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## LIBERAL PERSPECTIVE REPORT

NO: 12, JANUARY 2020



## A LIBERAL RESPONSE TO THE POPULIST CHALLENGE

Editors:

Bican Şahin and Radu-Nicola Delicote



FRIEDRICH NAUMANN  
FOUNDATION For Freedom.

Turkey



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Bican Şahin and Radu-Nicola Delicote

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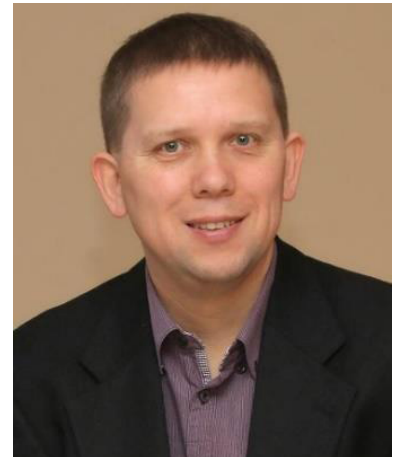


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# A LIBERAL RESPONSE TO THE POPULIST THREAT

**Bican Şahin**

## INTRODUCTION

The ideal of liberty has always been under attack from various circles. In the past, before the modern era, individual freedom had been limited by absolutist monarchs as well as religious authorities. In fact, liberalism emerged in response to counter these threats in the modern era. With the coming of the Enlightenment, the threat to individual liberty took the form of totalitarian ideologies such as fascism, National Socialism and communism. Whereas the fascist and national socialist threats were defeated at the end of World War II, the communist threat, with the exception of China, came to an end by the end of the Cold War in the early 1990's. Thus, it was argued by Francis Fukuyama that we had reached the end of history through the victory of liberal democracy over its rivals. However, these jubilant years did not last long. We first witnessed the reversal of democratization process in the ex-Soviet republics such as Russia and Azerbaijan. It was not surprising that shortly after the collapse of the monopoly of the Communist Party, strong leaders such as Putin and the Aliyevs established their personal rules. They did not allow the liberal democratic institutions to take root in their countries. However, in the second decade of the 21st century, we witnessed the rise of illiberal parties to the power in countries such as Hungary and Poland. This was shocking because it was believed that democratic transition in these countries had been completed. Furthermore, in long-established liberal democracies such as United States and Italy, illiberal leaders and parties came to power.

This phenomenon is called “populism”. Invariably, all populist governments claim to represent the will of the people. They come to power through elections. However, in many cases, these elections are not free and fair. The populist leaders feed on the pseudo antagonism that they

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**They present liberal limitations such as rule of law and separation of powers as undemocratic chains on the will of the people.**

create between “the pure people” and “the corrupt elites”. They have an anti-establishment stance. The populist leaders tend to find a scapegoat and external and/or internal enemy for the difficulties that are experienced in the country. These enemies can be Mexicans, Muslims, or western philanthropists such as George Soros. They also tend not to like any limitation on their power. They present liberal limitations such as rule of law and separation of powers as undemocratic chains on the will of the people. Thus, while they embrace democratic principle they reject the principle of constitutionalism and limited government in a liberal democracy.

There have been various explanations as to why this illiberal movements arose. Some placed the blame on the economic consequences of globalization. According to this line of argument, with the coming of economic globalization, in order to find cheap labor and raw materials the western capital left the developed World for the developing World. This, in its turn, has caused unemployment in the former. Those who are unemployed feel that they are losing economically. They became discontented with the liberal democratic system. Secondly, the new waves of migration brought about by the globalization introduced new cultural differences in the western societies. Coming across with the culturally different made the less cosmopolitan segments of society fearful. They felt culturally insecure and alienated. As a result of this economic and cultural insecurity, some of the population was attracted to the propaganda of populist parties and leaders who promise to ban immigrants and bring the capital back.

It is imperative for liberals to respond to this new threat. With its emphasis on the unlimited democracy and intolerant discourse, the populist movement is undermining individual liberty throughout the world. Thus, in the summer of 2019, a group of liberal academics, think tank representatives and politicians came together in Istanbul to discuss about the nature of the populist threat and to develop a liberal communication strategy to counter it. The participants were from the following countries: Belgium, Bulgaria, Croatia, Georgia, Germany, Greece, Hungary, Italy, Poland, Romania, Serbia, Sweden, Turkey and USA. The first part of the workshop involved presentations of papers on different aspects of populist threat. In the second part, the participants discussed about designing the communication strategy to counter populism and came up with the white-paper presented here.



The workshop was organized by Freedom Research Association, Turkey and Friedrich Naumann Foundation, Turkey and sponsored by Atlas Network, USA; International Democratic Initiative, Netherlands; European Liberal Forum, Belgium; and Friedrich Naumann Foundation. In the organization process, Medeni Sungur, İsrail Özkan and Adem Numan Kaya from Freedom Research Association; Gülçin Sınav, Elif Güney and Laura Kunzendorf from Friedrich Naumann Foundation, Turkey put lots of hard work. I would like to thank each one of the participants who brought their invaluable experience and ideas with them, the staff of the organizers and the sponsoring institutions.

**With its emphasis on the unlimited democracy and intolerant discourse, the populist movement is undermining individual liberty throughout the world.**

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## THE IDEOLOGY OF POPULISM

Tom G. Palmer

Populism is a serious threat to liberal democracy; it is the currently most active vehicle of authoritarianism and of the demand to weaken or eliminate constitutional democratic institutions.

Serious analysts have focused our attention on a variety of reasons for the rise of populism. I wish, not to contradict them, but to supplement them by looking at the ideology of populism. Populism isn't something that just happens and it isn't something that we study like a budgetary crisis caused by the accumulation of unfunded liabilities, although budgetary crises and similar problems can be used as political fuel for populist political movements.

The political scientist Karen Stenner, in her book *The Authoritarian Dynamic*, identified the conditions for the emergence of authoritarianism and they track very well with the emergence of the ideology of populism. She posits a predisposition to authoritarianism that varies among the population and that can be triggered by perceived normative threats, that is, perceived threats to the homogeneity of the social order. As she shows, threats to "collective rather than individual conditions" trigger authoritarian "groupiness," i.e., populism.<sup>1</sup> A powerful threat to collective conditions is the identification of an enemy, which may be external or internal, ethnic or religious, and it is here that the ideology of populism plays a key role.

Political scientists have argued for decades about what populism is, as it's manifested in so many ways across so many political systems. In a 1967 discussion over the nature of populism, whether it was a political style or a set of policies, its relationship to fascism and socialism, and so on, the great political scientist Isaiah Berlin warned that "a single formula to cover all populisms everywhere will not be very helpful. The more embracing the formula, the less descriptive. The more richly descriptive the formula, the

A single formula to cover all populisms everywhere will not be very helpful. The more embracing the formula, the less descriptive.

<sup>1</sup> Karen Stenner, *The Authoritarian Dynamic* (Cambridge: Cambridge University Press, 2005), pp. 32, 18.

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more it will exclude.” Nonetheless, he focused on a core populist idea, the idea that is at the core of populist ideology and can be seen in its various manifestations around the world, whether in the US or Germany or Turkey or Italy or Britain: the identification of the “true people,” who have been “damaged by an elite, whether economic, political, or racial, some kind of secret or open enemy – capitalism, Jews and the rest of it. Whoever the enemy is, foreign or native, ethnic or social, does not matter.”<sup>2</sup>

Not only can we find that the various populisms revolve around the creation of a distinction between the true people and the anti-people, but there are ideologues who have articulated such a political program very openly, although sometimes in language that is calculated to be difficult for outsiders to follow.

The self-described “post Marxist” theorist Ernesto Laclau, in his work *On Populist Reason*, identified the basic unit of political analysis as “the demand,” not demand as understood by economists, which is a schedule of willingness to sacrifice to achieve some good, with the negatively sloping curve we call a demand curve, but an unmet demand for something in the political sphere, without regard to willingness to bear any cost. Laclau differentiates democratic demands, which may be realized through the negotiation and balancing of interests in a democratic political order, from the demands that form a populist coalition, which are not met through democratic negotiation and are available to be assembled into a populist movement. A populist leader creates a coalition of demands that may in fact have no principled or logical connection with each other.<sup>3</sup> The unmet demands may range from free electricity to excluding immigrants to higher pay to persecuting minorities.

2 Isaiah Berlin, “To Define Populism,” The Isaiah Berlin Virtual Library, <http://berlin.wolf.ox.ac.uk/lists/bibliography/bib111bLSE.pdf>

3 “The first path [to address the nature and logics of the formation of collective identities] is to split the unity of the group into smaller unities that we have called demands: the unity of the group is, in my view, the result of an articulation of demands. This articulation, however, does not correspond to a stable and positive configuration which could be grasped as a unified whole: on the contrary, since it is in the nature of all demands to present claims to a certain established order, it is in a peculiar relation with that order, being both inside and outside it. As this order cannot fully absorb the demand, it cannot constitute itself as a coherent totality; the demand, however, requires some kind of totalization if it is going to crystallize in something which is inscribable as a claim within the ‘system’.” Ernesto Laclau, *On Populist Reason* (London, Verso Books, 2018), Kindle Edition, Location 49.



A populist movement is precisely the aggregation of otherwise unrelated unmet “demands” by manipulative populist leaders for the sake of achieving power, “an equivalential articulation of demands making the emergence of the ‘people’ possible.” (“Equivalential” refers to the fact that the demands are all different, but are unified in one movement that constitutes the “people.”) What unifies such otherwise unconnected demands? It is *The Leader*, who provides a focus for them. It is The Leader who collects that set of demands that will forge a sufficiently powerful movement to seize the power of the state and it is The Leader which provides that otherwise incoherent set of demands unity.

Laclau is not merely an obscure Argentine-British academic. His ideas have been extremely influential in populism in Latin America, in Greece, and in Spain, where the leaders of the Podemos movement are his avid students. He has returned to the center of contemporary political debate the ideology of conflict that was articulated in very clear form by the National Socialist legal theorist Carl Schmitt in the 1920s and after. Schmitt, often referred to as the ‘crown jurist of the Third Reich,’ has become perhaps the most influential figure on both the hard left and the hard right in Europe and America. In his *The Concept of the Political*, a relentless criticism of classical liberalism and constitutional democracy, Schmitt sought to displace classical liberal ideas of voluntary cooperation with the idea of conflict. For Schmitt, “the specific political distinction...can be reduced to that between friend and enemy.”<sup>4</sup> That theme has been taken up by influential leftist ideologues such as Laclau, by his wife the political theorist Chantal Mouffe, who is one of the biggest Schmitt revivalists in academia, and by Marxist philosopher Slavoj Žižek. Among a diverse set of puzzling claims, Žižek bases his social philosophy on what he refers to as “unconditional primacy of the inherent antagonism as constitutive of the political.”<sup>5</sup> Antagonism is foundational in the populist mentality and Žižek and others free it from Marx-derived essentialist categories of class to include potentially each and every form of difference, thus making possible an indefinite number of inherent antagonisms.

Laclau, whose ideas have been especially significant among populist governments and movements in Greece, Argentina, Mexico, and Spain, as

4 Carl Schmitt, *The Concept of the Political*, George Schwab, trans. and ed. (1932; Chicago: University of Chicago Press, 2007), p. 26.

5 Slavoj Žižek, “Carl Schmitt in the Age of Post-Politics,” in *The Challenges of Carl Schmitt*, Chantal Mouffe, ed. (London: Verso, 1999), pp. 18–37, p. 29.

**In the case of populism, “the people” are constructed by identifying an enemy, by means of “a frontier of exclusion [that] divides society into two camps.**

well as in other countries in Latin America and Europe, applies Schmittian thinking quite directly: “in the case of populism,” “the people” are constructed by identifying an enemy, by means of “a frontier of exclusion [that] divides society into two camps.” Thus, “The ‘people,’ in that case, is something less than the totality of the members of the community: it is a partial component which nonetheless aspires to be conceived as the only legitimate totality.”<sup>6</sup> That is the core claim of populism, channeled from a Nazi ideologue via a “post-Marxist” philosopher to contemporary political practice.

Laclau went further than Schmitt, however, and raised enmity per se to the very principle of power. Schmitt’s virulent anti-semitism identified the Jews as the perpetual enemy,<sup>7</sup> whereas for Laclau enmity against someone, anyone, is simply the means to the attainment of power.

The identification of an enemy of The People is a defining characteristic of populism. Iñigo Errejón, a leader of the Podemos populist party in Spain and an enthusiastic defender of Venezuela’s “Socialism of the 21st Century,” draws explicitly on Schmitt’s theory to build his populism on the idea that collectivities are created (they do not “pre-exist their creation, which is always new”) by positing an enemy against which The People must struggle in order to realize their “hegemonic and state aspirations.”<sup>8</sup> Errejón calls the enemy “the *casta*, the privileged.” When asked “who are the *casta*”, Errejón responded: “The term’s mobilizing power comes precisely from its lack of definition. It’s like asking: who’s the oligarchy? Who’s the people? They are statistically undefinable. I think these are the poles with greatest performative capacity.”<sup>9</sup> That is to say, the term has both the capacity for mobilization of enmity hatred and the flexibility to be deployed by populist demagogues who are seeking power. Populist leaders determine who The Enemy is (or are) in order to constitute The People. Chantal Mouffe described the choice of The Enemy as essential to building the “sort of people we want to build.”<sup>10</sup> It is by defining The Enemy, that The

6 Ernesto Laclau. *On Populist Reason*, Kindle Edition, Location 1391.

7 See Raphael Gross, *Carl Schmitt and the Jews* (Madison: University of Wisconsin Press, 2007)

8 Iñigo Errejón and Chantal Mouffe, *Podemos: In the name of the People* (London: Lawrence & Wishart, 2016), p. 120.

9 *Podemos: In the Name of the People*, p. 133.

10 *Podemos: In the Name of the People*, p. 128.

People is constructed. Moreover, the constitution of The People requires, as Schmitt also saw, a Leader: “To turn heterogeneous demands into a collective will it’s necessary to have a figure that can represent that unity, and I don’t think there can be a populist movement without leadership, that’s for sure.”<sup>11</sup>

Princeton University political scientist Jan-Werner Müller in his 2016 book *What is Populism* highlighted the antipluralism of populist movements: “In addition to being antielitist, populists are always antipluralist. Populists claim that they, and they alone, represent the people.”<sup>12</sup> The key to understanding populism is that The People is not made up of “everybody,” for it excludes “The Enemies of The People,” who may be specified in various ways.

The designation of a threatening enemy should be familiar to members of this audience. It is a powerful tool for creating fear and fixation on the great leader who will protect the people. It allows one to differentiate the people from the anti-people and we hear it from around the world. Donald Trump calls the independent media “the enemy of the people” on a regular basis, a phrase that should be chilling to anyone who knows the history of that phrase. In May of 2016, while campaigning for the presidency, he casually expressed the core idea of populism: “The only important thing is the unification of the people, because the other people don’t mean anything.”<sup>13</sup> Nigel Farage, then the populist leader of the pro-Brexit United Kingdom Independence Party (UKIP), predicted, “This will be a victory for real people!”<sup>14</sup> (Those who voted against Brexit not only lost; they were not “real people” to begin with.)

The final element is the fixation of populist ideology on the powerful leader: the true will of the authentic people is focused in one leader, who provide the unifying principle (the “empty signifier”) for Laclau’s assemblage of populist demands. Hugo Chavez, the Venezuelan populist leader, put it rather bluntly: “Chávez is no longer me! Chávez is a people! Chávez -- we are millions. You are also Chávez! Venezuelan woman, you are also

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<sup>11</sup> *Podemos: In the Name of the People*, p. 129.

<sup>12</sup> Jan-Werner Müller, *What Is Populism?* (Philadelphia: University of Pennsylvania Press, 2016), p. 3.

<sup>13</sup> CBS Weekend News, [https://archive.org/details/KPIX\\_20160508\\_003000\\_CBS\\_Weekend\\_News/start/540/end/600](https://archive.org/details/KPIX_20160508_003000_CBS_Weekend_News/start/540/end/600)

<sup>14</sup> <https://www.independent.co.uk/news/uk/politics/eu-referendum-nigel-farage-4am-victory-speech-the-text-in-full-a7099156.html>

**Populists seek power by democratic means, but they are not liberal, that is, they are not committed to any limits on the powers of The People.**

Chavez! Young Venezuelan, you are Chávez! Venezuelan child, you are Chávez! Venezuelan soldier, you are Chávez! Fisherman, farmer, peasant, merchant! Because Chávez is not me. Chávez is a people!” Here in Turkey, in response to a lone opposition voice, we heard the leader state: “We are the people! Who are you?”<sup>15</sup> Or consider Donald Trump’s somewhat less dramatic claims that “I am your voice!” and “I alone can fix it!”

Populists seek power by democratic means, but they are not liberal, that is, they are not committed to any limits on the powers of The People. The People are not differentiated internally, but they also do not encompass all of the population, for within the population are the enemies of The People, the Unpeople, the Anti-people, who must be destroyed.

Ultimately, although populist ideology, as a vehicle for authoritarianism, utilizes democratic electoral means, when it is successful, it spells the end of democracy, for when the opposition is designated the enemy of the people, it is no longer possible to have a loyal opposition, which is a central condition of sustainable democracy.

When one party replaces the other in control of parliament or congress, the party or group formerly in charge of government shifts to become the loyal opposition. They don’t take to the streets or blow up train stations because they lost the election. But such loyalty is impossible, or at least extremely unlikely, if the losers who form the opposition fear that by losing an election, they risk losing everything — their goods, their property, their rights, perhaps even their lives — because they are designated as The Enemy of The People. You cannot have a loyal opposition without limitations on the power of the party that wins to punish those who lose. And without a loyal opposition, you cannot have a democracy. In the absence of limits on state power, no government can afford to relinquish power. That, by the way, is one of the problems facing the government of Vladimir Putin in Russia; he knows that, having resurrected a dictatorial police state, he can never afford to relinquish the levers of power, which means that he will never lose a free election, meaning, in turn that we should expect no free elections in Russia anytime soon. Putin’s opponents are dead, in jail,

<sup>15</sup> In Jan-Werner Müller, Trump, Erdoğan, Farage: The attractions of populism for politicians, the dangers for democracy,” *The Guardian*, September 2, 2016, <https://www.theguardian.com/books/2016/sep/02/trump-erdogan-farage-the-attractions-of-populism-for-politicians-the-dangers-for-democracy>

or in exile and, having established that precedent, he knows what would await him if he were ever to lose power.

Moreover, even reliable elections require independent authoritative bodies, not themselves subject to popular control, to determine the outcome of those elections. That includes independent electoral commissions and – to supervise them – some kind of independent judiciary, that is, a judiciary not easily subject to punishment or removal by the elected branches. Populism puts all of those conditions for sustainable democracy under threat.

In short, populism may be analyzed as a response to a variety of factors, demographic, economic, and social, but it is also an ideology, one that can be analyzed and that merits a liberal response.

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## THE DETERMINANTS OF POPULISM: WHAT ABOUT ITALY?<sup>1</sup>

Emma Galli and Giampaolo Garzarelli

### INTRODUCTION

A recent wave of populism is rising in Western countries. Populist movements/parties share the anti-establishment orientation (people against élites) and often have a strong nationalist connotation opposing the concept of liberal democracy based on pluralism. Populist movements mobilize people along ethno-national/cultural cleavages when globalization shock becomes relevant in terms of immigration and refugees as well as along income and social class lines when globalization becomes relevant in terms of distributive issues and finance crisis. In some countries (Southern Europe - The Italian Five Stars movement, Greek Syriza and Spanish Podemos movements and Latin America) movements against income inequality and capitalist institutions prevail and call for guaranteed minimum income and other forms of short-term economic protection (left-wing populism). In other countries (in Continental Europe, for example, Lega in Italy) movements calling for protection from immigration (sometimes linking it with terrorism) and from globalization and Chinese imports (right-wing populism, Trump) prevail (Rodrik, 2018).

Populism is not unanimously defined. As in most of the economic literature, we refer to the definition drawn from the Encyclopedia Britannica (2015) which identifies the major features of populism from both the demand and supply side. Populists claim to promote the interests of common citizens against the elites and make use of anti-elite and anti-establishment demagoguery based on the concept of people as monolithic, homogeneous and virtuous body. They consider themselves as the only legitimate represen-

Populists claim to promote the interests of common citizens against the elites and make use of anti-elite and anti-establishment demagoguery based on the concept of people as monolithic, homogeneous and virtuous body.

<sup>1</sup> This paper was first presented in the conference title “A Liberal Response to the Populist Challenge”, 13-16 June 2019, in Istanbul. An extended version of this paper, “Populism As Composite Ideology”, co-authored by Giampaolo Garzarelli was published in *Turkish Policy Quarterly*, Fall, 2019.

**Populist parties promote short-term policies based on demagoguery without concern for their long-term or indirect consequences and extremist policies to signal that they are not beholden to special interests.**

tative of the people delegitimizing other parties, associations and groups. Indeed in the populist view, there is no intermediate space between the people and the élites; membership in associations decreases when populist parties are in power since associations provide ideological anchors, identities and voice mechanisms, especially after severe shocks (Boeri et al., 2018).

On the demand side, populist leaders accommodate people's fears and enthusiasms, undermining citizens' confidence in traditional parties whose policies are perceived as ineffective to address the economic insecurity generated by fast globalization, massive migration and wide financial crisis (Guiso et al., 2018). Moreover, voters feel betrayed by the traditional parties and therefore vote against the establishment even though the new political leaders may be incompetent (Di Tella and Rotemberg, 2017).

On the supply side, populist parties promote short-term policies based on demagoguery without concern for their long-term or indirect consequences and extremist policies to signal that they are not beholden to special interests (Acemoglu et al. 2013). Their strategic choice of entering the political arena depends on the intensity of popular disappointment, which in turn depends on the most relevant determinants of economic insecurity, e.g. a large inflow of immigrants or a globalization shock, or a marked increase in income concentration and inequality; this intensity has to be large enough to outweigh the entry cost (Guiso et al., 2017; Rodrick, 2017).

In Section 2, we will analyze the major economic and social factors which make populism resilient and persistent, will be focusing on Europe in Section 3 and Italy in Section 4 offering some concluding remarks.

## **WHY IS POPULISM RISING IN WESTERN COUNTRIES?**

In the literature there is an ongoing debate about the dominance of economic (global financial crisis, euro crisis) versus cultural and social causes (profound social transformation in the last fifty years) in explaining the rise of populism (Gidron and Bonikowski, 2013 and Mudde and Katwesser, 2017 for recent reviews; Inglehart and Norris, 2016).

On the one side, the recent emergence of populism is explained by the systemic crisis of economic security that the traditional parties, either public interventionist or market-oriented, find difficult to address. The economic situation produced absenteeism and increased the consensus on





populist parties especially among people who lost a job, suffered economic and social difficulties. Those who are low-skilled are more exposed to difficulties created by globalization and immigration.

However, this explanation does not apply to countries like Ireland and Iceland which, notwithstanding the deep economic crisis they incurred, did not have strong populist movements; on the other hand, Poland which did not experience a recession during the global financial crisis has (Kriese and Pappas, 2015). At the same time, populism did not largely spread to fast-developing markets such as the Asian countries where during the past decades growth and welfare have improved economic security for vast share of the population. Another branch of literature explains the emergence of populism as the outcome of a deep crisis of the representative democracy, worsened by the role of social media and by the diffusion of higher perceived capture of politicians by lobbies and interest groups.

In Rodrik (2018) these two branches converge. The empirical literature has shown indeed that recently (and even not so recently if one considers Latin America) electoral participation has been strongly affected by both socioeconomic factors and cultural transformations from the effects of globalization. The economic insecurity deriving from medium-term impact of globalization and technological progress (outsourcing, increased competition from low-wage countries and low-environmental standards, automation) and the severe increase in unemployment during the recent economic crisis coexist with the cultural backlash against cosmopolitanism and multiculturalism, the shift towards national identity and the return to national sovereignty. Several wedges are the outcome of the advanced stages of globalization which have affected the rise of populism: labor vs. unemployment, unskilled vs. skilled workers, capital and labor, globally mobile professionals and local producers, cities and countryside, regions and industries with comparative advantage and not, cosmopolitan and communitarian, natives and immigrants, wealthy people and lower income people, Bruxelles and national States, civil and economic liberties vs. law and order.

## POPULISM IN EUROPE

The changing social and economic needs of people and the somewhat related erosion of the representative function of the European party systems and drop in trust in policy makers and institutions are most likely the main reasons behind the success of populism in Europe (Kriesi, 2014). The

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policymakers have proven to be less and less efficient in interpreting the new needs of people and appear unable to offer satisfactory answers to those needs. There are not prompt and easy solutions to the adjustment costs related to advanced globalization and immigration and this leaves the door open to illusory explanations or dangerous solutions such as trade barriers, building walls to protect from migrants, or exit from the Euro zone. Globalization has developed with spatial and temporal differences, resulting in different variants of populism, a left-wing (e.g. Southern Europe) and a right-wing one (e.g., Continental Europe, Italy) according to the specific characteristics of regions and countries (Fitzi et al., 2018; Rodrik, 2018).

In the Euro zone (EZ), the decline of trust in the EU design, the rise of Eurosceptic populists and the electoral polarization can be attributed to two major phenomena: 1) the greater difficulty of the EZ countries to implement countercyclical policies to address the globalization shocks and the 2008-11 financial and sovereign debt crisis deepened by the monetary and fiscal constraints (policy strait-jacket or frustration effect); 2) the greater incentive for Western firms to relocate production from EZ to Eastern European countries (Guiso et al. 2018).

The mistrust of European institutions is largely explained by the poor economic performance of the Euro area countries and is correlated with the populist vote (Dustman et al. 2017); this correlation is stronger in debtor countries (Foster and Frieden, 2017). Using regional data across Europe, Algan et al. (2017) find a strong relationship between increases in unemployment and voting for non-mainstream (far left, far right, populist and eurosceptic) and mostly for populist parties and find a correlation between increases in unemployment and decline in trust in national and European political institution. Unemployment dynamics are highly uneven across Europe (in 2019 Eurostat records for example, 3.2% in Germany, 18.5 % in Greece, 3.7% in Hungary, 10.2% in Italy, 13,8 in Spain, 3,3% in the Netherlands); in some countries fuels support for far-left parties like Podemos in Spain, in other for far-right nationalistic and xenophobic parties as in Hungary and the Netherlands.

### WHAT ABOUT ITALY?

In Italy two variants of populism have recently grown, the Five Star Movement (M5S) - the left-wing – and the Lega – the right-wing. Already in

February 2013 parliamentary elections, half of the Italian citizens voted for a populist party: at the Chamber of Deputies M5S got 25.6% of votes and Northern Lega 4% (at that time the party was still regionalist) and at the Senate the M5S obtained 23.8% of votes and Lega 4.4%. In the last national elections held in March 2018, the M5S grew to 32.2% and the Lega 17,6% at the Senate; and at the Chamber of Deputies M5S obtained 32.7% and the Lega 17,4% (Ministry of Interior, various years). Salvini's popularity significantly increased in the last national elections and triplicated in the European elections in March 2019 (34,3%) while the 5SM collapsed to 17%.

The anti-establishment and anti-EU Five Star Movement (M5S) was founded in 2005, meeting followers through pre-existing social media (the personal blog of comedian Beppe Grillo, M5S's co-founder, and Meetup); the movement has been successful in mobilizing and promoting participation and horizontal decision-making (e.g., selection of candidates and policy proposals) through an open platform called "platform Rousseau" (Turner, 2012; Franzosi et al., 2015). The Lega, under Matteo Salvini's leadership, has become a national party after being for long time only regionalist (Northern League) and is characterized by a strong opposition to the European Union on the one hand and to immigration flows, on the other (Vampa, 2017).

Both populist parties call for sovereignism, even though differently. The 5SM are critical about globalization, fiscal austerity and economic competition. Notwithstanding the risk of recession and the public debt issue, the 5SM privileges current expenditures which are politically sensitive for their electorate such as the introduction of the basic income and anticipated pensions as safety net while investments in education and infrastructures are neglected. The Lega bases its policy interventions in increasing security and limiting immigration.

The 5SM and the Lega shared a government experience from 1 June 2018 to 5 September 2019, representing a quite unique left-wing and right-wing populist coalition in the European political scenario. While both populist parties have shown to be effective in political campaign, continuous conflicts made them poorly fail in the government action, as the recent crisis of the Italian government has demonstrated. The recently installed second Conte government (5 September 2019 –) sees the Lega replaced by Italy's Democratic Party (a "traditional" left-wing party).

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# COMPETITION BETWEEN PARTIES AND INTEREST GROUPS IN EX-COMMUNIST EUROPE: HOW TO READ RECENT POLITICAL DEVELOPMENTS

Krassen Stanchev<sup>1</sup>

## SUMMARY

The article starts with a discussion of the so called transition, using the classic criteria formulated by Janos Kornai, and finds that, according to those criteria, the transition from Communism to market economy and democracy was relatively prompt, and accomplished by mid-1990s or 1998 at the latest.

The second and the third section outline the factors that gave rise to populism and are likely to influence economic policy making and institutional development. The key factor is found in the competition between the political parties in the process of successful reforms and European Union (EU) accession after 1998.

The last section attempts to explain how interest groups are likely to influence pending political choices.

## “TRANSITION”

There seems to be a gross misunderstanding about the so-called transition.

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**A.** If the term means - and I believe this is the correct meaning - a process as a result of which some previous economic and political regime is not to be restored, the real transition ended in most ex-COMECON<sup>2</sup>, current EU member states, the transition finished in economic sense with the liberalization of prices and exchange (and interest rates) rates by mid-1991 in all countries.

**B.** In political terms it ended with the second post-Communist elections, which proved that pluralist democracy and competition for public office work.

But the political system has become fully competitive instantaneously, before the first and with evolution after first free elections, in 1989 and 1990.

It was very different from the former Soviet Union. The “new system” or regime in 1989 was the old capitalist one, which in terms of Kornai (2000: 29) based on:

- ◆ power friendly to market and private property
- ◆ prevailing private property
- ◆ prevailing market coordination
- ◆ hard budget constraints
- ◆ buyers’ market, rare and temporary shortages, unemployment, typical business (not political) cycles

**C.** From this viewpoint, in a way, 1989 revolutions were first of all anti-totalitarian, which reforms were a restoration of pre-communist ways of public governance, a Return-to-Normality effort. <sup>3</sup>

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2 COMECON: Council for Mutual Economic Assistance. From today’s perspective, COMECON was also an attempt to establish an optimal currency area, based on the Soviet Rubble and redirect, according to plans, the international “division of labor”.

3 The constitution making of early 1990 in virtually all countries confirms this observation, this was a common mood of all political leaders of the period, and from Vaclav Havel in Czechoslovakia to Zhelyo Zhelev in Bulgaria; this was the vision of the most members of the Constitutional Assembly of 1990-1991 Bulgaria (in which I was a chairman of the environment committee). See an interpretation in Auer (2004). Recent analytical recount of the 1980-1990’s, the newly opened archives and contemporary reading of Havel, Georgy Markov, Josif Brodsky and others confirm that the public anticipation of “normality” was one of the driving discontents with the ancient regime. See also: Sebastyen (2009).



These sets of values were agreed upon, with national peculiarities, on Round Table Talks that took place in five countries, which, first of all, focused on paving the legal and legitimate way to free election.<sup>4</sup>

### Timing of Round Table Talks

Country	Dates
Poland	February – April 1989
Hungary	March – September 1989
Czechoslovakia	November – December 1989
East Germany	December 1989 – March 1990
Bulgaria	January – May 1990

The re-establishment of private property rights, rule of law and freedom of contracts was almost an instantaneous process: most often it required constitutional changes, they were finalized, roughly, in the same time frame – before the second elections after Communism.

The 25 year period that followed can be viewed as an adjustment to these changes. Anders and Djankov (2014) attribute the differences in the development paths between ex-Communist countries to such a key, though not the only, factor of how strong and deep was the elite change in the first elections.

## THE ECONOMIC SUCCESS

The following two charts are based on the World Bank and IMF statistics.

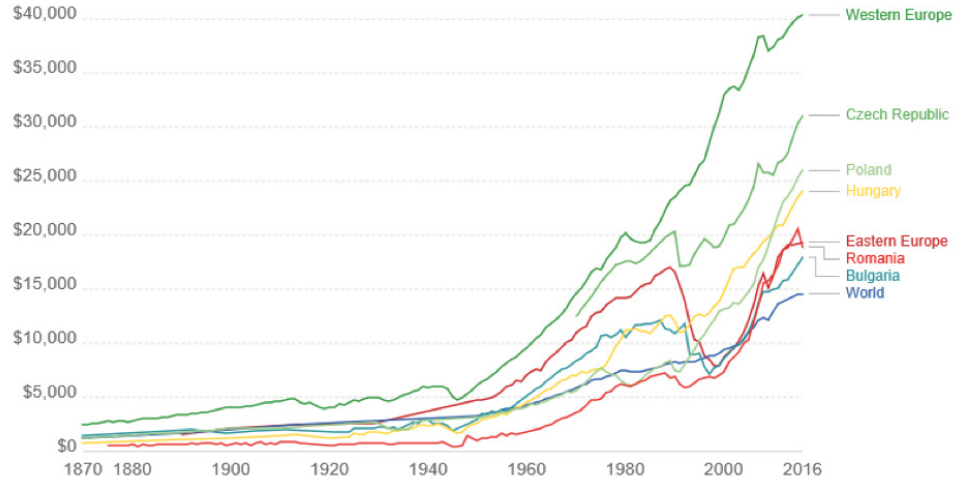
They demonstrate two distinct phenomena – the exponential growth of GDP per capita in transition countries and the distance between them and “old Europe” (here exemplified by Germany) in terms of productivity. Interestingly enough, the productivity differences coincide with differences in income.

The trend, however, is that the gap is not narrowing. The developments here happen slowly and there are no quick fix solutions.

At PPP the per capita GDP has actually doubled since 1989, irrespectively the fact of overall economic decline of the first half of 1990's. In constant

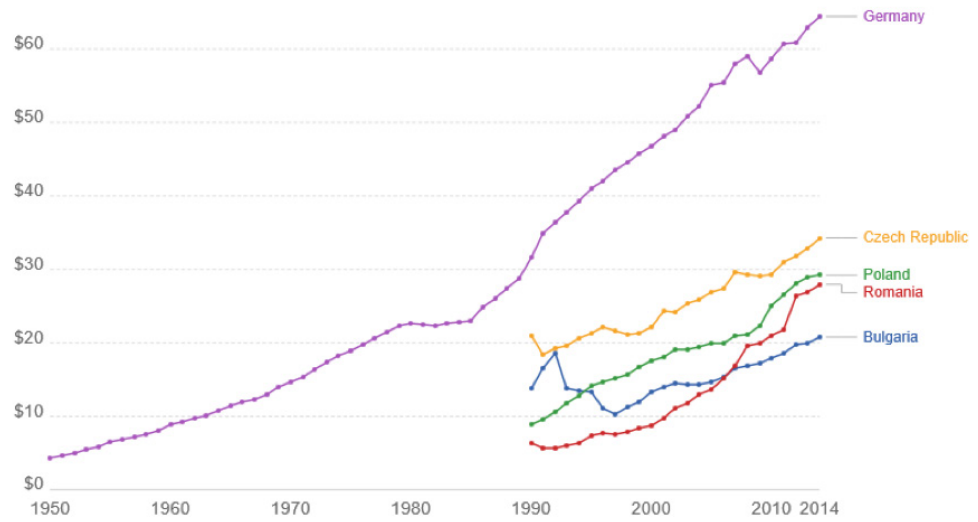
<sup>4</sup> The content of Bulgaria Round Table is available in: Кръглата маса.

**FIGURE 1. REAL GDP PER CAPITA (AT PPP) IN BULGARIA, CZECHIA, HUNGARY, POLAND AND ROMANIA FROM 1870 TO 2016, COMPARED TO WESTERN EUROPE AND THE WORLD**



Source: Our World in Data.

**FIGURE 2. PRODUCTIVITY GROWTH IN BULGARIA, CZECHIA, GERMANY, POLAND AND ROMANIA (USD PER WORK-HOUR, PER WORKER)**



Source: Our World in Data.

prices the GDP but without taking into account the price difference (and PP) of these countries had grown up 4-5 times.

In the second half of the 1990's were below the world average level of GDP per capita; now they are 20 and 25% richer (then the world).

It is also obvious that all these countries have had never been so prosperous from the times they emerged as independent countries. These positive developments mark the end of the transition but not the end of the, naturally, longer and “never ending process” of catching up in terms national income GDP per capita levels.

On national level the adjustment took place in different forms - privatization of state-owned assets, restitution of rights and establishment and fine tuning of government machinery (from tax systems to courts). On the international scene the adjustment was associated with joining World Trade Organization (WTO), North Atlantic Treaty Organization (NATO) and EU.

Actually, not the formal membership but the start of negotiation to join the EU in 1998 (for Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. In a sense, the start of the EU membership negotiations has marked the end of the transition: symbolically, the page of the Communist era in economy and law was closed and the very act of closing was a public-political objective, supported by the electorate, of both the transition and the EU entry.<sup>5</sup>

On the domestic “front” the political reforms led to non-trivial positive results in terms of prosperity and economic development. Treisman (2014) names this process as “Roads from Serfdom” and discusses different factors that facilitated political and economic change.

## THE POLITICAL PARTIES IN NEW EUROPE

**A.** New Europe countries differ in terms of how the above was achieved and sustained, and who led the process. However, some regularities seem possible to be defined.

- ◆ Originally, the political parties had somewhat traditional structure: the status quo ones (which were not necessarily only the ex-Communist) were cornered by the reformist wave within which political parties differed in more or less traditional left - right spectrum.
- ◆ This latter camp (often with successor-communist parties) evolved, by 1998, into parties of the EU-establishment, joined respective political families and envisaged respective political careers for their members.

<sup>5</sup> Politically, the process of the EU membership negotiation, has been often received as “mission accomplished”, especially by the leaders of the countries at the time.

**“Populist” meaning nationalist, interventionist and xenophobic movements, utilizing folklore beliefs and explanations in winning voters support.**

- ◆ By the time of 2004 enlargement their political imagination, ideas and personal connections were almost totally hovered by the “EU agenda”: none of them questioned the Union’s institutional arrangements - be it the EURO, draft basic treaties (Giscard d’Estaing version or the Lisbon Treaty) or obviously economically harmful directives and policies to New Europe, e.g. the Working Time Directive (2003/88/EC).<sup>6</sup>

**B.** From this time on, the political vacuum was filled by anti-establishment popular movements and the so-called populist political parties.

“Populist” meaning nationalist, interventionist and xenophobic movements, utilizing folklore beliefs and explanations in winning voters’ support. It makes sense looking at the reasons for such a shift.

Simmons and Stokes (2016) note that populist upsurge is global but there is a EU peculiarity: “Linked to skepticism or hostility toward trade, immigration and European integration, the attitudes of those supporting these movements have important implications for future global engagement on the part of their countries”.

What is specific for the new member states of EU is that by 2004 the competition between the political parties was already challenged by:

- ◆ more limited and declining number of votes due to:
  - a. Emigration,
  - b. Lesser willingness to vote (mostly due to success of economic reforms);
  - c. Population aging and social welfare;
  - d. Artificial electoral limitations - from party-list systems, to dead souls, to imperfect voter registrations, etc.
- ◆ Original «status quo» parties (ex-Communists) had shown some signs of survival and stability and/or mutated into something different when becoming obsolete (for one reason or another);
- ◆ Original “reformists” were much more unstable, subject to splits;



<sup>6</sup> This directive was never publicly challenged by any of the new members states, except for Slovenia with regard to medical profession, more details may be found in Falkner 2010.

- ◆ No option to immediately eliminate old sources of trust, or social capital; new sources - on EU level, EU parliamentary factions, etc. looked suspicious, due remote layers of government in the first place;
- ◆ With the success of transition and EU accession, parties' values, messages have become big, abstract, vague, and meaningless;
- ◆ The EU-fatigue, prosperity gains and EU-reinforced socialist and rent-seeking ideas allowed for left-populist parties to fill the gap.

Center for International Private Enterprise (CIPE) (2017) commissioned political and economic analysis of recent trends in four Central and Eastern European countries (Bulgaria, Hungary, Slovakia and Poland): the independent analysts from economic think tank found that the above processes developed, roughly, simultaneously.

The opposition to these political trends is taking shape on an ad hoc basis and with relative success. In Hungary, e.g., the 2017 discontent against Victor Orban's populist reforms reached its heights in relation to a new law that curbs the rights and threatens with closure the Central European University. In Bulgaria, the 13-month street protests in 2013-2014 were triggered by an appointment of an unpopular politician as head of Bulgarian analogue of FBI.<sup>7</sup>

**C.** Three remarks seem very important:

1. The "Left" in this context means a combination of egalitarianism (and respective taxation), advocacy of nationalization and expropriation (or foreigners), economic autarchy, central planning and xenophobia (including anti-Semitism, etc.); one should add to this a strong pro-Putin sentiment and idealization of the East and/or China models;
2. Original, traditional reformist parties, competing with this wave, introduce policies similar to the said mix, e.g.: Slovakia (and Albania) dismantled their tax laws back to progressive ones; ex-reformers in Hungary and Poland nationalized private savings, similar moves was attempted in Bulgaria but were successfully blocked;
3. These parties, irrespectively their proven success in reforming economies do not do well in elections of the post-2009 crisis period. The economic downturn of that year, although undoubtedly an important

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factor of political developments in Bulgaria, Czech Republic, Hungary, Poland, Romania and Slovakia, as reviewed in Labendowicz 2016, has never been a reason for the voters to seek economic reform leaders: different forms of populism, radicalism and old-fashioned economic visions are more likely to gain their support in all these countries.

Similar developments were spotted in Europe in general not so long ago. Nathan (2015) of Goldman Sachs noted: “in almost every corner of the European Union (and beyond) populist, and/or rejectionist political parties from both the left and right of the political spectrum seem to be gaining traction”.

## INSTITUTIONS AND ECONOMIC REFORMS

**A.** The original reestablishment of private property rights, government machinery and economic normality (liberalization of prices, trade and contracts) has been sufficiently flexible to produce enormous gains in prosperity and economic performance.

By 1998 almost all countries, except for Bulgaria and Romania of which the former attempted a second edition of the central planning in 1995 and the latter proponded reforms till 1997, recovered from the economic decline of the first transition years, their economies were predominantly private sector driven, with average growth rates of almost 6% of GDP per annum; the poorest of the new members, Bulgaria and Romania enjoy fastest growth of real household income in the EU.

Now we know that some countries have enjoyed since mid-late 1990s the longest period of economic growth ever (which is the case of Bulgaria).

**B.** Originally, in most (but one) new member states' economies were bankrupt by late 1980s, this gave - quite naturally - several institutional advantages, that were not perceived as such by political opinions of the time:

- ◆ No fiscal reserves to intervene in the economy;
- ◆ No subsidies to conduct industrial, “housing for the poor” or export promotion policies;
- ◆ The only way to go forward and restore fiscal and central bank reserves was to privatize;

- ◆ No bailout philosophy (because there were no resources to undertake such policy);
- ◆ Government expenditures as percent of GDP were and still remain considerably lower than in old Europe; about 37% in Bulgaria, Romania and the Baltic states, 42-43% in Central Europe versus 50% of GDP in old EU members.<sup>8</sup>

EU transfers may and often do put at risk the fiscal discipline in NMS, because governments have the opportunity to include them in annual budgets and spend EU “commitments” in pre-electoral periods and/or project that are poorly justified.

## INTEREST GROUPS

**A.** The early success of the political transition and the integration with EU (institutionally and economically) had had an impact on interest groups in economic and political area. Unlike, the countries in the former Soviet Union, even the political parties most inclined to cronyism failed to set up any stable group of national “oligarchs”: political competition made all such efforts and successes short lived and gradually leveled the playground.

FDIs and the very nature of the Union (e.g. 80% of laws and regulations originate in Brussels) made it almost impossible to establish national groups of interest.

**B.** The situation deteriorated in recent years thanks to a combination of unforeseen factors, such as, overall mismanagement of the 2009 crisis through bailouts, the rise of the populist-interventionist political parties and the “revenge” of interests from the Communist past.

**C.** Ideologically, the revenge mood leads to following ideas that may have an international significance:

the EU is more and more often perceived as a transfer union, a “Soviet Union” of sorts but more in the form of COMECON: see the common behavior of new member states during the debates on the new EU budget.

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<sup>8</sup> Structurally, there is no difference between state budget of old and new EU member states (see respective statistics of EUROSTAT): there are similarly 60%-welfare-state budgets, deficits and government foreign debt level are relatively low (although unfunded government liabilities may differ substantially).

In old Europe, the layers of democratic governance between national and EU jurisdictions are likely to enhance centrifugal forces, irrespectively the fact that eventually nationally elected presidents and PMs take the decisions.

There are obvious attempts of Russian state owned companies to get involved in domestic politics and political establishment of new member states and secure long-term contracts; often times they succeed. (See Stanchev, 2015)

Specific liberalization EU policies, like CETA (the Comprehensive Economic and Trade Agreement with Canada) or TTIP (the Transatlantic Trade and Investment Partnership with USA), if subject to popular vote in the new member states, would, most likely, not be supported, besides obvious and proven economic benefits.

New member states' politicians and business interests are not likely to promote any reasonable reform of the Union but will resist fiscal unification and favor tax competition.

Interestingly enough, the above developments do not depend on culture, irrespectively the background in religious traditions and communist history, they seem common to all countries.

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# POPULIST AUTHORITARIANISM AND THE EROSION OF RULE OF LAW

Marek Tatala<sup>1</sup>

## POLAND AS A SUCCESS STORY OF TRANSITION

For many years Poland has been presented as a success story of transition. Thanks to free market reforms in the late 1980s and early 1990s, with a significant contribution of Leszek Balcerowicz, a founder of the Civil Development Forum, and then continuation of the pro-reform path by the following governments, we observed a rapid and stable rate of economic growth in Poland. This economic miracle based not on some spiritual forces but reasonable policies led to the highest increase of GDP per capita in the region and enabled my country to close a substantial part of the gap between Poland and the West.

After peaceful transition Poland started building democratic institutions within the framework of the rule of law. Joining the European Union was important not only for the Polish economy (thanks to the Single Market and four fundamental freedoms in the EU i.e. free movement of people, goods, services and capital). The EU accession, as well as joining NATO, both played important roles as the external incentives for domestic legislative efforts to improve quality of the institutions. This institutional improvement had been taking place in Poland for many years, as confirmed by numerous pieces of research and various indices.

Nevertheless, past progress is not a guarantee of future success. From history we know some examples of institutional reversals or bad transitions: from rule of law to authoritarianism, from free market economy to excessive interventionism or socialist central planning, from liberal democracy, based on institutions, procedures and rule of law, to illiberal democracy with disregard to constitutional norms and fundamental rights of individuals.

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**Poland has been growing fast under the Law and Justice party but it was not thanks to their economic policies, but despite their populist policies.**

Unfortunately, since the end of 2015, when the Law and Justice political party won the elections, Poland has joined the club of countries experiencing institutional reversals.

## **POPULIST AUTHORITARIANISM WHEN RULE OF LAW ARE UNDER FIRE**

Before I will move to some specific examples of the attacks of the Law and Justice party on the rule of law in Poland I would like to make some clarifications regarding the topic of our discussion.

We should first distinguish between a populist rhetoric and populist policies. Of course the language can be poisonous. We have all seen what happened for example with a radical anti-immigration rhetoric in some parts of the world, but populist policies are usually much worse.

Populist policies are utilized in various areas but in my opinion the attacks on rule of law in democracies are the most dangerous and lead to what we have in the title of this panel i.e. populist authoritarianism. These attacks are a signal of weakening of democracy or, in the last phase, abandoning democratic institutions.

We often hear about economic populism, which is used not only by authoritarians or radicals from left and right but also by many established political parties to get or keep power. It is strong in Poland too under the current ruling party for example due to unsustainable expansion of the welfare spending, decreasing the retirement age despite Poland's rapidly aging population, increasing state ownership in various sectors under the patriotic but false slogan of "re-Polonization" of the economy (alternative name for re-nationalization) or electoral gifts for certain groups e.g. 13th pension paid just before elections. Moreover, Poland has been growing fast under the Law and Justice party but it was not thanks to their economic policies, but despite their populist policies.

We see in Poland many unresolved economic problems, growing clientelism and increasing economic vulnerabilities, strengthened by the current government populist economic policies but what is now a key populist challenge in the country is the future of the rule of law.



## EROSION OF RULE OF LAW

The state of the rule of law in Poland, but also in the region (e.g. Hungary), has been in the top news from the Central and Eastern Europe, since the late 2015 parliamentary elections. We have experienced many changes in Polish justice system which should be understood as dismantling of the rule of law in Poland by an unconstitutional increase of political interference and control of the ruling party over the Constitutional Tribunal, the prosecution, the National Council of Judiciary, the Supreme Court and the ordinary courts.

In the Constitutional Tribunal the ruling party nominated some judges in an unconstitutional way to gain majority and took political control over the Tribunal. This majority enables the Law and Justice to implement other unconstitutional legislation.

The prosecution became highly politicized. In 2016 the positions of the Minister of Justice and the Prosecutor General were merged after their separation in 2010. But what is worse various legislative changes enabled huge concentration of power in the hands of the politician who is running the prosecution office. Legislative changes led to purges in almost all management positions – the new heads and their deputies were appointed in all regional prosecution bodies and over 90 per cent of the local prosecution offices. Terms of office in the management positions was removed which weakens the individual independence of prosecutors and strengthens arbitrary powers of the Prosecutor General.

In the ordinary courts changes in the law enabled removal of many presidents of the courts. Moreover, disciplinary system in judiciary was made dependent on the Minister of Justice (i.e. also the Prosecutor General) and his nominees so it can and is used as a tool of intimidation against judges who in various forms oppose changes in the justice system.

Law on the National Council of Judiciary was changed as well. This Council appoints and promotes judges and so far majority of its members were judges appointed by other judges. The new law ended terms of majority of its members and gave the parliamentary majority the power to directly appoint the Council's members, so the ruling party has now a dominant voice in the Council. As the Council of Europe experts emphasized in their report on the justice systems in Europe: "These institutions are often composed of a majority of members of the judiciary which is an essential guar-

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antee of their independence”. The ruling party created tools to weaken this independence through political appointments.

Finally, we have observed a series of very controversial laws on the Supreme Court, e.g. lowering the retirement age in order to remove some older judges from the highest court, including its President. Some of these changes were blocked and limited by the European Court Justice and many more cases regarding Poland’s justice system are pending in the ECJ. The ruling party also changed the structure of the Supreme Court and added a special chamber – Disciplinary Chamber – which consists of judges loyal to the ruling party, many of them are former prosecutors. This is the final element of the politicized disciplinary system in which powers of a politician, Minister of Justice, are strong.

## **RESPONSES TO ATTACKS ON RULE OF LAW**

The above changes led to numerous protest all around Poland, generated Polish civil society activism (including my own organization Civil Development Forum), were criticized by majority of the parliamentary opposition, produced valid criticism by many international organizations (e.g. Venice Commission, European Commission, UN Special Rapporteur on the independence of the judiciary) and by the governments of Poland’s allies (e.g. U.S. Department of State, other EU member states).

I would like to focus on two examples of responses to the attacks on the rule of law in Poland. The unprecedented attack of the ruling party on the rule of law required from the Civil Development Forum an openness for cooperation with people and organizations that we may sometimes disagree with. So despite our critical attitude in the past towards some activities of judges and prosecutors we have been cooperating for some time with the leading judiciary associations and one prosecutors’ association which is independent from the government. Together with them and also some other lawyers and human rights organizations (like the Amnesty International or the Helsinki Foundation for Human Rights) we are working in the Justice Defense Committee (KOS).

The Justice Defense Committee (KOS) was established to work together when the impartiality of the judges and the independence of lawyers are threatened. We:



- ◆ monitor and archive cases of political pressure being exerted on judges, prosecutors, attorneys-at-law, legal counsels and other legal professionals;
- ◆ provide legal aid to these people;
- ◆ Therefore, we are showing the public opinion consequences of the ruling party's policies.

Another example of cooperation is the Rule of Law in Poland project (see RuleOfLaw.pl website), which is an English-language online resource on recent developments concerning the rule of law, including the separation of powers, independence of the judiciary, respect to the Constitution and Poland's international commitments. The website, which can be an important source of information for foreign media and think tanks, diplomats, decision makers from international organizations (including the European Union's institutions) and public officials – from Brussels to Washington D.C., was founded by two non-governmental organizations: Civil Development Forum and the Wiktor Osiatyński Archive in cooperation with the Helsinki Foundation for Human Rights.

Although we sometimes disagree about particular public policies or meaning of certain values we agreed that the rule of law is the very foundation of the peaceful cooperation between people, therefore it safeguards all other values, irrespective to their particular meaning. We believe that the rule of law matters and this is why we decided to establish the RuleOfLaw.pl website.

The government officials, Polish public media and government-sponsored foundations are spreading a lot of fake information about the justice system locally and abroad so our goal is to expose at least some of these lies and manipulations and show what are the biggest problems with changes in the justice system in Poland.

These two activities are of course only two examples of what the Civil Development Forum is doing in Poland to defend the rule of law and fight with populist authoritarianism. We of course do also a lot of research and communication in traditional and social media. We are also active in the courts and challenge some of the government's policies through litigation. The Civil Development Forum is one of the most active defenders of the rule of law among the civil society in Poland.

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Separation of power versus concentrated power

In the end I would like to briefly discuss a concept of separation of powers which is an alternative to concentrated power desired by authoritarian populists.

The Law and Justice government in Poland has been a great example of why concentration of power is dangerous for individuals and as classical liberals we should use this opportunity to show why excessive power in politics and state institutions should be divided and constrained. “Power tends to corrupt, and absolute power corrupts absolutely”, as Lord Acton once wrote.

For example huge concentration of powers in the hands of the Minister of Justice and the Prosecutor General (i.e. one person who is also a member of the Polish parliament at the same time) is a serious problem as prosecution has been used to achieve some political goals of the Law and Justice and is becoming now more and more a tool of selected intimidation. It is a threat but it can also be utilized as an opportunity as it makes more people scared of concentrated power in the hands of politicians. The ruling party’s interference with the justice system institutions is another example of a bad transition in Poland in the last four years but it also makes many people think about risks connected with excessive government interventions, not only in the courts, but also in other areas, including the economy, or the media.

Therefore, in response to populist authoritarianism and politicians who promise to act and do staff despite existing rules and institutions, we should emphasize importance of the separation of power and as classical liberals we should also talk about a much wider concept of divided power than just executive, legislative and judicial powers (typical *trias politica*). Another essential elements of the separation of power are free market economy and private ownership, decentralization of decision making and the principle of subsidiarity, independent but accountable institutions, private and free media and so on. Concentrated power is what populist authoritarians want and it is why they attack the rule of law in Poland and elsewhere.





## POLITICAL REALIGNMENT: THREATS AND OPPORTUNITIES FOR EUROPEAN LIBERALS

Adam Bartha<sup>1</sup>

The rise of authoritarian populism has become the dominant narrative across Europe, as all political sides are talking about the radicalization of our public discourse. The rapid rise of authoritarians – both left and right – is an existing phenomenon, but it cannot be regarded in isolation from the overarching structural changes of politics. The theory of political realignment provides a framework for a better analysis for the current waves on political waters which necessitate the rethinking of liberal strategies for the future. These changes offer a unique opportunity for liberals to foster new alliances and become a dominating force in the new landscape of politics.

In the last few years, the rise of populism has been the dominant narrative across the political spectrum. As the Timbro Authoritarian Populism Index shows, this narrative is not without justification. More than one in four European citizens cast their vote for an authoritarian populist party the last time they voted in a national election. Voter support for authoritarian populists increased in all six national elections in Europe during 2018. The combined support for left- and right-wing populist parties now equals the support for social democratic parties and is twice the size of the support for liberal parties.<sup>2</sup> These facts alone would justifiably warrant worry among liberal, pro-market individuals.

However, this phenomenon cannot be regarded in isolation from other structural changes in the political landscape. It is worth considering the rise of authoritarians in conjunction with the political realignment that Europe – and much of the world – is currently experiencing. The

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<sup>2</sup> Andreas Johansson Heinö, *Authoritarian Populism Index* (Stockholm: Timbro, 2019) p. 4.

theory of political realignment, first described by Dr Stephen Davies from the Institute of Economic Affairs, is a conceptual framework that helps to analyze the tidal rise and surprise fall of some political parties and enables to understand the waves on the political waters better.<sup>3</sup> By applying this framework, events that might seem shocking if analyzed in isolation – such as Brexit, the surprise presidency of Donald Trump, or the enduring popularity of Viktor Orban – can be understood better.

## WHAT IS THE POLITICAL REALIGNMENT AND WHY DOES IT MATTER?

Classical liberals, fighting for more individual liberty both in the economic and social sense, have never constituted the political majority in any major country – neither in terms of vote share nor in terms of parliamentary majority. Nevertheless, their impact on the political developments across the globe should not be underestimated. Often, liberal political forces have been the deciding factor in tipping the balance of the political scale towards more individual liberty. In political systems with semi, or full proportional representation, this has been literally the case, as small or medium sized liberal political parties often had to decide whether they were willing to enter coalition governments either with social democratic or conservative parties.

Coalition governments have been the norm in Scandinavian and the Benelux countries, not the exception. In countries with first-past-the-post systems, such as the United Kingdom or the United States, pro-market liberals were often forced to align themselves with larger political parties if they wished to have immediate impact within their respective political system. Thus, libertarians and classical liberals in the US ended up mostly within the Republican Party, whilst the Conservative Party in the UK managed to attract a fair number of classical liberals as well.

However, these alliances are currently breaking up, as political parties – not just conservative leaning ones – are currently undergoing massive changes. These changes are infused with societal shifts in what the electorate considers as the main divisive factor when choosing their political affiliation. In other words, much of the developed world is currently undergoing a political realignment.



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<sup>3</sup> Dr Stephen Davies, “The Great Realignment: Understanding Politics Better,” The Cato Institute, 10 December 2018, <https://www.cato-unbound.org/2018/12/10/stephen-davies/great-realignment-understanding-politics-today>

According to this conception, individuals have multiple political identities, some of them more important than others. The primary political identity will eventually determine the voting behavior of citizens. In this sense, political identities are similar to cultural identities, as you can have multiple of both kinds. You can identify as a Swiss national primarily based on the location you were born in – say Zurich. But you can also feel part of the German speaking community of Switzerland secondarily – instead of the French or Italian part.

It is the same with political identities. Since the Second World War in Europe, one's primary political identity has been determined by their attitude towards the redistribution of wealth through government means. You were more left-wing if you supported more government redistribution, and more right-wing if you wanted to limit the role of the state in wealth redistribution. Essentially, your primary political identity was all about economics.

But people also had a secondary political identity, which was defined by one's stance towards the state's role in enforcing morality. Here, the tables suddenly turned. Now, it was the right-wing political parties that supported an increased role for the state to assert their perception of morality, which meant enforcing traditional social norms, such as limiting access to marriage for same-sex couples or abortion. At the same time, it was left-wing parties that were more open to embrace social freedoms and argue for limited state intervention on that front. Where did classical liberals fit in the picture, who have consistently argued for a limited role of the state both on economic and social matters? Despite what Hayek's famous essay "Why I Am Not a Conservative"<sup>4</sup> may suggest, since the primary identifying factor in politics was economics, realpolitik had dictated that classical liberals align with the right more than with the left over time.

Hayek himself became an inspiration for the historic premiership of the first female prime minister of the UK, conservative Margaret Thatcher. Most libertarian leaning American senators and members of congress were sitting in the Republican party; from Ron Paul to Rand Paul, or until recently Justin Amash.

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4 F.A Hayek, "Why I Am Not a Conservative," *The Constitution of Liberty* (Chicago: University of Chicago Press, 1960).

However, as it has become visible in recent years, many of these traditional alliances are falling apart and new political parties are emerging to take their place. The British Conservative Party is splitting day-by-day and the Republican Party stands for different policies now than it did before the Trump presidency – especially notable on trade and foreign policy. In Europe, new political parties on the left, right, and center have risen to power in Italy, Poland, and France. So how can these sudden, but almost simultaneous, changes be explained?

The main reason for these changes is the shift in public perception about the importance of various topics when it comes to political disagreements. In an ever-increasing number of countries, the primary political identifying factor ceased to be the question of economic redistribution. Instead it was replaced by the question of societal openness. Societal openness can be explained as a mixture of factors towards globalization, international institutions, and diverse societies in general.

At one end of the spectrum are individuals who would be keen to reverse many aspects of globalization. They are strongly against multiculturalism and committed to maintaining the traditional role of nation states. They can be from the right or left wing, which indicates that the economic perspective and the question of economic redistribution are not the primary political identifying factors anymore. Donald Trump and Bernie Sanders are two such figureheads of this anti-globalist sentiment, yet they sit in different political parties and disagree on many economic issues.

On the other end of the spectrum are political actors that are happy to embrace globalism, relatively open borders for people and goods, and supranational institutional structures, such as the European Union or the United Nations. However, globalists do not necessarily endorse free-market, liberal policies. French President Emanuel Macron is an excellent example of a statesman searching for global solutions that are often against free markets. His insistence on harmonizing tax rates and reducing tax competition across the EU, introducing digital turnover taxes OECD-wide, or strengthening employment regulation across Europe cannot be described as pro-market. Yet, they all rely on international cooperation and ultimately weaken national sovereignty, which is in polar opposition to the aims of his political opponents.

Nevertheless, the question of economic redistributions through government means has not disappeared but merely slipped to position number

two. It is still important for the electorate – and thus for politicians – how you think about the role of the state in redistributing wealth, so it will not disappear from public discourse any time soon.

## THE IMPACT OF POLITICAL REALIGNMENT

The process of political realignment will have a significant effect on all political actors. The biggest losers are likely to be centrist social democrats, and Christian democrats that are unable to tailor their messages based on the new political identifying factors. Social democrats traditionally united two sets of different voters: working class citizens on the lower end of the income spectrum, with more nationalist leaning tendencies on one hand, and urban, young, and socially conscious global citizens on the other. As the primary political identifying factor historically used to be one's attitude towards economic redistribution, these two camps could still vote for the same political party or candidate. As political identities are gradually shifting from this perception towards a clash between globalist and localist identities, unifying these camps will become nearly impossible. This tendency can already be observed in Germany, the UK, or Austria where socialists are losing their globalist supporters to Green parties and the more traditionalist supporters to authoritarian populists.

Christian democrats and traditional conservatives find themselves in a similar situation; they are losing their more globalist, free-market liberal supporters to smaller liberal parties, and their more national sovereigntist supporters to authoritarian populists. Some of the formerly liberal-conservative parties, like the Hungarian Fidesz, turned into nationalist authoritarians themselves, as they realized the political vacuum and potential opportunities early on. Others, like the Austrian People's Party, made significant gestures towards their more nationalist supporters in order to combat the rising threat of more extreme parties.

On first sight, the obvious winners are the authoritarian populist parties. Their rising voter support – more than 1 in 4 European voters cast their vote for an authoritarian populist party the last time they voted – turned into increased political power. Almost every other government includes or relies on populists: authoritarian populists are part of eleven out of 33 governments and offer parliamentary support in an additional four countries.<sup>5</sup>

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<sup>5</sup> Heinö (2019), p. 15.

## THE OPPORTUNITIES FOR CLASSICAL LIBERALS

However, there are possible opportunities here for liberals as well. The voter support for liberal parties remained surprisingly consistent throughout the last few decades – the average voter share of liberals was 10 percent in 1998 and 11 percent in 2018.<sup>6</sup> Nevertheless, as the political discourse is becoming more centered around the globalist vs localist discourse, classical liberals have a good opportunity to present one end of the spectrum in stark contrast to the other end that is occupied by authoritarian populists.

However, in order to succeed in significantly increasing the voter support for liberal parties, they need to be able to attract globalists both from the conservative and left-leaning economic camps – all this whilst maintaining their core ideological belief of individual liberty both in the economic and social sense. Reaching out to new political allies is not only crucial because of political calculations. The political realignment means that many of the old allies of liberals will either become less significant than they used to be or that they will turn to ideas in stark contrast to the open, globalist, liberal world view. Thus, reaching out to new political movements and their voters is not only advantageous political calculation, but a necessity for the survival of liberal ideas. But what are the policy ideas and potential new allies that liberals should strive toward?

### Open Markets in a Global World

The arrival of President Trump to the White House was the cherry on top of the increasing trade tensions across the globe. Despite the EU's reasonably open trade policy, most Europeans are skeptical about the benefits of free trade. Liberals need to repeatedly make the case for free trade: increased prosperity and opportunities combined with decreased likelihood of military and political confrontation. Robust international institutions, such as the WTO, and regional cooperation, such as the EU or Mercosur, are crucial in this endeavor, so supporting liberalizing reforms within these organizations should be a policy priority for liberals across the board.

### Open Societies

Linked to open markets are open societies that facilitate the easy movement and integration of individuals from across the globe. Relying on the

<sup>6</sup> Heinö (2019), p. 30.

additional contributions that non-natives bring to various societies is important for the economic development of liberal democracies; therefore, making the case for welcoming nations should be a key priority for liberals. By emphasizing the humanitarian aspects of relatively open borders for left-leaning globalists, and the potential of economic growth for right-leaning globalists, liberals should attract supporters both from Green/social democratic and Christian conservative parties at the same time.

### **New Environmentalism**

The problem of climate change is unlikely to disappear any time soon; the issue has awakened many radical voices across the board. One extreme – denying that climate change exists –was responded to by another extreme – the fear of immediate extinction and plans to counter that with authoritarian, centrally-planned economies. Liberals have the ability to reach out to the middle ground and provide market-based solutions to respond to the challenges caused by the climate change whilst respecting the foundations of a free society. As Green parties radicalize, and conservatives and authoritarians often ignore the question altogether, the vacuum of reasonableness should be filled by liberals who should take the lead on this policy area.

### **Open to the Future: Digital Policies**

There is a lot of talk about becoming digital natives, yet many public policy proposals are simplified luddite ideas that would hinder the digitization of our societies and slow down the increase of prosperity and opportunities of growth that it offers. Propping up European start-ups and talking about “European champions” stuffed with taxpayers’ money, whilst introducing sector-specific taxes on their foreign competitors is everything but liberal or future-oriented. Liberals should continuously emphasize the factors that lead to technological development: a competitive and educated labor force with incentives to improve their output. Practically this means decentralized educational and vocational opportunities, competitive tax rates, and limited employment regulations across the board. Globally competitive digital companies are a result of good local economic policies. The lack of the former shows the lack of the latter as well.

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**If authoritarian populists can reach out to conservatives and social democrats better than liberals, then they will end up in the driving seat, as they already have in Poland or Hungary. However, if liberals are able to attract the voters or agree on coalitions with other political parties, they also stand a good chance to realize their ideas.**

## CONCLUDING REMARKS

Finding a consensus on these crucial, but controversial, issues will not be easy. The political realignment process will force parties and political movements to abandon some of their old alliances and search for new ones. The aforementioned policy areas – environmentalism, open societies, and foreign policy – provide a good breeding ground for liberals to reach out to new audiences and reform their image to be in line with the political priorities of the electorate. This certainly should not mean the abandonment of key liberal commitments to a free society – but it should rearrange the policy priorities and the kind allies that contribute to achieving these goals. The ongoing political realignment process provides a golden opportunity for liberals to further expand the influence of their ideas, but it requires an early adaption to the new realities.

On the other hand, the rise of authoritarian populists is likely to continue as the political realignment proceeds. As these two polar opposites are bound to grow, political marketing and the ability to attract new allies will become the determining factors of long-term success. If authoritarian populists can reach out to conservatives and social democrats better than liberals, then they will end up in the driving seat, as they already have in Poland or Hungary. However, if liberals are able to attract the voters or agree on coalitions with other political parties, they also stand a good chance to realize their ideas.

The outcome of the political realignment process is far from certain. But if liberals are fast and foxy to readjust to the new realities, they can place themselves on the winning side of these changes.



## DEEP ROOTS OF POPULISM IN AKP GOVERNMENTS

**Burak Bilgehan Özpek**

Populist movements are not predicated on strong party structure. Instead, they are pioneered by a charismatic leader

Populism is not a novel phenomenon in political science literature but it has never attracted such an academic and intellectual attention as in the last decade. This is because rise of populist regimes all around the world has turned into threat to individual liberties, internal stability of countries and institutions of international politics. Therefore, many scholars have attempted to conceptualize this new populist wave by formulating the commonalities among them. Accordingly, the literature raises the following points in order to define the populist movements;

- ◆ Populist movements emphasize the dichotomy between silent people and corrupt elite
- ◆ Populist movements just acknowledge their supporters as true members of the nation.
- ◆ Populist movements claim to represent morality and regard its arguments as morally superior than the others.
- ◆ Populist movements are not predicated on strong party structure. Instead, they are pioneered by a charismatic leader.
- ◆ Populist movements view domestic and international institutions as constraints over people's will

In this study I will analyze whether the ruling Justice and Development Party (AKP) of Turkey has the characteristics of a populist regime. One can argue that it is obvious that Erdoğan is a populist leader and there is no need for such an argument. However, intellectual paradigm is inclined to divide the AKP governments into two periods. They argue that the AKP was the champion of democracy and liberalism until 2011 when the military was completely pushed out of political space. Then, AKP has turned into a populist authoritarian party. Contrary to this assumption, I argue that Erdoğan was a populist leader since the beginning and the AKP's

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**Populist movements coming after an authoritarian period might conduct a democratic agenda in order to get rid of the remnants of the previous regime. But they turn into an authoritarian style at the end of the day.**

efforts to make democratic reforms was to initiate a populist agenda. As Levitsky posits, populist movements coming after an authoritarian period might conduct a democratic agenda in order to get rid of the remnants of the previous regime. But they turn into an authoritarian style at the end of the day. I argue that the AKP gave clear signals that it was a populist party since it took over the government in 2002. Its governance style has always been compatible with the commonalities presented above.

First, the AKP has located itself in position that advocates the silent majority against the privileged elite called 'white Turks'. According to this discourse, 'white Turks', which are secular and educated people living in metropol cities, have consumed the public resources and they have been backed by the military. The opportunities provided to white Turks were not provided to the people of Anatolia. Therefore, white Turks were portrayed as a privileged elite opposing the democracy in order to preserve their status. Considering the approximately 50% of the society, which haven't voted for the AKP in last 17 years, it is apparent that this was an exaggeration to create a dichotomy between corrupt elite and genuine people. This implies that voting for the AKP has presented as a pre-condition for a citizen to be a member for the real nation. Therefore, the AKP could easily justify its actions by pointing out its advocacy status and accused its opponents of being privileged elite taking the advantage of military backed secular regime.

Second, the AKP has always claimed to represent a morally superior policy regardless of the rational consequences of them. During its struggle against military's shadow over politics, the AKP viewed civilianization and democracy as morally superior values and intimidated its critics, including those criticizing the methodology of the AKP, by labeling them as militarists. During the peace process with the AKP government and the PKK, those who opposed the way of negotiations, which were conducted behind closed doors and excluded alternative actors from the process, were accused of being blood thirsty and war lover. Following the success of the pro-Kurdish Peoples' Democratic Party in June 2015 national elections and the AKP lost its majority in the parliament peace process ended, clashes between Turkish army and the PKK recommenced. This means that AKP has adopted a nationalist and militarist policy. Nevertheless, its addiction to address opposition groups as morally inferiors remained con-



stant. Since 2015, the AKP claims to represent a moral idea based on nationalism and accuses the anti-AKP groups of supporting terrorism.

Third, Recep Tayyip Erdoğan has gradually undermined the institutional structure of the AKP. Almost none of the founders is available in the party now. They were forced to resign and then intimidated by the help of Erdoğan's influence over media and social media trolls. This made Erdoğan to be more pragmatic and value free. There is no party program left. This means that Erdoğan's personal assessments has become the replacement of party program.

Finally, the AKP has abolished the autonomy of the bureaucratic institutions on behalf of the nation to extend the sphere of democracy. In doing so, the AKP has initially supported the EU accession reforms to have civilian control over military and judiciary bureaucracy. Then, after the first phase was completed, Erdoğan has started to implement his own strategy. Pro-AKP judges have been appointed to the Supreme Court and Justice Ministry has become extremely influential over the judges and public prosecutors. Furthermore, Erdoğan has managed to control most of the media bodies, universities, think-tanks and business actors. It is safe to argue that autonomy of institutions has been violated. In addition to that, Erdoğan has viewed international law and agreements as unnecessary details and believed that he could solve the problems by the help of personal and political relations in international realm. This leads Turkey to experience conflictual relations with neighboring states, the EU and the US.

In the final analysis, Turkey under the AKP rule is a perfect example of populist regimes. Erdoğan is a perfect example of populist leaders. I also argue that creating a populist authoritarian regime was the main purpose of Erdoğan since the beginning. Building a populist regime requires a process and it is apparent that Erdoğan has followed his own agenda apart from the AKP and its collaborators in last 17 years. That is to say, all of the indicators of populism could be traced back to the initial years of the AKP.

**AKP has abolished the autonomy of the bureaucratic institutions on behalf of the nation to extend the sphere of democracy.**

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## HOW TO DEFEAT POPULISM

**Zoltan Kesz**

Today, populism is a global plague. There is no continent where it hasn't appeared. Populists have a strong presence in countries much more successful than Hungary, with much stronger democratic traditions. They are also changing their colors constantly; that's what makes it true populism. It always appears in a form that is most appealing to voters. In one moment, it is radically left-wing, such as it is in the poverty-stricken Venezuela or other unfortunate South American states, or it is truly Bolshevik like in Belarus. At other times it has some false religious piety like in Turkey. And often, it is radically "right-wing," xenophobic, and racist, especially towards Europe.

Populists are especially dangerous enemies, because they are strategizing in the terms of democratic competition. That is the main principle of populism: gaining power once and never, ever letting it go, reshaping democracy and deconstructing the rule of law step-by-step as if it was made of LEGO bricks. As far as Hungary is concerned, these have been the steps in the past decade:

Emasculating the Constitutional Court, throwing out our constitution, and replacing it with a party rulebook;

Eliminating free media and filling up every position with people subservient to the party;

Gerrymandering in the electoral constituencies, putting party lackeys in control of election management bodies, transforming free and fair election into theater;

Setting up a Mafia state where there is no individual corruption, because all EU funds are channeled into the pockets of the party leadership and their close circle.

Choosing enemies who can't fight back: refugees, Western bureaucrats, poor people at home.

The main principle of populism: gaining power once and never, ever letting it go, reshaping democracy and deconstructing the rule of law step-by-step as if it was made of LEGO bricks.

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**Whoever wants to win against a populist regime must be ready to risk his or her career to beat the system. It is a hard choice to make, but there is no other way**

Still, the fight is not hopeless, not even in Hungary. We can defeat populism. First, everyone must understand: While international action is an important part of fighting populism, at the end of the day, it is less important than local work, because populists can only be beaten locally.

Do you ever think about what the opposite of populism is? Its opposite is not socialism, liberalism, or conservatism. The opposite of populism is responsibility, more precisely taking responsibility and working hard for citizens. Populists' political capital is solely made of exploiting problems.

These people can be beaten. I myself have defeated the candidate of the populist government, which caused the Orbán regime to lose its two-thirds supermajority in the parliament. I can tell you that the recipe for success is neither a secret nor is it very difficult to follow.

Putting populists into quarantine does not work. Political powers deemed undesirable by the establishment just become more attractive to voters. Populists must be fought with reason and engaged in open debates. They cannot be ignored.

According to populists, all problems are caused by external powers (e.g.: George Soros, Jews, Chinese, etc.). They must always fight against something. But people do not want to live in fear forever. This can be used to beat them.

If we cannot appear on national media, we have to be present online and go to even the smallest rural villages personally. On the few channels we have access to, we must communicate better than the populists do.

Whoever wants to win against a populist regime must be ready to risk his or her career to beat the system. It is a hard choice to make, but there is no other way.

We have to start working consciously against populism. We must act, if we don't want the world to be ruled by the Maduros, the Orbans, the Le Pens, the Dutertes, or the Erdogans. Those who value freedom must work harder, more effectively, and take more responsibility. Globally, we need cooperation against populists, who are also forming international alliances. We must work together because for the first time since the end of the Cold War, we have a common cause.



# A LIBERAL RESPONSE TO THE POPULIST CHALLENGE

**Radu-Nicola Delicote**

## INTRODUCTION / ABSTRACT

The main idea of the document is to provide hands-on information on useful issues or topics regarding populism crafted from all participants during the three-day event in Istanbul.

The document is a blend of experiences, a melting-pot of ideas, and a combination of different attributes since each participant has had a different encounter with populism.

The event gathered specialists, whether is from civil society, politically related or NGOs across Europe and the United States.

Different countries, different experience, different understandings on populism, hence the complete variety of answers.

## WHAT IS POPULISM?

This chapter aims to provide a gross definition on populism gathering key words or key expressions from each participant. Many researchers claim populism to be a political stance between “the people” and an “elite” whether is economic, political or just social.

What the participants provided on this topic:

Populism is:

- ◆ instrument of political influence;
- ◆ polarization in different society groups;
- ◆ anti-establishment;
- ◆ for and from „the people “;
- ◆ against globalization;

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- ◆ maybe two groups of populism?
  - ◇ populism of parties that take the hopes of the disappointed, uneducated groups of society and try to get their votes;
  - ◇ countries where rulers do not rule democratically;
- ◆ beware of mixing authoritarianism and populism → might be close, but not the same.

## WHO WOULD YOU CALL A POPULIST AND WHY?

Pointing fingers is inappropriate, however when referring to populism, this is key in order to find the symptoms. And symptoms usually show towards a useful recipe.

- ◆ What the participants provided on this topic:
  - ◆ appealing towards “pure” people against a “corrupt elite”;
  - ◆ “true” populist leader claims to represent the unified “will of the people”;
  - ◆ stand in opposition to an enemy, often embodied by the current system;
  - ◆ → always having an enemy;
  - ◆ populists play sentiments against numbers;
  - ◆ advocate for change, always new change;
  - ◆ find the system somehow rigged;
  - ◆ allow “ordinary” people to finally speak;
  - ◆ the populists are never defeated: the system “backfires”;
  - ◆ some appeal to conservative values, change is bad;
    - “We, the people, must fight to keep our resources”
  - ◆ constant fight on values;
    - “They are bad, we are good. They want to thrive at our dispense”
  - ◆ there is a thin line between establishment – anti-establishment, elites – proletariat, famous – infamous → you can even be a populist if you’re “on the right side”.



## ROOTS OF POPULISM – THE POISON IVY OF POLITICS

The poison ivy has a series of particularities: the plant uses its host to reach the sunlight and afterwards it slowly and surely suffocates the host. Populism does the same to liberal politics.

What the participants provided on this topic:

- ◆ **economic:** stagnating incomes, unemployment, inequalities;
- ◆ **cultural:** increasing dominance of liberal values (such as gender equality and new lifestyles) vs. populists make conservative values acceptable again;
- ◆ **fear:** consequence of quick changes;
- ◆ **policy:** esp. policy failures → if losers of structural and technological changes of globalization are neither compensated nor assisted, they lose faith in institutions.

## WHAT MAKES POPULISM STRONG?

Searching where populism gets its fuel from, usually provides a solution to proper counteract on its effects.

What the participants provided on this topic:

- ◆ rapid changes in today's world, especially so ethnic changes like high levels of foreign-born population, trigger populism → e. g. refugee crisis;
- ◆ people feel lost in a globalized world;
- ◆ populism arrived when the Internet got mainstream → technological forward movement brings about a generation gap;
- ◆ people who benefitted from globalization tend to be more passive, people who are the "losers" of globalization can be mobilized easier;
- ◆ losers of globalization lose 100 %, winners of globalization take only a margin of the benefit
  - ◇ e. g. a factory closes
    - workers get unemployed, lose their job → feel the impact 100 %;

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- gains from the closure of the factory (gains from imports) are distributed; over whole society, so that the individuals don't feel the impact so much;
  - ◆ sense of the local is getting forgotten → many things on the local level are merged e. g. health care
    - ◇ local governance gets more professional but also more impersonal;
  - ◆ complexity of contemporary world
    - ◇ politics per se is national
    - ◇ life and economy are international
- dichotomy which EU tries to solve.

## STRATEGY OF POPULISTS

Let's talk strategy by and from populists: do they have any or they are just playing by ear when it comes in doing politics? This chapter answers to how rather than why.

What the participants provided on this topic:

- ◆ populists can damage the democratic political culture even if they don't govern
  - ◇ *divide et impera*: multiple right or left populist parties create noise throughout the societies;
- ◆ populists: instead of finding solutions, they find scapegoats;
- ◆ populists simplify realities and offer simple solutions → they provide short-term, illusory policies;
- ◆ so many papers in the US proving for example that immigrants do not commit more crimes than natives → there is paper after paper, yet people are still not impacted → Why?
  - ◇ because statistics do not trigger them, personal stories do
  - ◇ e. g. "the mother of my friend was killed by an immigrant" as personal, emotional story has more impact on his opinion than statistics
  - ◇ possible reaction: focus on success stories, appeal to emotions

- ◇ e. g. when Mohamed Salah started as football player for Liverpool, Islamophobia in Liverpool dropped;
- ◆ populists portray mainstream political parties as destroying the country and mainstream parties get easily provoked, take it seriously → “blame game” starts in which everyone blames each other with black-and-white arguments;
- ◆ populists may not seem so competent but honest → people pay more attention to alleged honesty than to competence;
- ◆ one of fundamental reasons of populism is ignorance;

## FAILURES OF MAINSTREAM POLITICS

Why is mainstream politics failing in front of populism? And how can one manage to stop this from happening? Here are some best practice examples and ideas against failing.

What the participants provided on this topic:

- ◆ Romania (together with Malta) the least populist country in Europe → (RO example) because they experienced the social trauma of “diaspora”, many Romanians migrated to the West and talk with their families back home;
- ◆ populism as answer of the inability of mainstream parties to address and solve certain problems;
- ◆ but: not only a communication issue, it’s about visions, values and life stories → mainstream parties didn’t focus enough on life stories;
- ◆ rise of populism is a clear sign of (political) shortcomings in a country → ignorance is no solution
  - ◇ politicians have to come up with an alternative agenda, not only a communication strategy;
- ◆ “tribalism” makes it difficult to cooperate against populism
  - ◇ e.g. some Democrats refuse to talk to Republicans, even if they are decent, honest politicians;

## WHAT CAN WE DO?

Going grassroots. Usually, the best solution is closer than we think.

### Approach to target groups

- ◆ liberals have to come down from the ivory tower → come on eye level, explain to people what is happening;
- ◆ take fears seriously, admit that e. g. migration will change society, acknowledge realities
  - ◇ if we don't, anger rises even more
  - ◇ acknowledge where populists say the truth, then figure out how to respond to it, what to answer;
- ◆ populist voters might fear there is no place for them in a globalized world → show them there is one;
- ◆ “silent majorities” as greatest long-term opportunity against populism → have to be mobilized;
- ◆ galvanize the winners of globalization to vote, engage more;
  - ◇ but: if we only focus on one part of the society, namely the winners of globalization and only push them, we cannot move forward
  - ◇ we should consider everyone, everyone should be included in policies, populist voters should not be ignored;
- ◆ Should fruits of globalization be sold more? → to some degree, this is already done;
- ◆ Solution to populism should be local
  - ◇ populist parties raise power locally first
  - ◇ we should focus on local regions, municipalities first, too;
- ◆ liberals need to focus on topics that bring people to the polls (existential issues instead of only focusing on gender-related issues, for example);
- ◆ one major reason for populism is ignorance → educate as many people as possible

- ◇ not only in university, but start with political education in the grass-roots of society (local communities, suburbs, small towns);
- ◆ do not only target our “own” people but try to get a share of the populists voters
  - ◇ target them, design messages that can appeal to them;
- ◆ meet people from other cities, other countries → future of populism is about identity/nationalism → maybe we can lift patriotism to a European level?
- ◆ show people how the European Union touches their personal life every day (e.g. freedom of movement, lower crime rates due to better security cooperation etc.);
- ◆ use the SWOT-analysis in a country-oriented way: it shows how decision-makers can translate their messages to reach the people.

### Communication strategies

- ◆ learn from the communication of populists;
  - ◆ Grandmother / Kindergarten test: Would my grandmother or my 5-year-old child understand what I am saying?
  - ◆ KISS – rule: Keep it short and simple;
  - ◆ “to make a point, make a point” → be simple and understandable;
  - ◆ in discussion with populists, mirror their non-verbal behavior;
    - makes them feel more comfortable, relaxed, less-cautious → will be less careful on what they say;
  - ◆ use their methods
    - ◇ e. g. populists tend to say immigrants should leave because they are criminals → reaction: if there is a news piece saying for example “US citizen murdered by a Polish/German/...”, post this message on social media and say “We should remove all Polish/Germans/... from the US”
- provoke populists by using their methods, make them insecure;

- ◆ in the social media, understand and use memes → good, simple form of communication;
- ◆ use metaphors;
- ◆ turn populist slogans into liberal ones → keep the words but change the message
  - ◇ “Taking back control” → new message: we need to take back control and give it to the people; we’re also not happy with the status quo and want changes; we have visions for these changes
  - ◇ “Love it or leave it” → thanks to EU we can live where we want; not happy in Berlin? move to Paris!; amazing progress from the past when you could not travel and go wherever you want
  - ◇ “Go back to the desert” → try to encounter other cultures;
- ◆ liberals tend to think to sophisticated → populists have simple, short messages that work;
- ◆ in the debate with populists ask them questions, force them to explain their simplified slogans and messages;
- ◆ find charismatic leaders and cultivate them.

### Reaction to populism

- ◆ need for a clear definition of who is a populist and who is not → if you have a problem, you need to spend 90 % of the time to define the problem, because once you defined your problem, you nearly have the answer;
- ◆ need for empathy to connect → bridges are a cultural thing, because they bring people together → by creating empathy, not answering with hate to hate → talking in a good, positive way;
- ◆ “you cannot preach tolerance to an intolerant”;
- ◆ reframe topics that populists address;
- ◆ opposition to populism continuously has to repeat that the norms of morality in debates cannot be shifted → populist rhetoric continuously raises the bars of what is acceptable and what is not → things do not shock us anymore → has to be stopped;

- ◆ instead of discussing some topics, opposition should immediately stop the discussion and say “No, we don’t accept this” so that the bar of acceptance is not raised → “the real battleground is the edge of acceptance”;
- ◆ instead of taking all accusations of populists against mainstream parties seriously, react with humor
  - ◇ e.g. climate activists were accused of being “annoying climate pushers” → they made sweaters with this slogan and wore it as sign of pride, self-irony
- ◆ sometimes ignoring might help so that populists do not get more attention.

### Political agenda

- ◆ liberals have to change themselves and their messages;
- ◆ it can be good to have populist leaders in government because they can fail → after their failure, liberal parties can come back with fresh solutions;
- ◆ has been seen that populists lose support when they’re in office because they are not capable;
- ◆ but: if they win with large majority, they can take over and control institutions, pressure the media etc. → dangerous if their term in office parallels with economic success;
- ◆ democratic institutions have to be transparent so that people feel they have equal chances/opportunities;
- ◆ people scared by developments in globalized world because they appear chaotic → present them as orderly, show that there is a plan, find simple solutions;
- ◆ people would accept inequality more if they knew there is mobility → focus more on functioning of the market, send more market-oriented messages;
- ◆ increase and empower the youth by educating them → young people believe and make others believe in development etc;

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- ◆ investment in parties and organizations across the whole country, not only in big cities
- ◆ make public services more efficient and based on free-market principles;
- ◆ support independent media because people pay more attention to journalists than to politicians → we need clear voices;
- ◆ criticize our own flaws, learn from them, adapt ourselves;

## **SWOT - ANALYSIS: THE STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS OF POPULISM**

The short yet effective analysis is the SWOT analysis. Beginning from Strong Points towards the Threats of Populism one can sketch a comprehensive picture for good, easily adaptive solutions to put a handbrake on populism.

What the participants provided on this topic:

### **Strengths**

- ◆ simple, intuitive, emotional messages;
- ◆ easily organizable in large groups;
- ◆ it's always easy to find an enemy;
- ◆ have no moral restraints, they'll do anything for power;
- ◆ erosion of truth, disinformation → meaningless debate;
- ◆ focus on strong leader → easier to organize groups;
- ◆ fear motivates more than hope → make everyone feel important;
- ◆ give everyone in the nation equal status, everyone as member of the mass and thus equal;
- ◆ “losers” are easier to be mobilized than “winners”;
- ◆ know-how transfer between authoritarian regimes;
- ◆ financial support and other profits between/from authoritarian regimes;
- ◆ benefit from authoritarian regimes elsewhere (materially + logistically);



- know-how transfer between authoritarian regimes;
- financial support and other profits between/from authoritarian regimes;
- ◆ incompetency of liberals/ mainstream to counter populists;

## Weaknesses

- ◆ populists cannot deliver on promises
  - ◇ people might feel that they are not able to do say
  - ◇ overpromise/ underdeliver;
- ◆ create false enemies → parts of the population understand that;
- ◆ don't act based on real facts, but on emotions;
  - ◇ lack of factual support makes them vulnerable in the debate;
- ◆ are irrational;
- ◆ often no organizational culture, lack of or weak established structures and long-term values;
- ◆ rely on charismatic leader;
  - ◇ if something happens to the founder/leader, the party might not be so appealing to the people anymore;
- ◆ lack support of educated people, influencers, leaders, urban citizens;
  - strength and weaknesses of populism are similar;

## Opportunities

- ◆ populist culture is pre-existent in establishment;
- ◆ populism is a diverse political platform;
- ◆ populism identifies problems that were neglected before;
  - ◇ “make the revolution before it breaks out”
- ◆ inclusion/moderation of society;
- ◆ charismatic leaders → role in transformation of society, personal transformation of leaders is possible;

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- ◆ anti-elitist;
- ◆ teach opposition groups how to be creative/ influential;

### **Threats**

- ◆ abuse of national and regional minorities and identities leads to conflicts, discrimination, radicalization;
- ◆ erosion of political institutions → demonize institutions;
- ◆ tyranny of the majority;
- ◆ simplification of reality;
- ◆ ir-rationalization of the public debate;
- ◆ norms of moral grounds are moved → what shocks us now does not shock us one year later anymore → e.g. in Germany language that was a taboo after '45 is now used again, in Turkey the state of emergency became a state of normality;
- ◆ lack of responsibility;
- ◆ unjustified homogenization of people → monolithic people;
- ◆ sabotage the own economy → e. g. bad impact on tourism;

### **Experiences with populism / In a nutshell**

#### ***Turkey***

- ◆ arrest of philanthropist Osman Kavala;
- ◆ arrested in October 2017, followed by smear campaign in pro-government media;
- ◆ alleged to have links with July 2016 coup attempt, having financed Gezi Park protests etc;
- ◆ his arrest is example for how the government represses civil society instead of starting reforms;
- ◆ civil society in TR always has to be prepared to face investigations;
- ◆ feeling of having two Turkeys due to growing polarization;

- ◆ problem: one of the two Turkeys is supported by the government;
- ◆ once people support an election candidate on social media etc., it is not private anymore but public → might be targeted by populists, pro-government forces;
- ◆ presidential system initially refused by Turkish opposition, later the debate on the presidential system was accepted;
- ◆ first question should have been “Why are we discussing this?” → there was no problem with the system, the parliament and the role of the prime minister and no need for reform → but by accepting the discussion, the opposition implicitly stated that it is not opposed against a reform itself but only against the content;
- ◆ populists try to make politics an extraordinary affair → with the help of the argument of extraordinary times, politics can claim to not be bound by the law anymore;
- ◆ people in Turkey have been told often that “everyone is our enemy” and that the future of the state is in danger, securitization was so strong that people don’t care about rule of law so much anymore.

## Germany

- ◆ rise of populist party AfD especially in Eastern regions/ parts of old GDR;
- ◆ in Eastern Germany economy developed differently than in the rest of the country → has higher unemployment, weaker economic performance
- ◆ → migrants arriving in East Germany try to move from there as quickly as possible to more prosperous, industrial areas;
- ◆ not many foreigners in East Germany, but people there talk much more about migration, integration etc. than in other parts of the country
  - ◇ it seems that people who are not so much under the impact of foreigners react the strongest to migration influxes
  - ◇ also, older generation in East Germany experienced 30 years ago a complete change of their life and everything they knew → much

more concerned about their achievements and not having them “taken away”;

- ◆ AfD stresses national interests: “Let’s concentrate on our problems like unemployment and not on international issues” → people in East Germany feeling neglected are susceptible to this.

### **Hungary**

- ◆ people get fired from their jobs because of supporting liberal politicians in election campaigns;
- ◆ populists pressured people supporting liberals on social media;
- ◆ liberal politician running for elections was called pedophile etc. by pro-government media;

### **US**

- ◆ in a discussion about the Chinese-American trade tensions, a sophisticated, educated economist said “We might get hurt but the Chinese are being hurt a lot more than we are”;
- ◆ world turned to “who is hurt more” instead of focusing on mutual benefits;
- ◆ Trump gives speeches in which he announces/ asks for anti-constitutional and/or illegal behavior.

## **COMMUNICATION STRATEGIES OF LIBERALS AND POPULISTS / WHAT TO DO / WHERE ARE THE LIBERALS?**

### **Communication strategies of liberals**

#### **Target group:**

- ◆ educated;
- ◆ digitally literate;
- ◆ secure, good career perspective;
- ◆ economically mobile;
- ◆ from urban areas;



- ◆ politically aware, responsible;
- ◆ multilingual, cosmopolitan, like multicultural environments;
- ◆ secular;
- ◆ less nostalgic about the past;
- ◆ socially tolerant;
- ◆ accept the international order.

### ***Slogans:***

- ◆ Competence;
- ◆ Respect for the rule of law;
- ◆ Peace in public life (no polarization, no fights);
- ◆ Equal choice and opportunities.

“Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism but peace, easy taxes, and a tolerable administration of justice: all the rest being brought about by the natural course of things.”

### **Communication strategies of populists (example of Hungary)**

#### ***Target group:***

- ◆ fairly religious citizens (e.g. catholic but open-minded)
- ◆ people paying taxes, voting
- ◆ a little bit sceptical towards “new” lifestyles (e.g. cross-dressing)
- ◆ “normal” citizens, e.g. truck-driving family father, retired grandmother

#### ***Slogans:***

- ◆ This is our Hungarian home!
- ◆ For a Hungarian Hungary!
- ◆ We are the voice of hardworking Hungarians

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- ◆ Fair chances for hard-working Hungarians
- ◆ Standing up for real Hungarians!

### **Possible populist slogans of the future**

- ◆ Take control back from Brussels!
- ◆ Our order, not theirs!
- ◆ Love it or leave it!
- ◆ You created it, you solve it!/ You created it, you save it!
- ◆ Go back to the desert!
- ◆ Take back control from the EU!
- ◆ Take back control of our money!
- ◆ Keep your hands out of my pockets!

### **Comparison of liberal/populist approach**

- ◆ common theme: identity;
- ◆ liberals talk about abstract principles, populists talk about identities;
- ◆ populists come closer to the people, don't look down, communicate on eye level;
- ◆ populists have a story.

## **CONCLUSION**

### **The Polish Story:**

The most visible authoritarian populist tendency is a blatant attack on the rule of law by the ruling party. Through dismantling or modifying certain institutions of the justice system the Law and Justice party has been weakening judicial independence (this is what happened in Poland).

We have been also experiencing a wave of economic populism. Simple and politically attractive messages, like lowering of the retirement age or new, costly child benefits, were used by the Law and Justice in the electoral campaign and their fulfilled many of their economic promises. The

expansion of the welfare state was relatively easy in the booming economy but it increases long-term vulnerability of the public finance and in the end will lead to either higher public debt or higher tax burden. Lowering of the retirement age to 60 for women and 65 for men (from 67 for both genders) is an unsustainable policy in the aging population but again the message was very simple and politically attractive (including slogans like “people should not work until their death”), especially to older and less educated voters. There are more examples of economic populism which has been easy during the economic boom (happening not because of the government policies but despite of their policies) and many of these policies are characterized by an extreme short-termism and does not solve any real problems connected with demography, labour market, regulatory burden, environment or quality of certain public services, like education or health care.

Populism has been also visible in the language. Firstly, through emphasizing conflicts between the elite and ordinary people, represented by the ruling party. Secondly, the inflow of refugees and migrants to Europe, as well as the terrorist attacks, have all been used to promote ant-immigrant rhetoric, especially against Muslims. It has been stimulating fear (including messages that the opposition is pro-Muslim) and prejudices although the number of migrants from Muslim parts of the world is still very small in Poland in comparison to many other EU countries. Thirdly, increase of the government control over the economy and growing state ownership has been justified by the slogan “re-polonization”, to emphasize economic nationalism behind the ruling party’s policies. Finally, we have been observing extremely high level of pro-government propaganda in some media outlets, including public television.

What to do:

- ◆ Liberals should not only work on policies and recommendations but also think how to translate our offer into messages and narratives attractive for current supporters of populists (communication!). We should think how to convert some important but general ideas (like the rule of law) into tangible and comprehensible (probably individualized) benefits for voters.
- ◆ Liberals should use emotional messages not only to recapture some supporters of populist ideology but also to stimulate activity of usually

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more passive liberal voters and beneficiaries of free market economy, globalization, urbanization and social openness.

- ◆ Liberals should not treat populist supporters as enemies and inferior part of the population but learn how to talk to them (start from being better and patient listeners) and build credibility in the communities where there are now treated with suspicion.

### **The Georgian Story:**

The rise of populism in Georgia started with a surprise result in recent Parliamentary Elections of 2016 bringing to the legislative body relatively new right-wing populist party Alliance of Patriots, leaving behind several much older liberal parties. Populism in Georgia is still young even though charismatic political leadership is something Georgian voters have seen and are used to.

Populist groups in Georgia differ from moderate to extremist and could be represented by either informal or formal registered organizations or groups. Some recent studies on the emergence of the populist parties and movements, carried out by Georgian researchers argue to connect the growth of disappointment with the country's Western-oriented political elite over its failure to improve socio economic conditions. Georgian right-wing populist parties and movements are steadily picking up points on migrants and basic arguments against liberalism that are similar to those being used by populist parties across the Western world. Populists primarily justify their policy positions based on nationalism, undermining cultural and ethnic diversity with racist and xenophobic rhetoric as well as anti-Western attitudes. One of the major characteristics of populists in Georgia is nativism with a stress on "true" patriotism and a commitment to Georgian traditional values and Orthodox Christianity. Guardians of conservative values among populists are often perceived as those who strive to preserve the Georgian national identity, values and traditions.

In order to prevent erosion of democratic institutions, government of Georgia should contribute more efforts into strengthening of political institutions and rule of law. Government should take measures against extremist groups whose activities breach human rights principals, leading to exclusion and discrimination of national, religious and sexual minorities. Officials also have to publicly counter the myths and threats brought



to the discourse by populist manner of reality and problem solution's simplification. Civil society organizations should more actively organize information campaigns among targeted groups, which would challenge populist group's lack of democratic accountability and responsibility. Both government and civil society need to prioritize and mainstream the most sensitive issues into the public debate and engage the most radically positioned society's layers as to prevent irrationalization of that public debate by populists.

## **CONCLUSIONS AFTER THREE DAYS OF FRUITFUL DEBATES:**

- ◆ most useful advice was to turn the weapons of populists against them;
- ◆ populism is something else for everyone, therefore also the solutions should be different
- ◆ populism is not necessarily a democratic backsliding but a shadow cast by democracy → democracy should defend itself, but with positive energy and humor prevented from completely getting out of the hand and making the abnormal become normal and acceptable;
- ◆ a healthy dose of populism is necessary in politics but it should be;
- ◆ definition of populism still not clear, populism might represent something different to everyone;
- ◆ our power are our ideas → we don't have to fear, liberal values will continue to spread;
- ◆ the liberal clan can get out of the "liberal ghetto" and become a "party for the people";
- ◆ populists find and discuss problems that really exist in the system and demand a solution now → European bureaucrats and technocrats often ignore those facts as if they were supreme to the truth;
- ◆ we need more transparent and accountable systems → the more open we are systemically, the more open the society will become;
- ◆ sometimes, liberals in their countries might feel isolated in the fight against populism → but at the workshop it became clear that liber-

for a  
**free**  
society...

als over all countries experience the same; struggles, are not alone  
→feeling of the similar experience gives more strength, encourages

- ◆ solidarity among liberals will help to create a network to deal with the populist challenge;
- ◆ it is a small line between populism and authoritarianism;
- ◆ Can populism only be answered with populism? → still not sure, it seems that voters are much more susceptible to small, one-bit pieces of information in the populist style;
- ◆ liberals need to get out of their ivory tower and reach all people;
- ◆ we should be more careful in labelling groups/parties/people as populist;
- ◆ natural allies in the fight against populism are educated, cosmopolitan, liberal people → we need to bring them together, support them, energize them;
- ◆ but: we should not forget and also target the people that populists aim for since liberal ideas are for the ones that are disadvantaged, too;
- ◆ liberal strength: we can adapt to the people susceptible to populism, populists cannot adapt to the “elites”;
- ◆ politicians need support from NGOs and the academic environment.



# LIBERAL PERSPECTIVE REPORT

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## A LIBERAL RESPONSE TO THE POPULIST CHALLENGE

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