Tackling Populism: the 89ers and the battle for the future

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The Global Financial Crisis of 2008 caught economists by surprise – but not historians, writes **Michael Cottakis**. As many rushed to convey throughout the 2000s, the excessive risk-taking by banks in key sectors bore worrying resemblance to trends exhibited in the build-up to the 1929 Wall Street Crash. The information was available for those willing to listen. Yet bankers and chief economists chose to ignore any warnings and plough blindly on. A similar trip down memory lane would have been useful to policy-makers, in order to avert the far more serious political crisis that followed. Europe's '89ers' cannot make the same mistake: they must look to the past in order to understand, and ultimately address, today's populist flare-up.





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History has taught us to expect a populist backlash after periods of economic shock. Take the curious case of Denis Kearney. At the tail-end of the Long Depression (1871-75), the Irish-born white supremacist opposed the influx of Chinese workers into the US, and generated considerable support in areas of high immigration, such as California (for all its contemporary liberal lustre). His slogan "The Chinese must go" would not appear out of place at a Donald Trump rally. Yet unlike Trump, Kearney narrowly missed out on the Presidency in 1878; his message, without the aid of social media, unable to penetrate the further-flung regions of the country. This near-miss was noted by historians of US politics though not, perhaps, by Democratic Party strategists.

There are other examples. In Greece, the liberal programme of Charilaos Trikoupis was punctuated by the Baring debt crisis, that fuelled the anti-Turkish populism of Theodoros Deliyannis during the 1890s. Most famously, hyperinflation and mass unemployment in the wake of the Wall Street Crash saw the National Socialist Workers' Party share of the popular vote increase from 2.5% in 1928 to 31% in 1933, paving the way for Adolf Hitler's accession as German Chancellor.

Knowledge of history is crucial to understanding the populist challenge of 2017. As in previous cases, economic instability married to fears of an outsider – immigrant or invader – are prevalent. Indeed, it is tempting to leave the explanation there. However, more careful analysis of our period will reveal particularities that set it apart from others.

The Global Financial Crisis presents a useful economic backstory. But rather than being the source of popular discontent, it served to place in sharper relief the negative effects of rapid economic change occurring from the 1970s onwards. Poorly planned de-industrialisation impoverished small communities whose economies long-relied on one or two old-world industries. The damage was caused not by globalisation itself, as radical leftists contend,

but by the form which it took, and also its speed. De-industrialisation^[1] occurred too rapidly, was planned too loosely and involved the consensus of too few actors for it to be sustainable. As western governments hurriedly moved to dismantle trades such as coal and steel, communities were deprived of the time required to re-invent themselves and to diversify their economies. The result has been a populist backlash led by upstarts who prey on citizens' desperation to advance generally unrelated objectives. In Europe, these are of an increasingly nationalist and anti-EU character. The proliferation of social media allows their simple messages to spread like wildfire.

The 89ers and the EU

Eurobarometer surveys consistently suggest support for the EU is highest amongst citizens under 35, something supported by the percentage of young Brits voting to Remain in the June referendum. In the longer term, any rearguard action against populist nationalism in Europe should be centred around this particular demographic. If only it can be activated.

The '89ers' are the generation of Europeans born around the year 1989 and the collapse of communism: a group growing up in a period of peace and stability unprecedented in the last 500 years. Perhaps because of this, they have often displayed disinterest or ambivalence when it comes to politics. And yet, on the 89ers does Europe's future depend.

The European Union requires fundamental reform for it to survive. Its institutions are weak and exhausted, with its member states moving in different directions and at different speeds. Importantly, the EU is no longer able to provide the prosperity and security that were once its hallmark. As the generation of Europe's future, it falls to the 89ers to deliver the ideas and actions that will regenerate it. It falls to the 89ers to assess where we have gone wrong and right the mistakes of the past. It falls to the 89ers to build broad coalitions of pro-European citizens, on the Left and on the Right, in cities and in small communities. Ultimately, it falls to the 89ers to build a fresh new vision for the EU that transcends the ideological, educational and national cleavages of the past.

Addressing the underlying causes of populism 2017 style will require a healthy mix of realism and creativity – with consensus achieved through structured cross-border discussion.

Much time must be devoted to addressing concerns about the impoverishment of small, rural – formerly industrial – communities, for these are the lifeblood of the 2017 populist movements. But there are other areas that must also be dealt with. The EU must show it can mitigate the threat of terrorism. It must demonstrate improved management of the migration crisis; as well as the effective delivery of a social policy that improves the livelihoods of its most vulnerable citizens. Only then can trust be rebuilt and loyalty return.

History can teach us important lessons: A populist flare-up will generally have an economic backstory, often infused with fears of a knavish 'outsider' – whether invader or job-snatching immigrant. But each case is particular and requires a different set of responses. Every generation will face at least one crisis. As 89ers, it is our generational responsibility to understand and address our contemporary brand of nationalist populism. How we respond will define a period. The choice is between a society that is open, tolerant, international, and forward-looking; that promotes solidarity, connectivity, and opportunity; and one of nationalist demagogues whose solution to every problem is less immigration and higher walls. As we inch closer to critical elections in Europe this year, the stakes could not be any higher.

^[1] This article does not argue, as others have, for re-industrialisation despite its criticism of the process of deindustrialisation.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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