

POWER

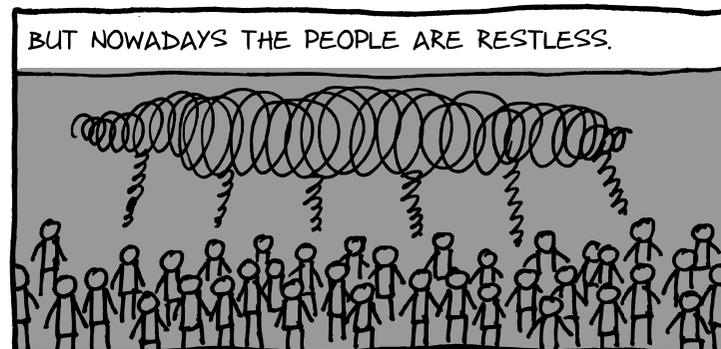
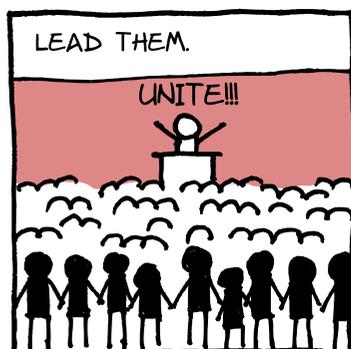
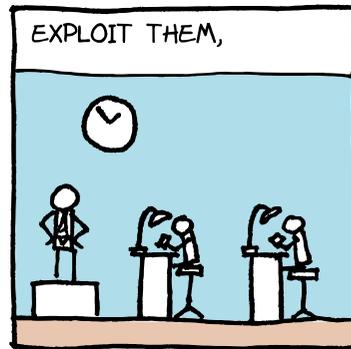
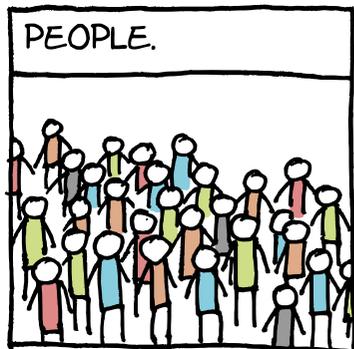
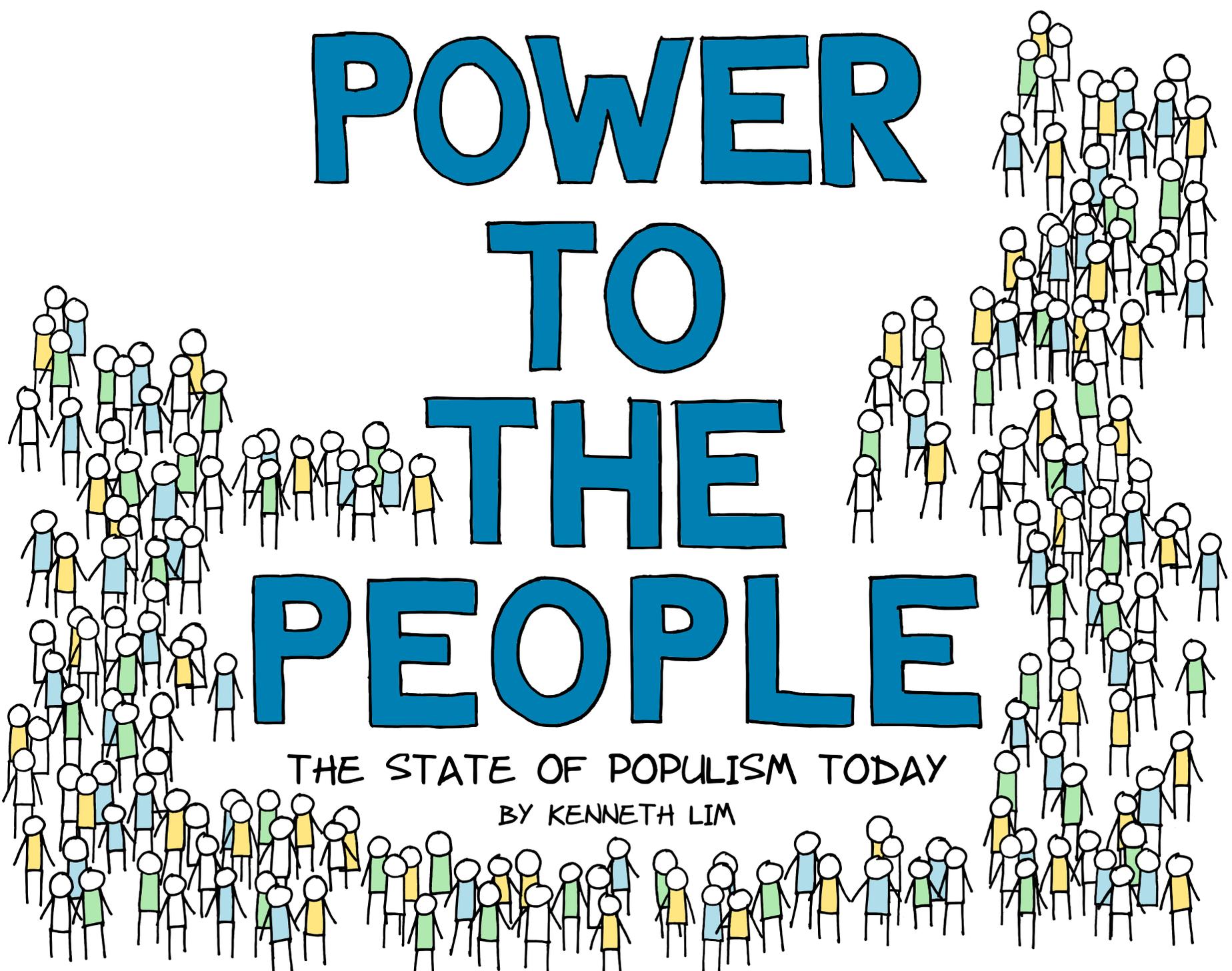
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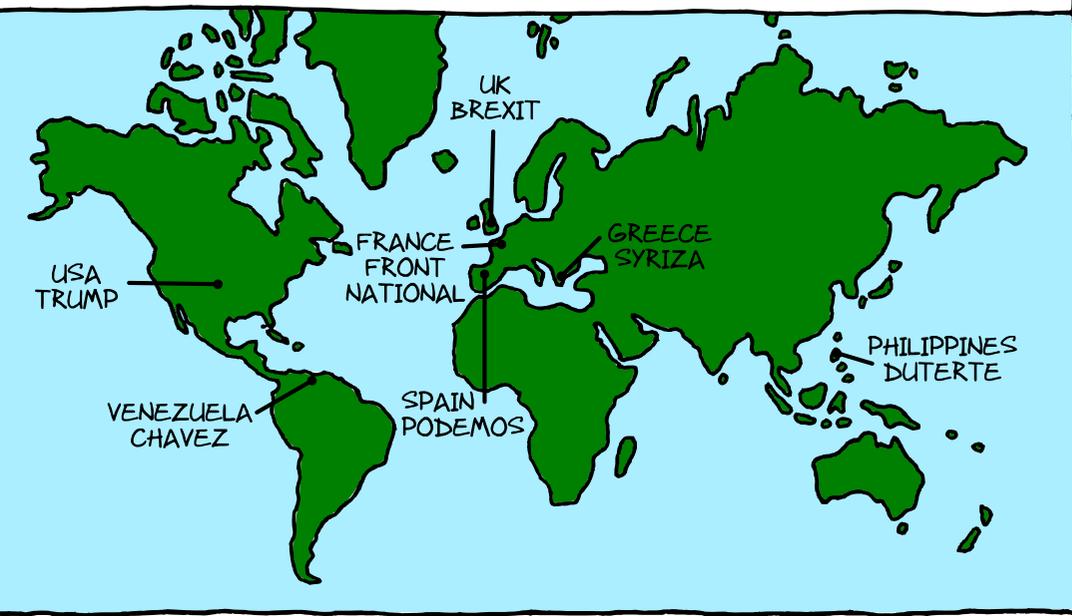
PEOPLE

THE STATE OF POPULISM TODAY

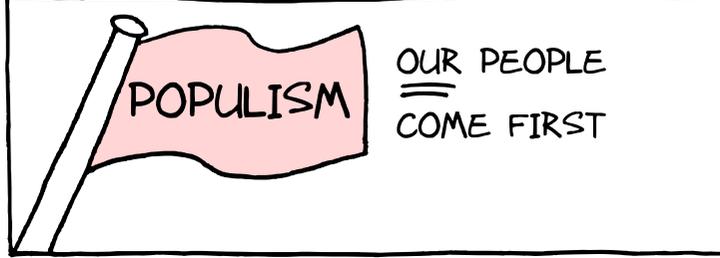
BY KENNETH LIM



POPULIST MOVEMENTS, SOME MORE SUCCESSFUL THAN OTHERS, ARE UPENDING POLITICS AS USUAL ALL OVER THE WORLD.



THE STATE OF POPULISM IS THRIVING, AND THE WORLD MUST LEARN TO MAKE PEACE WITH IT.



HOW DID WE GET HERE? IT DEPENDS ON WHERE YOU LOOK.

IN THE UNITED STATES, FREE TRADE IS UNDER ATTACK.

THE TRANS-PACIFIC PARTNERSHIP IS BAD!

CLINTON ON EVERYTHING ELSE HE'S DEPLORABLE

TRUMP ON EVERYTHING ELSE SHE'S NASTY

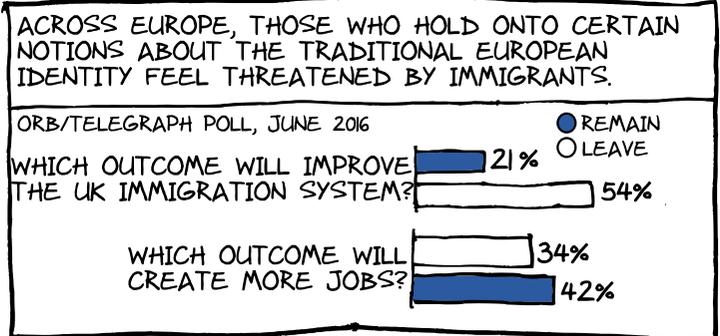
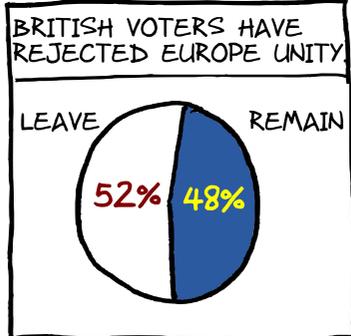
INEQUALITIES CREATED BY GLOBALISATION HAVE FED US ANGER OVER TRADE.

SINCE CHINA ENTERED WTO
US REAL GDP +29%

US REAL MEDIAN HOUSEHOLD INCOME 0%

"THE US...DIDN'T PREPARE THE WORLD AND THEIR OWN POPULATION FOR THE FACT THAT CHINA WOULD CHANGE A LOT OF THINGS."

KISHORE MAHBUBANI, DEAN, LEE KUAN YEW SCHOOL OF PUBLIC POLICY



THINGS ARE DIFFERENT IN THE PHILIPPINES, WHERE GLOBALISATION HAS BEEN A POSITIVE FORCE. THERE, PRESIDENT RODRIGO DUTERTE HAS TAPPED INTO OUTRAGE OVER CRIME, CORRUPTION AND INCOME GAPS.

2016 PHILIPPINES PRESIDENTIAL ELECTION

39% RODRIGO DUTERTE

23% MAR ROXAS

21% GRACE JEJOMAR POE

13% JEJOMAR PINAY

3% MIRIAM DEFENSOR SANTIAGO

"DUTERTE IS VERY POPULAR AMONG URBAN VOTERS, THE COLLEGE EDUCATED, MILLENNIALS AND OVERSEAS WORKERS, THE RELATIVE BENEFICIARIES OF GLOBALISATION."

MALCOLM COOK, ISEAS-YUSOF ISHAK INSTITUTE

IT IS CLEAR THAT THE ANGER STEMS FROM REAL PROBLEMS.

SURELY YOU CAN'T BE SERIOUS!

I AM SERIOUS, AND DON'T CALL ME SHIRLEY.

BUT BEYOND THE ISSUES, THE POPULIST RHETORIC MUST BE TACKLED TOO.

THE ISSUES

HOW THEY'RE FRAMED

PRINCETON, PROF JAN-WERNER MÜLLER LOOKS AT THE QUESTION OF IDENTITY.

WHO ARE YOU?

WOW, SO DEEP.

BY HIS DEFINITION, POPULISTS VIEW POLITICS AS A BATTLE OF GOOD VS EVIL BETWEEN

① A MORALLY PURE AND HOMOGENEOUS PEOPLE

AND

② A MORALLY CORRUPT ELITE

BUT POPULISTS CRUCIALLY MAKE ANOTHER CLAIM:

"THE POPULIST WILL SAY THAT ONLY HE, OR SHE, OR THEY, TRULY REPRESENT THE PEOPLE. SO, IN ADDITION TO, IF YOU LIKE, ANTI-ELITISM, THERE HAS TO BE ANTI-PLURALISM. THERE HAS TO BE A CLAIM TO EXCLUSIVE MORAL REPRESENTATION!"

- 2015 JOS DE BOES LECTURE

THAT'S HOW POPULISM CREATES UNDEMOCRATIC ACTIONS.

THE SYSTEM IS BROKEN AS LONG AS I'M NOT IN CHARGE.

NATIVISM OR RACISM ARE OFTEN USED TO DEFINE 'THE PEOPLE'.

YOU DON'T BELONG HERE!

TOTALITARIANISM AND FAVOURITISM CAN BE JUSTIFIED.

"I WILL CLOSE CONGRESS IF THEY CANNOT DELIVER."

- DUTERTE, APRIL 2016

GENEROUS HANDOUTS ARE SEEN AS GIVING TO THE DESERVING.

BASIC INCOME FOR ALL!

AND ICE CREAM?

SURE! WHY NOT?

AND IF THE POPULIST IS NOT ACTUALLY POPULAR?

THE ELECTIONS ARE RIGGED!

WHAT CAN WE EXPECT FROM POPULISM?

WHAT DO YOU SEE? CONSEQUENCES, LOTS AND LOTS OF THEM.

TRADE DEALS LIKE THE TPP WILL BE HARDER TO ACCOMPLISH.

YOU CALLED IT THE GOLD STANDARD! CHANGED MY MIND. THIS TOOK US 8 YEARS!

BORDERS ARE CLOSING FOR REFUGEES AND ECONOMIC IMMIGRANTS.

WE NEED A BIGGER WALL.

WITHIN BORDERS, RACISM DIVIDES SOCIETY.

YOU NEED TO SHOW MORE SKIN.

UNIVERSAL INCOME IS BEING EXPLORED AS A SOLUTION TO WIDENING WEALTH GAPS.

HE'S RICH. WHY DOES HE NEED THIS? HE'S LAZY. WHY DOES HE DESERVE THIS?

MSCI DESCRIBED FOUR PHASES OF A POPULIST ECONOMY.

"HISTORY AND ACADEMIC RESEARCH SUGGEST THAT POPULIST POLICIES LEAD TO STAGFLATION."

- MSCI, JULY 2016

① FISCAL EXPANSION

RESTORE GROWTH AND REDISTRIBUTE WEALTH, PRICE CONTROLS LIMIT INFLATION.

I'M RICH!

② PRICE REALIGNMENT & PROTECTIONISM

FISCAL MEASURES HIT LIMIT, INFLATION SPIKES, CURRENCY DEVALUES.

WOAH, MIGHT WANT TO SLOW DOWN...

③ HYPER-INFLATION & CONTRACTION

RUNAWAY INFLATION, UNEMPLOYMENT, CAPITAL OUTFLOWS.

YOU CAN'T STOP, CAN YOU?

④ RECESSION, INSTABILITY, EXTERNAL INTERVENTION

INCREASED INEQUALITY, POVERTY AND POLITICAL UNCERTAINTY.

AT LEAST YOU WERE POPULAR.

WORST-CASE SCENARIOS

MSCI MADE THESE ESTIMATES AS PART OF THEIR STRESS TESTING.

YEAR-AHEAD REAL GDP GROWTH	BREXIT BRINGS DOWN THE EUROZONE	POPULISM CAUSES STAGFLATION IN US AND EUROPE
EMERGING	-0.5%	-2.3%
US	-2.7%	-3.0%
EUROPE	-3.8%	-3.0%

EQUITY MARKET	BREXIT BRINGS DOWN THE EUROZONE	POPULISM CAUSES STAGFLATION IN US AND EUROPE
EMERGING	-1.7%	-9.5%
US	-13.0%	-17.7%
EUROPE	-18.0%	-19.5%

MSCI ISN'T SAYING IT WILL HAPPEN, BUT IT COULD.

IT IS NOT ALL DOOM AND GLOOM.

WHAT ARE YOU DOING? STOCKING THE POPULISM BUNKER.

EXTREME POSITIONS MAY SHIFT TOWARD THE CENTRE AS POPULISTS BECOME MAINSTREAM.

ARE WE IN CHARGE? YES! DOES THAT MAKE US THE ELITE? YUP!

INTELLIGENCE MAGAZINE STRATFOR ARGUES THAT THE PRACTICALITIES OF GOVERNING WILL NUDGE DUTERTE TO THE CENTRE, FOR EXAMPLE.

"HIS CONTROVERSIAL PLEDGES WILL CONFRONT MAJOR DOMESTIC AND FOREIGN CONSTRAINTS. INSTEAD OF BEING POPULIST, DUTERTE WILL BE FORCED TO COMPROMISE."

- STRATFOR, MAY 2016

INDEED, A CHATHAM HOUSE ANALYSIS BY PROF MATTHEW GOODWIN, NOW AT THE UNIVERSITY OF KENT, NOTES THAT POPULIST PARTIES THAT ARE INCLUDED IN GOVERNMENT TEND TO MOVE AWAY FROM THEIR MOST EXTREME POSITIONS OVER TIME.

WE SHOULD BE MORE ALIKE.

MAINSTREAM PARTIES MAY ALSO FEEL THE PRESSURE TO ADOPT POPULIST CAUSES OR STEP UP VOTER ENGAGEMENT.

"POLITICS IS ABOUT WINNING THE HEARTS AND MINDS OF VOTERS, NOT SEEKING TO WIN ARGUMENTS ON INTELLECTUAL GROUNDS."

- PROF MATTHEW GOODWIN, SEPTEMBER 2011

IT IS WORTH REMEMBERING THAT ALTHOUGH POPULISM IS A PHENOMENON WITH GLOBAL IMPLICATIONS, NOT EVERYONE IS SUFFERING FROM ITS WORST EFFECTS.

AS THE WEST RETREATS INTO PROTECTIONISM, IT LEAVES BEHIND A LEADERSHIP VACUUM THAT ASIA CAN AND SHOULD FILL, SAYS MR MAHBUBANI.

HE SAYS: "YOU HAVE TO WORK ON THE ASSUMPTION THAT THE WEST WILL NOT PROVIDE GLOBAL LEADERSHIP ANYMORE."

