most popular forms and recognised that inequality would inevitably be the outcome of forcing individuals to live with consequences of their 'choices'. However, others were already recognising the potential dangers in this model. The more dominant pro-market voices however, actively promoted the neo-liberal rationality throughout Europe and the

United States during the post-war era and began during the recession of the 1970s to find a more receptive audience for their ideas. The economic pressures created by the oil crisis and economic contractions lead to an increasing acceptance of the new rationality which gained dominance relatively quickly in the UK and the United States. Significantly, this rationality when applied to economies did deliver economic growth leading to sustained popular support and democratic re-election for its two main proponents (Thatcher in the UK, Reagan in the US). However, it is arguable that the subsequent two proponents emanating from the centre-left, Bill Clinton and Tony Blair, took these reforms even further in terms of exposing their economies to the macro-global pressures of the free market. These pressures of connectedness linked to globalization included increased and deregulated connectedness in terms of financial markets, people, ideas and money. In terms of financial markets and money, this connectedness ran firmly aground in 2008 leading surprisingly not to a retreat from neo-liberalism but the nationalisation of debt and the imposition of austerity programmes of citizens of these societies. The combination of austerity programmes and pressures generated by immigration have led to a growing popular rejection of the neo-liberal status quo emanating from the left and right in both societies.

Ireland, Populism and Neo-Liberalism

What are the lessons that Ireland can learn from the populist surge in the US and UK? Due to a range of external pressures and local cultural features, the Republic of Ireland has not gone as far down the neo-liberal road as either of these neighbouring societies despite both increases in inequality and a growing democratic deficit in recent years. Some of the factors which have militated against a populist surge to the right have been;

- tight control of immigration from outside the European Union

- the protection of welfare safety nets particularly during the 2008-2010 period
- the continuing prominence of clientelism in Irish political culture which I described in my book *Rule-breakers* (2015) which limits the level of distance between politicians and voters.

However, there is no doubt that there is continued pressure being placed on the Irish state externally to go further down the neo-liberal route, particularly by the European Central Bank. Secondly, there are very prominent national advocates of neo-liberal reform most strikingly, of course, the newly elected Taoiseach who could be regarded as something of a poster boy for the neo-globalization. A brief analysis of what has happened in the UK and US should give us pause for thought before proceeding further down the neo-liberal route. After the Brexit and Trump votes, both societies have been left deeply wounded and deeply divided. Social cohesion and social solidarity, the glue that binds these societies together, has been eroded. This breakdown is not just linked to the tensions generated by economic globalization and immigration but the tensions linked to these campaigns themselves which de-generated on both sides into a new realms of political cat-calling.

A number of commentators ask why has populism not been visible in Ireland but of course, populism has become very visible through the Right2Water campaign. Interestingly, in 2014, when the mass water protests were at their height, they combined elements of both left and right wing populism. With the shift from Right2Water to Right2Change, the orientation of the anti-water charge movement has moved more clearly towards the left. There are very strong factors in Irish society which continue to promote social cohesion. These are not just the traditional, established organizations such as the established churches and sporting organizations such as the GAA, but also a whole range of community and charitable organizations as well as social movements which continue to promote social capital in Ireland. Indeed Fianna Fáil's willingness to embrace the suspension of water charges as part of

government formation negotiations in 2016 demonstrates, I think, the continuing elasticity of Irish political culture in terms of its capacity to embrace populist demands. However, there are also significant factors such as housing pressures which threaten to unravel social cohesion. The outcome of the last general election demonstrates that no party in Ireland currently has a mandate to take Ireland further down the neo-liberal road. Despite all the current democratic deficits in the Irish political system, it is critical that this lack of mandate is recognised and acknowledged.

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