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The Causes of the Growth of Populism on Both Sides of the North Atlantic

BY VINCENT NAVARRO



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One of the most influential documents of the 20th century—the *Communist Manifesto*—begins with the famous phrase:

“A specter is haunting Europe—the specter of Communism. All the powers of old Europe have entered into a holy alliance to exorcise this specter; Pope and Czar, Metternich and Guizot, French radicals and German police spies. *Where is the party in opposition that has not been decried as communistic by its opponents in power?* (Marx and Engels, 1848)”

At the beginning of the 21st century a document could be written with a similar introductory paragraph, replacing the word “communism” with “populism,” and changing the names of the political, economic, and religious establishments that feel threatened by the growth of movements that question their power, calling such movements populist. This new document would begin with the following narrative:

“A specter is haunting advanced capitalism on both sides of the North Atlantic—the specter of Populism. A holy pack, the political and media establishments of these countries and their ruling political parties, as well as their supranational institutions, have conspired against this spectrum. *Where is the political party that has threatened the political and media establishments and not been defined as populist?*”

As happened in the 20th century with communism, the term “populism” in the 21st century is used by the political and media establishments to define any movement or party that questions their power, their legitimacy, and the neoliberal public policies that they have been imposing on their populations. This is happening in many countries on both sides of the North Atlantic: in Europe and in North America. The objective of this article is primarily to analyze if these movements defined as populist have something in common and to identify the main causes of their expansion and, secondly, to analyze the strategies and limitations of populism in comparison with the major anti-establishment movement (socialism) of the previous century.

Which elements do these movements have in common?

Although varied, the vast majority of parties labeled as populist have some common characteristics. One is their clear opposition to globalization and economic integration and to the cultural and political homogenization that is caused by these phenomena. Members of populist movements perceive such homogenization as a threat to their national identity. Hence, the ideology of these movements and parties always involves a form of nationalism.

This nationalism, which includes a desire to recover national identity, control, and resources, is based primarily (though not exclusively) on the identification of globalization as the cause of the decline in the quality of life and well-being of the popular classes. It is a logical and predictable response to the perception of these classes that globalization is responsible for the deterioration of their standard of living and for their loss of identity. Consequently, these populist movements (which are largely supported by the popular classes) reject globalization and the institutions and parties that promote it. Thousands of examples show this. One of the most recent is what happened in Baltimore, Maryland, USA in 2016: The white working-class neighborhood of Dundalk (the steel workers’ neighborhood of that city) voted overwhelmingly for the anti-globalization candidate Trump, who denounced the transfer of steel blast furnaces (one of the largest employment centers in the city) to countries with lower wages and worse working conditions; they voted against the Democrat candidate Hilary Clinton, who supported globalization. And this happened throughout many working-class neighborhoods in the United States. Something similar is also happening in many of the countries in the European Union.

This is an understandable reaction to what the popular classes of these countries are experiencing: overwhelming and convincing empirical evidence shows that the shift of industry to low-wage countries has substantially damaged the standard of living of the working class of developed capitalist countries, i.e., of the North Atlantic. Also, overwhelming and convincing evidence shows that, while immigration is a positive factor for the developed capitalist countries, it can involve costs (such as lower wages) for vulnerable sectors of the popular classes, which explains their rejection of immigration. This nationalism is demonized by the political-media establishments responsible for such globalization, which call it “retrograde,” “provincial,” “protectionist,” “anti-modern,” “antiquated,” “irrational,” “unsupportive,” “chauvinist,” etcetera. The establishments thus attempt to create a narrative which places nationalism in counterpoint to a supposedly modernizing and progressive internationalism.

The denunciation of globalization and economic integration by the populist parties goes side by side with the second characteristic: denouncing the political parties that promote globalization and economic integration, as well as denouncing neoliberal policies (such as labor market reforms that create precariousness and unemployment; cuts in social public expenditures that reduce social protection and social rights; and concentration of the power of the central state, perceived to be a mere instrument of financial and economic lobbies). Populism’s political proposals are defined as the defense of “the underdogs”—the people—against “those at the top,” i.e., the political elites and proponents of the globalization agenda.

All of this explains the third characteristic: the prominence of broad sectors of the supposedly disappeared working class among the foundations of these movements. In the United States, like in the United Kingdom or Sweden (countries that I know well from having lived in them for many years), as well as in France, Germany, and many others, large sectors of the working classes that used to vote for the left now vote for populist parties. Naturally, such sectors are not the only voters for these parties (nor are they, on occasion, the majority of such voters), but they play a key and central role in these populist anti-establishment movements. In the United States, the white working class (which is the great majority of the working class in that country) was essential to the election of Donald Trump to the U.S. presidency. In fact, sectors of the white working class that had previously voted for the black candidate Obama voted for Trump in the last elections. The same happened in the United Kingdom, where the British working class was the axis of the movement in favor of Brexit (Great Britain’s exit from the European Union), which was a movement of protest against the political establishment of the European Union and the loss of national control that EU membership supposedly entails. In Sweden, in September 2018, large sections of the working class voted for a party defined as ultra-right populists (Sweden Democrats). In France, the red belt of Paris voted for Le Pen, and in Germany the spectacular decline of social democracy has been accompanied—as has happened in most EU countries—by the

expansion of so-called populist parties, supported by large sectors of the German working class.

Why are these movements growing? The neoliberal policies promoted by the political-media establishments are the main cause

To define these movements as chauvinistic and anti-immigration, attributing their expansion to their often evident racism and xenophobia, fails to understand what is behind these sentiments, because such sentiments and prejudices (which do exist in several of these movements) are symptoms, not causes, of the appearance and expansion of such movements. The real cause of their growth is neither more nor less than the enormous deterioration of the living conditions of the popular classes in general, and of the working class in particular, in each of these countries: deterioration that has been occurring since the 1980s on both sides of the North Atlantic. And this deterioration—which reached its maximum expression with the outbreak of the Great Recession in 2007—has occurred as a consequence of the large-scale application of neoliberal policies. These policies were deliberately created and rolled out by the neoliberal ruling politicians of these countries to weaken the working classes, which they have achieved (see my book *Ataque a la democracia y al bienestar. Crítica al pensamiento económico dominante*. (Attack on Democracy and the Welfare State. Critique of the Dominant Economic Thought) Anagrama, 2015).

The data speaks for itself. Labor income (income derived primarily from work, i.e., from wages) has been decreasing in most countries on both sides of the North Atlantic since the application of such neoliberal policies (initiated in the late 1970s and the early 1980s), while income from capital has been growing. Specifically, in the 1970s, the share of wages in terms of compensation per employee was 70 percent of GDP in the United States; 72.9 percent of GDP in the countries that would later be the EU-15; 70.4 percent in Germany; 74.3 percent in France; 72.2 percent in Italy; 74.3 percent in the United Kingdom; and 72.4 percent in Spain. These percentages dropped very significantly thereafter. In 2012, these percentages came to represent 63.6 percent of GDP in the United States; 66.5 percent in the EU-15 countries; 65.2 percent in Germany; 68.2 percent in France; 64.4 percent in Italy; 72.7 percent in the United Kingdom; and 58.4 percent in Spain. The decline in labor income during the period 1981–2012 was thus 5.5 percent in the United States; 6.9 percent in the EU-15, 5.4 percent in Germany; 8.5 percent in France; 7.1 percent in Italy; 1.9 percent in the United Kingdom; and 14.6 percent in Spain, the latter being the country where such decline was greatest. Behind these figures is an enormous—and continuing—growth of social inequalities. Contributing to that growth, there has been a substantial increase of inequality within the labor (waged) income, particularly accentuated in the United States, where CEO and executive pay and much of the high-end of financial sector remuneration augmented spectacularly, while driving down wages at the middle and the bottom of the labor share. [1]

This growth in inequality has become a major issue, even in the mass media, caused by the growing awareness, at street level, that the enormous increase in the wealth and income of the affluent minorities has been achieved at the expense of the great decline in well-being and standard of living of most of the popular classes (which constitute the majority of the population). This has caused a notable degree of concern and alarm in the centers of political power, due to the foreseeable instability that it entails.

The deterioration in living conditions as a cause for the rise of populist movements

It is not, therefore, mere coincidence that such labor-based populist movements have appeared with greater intensity during and since the Great Recession. Explaining this growth and expansion simply as a result of the growth of anti-immigrant or chauvinist sentiments ignores the deterioration of the quality of life and well-being of the popular classes (although I do not deny that such sentiments are prevalent in many of these movements). In fact, a growth in anti-immigrant sentiment does not always correspond to a significant increase in the immigrant population. An increase in immigration has happened in Sweden and Germany, for example, but it has not happened in the United States, nor in the United Kingdom, nor in France. And yet, the growth of these movements has been almost identical in these countries.

The deterioration of the popular class's living conditions is the main cause of the growth of such movements. Detailed analysis, country by country, shows this. Salaries, working conditions, occupation, and well-being in each of these countries have deteriorated. A clear indicator of this deterioration is the growth of diseases called "diseases of despair" (addiction to drugs or alcohol, and diseases related to stress), which has been happening in most of these countries and has correlated with the rise of populist movements. [2]

The difference between populism and socialism (the differences between these movements labeled as populist and the major anti-establishment movement of the previous century)

Analyzing the nature of the popular movements of the 20th century, we can see that many labor-based movements and political parties had (at least in theory) an objective to establish socialism as a substitute for capitalism. Their denunciation of capitalism was accompanied by a proposal to promote socialism (in contrast, the majority of current populist movements have an anti-establishment dimension but lack a proactive dimension). Socialism had and has (again, at least in theory) an ideological cohesion and, in general, a common goal. Moreover, the socialist vision affected and affects all dimensions of political activity, including elements such as national identity. The left-leaning vision of the nation, for example, is distinct from the conception of the nation of the right wing (influenced by the dominant economic and financial establishments). The nation, in its socialist conception, is a community made up of ordinary people whose well-being is the essential object of the public function, which entails allocating resources

according to need and demanding resources according to citizens' ability to pay. The extension of social, labor, and political rights is an essential component for the empowerment of the working class on its way to socialism. It was precisely in those countries where such rights are more universal, covering the entire population, where the continuity of capitalism has been questioned. This was exemplified in Sweden with the Meidner reforms of the 1970s, which could have achieved one of the most important objectives of the socialist project—the collective ownership of the means of production—if they had been applied. The cumulative addition of universal rights leads to questioning of capitalism and the proposal of socialism. Neoliberal policies (applied by right-wing governments, although also by social democratic governments during the last 30 years) managed to weaken the universalism, solidarity, and security that existed in the labor force by, for example, expanding privatizations of welfare states and applying labor reforms that broke down security and social protection. This created insecurity for laborers, which provided the foundations for the emergence of ultra-right-based, anti-immigrant workers' movements (also facilitated by the enormous growth of immigration, which reached unprecedented levels in countries such as Sweden). Job insecurity and other consequences of neoliberal measures are necessary conditions for the growth of the anti-immigrant movement.

The right-wing version of nationalism

Nationalism (the defense of national identity) of the right has, however, another orientation. It is characterized by a mystical, totalitarian, exclusive, racist (or ethnical), and classist vision, identifying national interests with the interests of the ruling classes. Indeed, Nazism defined itself as National Socialism and adopted measures such as full employment policies, which eliminated unemployment, along with other policies. But the promotion of such proposals was precisely part of its strategy to stop and destroy communism and socialism. Hence, the popular support for Nazism (and also fascism) was from the financial and economic establishments in the countries where these movements arose. Nazism and fascism saved capitalism and the capitalists from the threat of socialism and communism. This was its objective. The Spanish case is also a clear example of this. The Falange (the fascist party), together with the church, was one of the greatest repressive institutions against communism and socialism during the Franco regime. A similar situation appears now, as major economic and financial lobbies are supporting new populist movements in some countries (such as in the United States and Spain).

The great failure of the left: its authorship in the development and expansion of neoliberalism as a cause of the growth of populism

Faced with this reality, the question that must be asked is: how is it that these sectors of the working class vote for the extreme right and not for the parties traditionally rooted in the working classes, as are the majority of leftist parties? And the answer to the question is very easy, since a large part of the governing parties of the left were also responsible for the

application of neoliberal policies, which include labor market reform policies, austerity policies, welfare cuts, and policies that facilitate and incentivize globalization. These popular classes have (correctly) perceived such parties as responsible for the changes that have done them so much damage (along with the governing parties of other sensitivities), and therefore leftist parties have been losing popular support on a large scale. The embracing of neoliberalism by the socialist or social democratic parties on both sides of the North Atlantic has been a major factor in the growth of the populist movements.

The decline of popular and electoral support for traditional left-wing parties, and their replacement by the populist parties, explains why new political movements have been emerging within the left that are trying to channel this (logical and predictable) popular frustration and anger of the working class, which has commonly been channeled by the ultra-right. Bernie Sanders in the United States, Corbyn in the United Kingdom, the new German left movement *Aufstehen*, the PG of Mélenchon in France, and Podemos and their confluences in Spain (such as *En Marea* and *Catalunya en Comú Podem*) are examples of this. Indeed, some aspects of the new anti-establishment movements which attempt to pick up on popular anger seem to surpass traditional left-right divisions: for example, the Trump government has made proposals copied from the left of Bernie Sanders, such as rejecting the Trans-Pacific Partnership (TPP) agreement, or renegotiating NAFTA.

Now, defining these left-wing movements as populist, as Chantal Mouffe does, is a big mistake. Needless to say, the vision of populism as “confrontation of the people against the elites” has validity, but only to a certain extent, because the people have social classes, genders, races, and nationalities with different interests. Finding common elements of struggle is the great challenge of such movements: to identify a common objective that allows all types of exploitation to be related within it. To be against the political establishment is not enough. The key issue is the objective of that struggle; this defines the nature of the movement. Otherwise it is easily co-opted, as most right-wing populism is. This unity is required for the profound transformation of current capitalist societies and the facilitation of a new society (which will not arrive in year Y, month M, day D, but will be built or destroyed day by day according to the correlation of powers in each country). All these movements of the new left come out of and are rooted in the left (primarily in the labor movements) and are not, nor do they resemble, the populist parties and movements of the ultra-right. Calling them populist is an attempt to identify them with formations of the clear right wing. The understanding of “people” is different in the right-wing versus the left-wing versions of their social base, their objectives, their discourse, and their culture.

The great limits of populism: the need to combine the new with the old

The strategy of defending those at the bottom against those at the top (or the people against the elites), although necessary both electorally and tactically, is dramatically insufficient, as it does not recognize, as I have indicated above, that not all members of the population have equal interests. There is no doubt that the different sectors of the population have

elements in common, and it is necessary to capitalize on these points in common. However, the left must also recognize the diversity of people's lived experience, which come from their differences. The cuts in social and labor rights are an example of this: such cuts affect the vast majority of the population, although not in the same way. Women, for example, are more affected by the crisis than men. Therefore, it is important in political strategy to take into account the existence of analytical categories such as gender, race, and social class. This latter category, of enormous importance, has been very much forgotten in the majority of countries on both sides of the North Atlantic, where countries have been defined as stratified into three classes—the rich, the middle class, and the poor—without the working class appearing anywhere, assuming that it has disappeared or has become the middle class. Anti-establishment, worker-based movements have shown, however, that such a class exists and is very frustrated.

And that's where, without repeating the mistakes of the traditional left (which were many), we must recover categories of analysis—such as social class—that are forgotten or hidden today, because reality shows that they still have value. In fact, the enormous space that the “illustrated middle classes” (people with higher education) have in representative institutions, including left-wing political parties, facilitated their conversion to neoliberalism. Hence, the alliances of the new with the old—including alliances with some previous parties—are essential in the new parties. Old is not synonymous with antiquated. For example, science has many fundamental principles that are very old but not outdated. The law of gravity is very old and, nevertheless, it is not antiquated: if you do not believe it, jump from a fourth floor and you will see. What happened to social democracy is that it jumped from the fourth floor believing that discourse about the social classes would no longer work, and it crashed. The old gives knowledge of what has happened and where we come from. To throw it overboard is an error. Forgetting categories of power such as a social class, or the relevance of socialism, is similar to denying the law of gravity. I hope these notes help to correct this error.

Notes.

[1] See Bivens, J., *The decline in labor's share of corporate income since 2000 means \$535 billion less for workers*, Economic Policy Institute, 10/09/2015

[2] See Navarro, V., *Why the White Working-Class Mortality and Morbidity Is Increasing in the United States: The Importance of the Political Context*, International Journal of Health Services, February 2019.

Vincent Navarro is Professor of Public Policy, Johns Hopkins University, U.S., and Professor of Political Science, Pompeu Fabra University, Spain.



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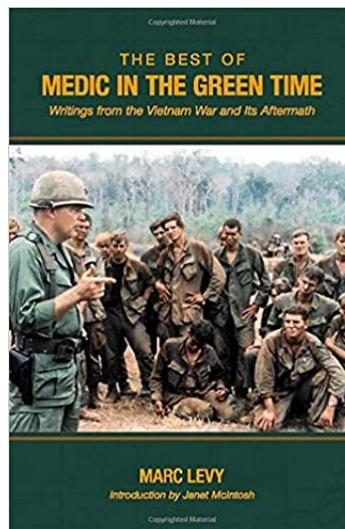
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Becky Grant
Administrative Director
Deva Wheeler
Membership and Order Support
counterpunchbiz@gmail.com

Editorial

Jeffrey St. Clair, **Editor**
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Mailing Address

CounterPunch
PO Box 228
Petrolia, CA 95558

Telephone

Nichole Stephens,
Administrative Assistant
1(707) 629-3683

