

Rise of populism poses challenge to international order

INTERNATIONAL RELATION

By WANG JISI

Like other political doctrines, populism has various definitions and interpretations. In this article, it refers to a form of political thought popular among the middle and lower classes. It is characterized by a rebellion against elites and intellectuals coupled with dissatisfaction over income inequality and the lack of justice. Populism is a foreign construct that stands in opposition to elitism. At present, its popularity in the world arena can be attributed to the following five global trends.

First of all, the world is suffering from a demographic imbalance as transnational and transregional migration accelerates while urbanization is approaching a bottleneck.

The world's population growth rate has declined overall, but growth is uneven in different regions. In China and most developed countries, other than the United States and Russia, population growth has slowed down or come to a halt, whereas the population of a majority of developing countries is growing rapidly, and in general the poorer, the faster. Every year, 95 percent of the global net population increase occurs in developing countries.

The imbalance in demographic growth has triggered two major social issues: Population aging dampens economic growth and puts a heavy burden on welfare, pension and public health expenditure. At the same time, high unemployment among youth in developing countries breeds social unrest and violence.

In the meantime, globalization together with advancements in information and transportation technology has sped up the migration of people from impoverished areas to developed regions. The flux of people is directly associated with urbanization. As the process of urbanization accelerates, it creates tremendous pressure on

housing, public utilities, transportation, health care, food safety, social stability, environment, waste management and other aspects of governance. In developed countries, large cities are crowded with a slew of ethnic minorities, vulnerable groups and new immigrants, so urban riots are more frequent.

Second, intensive global population mobility spawns an identity crisis among many social groups. Tribal and sectarian conflicts in the Middle East are increasing, driving extremism and ethnic separatism.

In Europe, immigrants from North Africa, Turkey and the Balkans are mostly Muslims and other minorities. It is difficult for them to integrate into the local society, deepening the identity crisis in culture, language, race, religion and politics. At the same time, local residents are in the grip of xenophobia and discrimination, making them vulnerable to right-wing conservative narratives. In particular, in times of economic downturn and political instability, massive numbers of migrants and refugees aggravate the situation, sparking riots and terrorist activities.

Third, global wealth inequality and injustice seriously affect social stability and lead to political polarization.

The financial crisis in 2008 revealed the profound contradictions of contemporary capitalism. As world economic growth slows down, the unequal distribution of wealth becomes more prominent. For most people, fairness and justice are tied to income distribution in the economic field. In the contemporary era, the significant increase in wealth is conducive to poverty relief.

However, the fairness of wealth distribution is not in a cause-and-effect relationship with growing wealth. The world today is far more divided between rich and poor than it was two centuries ago: the per capita wealth gap between the richest countries and the poorest countries expanded from three times in the early 19th century to 100 times in the 21st century.

Since the 1980s, economic growth in developing countries outpaced that of developed countries, so the wealth gap is closing. In this light, the situation where "the rich get richer and the poor get poorer" is somewhat remedied. Unfortunately, the domestic wealth gap in developing countries is expanding. New technology in production and circulation reduces the demand for labor, further causing higher unemployment and class division.

In economics, the Gini coefficient is often cited to measure the income distribution of a nation or region, which can also be applied to examine educational equality, equal opportunities and income mobility. With the expansion of income gaps, social inequalities in other areas are gradually enlarging. As Chinese President Xi Jinping said in his keynote speech at the G20 summit in Hangzhou in 2016: "The world's Gini coefficient has reached around 0.7, higher than the recognized alarm level, which stands at 0.6. This is something we must pay great attention to."

Fourth, global economic imbalance is almost irreversible. The manufacturing and energy industries are booming in emerging economies, but they are still dependent on developed countries for investment, services and technological innovations.

Western economies run on fiscal deficits, derivatives in the financial sector, high residential debt and welfare systems, causing large current account deficits. In contrast, emerging powers and resource-exporting countries are heavily reliant on investment and exports but suffer from inadequate domestic consumption, thus accumulating excessive external surpluses. Therefore, the transfer of manufacturing, capital, technology and jobs from developed countries to developing countries is inevitable.

Despite the fact that emerging powers are catching up with the developed countries economically, the gap within emerging countries is widening. On the global scale, unbalanced economic development motivates many countries and groups to blame outsiders, including foreign nations and immigrants for their troubles.

Finally, social media has facilitated the participation of individuals and groups in politics. However, it is a double-edged sword that can strengthen sectarian, ethnic and national cohesion while simultaneously deepening the ideological and group divisions in a pluralist society.

The Internet is an amplifier of ideas, culture and public opinions. It enables people to form closed, like-minded groups, and these groups can voice very different opinions toward the same event. Individual rights as well as ideological and cultural pluralism are rooted in every



A wave of right-wing populism swept across Europe in 2016 as the continent struggled with its biggest refugee crisis since the end of World War II.

corner of the world while all sorts of populist ideas rapidly proliferate through the Web, challenging the traditional political logic and boundaries of state power.

All in all, the five factors make the emergence of populism unavoidable. It is recently exemplified by Brexit, when the United Kingdom voted to leave the European Union, and Donald Trump's victory in the US presidential election with his slogan "America first." Populism appeals to people with its moral rationality and charisma, but in reality it is politically subversive and destructive. Populism and nationalism are twin brothers that support and promote each other.

Tapping into growing populist sentiment, nationalism represents a force against globalization, launching a massive attack on the national, regional and global political order.

On the national level, populism prevails on the left and the right. Western governments and political elites need to make major reforms in electoral systems, parliamentary systems, decentralization of authority and public supervision, which cannot bring results in the short term and may even worsen the status quo.

As for nations that adopted a multi-party system after the end of the Cold War, there is chaos in the democratization process, including vote bribery, corruption, violence and political confrontation, and even the possible resurgence of former regimes and strongman politics.

On the regional level, the European Union will not collapse in the near future, but populism in member states has gravely weakened the cohesion of the bloc. In East Asia, owing to lack of strategic trust between China, Japan and South Korea, along with the South China Sea disputes, the leading role of the Association of South East Asian Nations is no longer in play. Also, complex overlapping multilateral economic cooperation mechanisms hinder regional integration.

In addition, regional cooperation in South Asia, the Middle East and Africa is in a difficult stage.

Globally, people are upset about declining moral standards, lack of justice, shortages of resources and environmental deterioration in the globalization process. With an edge in politics, economy, culture and military, the West tends to interfere in non-Western countries' internal affairs, prompting developing countries to blame them for social injustice. People in the developed world are also inclined to hold immigrants and the rise of the developing countries responsible for their dissatisfaction with reality. Hence, nationalist sentiments are prevailing in both the West and the non-Western world.

Dominance in the international political and economic order, neoliberal policies and ideas, despite theoretical criticism and social resistance, have not really confronted a matching opponent. Socialist ideology in the Soviet time, traditional liberal values and Orthodox Islamic doctrine all fail to provide a complete answer for world progress and social justice in the era of globalization.

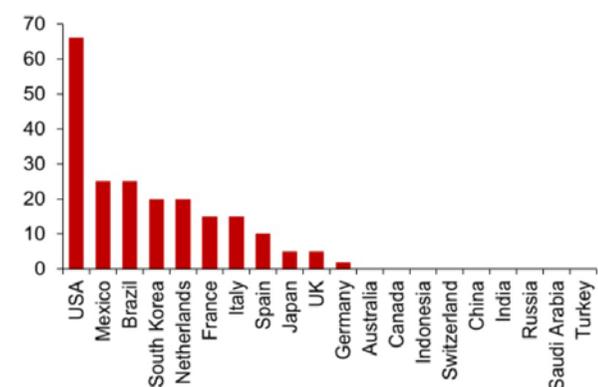
As a consequence, the international political and economic order will basically maintain stability in the foreseeable future, even with the rise of populism and nationalism, and increasingly fierce competition in geo-strategy and international rules. All governments need to cope with the emergence of populism while not ignoring its destructive power.

The year 2016 saw a series of significant events in world politics, but it is still early to tell whether it heralds an important turning point in human history and a substantial change in the international political and economic structure, order and rules established at the end of the Cold War.

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Likelihood of populist government

%, probability that a populist party/leader will govern in next 2-3 years



Source: Oxford Economics

In the next year or so, one or more populist governments will take power in a major global economy, according to a new briefing released by research house Oxford Economics on Jan. 12.