The case for Constructive Populism

By Kemal Derviş July 20, 2016 – *Project Syndicate*

The Brexit vote has unleashed a huge amount of commentary on anti-establishment politics, the failure of experts, the abdication of the left, and much else. Juxtaposed to the presidential campaign in the United States, Brexit is regarded by many as a wake-up call.

In response, former US Treasury Secretary and former president of Harvard Larry Summers is calling for "responsible nationalism" to counter the often chauvinistic, anti-immigrant, and protectionist language of the populist right. It would be "understood that countries are expected to pursue their citizens' economic welfare as a primary objective but where their ability to harm the interests of citizens elsewhere is circumscribed." We would judge international agreements "not by how much is harmonized or by how many barriers are torn down but whether citizens are empowered."

As Summers and others argue, globalization has brought large gains to the world economy as a whole, but seldom have the winners compensated the losers, directly or indirectly. Moreover, lately the winners have often been much smaller in number than the losers, particularly in a given geographical area, or because of winner-take-all markets. Finally, the economic policies preferred by the "winners" – and adopted under their influence – are usually far from beneficial for all.

All of this is correct. Unfortunately, these arguments often lead political moderates to retreat under the pressure of nativism, aggressive nationalism, and incoherent economic slogans. Those who shout or tweet one-liners and promote narrow identity politics have forced those who believe in a global human community, one bound together by shared interests, to fight a rearguard battle to articulate why the one-liners make little sense.

But this counterattack, if it can be called that, seems unable to formulate even two-liners capable of refuting populist tendentiousness. There are of course decent economic analyses and sensible policy proposals that are being put forward by the moderate camp; but the debate is usually in the language – and body language – of technical experts, inciting yawns, not popular support.

There is an urgent need for a moderate, humanist, global, and "constructive" populism that can counter the extremists, not with complicated mathematical models of, say, the employment implications of Brexit, but with simple yet powerful ideas that resonate with millions. Liberal democracies, when faced with dire challenges, have found such voices before. Think of the rhetoric of Franklin Roosevelt in the 1930s, or of the founding fathers of the European Community.

What makes "constructive" populism constructive is that it *simplifies* what is known with a reasonable degree of certainty. By contrast, "destructive" populists consciously distort what is known and have no qualms fabricating what isn't.

This kind of destructive populism is far less common at the local level, where debate focuses on concrete solutions to citizens' real problems. This does not mean that local politics is easy; witness today's fraught relations between police and racial minorities in US cities. But, as Bruce Katz and Luise Noring have documented, in many cities in America and around the world, elected officials, civic organizations, and private business often unite beyond party lines to design and find funding for innovative projects in public transport, housing, or economic development.

Where constructive populism is most needed is at the national and international level, because many problems cannot be addressed locally. Consider foreign policy. There is a strong trend in many countries toward the aggressive nationalism that has led to so many catastrophes in history, not least during the first half of the twentieth century.

Some dismiss the dangers of this nationalist resurgence, arguing that economic interdependence will protect us from our own atavistic urges. But this was not the case in the past. After all, the three disastrous decades that started in 1914 followed a period of rapid and deep globalization.

A political message embodying a commitment to constant vigilance in support of peace has again become essential. But it must be made concrete. In the world's liberal democracies, such a message should emphasize three components: strong defense and intelligence capabilities; the legitimacy of negotiating with friends and foes alike to find common ground; and the understanding that *lasting alliances* and *friendships* will be built around shared democratic values and support for human rights.

Short-term commercial or other interests should not be permitted to undermine core

matters of principle. If human rights, including women's rights, for example, are indeed a key element of democratic values, we can negotiate on all kinds of issues with those who suppress them; but as long as there is no progress on these rights, we cannot be true friends and at the same time claim to uphold universal human values. Constructive populism cannot be cynical; it must be realistic, and it must recognize that progress may be gradual and take different forms in different places.

On economic policy, many reasonable disagreements rule out consensus. But it can be argued in simple language that markets work for all only if they are regulated in the interests of all; that public expenditures that create productive assets can reduce the ratio of public debt to national income; and that performance should be measured by how widely the fruits of growth are shared.

The way to overcome identity politics and irresponsible populism is not to meet it in the middle or to fight it with detailed technical analysis. The way to avoid disaster is constructive populism: simple, accurate, and always sincere.

Kemal Derviş, former Minister of Economic Affairs of Turkey and former Administrator for the United Nations Development Program (UNDP), is a vice president of the Brookings Institution.