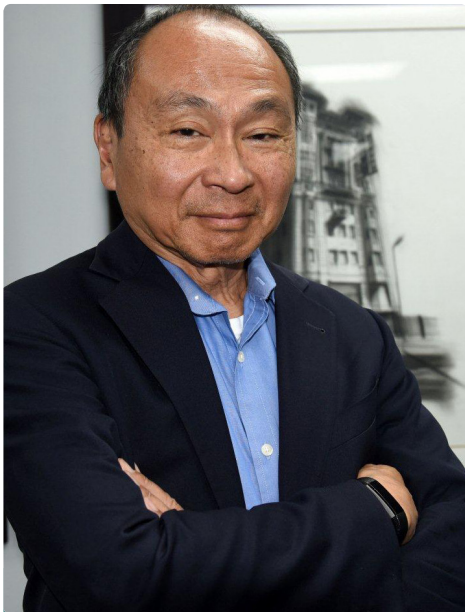


# Contemporary populism

Professor Francis Fukuyama



This is one of three publications arising from Prof Fukuyama's talks in South Africa. All are available at [www.cde.org.za](http://www.cde.org.za)

## *Introduction*

*In March 2019, CDE brought internationally renowned scholar, Francis Fukuyama to South Africa for a series of public lectures and more intimate engagements with policy-makers and business leaders. Professor Fukuyama is a Senior Fellow at Stanford University. He is one of the world's most prominent public intellectuals and founder of The American Interest. He has published a dozen influential books on subjects as diverse as biotechnology, trust and the development of the state in modern history. He is most famous for a 1989 article on 'The end of history' and a related 1992 book, The End of History and the Last Man that together helped many intellectuals in the West to frame the implications of the end of the Cold War.*

*This paper is based on Professor Fukuyama's talk to business leaders, and includes some analysis from Professor Fukuyama's new book, Identity, launched in Johannesburg during his visit. It also draws on his responses to questions from business leaders and from discussants Songezo Zibi, Sydney Mufamadi and Mondli Makhaya.*

## Francis Fukuyama on Contemporary Populism

Prof. Fukuyama began his analysis of populism with the election of Donald Trump to the US presidency and the UK's Brexit vote in 2016. "We all found ourselves in the midst of a global populist uprising ... trying to figure out what was happening". He observed, however, that the term populism "has been used so broadly that it in a certain way it has become meaningless ... Everything has been called populism".

Fukuyama argued that it is helpful to distinguish between three broad aspects of populism and to recognize the differences between them. Importantly, individual populist leaders combine these three strands in different ways.

One variant of populism relates to economic policies. An economic populist, he argues, is a leader who promotes social or economic policies that are popular in the short run but which are bound to be unsustainable in the long run. A classic example of this form of populism concerns former Venezuelan leader Hugo Chávez, who launched immensely popular public spending programmes, including food subsidies. These, however, relied on government revenues derived from high international oil prices. The moment oil prices collapsed, the model collapsed, too.

A second strand of populism relates more to a style of leadership than to policy substance. This could be described as charismatic populism. The populist leader is charismatic and uses this to claim a particular kind of authority: that he has a direct relationship with "the people", and that this is used to justify his policy programme.

"The problem with this kind of charismatic populism is that it is inherently anti-institutional," Fukuyama said. "The leader gets up and says, 'Well, The People voted for me, I embody in my own person The People's Will and there's a court that is blocking me from doing something or there is a media that is criticizing me and so I'm going to shut down the court or stock it with my own people and get around it.'"

Fukuyama argues that, with the rise of charismatic populism, "the democratic part of liberal democracy is rising up and attacking the liberal part". In his view, this form of populism constitutes the greatest threat to democracy around the world. "When Donald Trump accepted the Republican nomination in 2016, he said something truly remarkable: 'I alone understand your problems and I alone can fix them.' He has gone on to attack virtually every institution in the American government that he feels has threatened him. He began with the intelligence community because they were saying the Russians helped him win the election. He went on to include the FBI and the Justice Department. In a Stalinist turn of phrase, he and his allies in parts of the media now characterise these institutions as 'enemies of the American people'".

Democratic government depends on checks and balances between institutions. Trump's undermining of key institutions has been replicated elsewhere, for example in Viktor Orbán's Hungary, where the courts have been effectively neutered and the media are owned by Orbán's rich and powerful friends. A similar erosion of institutional checks has taken place in Poland.

The third form of populism could be described as "racial or ethnic populism". Here, the populist leader claims a special relationship not with the population as a whole, but with a certain segment of "the people". Frequently, this segment consists of people of a certain race or ethnicity.

Victor Orbán, prime minister of Hungary, for example, has said that Hungarian national identity is based on Hungarian ethnicity. This is a highly problematic claim in a democracy, because not all citizens of Hungary

are ethnic Hungarians. Furthermore, there are numerous ethnic Hungarians outside of Hungary, in Slovakia, Romania, and neighbouring states. Ethnic populism therefore creates minority race issues in Hungary, but it also creates foreign policy tensions. This was a central problem in Germany in the 1930s. This third dimension of populism is often accompanied by a conspiratorial worldview, in which politics is alleged to be controlled by secretive elites that are linked to "foreigners" or to shadowy global conspiracies.

In sum, Fukuyama believes we can analytically distinguish between three types of populism: economic, charismatic, and ethnic/racial. We can use these to understand the movements and leaders that have been labeled "populist" around the world. Actually existing populisms may incorporate one or more of these three aspects. Thus, Hugo Chávez deployed unsustainable redistributive policies, but he also claimed a direct relationship with his people with which he might justify ignoring any institutional, legal or political check on his power. His form of populism therefore blended economic and charismatic populism.

In South Africa, the Economic Freedom Fighters (EFF) under Julius Malema articulate a variant of economic populism, but Malema evidently has aspirations to be a charismatic leader too. As an outsider, Fukuyama expressed himself uncertain about the extent to which race and ethnicity constitute central elements of Malema's appeal, though local audiences believed it to be significant.

The new Brazilian president, Jair Bolsonaro, is not an economic populist. Indeed, he has hired an orthodox Chicago-educated economist to be his finance minister, and he is trying to rein in the country's ruinously expensive state pension system. He has, however, cultivated a charismatic persona, and made claims about his "authentic" relationship with the Brazilian people. Bolsonaro is also a racial populist. This is strange because Brazil is a country in which white people represent a minority of the population. Nevertheless, he makes use of all manner of racial innuendo and this has not prevented his winning the presidential election. To have a president like this, Fukuyama observed, is really quite remarkable.

Northern European populism is different in character to these other forms. The Alternative for Germany (AfD), The People's Party for Freedom and Democracy (VVD) in the Netherlands, and Marine Le Pen's National Rally (RN) in France, all rest on some combination of charismatic and ethnic populism, but are much less economically populist. The ethnic dimension of populism is especially critical for them, because the single thing that most unites these different parties is the fear that national identity is going to be "stolen" from them through immigration.

Distinguishing these different aspects of populism is crucial to understanding the rise of populism and its significance for the future. Economic populism flourishes among the poor in highly unequal countries, in Latin America and perhaps now in South Africa. The social basis of European and American populism is quite different, though. Rather than resting on the very poor, it feeds in part on a working-class threatened by loss of jobs and de-industrialization, and mobilizes dangerous forms of ethnic resentment to do so.

The conventional wisdom is that this is a "backlash against globalisation" as a result of lower skilled people in rich countries losing out to cheaper labour in poor countries. However, this cannot be the full story because it does not explain why right-wing populism, rather than left-wing populism, has made gains. Indeed, left-wing parties all across the world have been in decline.

Fukuyama believes that the issue of identity is crucial here. All human beings have a sense of inner worth, and we yearn for this worth to be recognised by other people. Adam Smith, in his book *The Theory of Moral Sentiments*, observes that there was no mass starvation in the Britain of his day. People had food and clothing even when

they were poor. The pain of poverty for the poor was instead constituted by a feeling of invisibility: a sense that the wealthy and privileged did not recognise a poor person as a fellow human-being. Fukuyama believes that this yearning for recognition may well be a common factor linking all three dimensions of populism.

The consequences of this may be very damaging. If politics is dominated by issues of identity and resentment, and if the idea that your identity is something that you are essentially born with and that these are in conflict with other identities, then politics becomes much angrier and it becomes very difficult to have sensible debates about what policies to pursue.

A panel consisting of three prominent South Africans – Sydney Mufamadi, Mondli Makayha and Songezo Zibi - and CDE's Ann Bernstein raised a number of interesting points, as did the audience. These included:

- Economic populism is not popular exclusively among poor and working class voters, and in some circumstances, including the US, it could be sensible to talk about an economic populism of the rich, which might underpin some of the calls for lower tax rates for the better off and less social support for the poor.
- The rise of populism in the developed world is partly a result of policy mistakes made by liberal, meritocratic elites, who followed non-populist policies that ended in disaster. Examples include the global financial crisis, the crises in Europe and the wars in the Middle East.
- It is not just the EFF in which one can find dangerous forms of populism in South Africa. There is definitely a strain of this in the ruling party, which partly explains how Jacob Zuma ascended to the party's presidency.
- The rise of populism, including in South Africa, has dissolved the distinction between left-wing and right-wing politics. Looking at the EFF, for example, it is not clear whether they are properly described as left-wing revolutionaries or right-wing ethnic nationalists.
- Responding to a question from one of the panelists, Prof Fukuyama said that he could not know whether and to what extent the rise of populism would be a permanent feature of global politics, but that he (and others) have been constantly surprised by the electoral viability of parties that a decade ago would have seemed to be fringe movements. "One of the worst things about President Trump is that the things he says about the media, for example, or democratic norms, are creating really bad examples for authoritarian leaders in other countries. If America is seen as increasingly undemocratic, this could change global politics." One source of optimism, however, is that the policies that these populist type of leaders pursue usually don't achieve their stated goals that their constituents want, so you can expect some democratic response to this.
- Responding to a question about South Africa and xenophobia and the effect this has on ensuring an overly restrictive migration policy, Prof Fukuyama pointed out that anti-migrant sentiment is often strongest in societies and communities with few migrants. He believed that what mattered often was not the extent of migration, but the degree to which the public believed that the state was able to manage migration effectively. If migration felt "out of control", anti-migrant feelings would rise.



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