

Great Decisions 2019



Class #4: "Rise of Populism in Europe"

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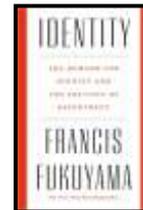
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1. Why are global politics changing?
2. Why is populism in Europe of concern to US?
3. What has caused populism?
4. What are its consequences?
5. What should be done?

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Why politics has changed dramatically



- Around 2010 world politics changed dramatically from the growth of liberal democracy and economic interdependence (i.e., globalization).
- Between 1970 and 2008, world democracies tripled and GDP quadrupled, growth spread around the world, while extreme poverty in developing countries dropped from 42% in 1993 to 17% in 2011.
- This booming liberal world order did not, however, benefit everyone: inequality increased, manufacturing moved from the West to East Asia, women displaced men in an increasingly service-dominated economy, and low-skilled workers were replaced by smart machines.
- The financial crisis in US and EU, in the view of the working class, was due to greed and corruption of the elites that resulted in recession, unemployment, and falling incomes for them.
- These crises damaged the reputation of liberal democracy and resulted in a "democratic recession," burnishing the "China model" and lending credence to Putin's and China's attack on the liberal world order.

Source: Abstract of Chapter 1 of Francis Fukuyama, *Identity: The Demand for Dignity and the Politics of Resentment*, 2018

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Why politics has changed dramatically (Continued)

- Political shock waves also arose from the Arab Spring, conflicts in the Middle East and Brexit and Trump's election
- Working class, hurt by job loss and eroding incomes, saw globalization, immigration and elite greed and corruption as the cause of their problems and eroded their long-established cultural identities. Anti-immigrant and anti-EU parties gained strength
- Between 2000-16, half of Americans saw no gains to their real incomes; the proportion of national output going to the top 1% nearly tripled from 9% in 1974 to 24% in 2008.
- Thus arose the politics of resentment. A perception that their status and dignity had been affronted, disparaged, or disregarded. This was epitomized by Hillary Clinton calling Trump supporters "a basket of deplorables." These populists demanded public recognition of their dignity.



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Why politics has changed dramatically (Continued)

- Because people naturally crave recognition, the modern sense of identity evolves quickly into identity politics - the demand for public recognition of their worth.
- Thus polarizing identity politics has arisen from growing economic inequalities and grievances arising from globalization plus the feelings of indignity and disrespect of common people by the elites and their policies
- What's the solution? Fukuyama concludes that just as identity can divide, identity can also be used to unite and integrate and that's "the remedy for populist politics of today."



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US & EU: Linked Global Powers



Comparison of EU & US, 2018

Comparison	Units	EU	US	EU/US %
Population	Millions	446	328	136%
GDP (PPP)	Trillions \$	18.2	21.9	83%
GDP (Nominal)	Trillions \$	22.8	21.9	104%
GDP Per Capita	\$	35750	61900	58%
Area	Millions Sq Miles	1.7	3.8	45%
Direction of trade (2016)		EU to US	US to EU	
Goods	Billions \$	286	141	203%
Services	Billions \$	153	198	77%
Investment	Billions \$	124	159	78%
Total	Billions \$	563	498	113%

Source: [wikipedia.org/wiki/United_States–European_Union_relations](https://en.wikipedia.org/wiki/United_States%E2%80%93European_Union_relations)



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EU – great achievement undergoing duress and division

EU, regarded as one of greatest political successes of 20th century, has many internal challenges to overcome – accentuated by financial and immigration crises



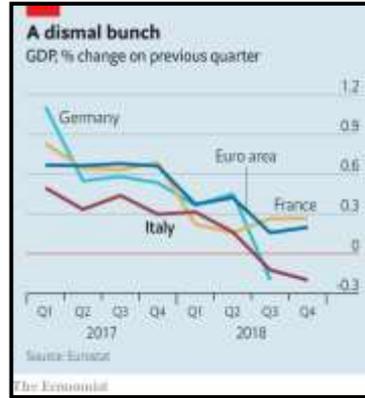
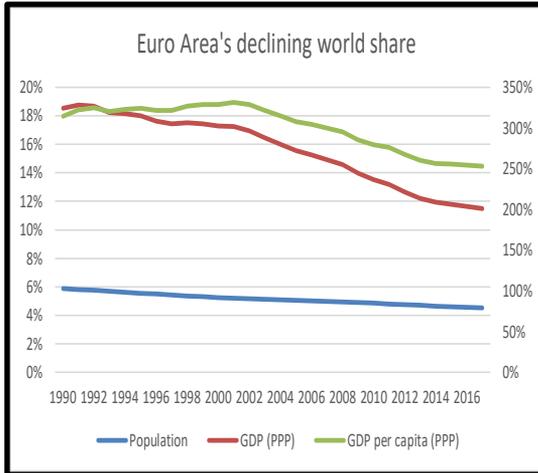
Source: Niall Ferguson, "2021: The New Europe," *WSJ*, Nov 19, 2011



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Euro Area's downward slide continues



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Euro Area – slowing growth and high youth unemployment



Euro Area Population and GDP Growth and Youth Unemployment Rates

Indicator	1991	2000	2008	2017
Population	0.4%	0.3%	0.5%	0.2%
GDP, PPP	2.7%	3.9%	0.5%	2.4%
GDP per capita, PPP	2.3%	3.5%	0.0%	2.1%
Youth unemployment	14%	17%	16%	22%



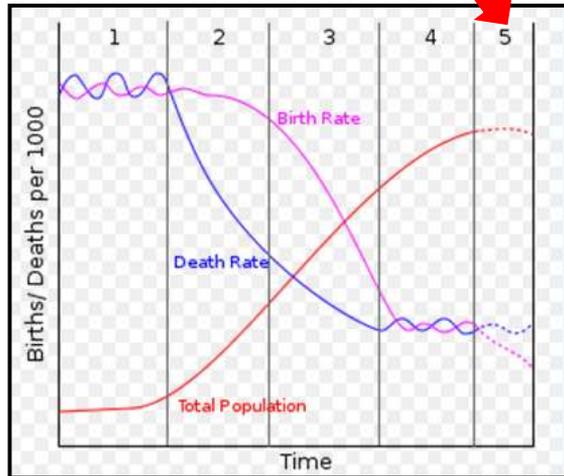
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Empty Planet: The Shock of Future Global Population Decline



Population headed to stage 5 decline



- Instead of population overwhelming earth, it will decline
- Fewer workers will earn higher wages
- Migrants will be sought rather than fought
- But aging will burden healthcare and social security

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World Power's Population projections by age group

Area	Year	World Population %	Total Population (Mil.)	Age 0-19	Age 20-64	Age 65+
WORLD	2015	100%	7,383	34%	58%	8%
WORLD	2100	100%	7,275	17%	53%	29%
China	2015	19%	1,397	23%	67%	10%
China	2100	8%	617	12%	45%	43%
India	2015	18%	1,309	38%	56%	6%
India	2100	12%	907	13%	51%	36%
EUROPE	2015	10%	741	21%	62%	18%
EUROPE	2100	6%	422	13%	47%	39%
US	2015	4%	320	26%	59%	15%
US	2100	4%	302	15%	49%	36%

Source: UN World Population Prospects: The 2017 Revision, Low fertility variant, 2015-2100

Revolutionary Change

1. Population decline
2. 0-19 decrease %
3. 20-64 decrease %
4. 65+ increase %
5. China shrinks 56%

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Area	Year	Europe Population %	Total Population (Mil.)	Age 0-19	Age 20-64	Age 65+
Russia	2015	19%	144	21%	65%	13%
Russia	2100	18%	77	16%	52%	32%
France	2015	9%	64	24%	57%	19%
France	2100	12%	49	14%	46%	40%
Germany	2015	11%	82	18%	61%	21%
Germany	2100	11%	47	12%	46%	42%
EUROPE	2015	100%	741	21%	62%	18%
EUROPE	2100	100%	422	13%	47%	39%

Source: UN World Population Prospects: The 2017 Revision, Low fertility variant, 2015-2100

Europe shrinks

1. Population decline 43%
2. 0-19 decrease %
3. 20-64 down to 50%
4. 65+ doubles share
5. Russia – shrinks 47%

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What is populism? Opposite elitism?

- Populism ideology presents "the people" as a morally good force against "the elite", perceived corrupt and self-serving
- Populism often combined with other ideologies such as nationalism, liberalism, or socialism; on both left and right
- For economists populists are:
 - Big spending governments that eventually result in hyperinflation and emergency measures
 - Politicians who present overly simplistic answers to in emotional manner
 - Opportunists who seek to please voters without rational consideration as to the best course of action.

<https://en.wikipedia.org/wiki/Populism>



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America's Inbred Foreign Policy Elite



- In his scathing critique of US foreign policy, Harvard professor Stephen Walt in *The Hell of Good Intentions - America's Foreign Policy Elite and the Decline of U.S. Primacy*, criticizes the self-interest of the inbred foreign policy establishment and their "to get along, go along" attitude. As members of the foreign policy establishment, he includes government officials, academics, the media, think tanks, etc.
- He argues the members of the elite foreign policy establishment are reluctant to judge one another harshly and are ready to forgive mistakes least they be judged themselves.
- He notes the tension between Trump and foreign policy elites when a bipartisan chorus of them denounced Trump during the 2016 campaign. Trump fired back calling them "nothing more than the failed Washington elite looking to hold onto their power, and it's time they were held accountable for their actions."

Source: pages 181, 214-15.

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How populism emerged in Europe

- Since 2000, number of Europeans voting for populist parties surged from 7% to 25%
- Blamed on everything from recession to migration, social media to globalization
- But Czech Republic and Sweden's experience shows it can be more complicated
- Both had low unemployment and growing economies
- Factors behind populism's surge are both far more complex and more varied than income or immigration - often a reflection of psychological state as of circumstances and identity.

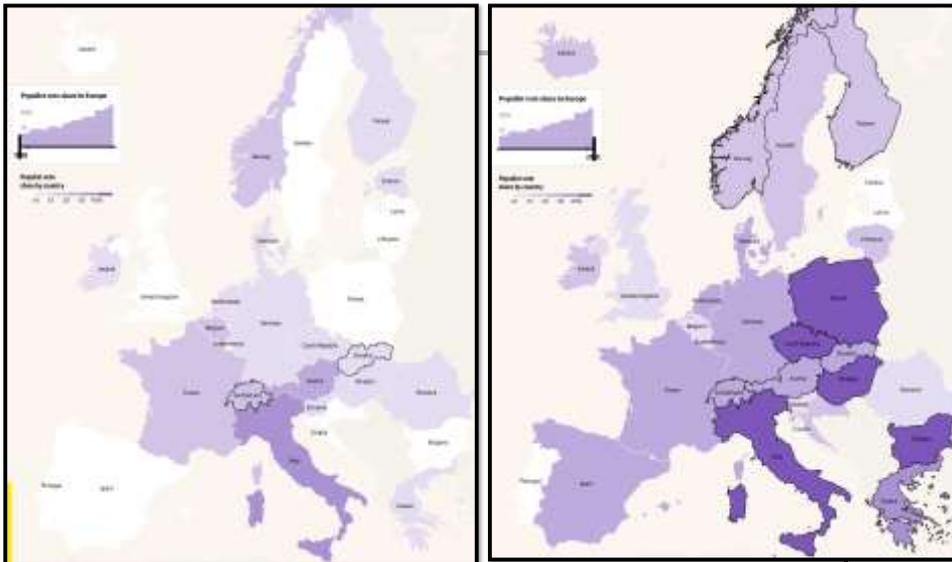
Jon Henley in Prague and Berlin, Tue 20 Nov 2018, *The Guardian*



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Rise of Populism in Europe: 1998 vs. 2018



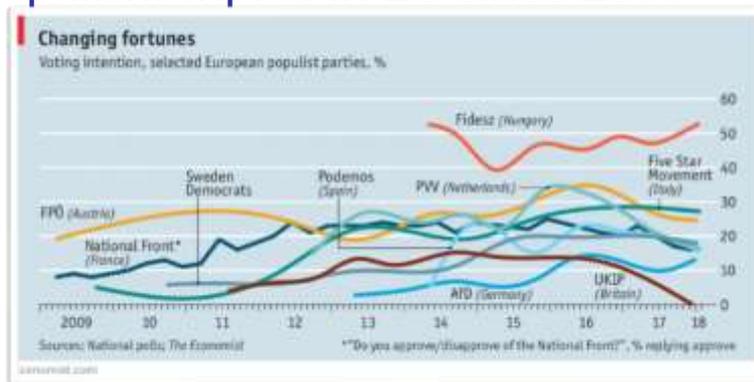
<https://www.theguardian.com/world/ng-interactive/2018/nov/20/how-populism-emerged-as-electoral-force-in-europe>



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Populism tripled in EU since 2000



- Financial crisis & influx of refugees contributed
- But EU populism growing since 1980s - populist vote 8.5% in 2000 and 24% in 2017
- Shifting EU's politics - no longer shunned by mainstream, increasingly co-opted and copied

<<https://www.economist.com/briefing/2018/02/03/europes-populists-are-walking-into-the-mainstream>

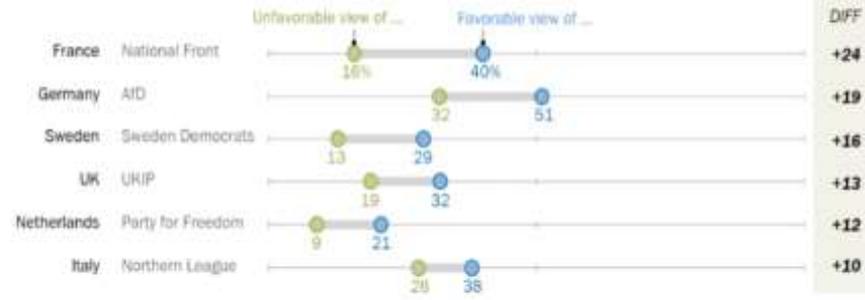
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Europe's right much more favorable to Putin

In Europe, confidence in Putin higher among those sympathetic to right-wing populist parties

Confidence in Putin to do the right thing regarding world affairs



Note: Only statistically significant differences shown. Party favorability question fielded as "Northern League" in Italy (now called "League") and "National Front" in France (now called "National Rally").
Source: Spring 2018 Global Attitudes Survey, Q35c.

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Immigration opposition and government lack of action



- 60% of immigrants to EU not refugees or asylum-seekers, but jobseekers
- Inability or unwillingness of European political leaders to stop illegal immigration and alleviate its negative consequences has undermined support for EU and increased support for extremists
- Voters are increasingly willing to overlook illiberal tendencies of anti-immigration parties – and tilt toward authoritarians such as Orban and Putin
- Antidemocratic leaders are undermining institutions that protect freedoms of expression and association and the rule of law

Notes on "European Populism and Immigration" by James Kirchick, Great Decisions 2019, topic 4



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Populism forcing change in policies and politicians



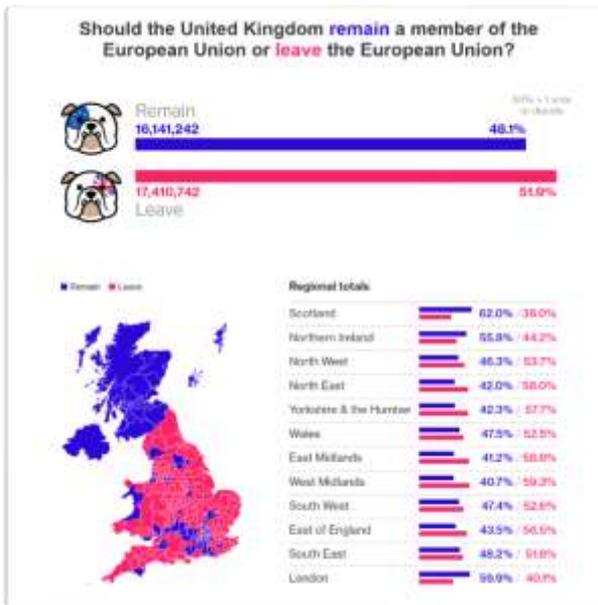
- Sweden - "a humanitarian superpower", populists arose that opposes EU & NATO and seeks better relations with Russia
- Both Denmark and Norway have tightened immigration policies
- Immigration a key factor causing British to vote for Brexit
- Right wing anti-immigration strong in Hungary led by Prime Minister Orban
- 8 of 10 European country majorities oppose further immigration of Muslims
- Voters throughout Europe want and expect stricter immigration and assimilation policies
- Those supporting liberal immigration, such as Angela Merkel of Germany, decided not to run for re-election



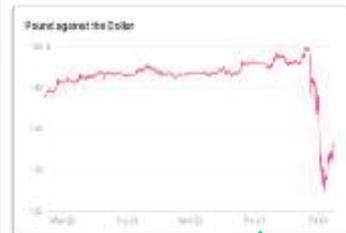
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Why Brexit? Immigration and separate identity



Surprising vote to leave EU led to crash of pound



Vote June 23, 2016

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Varieties of world order

- **European:** Based on 1648 Treaty of Westphalia – a “live and let live” system of independent states refraining from interference in each other’s domestic affairs and checking each other’s ambitions through a balance of power
- **American:** Cooperative order with common rules and norms, a liberal economic system, forswearing territorial conquest, respecting national sovereignty, and democracy
- **China:** Based not on sovereign equality of states but on boundless reach of Emperor who held sway of “all under heaven” due to its cultural magnificence and economic bounty
- **Islam:** Expand until whole world is under a unitary system under beliefs of Mohammed
- **Haas World Order 2.0:** Acknowledge that power is widely distributed, borders count for less, states must embrace its obligations and responsibilities, as well as its rights and protections as in “Right to Protect” (R2P).

Source: Henry Kissinger, *World Order*, 2014

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What is “Liberal international economic order”?

- Rules-based world order with guiding principles of open markets, multilateral institutions, liberal democracy, and leadership by US and allies
- Established in aftermath of WW II with international organizations such as WTO, World Bank and IMF, playing central roles
- Based on belief that liberal trade and free markets will best foster global prosperity and peace
- China, Russia, Islam and populist movements increasingly challenging US leadership role

https://en.wikipedia.org/wiki/Liberal_international_economic_order



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Summary: Rise of Populism in Europe



1. Why are global politics changing?
A. Rise of populism and nationalism
2. Why is populism in Europe of concern to US?
A. Jeopardizes our longest, strongest, closest linked ally
3. What has caused populism?
A. Multiple – financial crises, immigration & inequality
4. What are it's consequences?
A. Decline of Liberal World Order
5. What should be done?
A. Reduce elitism, strengthen mutuality, address grievances



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Opposition to immigration & fraying national identity threaten liberal world order

- Opposition to mass immigration has stimulated right-wing populism in Europe as well as the Brexit
- Popular belief that national borders have become too porous and immigrants are not assimilating
- Believe European governments have lost control combined with a pessimistic view of ability to integrate immigrants
- Europeans list immigration and terrorism as top issues

Notes on "European Populism and Immigration" by James Kirchick, Great Decisions 2019 , topic 4



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What is populism?

- Political tendency which demonizes opposition to it as inherently illegitimate
- Opposite of pluralism - belief that for society to be decent must make room for various perspectives
- Frustration that elitist and not democratic enough
- Much due to 2008 financial crisis - Worst global financial crisis in history- even worse than Great Depression
- In Europe and US populism opposition to immigration has resulted in lessening opposition to Putin

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Britain and immigration

- Britain - one of three EU governments not to use temporary immigration controls in 2004
- This despite 67% of British believe immigration over the previous decade had been "a bad thing for Britain"
- EU blamed for mass immigration and Brexit became solution to managing immigration
- British immigration reached a high of 330,000 in 2015
- Other countries share British concerns of immigration – 8 of 10 European country majorities oppose further immigration of Muslims
- Voters throughout Europe want and expect stricter immigration and assimilation policies

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Handling immigration –the case of Sweden - “a humanitarian superpower”

- In 2013 Sweden accepted more than double as many migrants per capita as any other country
- During 2015-16 crisis - Sweden accepted 160,000 and in past five years 600,000 - in a country of less than 10 million
- But unfortunately migrants have been disproportionately involved in sex crimes in Sweden -58% of men convicted of rape and attempted rape in past five years were born abroad
- Unemployment rate among foreign-born is four times higher than for native Swedes
- And this is not economic driven - Sweden has enjoyed the longest economic expansion in 40 years
- Most migrants have very low levels of education

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Sweden, Hungary and Austrian’s anti-immigration rise

- Mainstream politicians in Sweden were mum on immigration
- In vacuum, populists arose that opposes Swedish membership in EU and NATO and seeks better relations with Russia
- Right wing anti-immigrant movement has been especially strong in Hungary led by Prime Minister Orban
- Austrians have also turned away from liberal immigration
- While many liberal elites believe that liberal immigration is fundamental to democracy, nothing in democracy theory suggesting reducing immigration will hurt democracy

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The migration debate

- Most immigrants are not refugees or asylum-seekers, but economic migrants seeking a better life
- 60% of people recently entering EU have been jobseekers
- Inability or unwillingness of European political leaders to stop illegal immigration and alleviate its negative consequences has undermined support for EU and increased support for extremists
- Opposition to immigration is highly correlated with opposition to EU integration
- Voters are increasingly willing to overlook illiberal tendencies of anti-immigration parties

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Europeans want less immigration

- If they don't want migrants, they will vote for those who will reduce immigration
- Difficult to rid illegal immigrants - in 2017 in Germany made 24,000 deportations of 233,000 rejected asylum-seekers with balance remaining
- High profile crimes by asylum seekers such as a Tunisian who killed 12 in Berlin - strengthen anti-immigration
- Making illegal immigration tougher in Europe would both protect against real threats from terrorists and earn back the trust of the public

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A threat to the liberal world order

- Attributing unpopular immigration with the liberal world order is threatening global liberal order
- It supports the authoritarians like Orban of Hungary
- Those supporting liberal immigration, such as Angela Merkel of Germany, is losing her appeal whereas harsh Victor Orban of Hungary is gaining popularity
- An optimal immigration policy - one that balances commitment to humanitarian concerns with an alertness to the negatives of masses of poorly educated immigrants from vastly different societies
- With respect to immigration, liberal policies are out of touch with the mainstream and hostility to immigration can undercut European democracy
- To save liberal democracy, migration issue must be addressed

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Discussion questions

- Is populism just a passing fad or a fundamental political movement?
- Is it possible to have much immigration without a political backlash? How can the backlash be prevented?
- How does the rise of populism in Europe affect the world?
- What is the common ground between pro-immigration and anti-immigration groups?

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Rise of populism in Europe

- Europe in 1993 reached a turning point
- Formed EU and pledged to form an economic bloc with open borders and lasting peace
- More than 28 countries now belong
- But voters resisted full integration – so banks and fiscal policy very different
- But challenged by 2008 financial, 2015 migration and 2017 Brexit crises

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Crises exposed cracks in EU

- Common currency without common fiscal and banking rules exposed cracks
- Southern states Greece and Spain had severe financial problems
- High unemployment and debt in south and strength in Germany
- Tension arose between solvent vs indebted
- Gave impression of mismanagement

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2008 financial crisis

- 2008 economic crisis caused a fall of GDP
- Youth unemployment rose 50% in some areas
- Left deep scars - gave EU a bad reputation among common folks
- Germany felt South debt burden was unfair
- Some challenged EU structure - especially banking
- What initially was a banking crisis became also a sovereign debt crisis

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Migration crisis began in 2015

- Over 1 million refugees, especially from Syria flooded in
- Europe wasn't paying attention or prepared
- EU focused on Russian invasion of Ukraine and financial crisis
- Citizens greatly overestimated the number of migrants – thought system out of control
- Open borders allowed migrants to move across Europe
- Migrants landed in Italy, Greece and other southern states

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Migrants left south for richer north

- From arrival in south, went to Germany and then on to Britain to richer states where had better jobs and opportunity
- Once the migrants got German passports, they could go to Britain
- German businesses, under tight employment, wanted new workers
- But others with high unemployment didn't
- Germany in earlier years migrants from Turkey had integrated in the workforce

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Concerns about Muslims

- But were cultural concerns - especially of Muslims
- Predicted that 20% of Germany could be Muslims by 2050
- Anti-Muslim sentiment arose in Germany and particularly in Hungary
- Leaders were torn between how to limit migrants while at the same time integrating them into the economy

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Amid these crises populism arose

- Populism both right and left arose
 - Radical leftists across the South
 - More rightist nationalist across North
- Macron in France and other centrists politicians came under increasing pressure
- Common people complained were not represented by elite and elite was corrupt
- Political center squeezed from both right and left

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What is populism? Anti-establishment

- Populism is a thin ideology of both right and left
- Often overlaid with other ideologies such as: nationalism, racism, socialism, fundamentalism, anti-immigration, protectionism, etc.
- Basically populism is anti-establishment
- Drivers of populism included the economic crisis, the lost of trust in government, social and demographic changes
- Populism now much better organized - especially in Hungary and Poland with expansion of right wingers

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How will populism affect liberal democracy?

- **Populism better at anger than answers**
- Populism's platform is to limit immigration, anti-bankers, tariffs to protect local markets
- Brexit – sparked by new wave of migration that sent shockwaves through society
- Always been a reluctance in UK, once a global empire, to become just one part of Europe

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Brexit was a perfect political storm

- Those advocating leaving the EU made clear what they were against but not what they were for or the consequences
- Italy's Five Star and right wing movement cracked down on immigration
- Italy hurt by lack support from rest of EU to help with migrant problem
- Italy was facing 35% youth unemployment and economic anxiety

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Merkel and Germany

- Angela Merkel was a voice of reason – thought could handle, had humanitarian impulse
- But flood of immigrants cost her politically - she will not seek reelection in 2021
- Allowing in 1 million refugees from Syria cost her politically
- Germany - most successful in Europe, had labor shortage

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Scandinavia differs and switches

- Sweden & Norway initially more open than Denmark
- But Norway reversed and tightened immigration
- Denmark closed their doors to immigrants
- Dramatic decline of traditional political parties and rise of new nationalist parties
- Europe traditionally noted for its openness and globalization
- Much at stake-many oppose basic fundamentals of EU
- In Hungary, Orban seeking to "re-create a Christian Europe"

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European elitist resisted change

- Europe had some dark days in past: WW I & II, Holocaust, internal wars, Nazis, Fascists, Cold War, etc.
- Pledged "Never Again"
- But Rightist movements have risen
- Unless EU governments get better at integrating migrants there will be major problems
- Rising conflicts of Christians versus Muslims

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Success of US and Europe are linked

- Trump has dramatically changed US policy - he withdrew from Iran deal, criticized NATO, ended climate agreement, and criticized Europeans for not carrying their fair share of defense
- EU argues that if US pulls back it will hurt our security
- US may no longer become the guarantor of security in Europe
- Will EU renew itself or self-destruct?
- Whichever, will have a big impact upon the entire West

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