

Populists like Trump exacerbate rather than cure corruption

By Barry Eichengreen

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Following Emmanuel Macron's election as president of France in May 2017, global elites breathed a sigh of relief. The populist wave, they reassured themselves, had crested. Voters had regained their sanity. Helped along by an electoral system in which the two leading candidates faced off in a second round, the "silent majority" had united behind the centrist candidate in the runoff.

But now we have Brazil's presidential election, in which [Jair Bolsonaro](#), who displays the authoritarian, anti-establishment, and anti-other tendencies of a textbook populist, won decisively in the second round. A two-round electoral system in which the runoff pits a populist outsider against the last mainstream candidate standing is no guarantee, evidently, that the centre will hold.

A similar lesson flows from Italy's election earlier this year. The country's electoral rules had been reformed to add a majoritarian element to its proportional representation system, the goal being to encourage pre-election coalition building among mainstream parties. Instead, it brought to power a coalition of the populist left and right. Electoral engineering, it would seem, is not only ineffective in beating back the extremist threat; it can have unintended, counterproductive consequences.

Containing populism, it follows, requires more than fine-tuning the electoral system. It requires addressing the basic grievances responsible for voters' rejection of mainstream politicians and parties in the first place.

Unfortunately, there is little agreement about the nature of those grievances and therefore no consensus on how to respond.

One view, naturally favoured by economists, is that economic complaints are at the root of the

populist revolt. Italy has experienced stagnant productivity growth for more than two decades, while unemployment – particularly youth unemployment – has risen to devastating levels. [Brazil](#), having only recently become accustomed to the status of a fast-growing economy, experienced a massive recession in 2015-16, and 2018 is shaping up to be another bleak year.

But the US fits awkwardly into this mould. By the time of the 2016 election that brought [Donald Trump](#) to power, the US economy had been expanding for six consecutive years. This is a reminder that populism is about more than economic growth. It is also about distribution, something that is equally a problem in Italy and Brazil. And it is about economic insecurity: Even those who are benefiting now have doubts about whether they – and their children – will benefit in the future.

Still, the booming US economy should at least give pause to those who favour the narrowly economic interpretation of the current wave of populism.

Alternatively, the current wave of populism has been viewed as a response to the perceived threat, as much political as economic, from so-called outsiders to the dominant cultural group. For Italian populists like Matteo Salvini, this means immigrants, primarily dark-skinned people from Africa who wear their outsider status on their sleeves. For Bolsonaro, it means racial minorities, women, and other groups that challenge the hegemony of the white working class. Trump displays both tendencies, claiming without substantiation that Middle East terrorists are among the migrants and asylum seekers from Central America, while reinforcing the racial, religious, and anti-feminist animus of his base.

Again, however, actual electoral behaviour does not fall neatly along predicted lines. Bolsonaro received a surprising degree of support from black voters. Trump gained a strong plurality from women in an election held shortly after the release of the notorious Access Hollywood tape, on which Trump was heard apparently boasting about sexual assaults he had committed.

What unites supporters of these upstart politicians, therefore, must be something else. In fact, the main ingredient is revulsion against the corruption of the political process. Voters are attracted to political outsiders – the more authoritarian the better – who promise to “drain the swamp”. Herein lies the appeal of Trump and Bolsonaro, who promise to clean up their countries’ “mess” by whatever means necessary. The corruption and ineffectiveness of a succession of mainstream coalitions, and the promise of outsiders to do better, whether credible or not, similarly motivates Italian

supporters of the rightwing League party and the leftwing Five Star Movement.

Unfortunately, voters have no way of gauging who is truly committed to rooting out corruption. And, by delegating this task to a leader with authoritarian tendencies, they empower him to repopulate the swamp rather than draining it – to simply replace the mainstream’s alligators with his own. We have already seen this tendency in the US. We are about to see it in Italy and Brazil.

Voters will learn the hard way that authoritarianism exacerbates rather than mitigates corruption, because it abolishes checks and balances on those pulling the levers of power. Once they learn this lesson, they are likely to give mainstream politicians and the democratic process another chance. Unfortunately, political institutions and civil society can suffer very considerable damage in the interim.