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PANORAMA

INSIGHTS INTO ASIAN
AND EUROPEAN AFFAIRS

POLITICAL CHANGE

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Konrad
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AND EUROPEAN AFFAIRS

Political Change

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Preface

When running for United States (US) president in 2008, Barack Obama built his campaign around the theme of "change"; political change for a better US. With that message, "Candidate Obama" became "President Obama". The first Afro-American US president promised, campaigned for, and delivered a changed Unites States—although Obama's legacy is in doubt since he left office.

Outside of the US, however, something has happened since. Political change appears to be the order of the day in many regions. Big events, such as Brexit in Europe or the election of strongman Rodrigo Duterte in the Philippines, relied on essentially the same message, though in a more insidious manner. Campaigners employed imprecise and ambiguous, sometimes even contradictory, messages that ostensibly appealed to equally imprecise yearnings for political and societal change being felt by a public no longer satisfied with the status quo. Emotions trump rational policy decisions; for better or worse.

In recent years, political change has spread across both Asia and Europe and more often than not, contemporary political change is accompanied by various kinds of political populism, influenced by a rise in nationalism, identity politics, and anti-globalisation and anti-establishment sentiments. In this issue of our biannual *Panorama: Insights into Asian and European Affairs*, our valued contributors discuss current and future challenges that come with this current wind of change sweeping through Asia and Europe. They discuss challenges for the countries domestically, their origins and impacts, their relations with the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) respectively, and what all this means for the world's two main organisations of institutionalised regionalism.

The papers paint a mixed picture. Political change can be positive; a rejuvenation of the national discourse, an empowerment of the younger generation, and a lifeline for ailing multilateralism. The election of Emmanuel Macron, for example, breathed new life into a stale political system and provided the EU with a France yet again keen on European leadership. Unfortunately, however, political change can also go in the opposite direction. Almost simultaneously to Macron's election, there is the diametrically opposed case of Brexit, where populist leaders successfully campaigned on a platform of nationalism, which most in Europe had thought overcome, while in Asia, the election of Duterte seems to have put the seemingly positive democratic trajectory in the Philippines on hold. The jury is still out in all cases, but contemporary political change is not inevitably for the worse.

What all cases have in common, though, are characteristics such as resurgent nationalism, internal divisions and identity politics, the emergence of strong individual leaders as well as anti-globalisation and anti-establishment sentiments, or even all of the above. What is apparent is a decline, perhaps even a collapse, of

many narratives around which certainly European but also many Asian political structures were successfully constructed. Peaceful international cooperation, free trade, and ultimately also institutionalised multilateralism suffer. All the more important that we begin to study in earnest recent political changes in national governance and discourse and begin to identify commonalities and differences, so that we can find appropriate mechanisms to safeguard the regional security and stability that we have been fortunate enough to enjoy in both regions in the past few decades.

Enjoy this read.

Christian Echle
Director, Regional Programme Political Dialogue Asia
Konrad-Adenauer-Stiftung

The Rise of New-Populism in Europe and Asia

Florian Hartleb

I. Introduction

The wave of modern populism has dramatically shaken the European Union (EU) and the United States (US) during the last few years. The year 2016 was an *annus horribilis* and heralded a new reality of post-truth politics. It included Brexit, the refugee crisis, the fear of Islamist terrorism with numerous and continuing attacks, the rise of right-wing populist parties and, more generally, authoritarian developments on a global scale. After the dramatic accumulation of warning signals for liberal democracies and the EU as a political system *sui generis*, two scenarios have been discussed: Has "2016" become the zenith of the populist wave with the Dutch and French elections in 2017 as a reality check (Marine Le Pen and Geert Wilders could not reach the unrealistic goal of becoming President or Prime Minister of their country) or is it just the start for populism as a central political force in European politics? On the other hand, for the first time in German post-war history, a radical right-wing populist party entered the national parliament when the Alternative für Deutschland (AFD) became the third largest party in the Bundestag. In Austria, the radical-right wing Freedom Party represents the government as a junior partner. In Poland and Hungary, the conservative regimes have enforced measures that restrict the freedom of media and justice. In general, populism is not a phenomenon on the margin and in opposition, it has entered the mainstream.

There is thus a need for deeper reflection about the status quo of (representative) democracies and a deeper understanding about the political and societal changes which have led to the present state of affairs. Moreover, is the global populist surge just a "Western" story or is there more to it?[1] Populism seems to be a global phenomenon. Starting in the years around the new millennium, the word "popu-

[1] Confirming the latest Devin T. Stewart and Jeffrey Wasserstrom, "The Global Populist Surge Is More than Just a Western Story—Just Look at Asia," *The Diplomat*, 10 December 2016, accessed 17 January 2018, https://thediplomat.com/2016/12/the-global-populist-surge-is-more-than-just-a-western-story-just-look-at-asia/.

lism" began to appear in Asia.[2] Whereas almost all European countries are dealing with the populist challenges, "populist politicians are a very rare breed in Eastern democracies."[3] The following contribution focuses on the intercultural concept of populism before turning to the migration topic as a "winning formula" and discussing the impacts on and future of representative systems and the West in general.

II. Just a Political Mobilising Strategy?

Populism is neither a bare style of communication (in the sense of popular) nor a rigid ideology (in the sense of socialism, liberalism, conservatism or even fascism). Its nature is multi-dimensional: *technical* (as a political style in the anti-elite attitude of "us against them"), *content* (with the focus on specific themes), *medial* (special resonance and interaction) and *personal* (importance of charisma). Anyone who wants to understand the interregional concept of populism must approach it through antagonism. A reasonable definition will then result: Populism can be either inclusive or exclusive, carried out from "below" or "above" and forced. Increasingly, populism, which exhibits an origin story more outside of the European context, stands together with democratic theories of debates about the present and the future of (representative) democracies. Without this emplacement in the history of ideas, the phenomenon of populism would not be adequately recorded.

The term populism has particular relevance in connection with political and media discourse. In contemporary populist discourse all over the world, from Brazil to India, the circulation and repetition of rumours consolidates truth-value: something is seen to be real because "everyone knows" and "everyone says it". Social media technologies are particularly relevant in this regard, not only as a medium of communicative outreach but as certificates of authenticity in themselves. The popularity of Twitter hashtags, the number of Twitter followers and retweets, and the accrual of likes and shares of Facebook posts are all upheld as metrics of the real in the populist calculus, and social media is frequently hailed as the "authentic voice of the people" by populists. When used in a positive sense, a "populist" is someone who understands the problems of "ordinary people", articulates them and communicates with the "people" directly. Hence the conflicting nature of the term *populism*. On the one hand, it embodies democratic ideals solely on the basis of its meaning. Based on this logic, populism is a solid component of democracy. On the other hand, the "-ism" suffix suggests that the term *populism* is already an overshoot

[2] Kosuke Mizuno and Pasuk Phongpaichit, eds., *Populism in Asia* (Singapore/Kyoto: NUS Press in association with Kyoto University Press, 2009), 1.

[3] Olli Hellmann, "Populism in East Asia," in *The Oxford Handbook of Populism*, eds. Cristobál Rovira Kaltwasser, Paul Taggart, Paulina Ochoa Espejo, and Pierre Ostiguy (Oxford: Oxford University Press, 2017), 174.

per se, one which can also work against the norms of states with modern democratic constitutions, namely against representative bodies and democratic administrative decision-making processes. Thus, there is a tense relationship between populism and democracy.

What populism has to offer is orientation, as it is a movement that "personalises" the solution to problems. Populism is a chameleon, adopting the colours of its environment.[4] Donald Trump's presidential inauguration speech can be regarded as a role model for the populist appeal: "Today's ceremony, however, has a very special meaning. Because today, we are not merely transferring power from one administration to another or from one party to another. But we are transferring power from Washington, D.C., and giving it back to you, the people….The establishment protected itself but not the citizens of our country. Their victories have not been your victories." In this sense, political parties and ideologies do not matter. Instead, Trump's speech highlights: "What truly matters is not which party controls our government but whether our government is controlled by the people. January 20th, 2017 will be remembered as the day the people became the rulers of this nation again."[5] Is the "Trumpetisation of politics" a global trend?

In the Asian context, such appeals should sound familiar, at least in relation to some examples. A review of the relevant academic literature shows that much of the existing work on populism in Southeast Asia refers only to a few politicians regarded as "outsiders" and "mavericks".[6] Most significantly and distinctly can be mentioned Thaksin Shinawatra in Thailand, Joseph Estrada in the Philippines, and Rodrigo Duterte, the 2016-elected president of the Philippines with his tough talk on crime, crass comments on women and unpredictability. "The Punisher" Duterte—the Trump of the East[7]—portrayed himself as the authentic voice of the masses, vowing to personally lead a major law and order campaign and blasting entrenched elites. In Duterte's case, the populist dichotomy is one between virtuous citizens versus hardened criminals—the scum of society who, for Duterte, are beyond redemption. Years before, Estrada played on the popular Robin Hood theme in Filipino cinema to develop his brand of movie populism with his nickname "Erap",[8]

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[4] Paul Taggart, *Populism* (Buckingham: Open University Press, 2000), 2.

[5] Donald Trump, "Inaugural Address," 2017, accessed 18 January 2018, http://edition.cnn.com/2017/01/20/politics/trump-inaugural-address/index.html.

[6] Olli Hellmann, "Populism in East Asia," 162.

[7] Nicole Curato, "Politics of Anxiety, Politics of Hope: Penal Populism and Duterte's Rise to Power," *Journal of Current Southeast Asian Affairs*, 35 (3) (2016): 92.

[8] Joel Rocamora, "Estrada and the Populist Temptation in the Philippines," in *Populism in Asia*, eds. Kosuke Mizuno and Pasuk Phongpaichit (Singapore/Kyoto: NUS Press in association with Kyoto University Press, 2009), 41-65.

and Thaksin tried to gain popular support by being an advocate of the rural people,[9] building on three core messages:

- "I Give to All of You";
- "I Belong to You";
- "I am the Mechanism which can Translate the Will of the People into State Action".[10]

Another similarity could be seen in an entrepreneurial approach, such as that of Thaksin, who was a successful businessman before entering politics. The example of Trump is widely discussed, but there are also some cases in Europe. Silvio Berlusconi in Italy (who entered party politics in 1994 and is just celebrating a comeback at the age of 81) can be seen as a role model; recent examples are found in the Czech Republic with Andrej Babis, elected Prime Minister, and Lithuania. New parties have been founded around these businessmen—in contrast to Trump, who won the nomination process of the Republican Party, the so-called Grand Old Party (GOP).

The growing emphasis on personal trustworthiness that we have observed in democratic elections in recent years relies on leaders such as Angela Merkel, who are regarded as honest and disciplined while serving in office. Already in 2004, a study pointed out that an entrepreneur has chances for an electoral victory if the whole political system is regarded as corrupted. The entrepreneur does not seem to be regarded as honest, charismatic and trustful. His business success in the past gives him his public support.[11] What is almost completely missing in the Asian context is the ideological dimension with a dominance of the right wing and the ethnical reference to "the people". Only in Southern Europe, in countries such as Spain, France, Greece and Italy, are left-wing populist parties (very) relevant factors. In Latin America, a left-wing populism is dominating, creating an authoritarian regime around a charismatic leader, the so-called *caudillo* (Peronism, Chavism, etc.).

In Europe, populism is portrayed as a "thin-centred ideology".[12] There are two central aspects:

- The vertical dimension as a general characteristic of populism: the dissociation from the political classes (institutions, traditional parties). The attitude is one of "us" against "the powers that be".

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[9] Paul Phongpaichit and Chris Baker, "Thaksin's Populism," in *Populism in Asia*, eds. Kosuke Mizuno and Pasuk Phongpaichit (Singapore/Kyoto: NUS Press in association with Kyoto University Press, 2009), 66-93.

[10] Phongpaichit and Baker, "Thaksin's Populism," 74-76.

[11] Catherine Fieschi and Paul Heywood, "Trust, Cynicism and Populist Anti-Politics," *Journal of Political Ideologies*, 9 (4) (2004): 303.

[12] Cas Mudde, *Populist radical right parties in Europe* (Cambridge: Cambridge University Press, 2007), 23.

- The horizontal dimension as a specifically right-wing variant of populism: the dissociation from immigrants, aliens and criminals; the attitude of "us" against "the outsiders".

According to right-wing populists, the national economy should principally serve the country in question and welfare state benefits should be reserved primarily for hardworking native citizens who, according to the populists, are left out in the cold by the failed immigration policies of persistently politically correct governments.[13] In addition, Euroscepticism is a trademark of all populist parties, with their criticism of and polemic against Europe. They are against the EU as a political system, arguing that the EU is too centralised, too bureaucratic and insufficiently concerned about national sovereignty. However, recent years have seen even the formerly soft Eurosceptics turning into hardcore critics of Europe. The Brexit referendum—the first time in the history of European integration that a member state, in this case the second most important economic power after Germany, wants to leave the EU—was celebrated with euphoria.

Populism in Europe is linked with a specific party type, the so-called anti-establishment party, which has the following features:[14]

- the doctrine that "there is an alternative" (in terms of the EU and migration);
- the construction of a homogenous people (one people's common interests in the sense of a *volonté général*) and a frontline against the political elites and the mainstream parties;
- the label of an opposition party (on current issues and in the format of representative democracy, but not necessarily against the democratic system itself);
- the promise to clean up "dirty politics" (with slogans such as "we know the truth") and to fight against corruption and clientelism;
- a cynical approach to politics (attacking either the morality or competence of the establishment).

The rise of anti-establishment parties indicates a change of European party democracy. A lot of new projects are involved. In the Czech Republic, the Czech-Japanese entrepreneur Tomio Okamura entered parliament with a newly founded party, and attracted electoral support through its slogan "No to Islam, no to terrorism". Okamura was born in Tokyo to a Czech mother and a Japanese father, and growing up in both the Czech Republic and Japan was confronted in both countries with

[13] Ibid., 125, 130-133.

[14] Florian Hartleb, "Here to stay. The rise of Anti-Establishment Parties in Europe," *European View* (Springer Press), 12 (1) (2015), accessed 15 October 2017, http://link.springer.com/article/10.1007/s12290-015-0348-4.

discrimination as being a "half-blood". Later he became successful with a travel agency for Asian tourists and as a reality-show star. Surprisingly, given this personal background, he is propagating an anti-immigrant, Islamophobic message, knowing that this "virtual topic" emotionalises. Originally the party was based on an anti-establishment ideology, demanding punishments for "bad politicians".

The decline of mainstream political parties is a phenomenon in most countries. In the last few years social democratic parties, especially, lost dramatically in countries such as Germany, France, the United Kingdom and Austria. For decades, social democratic identity was centred on the concept of work, out of which it derived its everyday pride and sense of self-worth. But changes in the working world and employment relationships, along with the rise of digitalisation and the service economy, have thrown everything into disarray. Nowadays, labour parties are primarily made up of retirees. The intricate network of clubs and organisations they once maintained, and that served to unify a wide range of different interests, is in shreds. Many working-class people now vote for right-wing and left-wing populists.

During the post-war era, political parties were generally stronger in Europe than in the United States: They had clear partisan profiles, high membership and loyalty levels, and strong ties to other organisations, such as trade unions. Over the past decades, however, European political parties have become weaker, membership has declined—in none of the long-established Western democracies have raw memberships fallen by less than 25% in comparison to the 1980s[15]—activist networks have withered, and voter loyalty has diminished, all of which has translated into higher rates of vote switching and greater political disengagement.

Even if they are sometimes unsubstantiated or exaggerated, European politicians must take into account the fact that citizens engage in politics appealed not only by material and security matters. Democracy must be prepared to protect itself from an external authoritarian regime's information and disinformation attacks. It has been officially acknowledged that Russia has tried to deliberately weaken the United States and the EU from the inside—by using media and social networks, it adds fuel to the fire of internal problems. Russia's financial support for the French National Front, led by Marine Le Pen, is one of the most significant examples of how the Kremlin is trying to split the European Union and the societies of its Member States. Support for both the radical left and right, as well as populists, is not related to the pursuit of the Russian elite for certain values. Russia's intervention in the EU and US public and political processes is linked to the desire to weaken the West as a whole, in order to make Russia's weakness less obvious. Support for populists and radicals is just a means of breaking and confusing. So far, the response to this

[15] Ingrid van Biezen, Peter Mair and Thomas Poguntke, "Going, Going, . . . Gone? The Decline of Party Membership in Contemporary Europe," *European Journal of Political Research* 51 (2011): 24-56.

problem within the EU has been a rather sporadic reaction of civic society, without a serious strategy at the EU's official level.[16]

III. Migration—A Sensitive Topic

By now, the issue of immigration has become extremely important in Western Europe and meanwhile, even in Eastern Europe, where the percentage of foreigners is rather small (in Hungary, for example, the percentage of foreigners is only 1.6% and there is a huge lack of skilled workers in factories), right-wing populist parties and their representatives capitalise on the "the boat is full" campaign. The refugee crisis in autumn/winter 2015 with more than one million refugees and economic migrants coming to Europe helped further boost the authoritarian-nativist cultural backlash, which publicly transformed into a noisy political rebellion. This is especially the case in countries like Germany, where many migrants were able to find refuge.[17] Still, until now, the EU is struggling with the idea to distribute the refugees, which seems to be rather an illusion. It will take a lot of effort to integrate them in the labour markets. As the Bulgarian intellectual Ivan Krastev puts it: "Worries over migration are behind the popularity of right-wing populism, the victory of Brexit, and the growing East-West divide within the EU that is casting doubt on the idea of 'irreversible' European integration."[18]

The Central Eastern countries show a general hostility (refugees are portrayed as "muslim invaders and potential terrorists")—in sharp contrast to Germany, which had demonstrated a humanitarian approach under the popular slogan "Refugees Welcome", before the difficulties started. Another fact to note: Refugees themselves are willing to come to Germany, Austria or Sweden but not to Bulgaria or the Baltic States. The "clash of civilisations" idea comes up in the sense that European societies in general are afraid of migrants. The question of cultural identity in the welfare states affects the middle class, who have concerns about security and see refugees as a threat to their own welfare—more than any kind of economic questions.[19] A good

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[16] Artis Pabriks and Andis Kudors, "Conclusion," in *The Rise of Populism: Lessons for the European Union and USA*, eds. Artis Pabriks and Andis Kudors (Centre for East European Policy Studies, Riga: University of Latvia Press, 2017), 172, accessed 16 January 2018, http://appc.lv/wp-content/uploads/2017/11/APPC_Populism_2017_web.pdf.

[17] Lars Rensmann, "The noisy counter-revolution: Understanding the cultural conditions and dynamics of populist politics in Europe in the digital age," *Politics and Governance*, 5 (4), (2017): 129.

[18] Ivan Krastev, "The unraveling of the post-1989 order," *Journal of Democracy*, 27 (4) (2016): 8.

[19] Ronald Inglehart and Pippa Norris, "Trump, Brexit and the Rise of Populism. Economic Have-Nots and Cultural Backlash" (Harvard Kennedy School, Working Paper, Cambridge, Massachusetts, August 2016), accessed 1 November 2017, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2818659.

example is Germany, where the issue of migration alienated parts of society.[20] Despite the fact that the economy is booming, for the first time in post-war history, a radical right-wing party, the AFD, could enter the national parliament and polarise the political discourse. The unsolved question of migration has shaken the traditional rules of the consensual models of democracy and significantly reveals a new cleavage between cosmopolitans supporting globalisation and multi-culturalism and people partly in anger of having to adapt too fast to modernisation processes.

Hungarian Prime Minister Viktor Orbán[21] believes in the strength of the national state, which has to protect its citizens against those tendencies, and embarked on a campaign against the Hungarian-American investor and business magnate George Soros. In 2014 during a speech at a summer camp in front of students, the Prime Minister pointed out that after a national crisis, there was a need to create an illiberal state, giving the following argument:

> [T]he most popular topic in thinking today is trying to understand how systems that are not Western, not liberal, not liberal democracies and perhaps not even democracies, can nevertheless make their nations successful. The stars of the international analysts today are Singapore, China, India, Russia and Turkey.… Meaning that, while breaking with the dogmas and ideologies that have been adopted by the West and keeping ourselves independent from them, we are trying to find the form of community organisation, the new Hungarian state, which is capable of making our community competitive in the great global race for decades to come.…Just because a state is not liberal, it can still be a democracy. And in fact we also had to and did state that societies that are built on the state organisation principle of liberal democracy will probably be incapable of maintaining their global competitiveness in the upcoming decades and will instead probably be scaled down unless they are capable of changing themselves significantly.[22]

It seems that the model of liberal democracies is not to be taken for granted any more. A little more than a quarter-century ago, 1989, was another *Zeitgeist* (spirit of the time). The US intellectual Francis Fukuyama argued in his famous essay that

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[20] Florian Hartleb, "It's migration, stupid! Lessons from the Elections in Germany and Netherlands in the Light of Populism," in *The Rise of Populism: Lessons for the European Union and USA*, eds. Artis Pabriks and Andis Kudors (Centre for East European Policy Studies, Riga: University of Latvia Press, 2017), 99-117, accessed 16 January 2018, http://appc.lv/wp-content/uploads/2017/11/APPC_Populism_2017_web.pdf.

[21] Also see the article on *Orbanism* in this journal.

[22] Viktor Orbán, "Speech at Tusnádfürdő," 26 July 2014, Official Website of the Hungarian Government, accessed 17 January 2018, http://www.kormany.hu/en/the-prime-minister/the-prime-minister-s-speeches/prime-minister-viktor-orban-s-speech-at-the-25th-balvanyos-summer-free-university-and-student-camp.

with the Cold War's end all large conflicts had been resolved and history had produced a winner: Western-style democracy.[23]

The new division is about the difference between proponents of an open society, and those of a closed one; between those who have had positive experiences with globalisation, profited from it, value the freedom it gives them, welcome the flow of goods and capital and favour immigration, and those who see all of this as a threat; fear Islamisation, rising crime, sexual attacks and terrorism, as has happened in Paris, Brussels, Nice and Berlin, carried out by networks or "lone wolves", single actors acting in the name of an "Islamic State". In the US and Europe there is an image of the "angry white man", who believes in a strong leader and who propagates the idea of a national disaster in various dimensions as part of a cultural "clash of civilisations". On this, the Frenchman Gustave Le Bon, who published the famous book *The Crowd: A Study of the Popular Mind* at the end of the nineteenth century, still offers food for thought. Crowds, being incapable both of reflection and of reasoning, possess a collective mind.[24] Anti-politics, the rejection of traditional politics and its practitioners, is a popular instinct today. The rising support for populist parties has disrupted the politics of many Western societies. Populist mobilisation can be defined as "any sustained, large-scale political project that mobilises ordinarily marginalised social sectors into publicly visible and contentious political action, while articulating an anti-elite, nationalist rhetoric that valorises ordinary people."[25]

In nearly all right-wing populist organisations, there is an assertion of a division between the locals and the refugees taking the social benefits for granted. These organisations regard European culture as being under threat, warning against the Islamisation of Europe and the danger to national identity. Culture-related questions become overheated with conflicts on values. In addition to this, there is potential here to gain political profile, in a way which is no longer possible with economic and social issues. Even basic social questions regarding abortion and same-sex relationships seem to have been resolved, at least in Western Europe. Post-materialistic values, such as feminism, gender, same-sex marriages, etc. have played a decisive role for the European electorate (with the growth of green-alternatives parties)—in contrast to many Asian electorates. Right-wing populist parties have been using nostalgic appeals, referring to the traditional family models. The interpretation is controversial. Some scholars argue with the "Asian" culture, the emphasis on communitarism, conflict avoidance and respect for hierarchy; others see a cultural shift rooted in increasing material security, which allows people to focus on post-

[23] Francis Fukuyama, "The End of History?," *National Interest*, Summer (1989): 3-18.

[24] Gustave Le Bon, *Psychologie der Massen* (Hamburg: Nikol, 2016). German translation, first published in French in 1895.

[25] Robert S. Jansen, "Populist mobilization: A new theoretical approach to populism," *Sociological Theory*, 29 (2) (2011): 84.

material concerns for happiness.[26] And here we can highlight an interesting case: Rodrigo Duterte has recently announced he wants same-sex marriage legalised in the Philippines, a move that would bring him into conflict with the dominant Roman Catholic Church. Although he has a history of making sexist remarks, boasting about his womanising ways and joking about rape, he has also had allies in the gay and lesbian community for many years.[27]

IV. Conclusion: What is Next for Representative Democracies?

The longitudinal data of the World Values Survey indicates that there is widespread disillusion with the Western model of liberal democracy.[28] Citizens in a number of supposedly consolidated democracies in North America and Western Europe have not only grown more critical of their political leaders, but have also become more cynical about the value of democracy as a political system. They are less hopeful that anything they do might influence public policy and are more willing to express support for authoritarian alternatives. The authors conclude that young people are engaged in lower numbers than previous cohorts of the same age. This decline in political engagement is even more marked for measures such as active membership of new social movements.[29]

Rethinking political participation means an inclusive, not exclusive approach. In the new world of digital politics, e-participation offers new possibilities, such as producing webcasts and podcasts; responding to surveys; participating in web-portals, chat rooms, polls and decision-making games; and e-petitioning and e-voting. The latter, first introduced nationwide in Estonia in 2005, does not automatically increase turnout, as experience has proven. Across Europe many e-participation projects have been funded in recent years, but their effects and impacts are not very clear. The extent to which people are motivated through the mobilisation strategies of both political organisations and peers within their networks via social media is an issue of some debate. The mobilisation hypothesis argues that access to digital technologies has the capacity to draw new participants into civic life, particularly among younger citizens. In reality, however, studies often find mixed results, with digital

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[26] Hellmann, "Populism in East Asia," 172.

[27] *The Japan Times*, "Rodrigo Duterte says he wants same-sex marriage legalized in Catholic Philippine," 2017, accessed 18 January 2018, https://www.japantimes.co.jp/news/2017/12/18/asia-pacific/social-issues-asia-pacific/rodrigo-duterte-says-wants-sex-marriage-legalized-catholic-philippines/#.WmUl21T1Xdc.

[28] World Values Survey Wave 1–6 (2017): 1981-2016, accessed 15 January 2018, http://www.worldvaluessurvey.org/WVSDocumentationWV6.jsp.

[29] Roberto Stafan Foa and Tascha Mounk, "The democratic disconnect," *Journal of Democracy*, 27 (3) (2016): 7, 11.

technologies facilitating reinforcement and mobilisation only among particular user groups of digital platforms.[30] Changes will be smaller than some party strategists and academics are now claiming, because parties can reform or transform their organisational patterns only to a certain extent. At the local level, because of the ageing membership complement, many parties still use the same methods as they did in the 1960s, merely replacing postal invitation letters with emails.[31]

Beginning with the refuges crisis in 2015, there is an ongoing debate about fake news and moralistic manipulations via echo chambers in democracies based on popular moods. Facebook itself has published a detailed and precise study on civic engagement that discusses possible counter-measures. It states:

> The networks of politically-motivated false amplifiers and financially-motivated fake accounts have sometimes been observed commingling and can exhibit similar behaviours; in all cases, however, the shared attribute is the inauthenticity of the accounts.…In some instances dedicated, professional groups attempt to influence political opinions on social media with large numbers of sparsely populated fake accounts that are used to share and engage with content at high volumes.[32]

Addressing the challenge of populism only with the politics of facts, embracing new technologies, will not suffice and might be misleading. Populism symbolises a reaction against "the growing technocratisation of contemporary politics."[33] Populism and cosmopolitanism are opposites, hard to reconcile.[34] What we need is a new social pact between the privileged and the vulnerable non-privileged: a pact defined by socio-economic security (based on the proud preservation of the ideals of the welfare state) and cultural openness (an international orientation against xenophobia and against introspective nationalism, but still upholding national democracy). Such

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[30] Taewo Nam, "Dual effects of the Internet on political activism: Reinforcing and mobilizing," *Government Information Quarterly*, 29 (1) (2012): 90-97.

[31] Florian Hartleb, "All Tomorrow's Parties: The Changing Face of European Party Politics," Brussels: Centre for European Studies, 2012, 65, accessed 14 January 2017, https://www.martenscentre.eu/sites/default/files/publication-files/the-changing-face-of-european-political-parties.pdf.

[32] Jen Weeden, Wiliam Nuland and Alex Stamos, "Information operations and Facebook," Menlo Park, California, 27 April 2017, 8, accessed 2 September 2017, https://fbnewsroomus.files.wordpress.com/2017/04/facebook-and-information-operations-v1.pdf.

[33] Christopher Bickerton and Carlo Invernizzi Accetti, "Populism and Technocracy," in *The Oxford Handbook of Populism*, (Oxford: Oxford University Press, 2017), 336.

[34] James D. Ingram, "Populism and Cosmoplitanism," in *The Oxford Handbook of Populism*, eds. Cristobál Rovira Kaltwasser, Paul Taggart, Paulina Ochoa Espejo and Pierre Ostiguy (Oxford: Oxford University Press, 2017), 644.

a pact could constitute an answer to populism.[35] An example could be Germany itself with its pillar of market economy and its stance as a open-minded immigration country which has overcome the "shadows of the past". Europe also has to find a way to propagate a positive narrative about the era of digitalisation, which will cause a revolution of the global labour market.

It is true that populism, like authoritarianism and extremism, will remain a constant challenge to democracy. To counter it requires more creativity than constantly creating a scenario of danger and sharply defining it as the enemy of democracy. If one too often conjures nostalgically the good old days *(heartland)* of an understandable world, one can be trapped by populism and strengthen its already noteworthy effect, which should not be discounted as anti- or symbol-politics or hostility towards the system. In a multipolar world, obviously new political forms are being created outside of the peculiarly understandable dichotomy that we found in the Cold War. In the 21st century, global markets and transnational relationships of economies will develop. They evoke new attempts through inequality in capitalism to create a better world. The example of China obviously proves that communist ideology can be combined with capitalism. In the 21st century, the global interaction, somewhat through the Internet and the fixation associated with the Western lifestyle, will also appear to be promoting the distribution of democracy continuously. Non-transparent activities by Western intelligence services also heighten society internal mistrust and indicate that mistrust toward the government has not been surmounted. Protection of the private sphere will be put to the test over the course of the technological revolution. The relationship between the people and the political elites will further erode, which will also put pressure on the representative democratic system, still considered stable in the West, as of yet.

[35] René Cuperus, "Der populistische Dammbruch. Die niederländischen Volksparteien unter Druck," in *Populismus in der modernen Demokratie. Die Niederlande und Deutschland im Vergleich*, eds. Friso Wielenga and Florian Hartleb (Waxmann, 2011), 63-178.

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ASEAN Imperfect: The Changing Nature of Southeast Asian Regionalism

Frederick Kliem

Introduction

Regional integration in Southeast Asia is the second most successful project of institutionalised regional cooperation in the world, second only to the European Union (EU). Just like the EU did in Europe, the Association of Southeast Asian Nations (ASEAN) has created peace, stability, and substantial socio-economic growth in a region in which neither could be taken for granted previously.[1]

It is not the purpose of this paper to demonstrate ASEAN's value-added to Southeast Asia. Instead, it tries to show how ASEAN faces severe challenges from within the precious organisation itself, just like the EU.[2] The danger of erosion from within is the result of political change within the member countries. There, a "new-nationalism" is characterised by narrow definitions of the national interest and often articulated by populist anti-multilateral rhetoric, geared towards domestic audiences by insecure leaders.

The necessary symmetry between broader regional and narrower national interests has become off balance. At the same time, ASEAN processes entirely depend on sound cooperation and the goodwill of ten heads of government and their interpersonal relationships. This paper argues that ASEAN is due for a makeover if it wants to remain relevant and resilient. Southeast Asian regionalism was conceptualised at a time of domestically stable leadership across the region. Now, ASEAN needs reliable unity at a time of profound change in the region.

The ASEAN Way, Soft-institutionalism, and Golf

Permitting cooperation in perhaps the most diverse region in the world is a unique *modus operandi* called the "ASEAN way". The ASEAN way is a seemingly

[1] See, e.g., F. Kliem, "ASEAN@50. Celebrating five decades of regional stability," 2017, http://www.kas.de/politikdialog-asien/en/publications/49757/.

[2] See article by Wientzek, O. in this journal on how domestic political change affects the EU.

contradictory method of regional governance through emphasis on the nation state. It consists of core principles and practices, such as national sovereignty, equality, and mutual non-interference in internal affairs. Its realisation in day-to-day governance results in a strictly inter-governmental regional architecture. In lieu of a strong bureaucracy and independent supranational institutions, ASEAN depends entirely on the goodwill and cooperation of its ten member states. By extension, due to an often highly personalised style of governance across the region, ASEAN depends on the goodwill of individual Southeast Asian leaders.

A minimalist interpretation of institutions

ASEAN is an exclusively inter-governmental organisation. That is, while there is a plethora of ASEAN institutions and institutionalised processes, their independence from the ten members' governments is kept at a bare minimum. On virtually all policy decisions, ASEAN minus the consensus of all ten members is an immobilised organisation. It was intentionally kept strong enough to enable dialogue and cooperation in a surprisingly diverse region; yet, too weak to develop its own institutional dynamic. Thus, ASEAN as an actor is not an actor in its own right, neither capable of providing leadership, or even having an independent voice on regional matters, nor authoritative enough to remind national leaders not to put national interests before the common regional good. This is what most distinguishes ASEAN from the EU, where Brussels institutions, such as the Commission or the Parliament, can have a certain degree of independent agency.

The most significant functional fora governing ASEAN are the biannual ASEAN Summit, as the prime decision-making body, and the ASEAN Ministers Meetings (AMM). More often than not, decisions reached in those fora will have been discussed previously in various institutionalised "retreats", in which stakeholders withdraw from the public eye, and other ad-hoc side meetings. ASEAN has no meaningful parliament representing its citizens and/or national parties on the regional level. In theory, the ASEAN Secretariat (ASEC), based in Jakarta, Indonesia, has the potential to transcend inter-governmentalism. It is supposed to streamline ASEAN cooperation and to be the permanent "mission control" of Southeast Asian regionalism. However, given its very limited financial and human resources[3] and highly circumscribed mandate, the ASEC in fact perfectly epitomises the ASEAN way, the approach of national pre-eminence over supranational sovereignty, and personalism over institutionalism.

All ASEAN institutions and meetings are organised, hosted, and led by the annually rotating ASEAN Chair (Philippines in 2017, Singapore in 2018, Thailand in

[3] The ASEC's 2016 budget stood at around US$20 million in total (!), paid by equal contributions from its member states. This compares to a total EU budget of an estimated US$185 billion (!).

2019). In practice, the Chair is ASEAN's external spokesperson; hosts, chairs, and facilitates all meetings; and is ASEAN's agenda setter. However, the most important job is arguably the Chair's informal role as ASEAN consensus builder under the primary principle of consensus and unanimous decision making.

All ASEAN cooperation relies on the practice of informal consensus building and mutual consultation within a non-confrontational, "face-saving" bargaining environment at a level of mutual comfort. Particularly, the sensitive arenas of security and domestic difficulties rely on this kind of quiet diplomacy, meaning that communication and policymaking take place opaquely, outside the public view and without meaningful external input, not to mention participation. This requires all members to unanimously agree—or at least not disagree—before ASEAN can move on a particular issue.

Such a minimalist interpretation of institutions and the absence of supranational governance are not bugs in the system but, in fact, design features. The consensus principle in particular enables cooperation in a diverse region in the first place. But it limits the organisation's effectiveness, as policymaking and agency is reduced to the lowest common denominator. The above also encourages a highly informal and personal interactional habitus among ASEAN's political elite and highly opaque processes, in which decision making is almost entirely void of inclusive participation.

Golf diplomacy

The ASEAN way was designed to accommodate regional cooperation among resilient, likeminded, and well-acquainted leader-personalities with a certain degree of political leeway at home; somewhat less concerned with domestic audiences' interest in foreign policy and more with regional stability and economic prosperity. To be certain, the founding fathers of ASEAN were staunch nationalists, but they appreciated their mutual interdependence as well as the requirement of regional stability, in order to foster that economic prosperity and security they needed at home. In other words, national resilience needed regional resilience.

Despite significant historical baggage and mistrust, to some extent lingering until this day, Southeast Asian leaders could find a *modus vivendi* via ASEAN. Their common organisation allowed for frequent, personal contacts, which established a permanent leadership network. Over time, this led to easy personal and working relationships between heads of government and ministers. In Southeast Asia's still personality driven, bargaining governance atmosphere, such networks encourage confidence building and mutual trust. They allow stakeholders to discuss disputes personally, before they appear in public and attract third party attention. Disputes can be resolved on a personal level, or if no agreement can be found, disagreements

can be muted and it may be decided to "shelve" contentious issues until such time when dynamics are more auspicious.

A particularly important role is fulfilled by frequent retreats, held prior to ASEAN meetings, in which leaders or minister discuss upcoming summits and get a feel for the atmosphere, the possibilities, and the red lines. Often, this involves a few rounds of golf and undisturbed dining. In this easy, non-committing atmosphere leaders can pitch their ideas and assess whether or not they are likely to gain traction. The personal recreation agenda points are as important and accentuated as the political business. This also regularly includes a side-programme for ASEAN leaders' spouses, who socialise—and debate—among each other. In his memoirs, former Singaporean Prime Minister Lee Kuan Yew recalls that even singing contests after work-dinners were frequent parts of ASEAN meetings.[4] Such frequent personal interaction led to habits of cooperation, consultation, and compromise.

This may sound profane to European leaders. But in Southeast Asia, the importance of this personal interaction cannot be overestimated. In a region divided by a history of different colonial zones of influence, ethnic tensions, and great religious diversity, the inter-personal is the glue that binds the region.

ASEAN Imperfect

When ASEAN's founding document was signed 51 years ago, Mr. S. Rajaratnam, Singapore's first Foreign Minister, said, "We must now think at two levels. We must think not only of our national interests but posit them against regional interests: that is a new way of thinking about our problems."[5] All five founding members agreed. If all member states were to put a premium on regional interests and were to keep up sound working relationships with their peers across the region, such two-level thinking would work in sync. However, at times, both can conflict and regional cooperation may require compromises on the national level. In ASEAN, this should be overcome in mutually comfortable and personal negotiations among leaders.

Lately, ASEAN has gotten its fair share of negative press. Its failure to produce joint communiqués criticising China's creeping assertiveness in the South China Sea (SCS), failure to meaningfully respond to Beijing's blatant violation of international norms and rules in the region, or to the Rohingya crisis in Myanmar, and its lack of progress in economic integration and inclusive institutional development are just some selected examples of ASEAN's inability to live up to its own Charter and numerous Community Blueprints stipulations. If national interests are defined in

[4] Lee Kuan Yew, *From Third World to First* (New York: Harper Collins Publishers, 2011).

[5] "About ASEAN: History," http://asean.org/asean/about-asean/history/.

narrow terms, and leaderships do not cordially engage, Southeast Asian regionalism becomes impracticable.

Domestic disruptions—Erosion from within

In lieu of independent and empowered institutions, ASEAN requires both a natural leader and sound inter-elite ties, putting a premium on successful regional cooperation.

Europe's largest countries, Germany and France, in general strongly support their common integration project, particularly at times of crises, in the tradition of Konrad Adenauer, Charles de Gaulle, Helmut Kohl, and many other great Europeans. ASEAN has also had political figures in the past under whose leadership ASEAN was conceived and maintained. Leaders such as Lee Kuan Yew, Mahathir Mohamad, Suharto, Susilo Bambang Yudhoyono, and many others did not support ASEAN because they were committed internationalists, but because they believed that their national prosperity and socio-economic development, upon which their political fortunes often depended, were tied to regional stability and prosperity; regional resilience precipitates national resilience.

Despite the ASEAN Community, ASEAN's greatest institutional reform, inaugurated in 2015, recent years have been characterised by a halt, perhaps even regress, of ASEAN integration. An absence of leadership as well as an apparent increase in populist nationalism is to blame, creating a situation in which ASEAN now faces the threat of being neglected by those it utterly depends on. Unfortunately, there is no Berlin or Paris in sight in ASEAN.

Given its size and geostrategic position, it is not surprising that Indonesia has often been regarded as ASEAN's "natural leader".[6] Indeed, Jakarta itself has in the past felt entitled to be ASEAN's *primus inter pares*, in particular during President Suharto's reign (1967-1998). Despite having always been an incomplete, sectorial leader, Jakarta has oftentimes been instrumental in managing regional crises as well as in institution building.[7] However, with Yudhoyono, Indonesian President from 2004-2014, ASEAN lost an important supporter. His successor, Joko "Jokowi" Widodo, seemed to be less regionalist. Of course, the alleged erosion of ASEAN is not Jokowi's fault alone. Yet, it is no surprise that much of it coincides with a rise in Indonesian nationalism. In this light, it is promising that Jokowi seems to have taken more to ASEAN over time. As 2019's presidential election gets closer, Indonesia is likely to continue neglecting ASEAN for some time. Should election results, how-

[6] For example, A. Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order* (London: Routledge, 2001).

[7] See R. Emmers, "Indonesia's role in ASEAN: A case of incomplete and sectorial leadership," *The Pacific Review*, 6 June 2014.

ever, re-confirm Jokowi, his positive trajectory may continue thereafter. The future success of ASEAN will depend a great deal on the domestic discourse in Indonesia; among isolationists and the more international camp.

In theory, there are alternatives to Indonesian leadership, but recent political change in almost all of them is inauspicious. Thailand for instance has traditionally been blessed with great political and diplomatic talent. Yet, since the ascent of Prime Minister Thaksin Shinawatra, who was ousted in 2006, Thailand has been in a prolonged state of political turmoil. A predominantly domestic preoccupation has gone hand in hand with populist power struggles between various factions within the country. The latest in a long list of military coups took place in 2014 and brought current Prime Minister General Prayuth to power. A certain degree of domestic stability has returned since, but the death of the beloved monarch King Bhumibol Adulyadej in 2016 significantly reinforced domestic instability and a preoccupation with domestic affairs. Royal succession and return to civilian power will keep all stakeholders on their toes for years to come. In 2019, Thailand will assume the ASEAN Chairmanship and many questions marks remain in this regard. Will elections take place before the first ASEAN Summit 2019, or will the junta, fearful of renewed domestic turmoil, postpone elections until after Bangkok passes the ASEAN baton on to Hanoi? Or how will election results, likely to reconfirm a divided Thailand, impact Bangkok's ability to perform its chairmanship duties?

Malaysia, also one of the founding members, has long been a stable polity, where policymaking takes place more or less shielded from public scrutiny and is, thus, less prone to erratic foreign policy change. Former Prime Minister Najib Razak was supportive of ASEAN, but neither an inspiring leader, nor an obstructive force within ASEAN.[8] Yet, Malaysia was a champion for ASEAN matters during their 2015 Chairmanship, producing some of the strongest language on controversial issues, such as China's militarisation of the SCS. 2015 was also the year the organisation inaugurated the ASEAN Community. However, since then, the Malaysian government has not experienced the kind of stability it did throughout much of its independent history, especially during the time of long-term Prime Minister Tun Dr. Mahathir Mohamad. Najib had come under threat from opposition parties and even within his own party, UMNO. He became embroiled in serious corruption allegations and employed ethno-religious populism to safeguard his power base. 2018 made history, with UMNO losing power for the first time since the country's independence and returning former Prime Minister Mahathir to power. Delivering on mostly domestic policy promises, his Pakatan Harapan coalition will also be too preoccupied with domestic matters and power consolidation to be able to meaningfully engage ASEAN.

[8] See J. Doch, "Malaysia's Foreign Policy: Is Mahathirism still alive?," in *Malaysia Post-Mahathir: A Decade of Change?*, eds. J. Doch and J. Chin (Singapore: Marshall Cavendish, 2015).

The Philippines has never been seen as an ASEAN leader but has both a great interest and stake in ASEAN. Especially on the ever contentious issue of Chinese encroachment in the SCS, the Philippines, especially under former President Aquino III, tried hard to get a common ASEAN voice and face Beijing as a united bloc of ten countries. His successor, current President Rodrigo Duterte, however, is a prime example of the kind of populist strongman that further tarnishes regional cooperation with noisy nationalist, undiplomatic, and populist rhetoric and unreliable foreign policy, including almost at will either cosying up to or condemning China, whatever furthers his domestic narrow, short-term interest. For example, when Vietnam and Aquino's Philippines tried to push territorial disputes with China onto the ASEAN agenda, they failed due to a lack of support from fellow member states. When an international court, however, ruled against Beijing's SCS claims and in favour of the Philippines, the court handed Manila—and other ASEAN claimants—a great judicial victory. Surprising to many, Duterte all but ignored the court ruling and delivered a massive blow to all those in ASEAN who had hoped for Southeast Asia making some headway vis-à-vis Beijing's ever increasing assertiveness, raising serious doubts as to ASEAN's unity and agency. Or when Duterte skipped the March 2018 ASEAN-Australia Summit due to international criticism of domestic policies, his non-appearance dominated international news headlines and was a further blow to the regional grouping, visibly demonstrating the narrow definition of the national interest in some member countries.

Due to its complex and very difficult history with the rest of ASEAN, Vietnam cannot exercise leadership; which is unfortunate, since Vietnam is one of the most stable states and ardent supporters of ASEAN. The same complex relationship applies to Myanmar, where the slow advent of democratisation is still work in progress and does not yet seem to have improved Myanmar's poor human rights reputation. The decision by ASEAN to admit the difficult country into the grouping was based on the presumption that ending Burmese isolation would facilitate permanent change through a process of economic and social development as well as increasing elite-contacts.[9] However, recent democratisation efforts have been disappointing to many and the Rohingya crisis, in particular, has put great stress on ASEAN. The organisation was seen as being almost entirely apathetic, paralysed by Myanmar's refusal to multilaterally discuss the matter. As was the case many times previously, Myanmar's human rights record caused great embarrassment to ASEAN and caused international observers to doubt the relevance of the organisation.

Cambodian leaders have been equally problematic for ASEAN. The latest discord transpired in 2012, when it became painstakingly obvious how Phnom Penh puts narrow national interests—read: economic ties to China—before the

[9] Author's interview with Dr. Mahathir Mohamad, 13 December 2015, Kuala Lumpur.

greater cause of steady regional fraternisation. At the 45th AMM and the following Summit, the Cambodian ASEAN chair made ASEAN-internal disagreements public knowledge. In particular, Vietnam had pushed hard for a concerted response to China's assertiveness in the SCS. Then Cambodian Foreign Minister Hor Namhong, however, blocked all efforts to include a reference to the dispute into the AMM joint communiqué, although those issues had clearly been discussed.[10] At the 2012 Summit, the Cambodian Chair even attempted to insert a reference into the communiqué that all ASEAN leaders had agreed not to internationalise the disputes; an act of kowtowing to Beijing, to which in particular the Philippines and Vietnam could not possibly agree. President Aquino publicly stated: "For the record, this is not our understanding. The ASEAN route is not the only route for us. As a sovereign state it is our right to defend our national interests."[11] As a result, at the AMM no joint communiqué was issued at all—a first in its history—and the reference was dropped at the Summit. Very few—if any—doubts exist that this impasse was a result of successful Chinese pressure on Cambodia, at the expense of regional unity. Just as problematic, the Cambodian debacle was fought out very publicly, exposing the limits of ASEAN's cohesion and demonstrating to all that ASEAN cannot act as a united, trustworthy organisation of quiet diplomacy. Singaporean Foreign Minister K. Shanmugam observed correctly: "This has dented ASEAN's credibility."[12]

Due to capacity limitations, Brunei and Laos are unable to exercise leadership in ASEAN, either, while Singapore is unlikely to drive ASEAN forward due to a national narrative of small-state diplomacy, which allows for being a facilitator, supporter, and mediator of regional affairs, but not a leader.

Institutions and People are ASEAN's Greatest Assets

Multilateralism needs drivers—those who take bold initiatives and assume ownership. In ASEAN, thus far, regionalism must be driven by highly personalised national governments. Unlike the EU, ASEAN is not more than the sum of its member states and public interest in regionalism is low. Currently none of the ASEAN member states seems willing or able to step up to their common regional responsibility. Hence, ASEAN must adapt to recent changes, if it looks to stay relevant. Below are two suggestions how ASEAN could accommodate new political realities

[10] Author's interview with a member of the Singaporean delegation to the 45th AMM, Singapore, January 2016.

[11] *Reuters,* "Tensions flare over South China Sea at Asian summit," 19 November 2012.

[12] Singapore Ministry of Foreign Affairs, "Speech by Minister Shanmugam at the ASEAN Day Reception," 2 August 2012, available: www.mfa.gov.sg.

across its membership; increasing the value of institutions and allowing ASEAN's people to assume ownership.

Institutional-ising ASEAN

ASEAN faces no shortage of institutions; those, however, face a shortage of authority and independence. Politicians come and go, and even those of great longevity are prone to a change of heart, driven by circumstance, perhaps temporarily suspending their support for regional integration. Empowered institutions, on the other hand, stay and, over time, develop a certain independent dynamic and begin to operate more independently. As leadership changes within ASEAN become more frequent, unpredictable and erratic, inter-personal connections erode. In order to account for this, ASEAN must move from reliance on inter-personal elite networks to more rules-based, bureaucratised regionalism. In other words, enhance institutional capacity in order to decrease dependence on personal ties; from golf diplomacy to institutional diplomacy.

The reasons for ASEAN's institutional weakness are structural and thus, with a bit of political will, modifiable. Emblematic of ASEAN's institutional ills is its Secretariat. Transforming ASEC into a vibrant, independent, and efficient institution is necessary, but will require boldness on the part of ASEAN leaders as well as a significant budget increase. The ASEC is largely unable to perform even basic tasks in a timely manner due to its very limited human and material capacity.[13] Some experts have gone as far as to claim that member states often purposefully deny the Secretariat the required resources in order to prevent it from gaining too much independent agency.[14] Both must change. The financing model for example, whereby all member states provide equally based on the smallest member's "capacity to pay", ought to be reformed into an "ability to pay" system, measured in terms of domestic GDP. This would increase ASEC's capacity to assume a greater role in regional governance, so that it can become an effective mediator and consensus builder within ASEAN and a strong independent voice for the regional cause, bridging domestic perspectives. Reforms of the decision-making system are equally important. Introducing an "ASEAN Minus X" principle to all policy decisions would enable two or more ASEAN states to move ahead in regional integration on the basis that the other members will follow at a later stage. This would enable ASEAN to move forward with regional integration without seriously threatening unity, by providing safeguards for members that feel uncomfortable with certain decisions.

[13] Several interviews held in December 2015 and February 2016 in Jakarta.

[14] J. Ravenhill, "Regionalism and State Capacity in East Asia," in *Democratisation, Governance and Regionalism in East and Southeast Asia*, ed. I. Marsh (London: Routledge, 2006), 177-203.

People-ising ASEAN

One often hears ASEAN leaders talk about the great asset their over 630 million people are. Increasing public ownership of the common integration project is the best check against erosion from within. If people develop a sense of the indeed tangible benefits regional integration has brought for them, and how deeply and mutually beneficial Southeast Asia is interlinked, a popular premium would be put on the success of ASEAN. In turn, this would lead to popular pressure on national leaders to put ASEAN on top of their foreign policy agenda.

The best way to create a "people-centred ASEAN" is to increase ASEAN awareness. Significant improvements in Southeast Asian connectivity, especially air-transport and visa-free travel, have already led to greater regional consciousness. Singapore-Kuala Lumpur is the busiest flight route in the world. Such connectivity is great, but largely elitist, not reaching the less internationalised majority, and must be supplemented by standardised ASEAN education. ASEAN should be entrenched in all national schools and university curricula and history textbooks ought to reflect a common interpretation of regional history and political and socio-economic developments. This would enhance broader ASEAN institutional knowledge and foster a shared understanding and appreciation of the own region and its peoples.

Of course, high-politics and regional cooperation always require leadership from the top. But if ASEAN processes encouraged more bottom-up participation, regionalism would become more resilient and less prone to erratic individual leadership. In order to protect regional cooperation from the capricious changes of individual leadership, the people of Southeast Asia must be given ownership of ASEAN. Leaders would be less prone to neglect ASEAN knowing that public opinion values regional integration. ASEAN is a magnificent multi-ethnic and multi-religious project that must not be jeopardised. As soon as the people assume ownership of it, their leaders will treat it like the valuable resource it is.

Conclusion

Local and national politics rightfully remain the top priority for governments and political leaders are, one way or another, in the first instance responsible for, and accountable to their domestic audiences. However, it is important to realise how regional and national success constitute and reinforce each other.

In contrast to the EU's legalistic and bureaucratised cooperation and policymaking, the ASEAN way is highly dependent on personalities. In recent years, immense domestic transformations have taken place, some of which have been analysed in this journal.[15] ASEAN has worked on the basis of exercising collective leadership

[15] See the various articles in this journal.

through informal consultation. Leaders would share and circulate ideas for consideration and work toward building a consensus. This informal form of collective leadership is premised on domestically strong leaders taking an interest in regional affairs and driving ASEAN forward. At a time of domestic preoccupation, populism and anti-globalisation rhetoric, regionalism is at risk.

ASEAN will doubtlessly survive. Currently, ASEAN's institutional weakness allows member states to ensure that the political costs of being a member remain lower than the real economic loss incurred by quitting ASEAN. However, the above has tried to argue that ASEAN must find the capacity to work more independently from individual heads of governments, in order to withstand short-term wraths and narrow interpretations of national interests. If ASEAN wants to remain relevant, all stakeholders must work towards making it less vulnerable to capricious political change. This is not only important for ASEAN as an organisation. It is also critical to the continuing success of its member states. Governments are well advised to revisit Mr. S. Rajaratnam and marry regional with national thinking. In a region as dense as Southeast Asia, the regional interest is also the national interest and the sooner ASEAN leaders—and people—realise what a precious organisation has been passed on to them by the founding fathers and how their fates are interdependent, the better.

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Democratisation in Myanmar: Glue or Gloss?

Naing Ko Ko

This article examines democratisation in Myanmar (Burma) during the period 2012-17. It analyses how the National League for Democracy (NLD) achieved an electoral victory in 2015, and whether factors such as populism or ultra-nationalism in domestic politics helped the party. It also questions whether Myanmar has a new democratic culture. In particular, is the change to a civilian NLD government likely to have a lasting structural and institutional political impact? What does this mean for domestic governance and for society?

I argue that this political transition in Myanmar is the "new normal", in which state actors and institutions are trying to shift from an authoritarian to a quasi-civilian model and where the economy is transforming from military-capitalism to crony-capitalism. However, at the same time, Myanmar is far from becoming a liberal democracy—the great majority of people continue to demand a fuller version of democracy and greater political autonomy, through federalism. This article points to the obstacles and opportunities confronting the political leadership of Myanmar domestically and on international fronts. It addresses the role of multiple stakeholders who are supporting (or seeking to thwart) democratic transition and the establishment of the rule of law in Myanmar,[1] and it argues that civilian control over the military is a prerequisite for democratisation in Myanmar.

Introduction

The literature on democratisation is extensive, and it is conceptualised through multiple theoretical and methodological lenses. These include the process of open-ended democratisation,[2] consolidated democratisation,[3] the transitional democratisation

[1] Nick Cheesman, *Opposing the Rule of Law: How Myanmar's Courts Make Law and Order* (Cambridge: Cambridge University Press, 2015).

[2] L. Whitehead, *Democratisation: Theory and Experience* (Oxford: Oxford University Press, 2002).

[3] Samuel Huntington, *The Third Wave: Democratisation in the Late Twentieth Century* (Norma: University of Oklahoma Press, 1991); Juan Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe* (Baltimore and London: Johns Hopkins University Press, 1996).

model,[4] and illiberal democracies.[5] Myanmar in 2018 would appear to be an illiberal democracy. Certainly democracy is developing—the state is transforming from a closed to a free market economy and from a handpicked single party to a multi-party political system with contested elections. Its legal and judicial systems should also become credible, transparent and accountable, although there is considerable lag in this area.[6]

However, the fact is that the citizens' pre-2016 aspirations for economic growth, peace management and the creation of a middle-class as well as civil liberties, justice and political freedom have not been met. Nehginpao Kipgen[7] argues that the role of the military and the National League for Democracy as an institution in the democratisation of Myanmar need to be emphasised. Commentators have paid much less attention to the role of the NLD[8] and the so-called "88 generation" (then-student activists supporting anti-regime protests in 1988), who are assumed to be the champions of democratisation in Myanmar.

This article argues that democratisation in Myanmar is the "new normal" and that it takes the form of a legitimacy battle between the elected political representatives and the unelected military appointees to government. The framework for the struggle is the 2008 Constitution, which supports neither liberal virtues nor democratic culture. The NLD, which holds majority government, is permitted to manage legislative power by the 2008 Constitution, while crucial executive (such as Ministry of Home, in particular, General Administration Department [GAD], Ministry of Defence and Ministry of Border Affairs) and judicial powers remain controlled by the military. Consequently, popular participation in policy-formulation and decision-making remains absent, and equally, the leadership of ethnic armed organisations (EAOs) and many other political actors are maintaining the status quo, or are pursuing peace management but dancing to the tune of elites across the political spectrum. For these reasons, Myanmar's democratisation—as measured by a host of international indicators—is clearly not moving toward constitutional democracy, parliamentary democracy, or a free market economy. This essay argues that civilian control over the military is a prerequisite for democratisation to advance in Myanmar.

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[4] Robert A. Dahl, *Democracy and Its Critics* (New Haven: Yale University Press, 1989).

[5] Fareed Zakaria, *The Future of Freedom: Illiberal Democracy at Home and Abroad* (New York/London: W.W. Norton, 2003).

[6] Janelle Saffin and Nathan Willis, "The legal Profession and the Substantive Rule of Law in Myanmar," in *Constitutionalism and Legal Change in Myanmar* (Hart Publishing, 2017).

[7] Kipgen Nehginpao, *Democratisation of Myanmar* (London: Routledge, 2015).

[8] The NLD's official position is to support a centralised democracy and federalism; ideologically it has not clearly internalised a liberal democratic model and social liberal norms.

1. The National League for Democracy Victory in 2015

Against the background sketched above, how did the National League for Democracy achieve a convincing victory in the 2015 general elections in Myanmar?

The National League for Democracy victory in 2015 came against a backdrop of struggles for democracy in Myanmar that had continued for decades. Since its independence, Myanmar (Burma) has had four types of political regimes: Westminster-style democracy (1948-58, 1960-62); the first generation junta as well as the care-taker government and the Burmese Socialist Program Party (1959-60, 1962-88); the second generation junta (1988-2011); Thein Sein's quasi-civilian administration (2012-15); and finally, Aung San Suu Kyi's national reconciliation government (2015-).

Myanmar's democratisation is widely understood to have commenced on 30 March 2011, when (then) President U Thein Sein moved the military junta to a hybrid civil-military administration model. It comprised 36 ministers and deployed policy reforms such as releasing political prisoners and opening the economy by adjusting the foreign exchange rates and allowing the entry of (wholesale) foreign banks. However, Thein Sein's administration failed to win domestic legitimacy, due to the deficits in its accountability, policy credibility and regulatory transparency.

One of the factors propelling Thein Sein's initiative was that the equilibrium of power in Myanmar had changed decisively after Aung San Suu Kyi was released from her house arrest on 30 November 2010. Daw Suu, as she is referred to in Myanmar, re-entered politics through a by-election in 2012 and the multi-party general elections in 2015, in which her party, the NLD, gained both international and domestic legitimacy. Although democratisation as a movement had initially begun with the student-led uprisings in 1988, and had achieved some traction under Thein Sein's administration in 2012, it was Aung San Suu Kyi and the leadership of the NLD who became the decision-makers for the democratic forces, due to the popular trust they enjoyed—as evidenced by the popular vote in contested elections in 1990, 2012 and 2015.

That Aung San Suu Kyi increasingly became the most trusted leader in Myanmar society, despite having faded from public view for decades, is not surprising. Over the long years of her house arrest, her international legitimacy did not diminish. In the wake of decades of military rule she was the only seasoned civilian leader in Myanmar politics who had gained both domestic and international legitimacy among Myanmar's political elites. Both the leadership of the NLD and the military understood how to utilise her legitimacy and popularity in the political marketplace. For her part, between the campaign periods of the 2012 by-election and the 2015 general elections, Daw Suu changed herself from democracy fighter to pragmatic politician tackling issues of the state.

In the lead-up to the 2015 elections, the leadership of the NLD recruited to the party 111 former political prisoners: young activists who had gained a Western liberal education, and those who were IT-savvy professionals from civil society. In the process, the NLD divorced its previous "88-generation" leaders and those from other ethnic political parties, including Burmese Muslims. Within this new cohort of recruits, the NLD tactically reached out to many female democracy activists and became the party that had the largest female proportion of members among the 93 parties contesting the elections. Daw Suu de-blacklisted the former generals who had once arrested her, and rebranded "cronies" as "tycoons" in 2016.

There were five key strategies that the NLD deployed to contest the 2015 election:

a. Using the charismatic image of Daw Suu as a major policy "product" of the NLD;

b. Ousting native Muslim candidates from the party in order to please ultra-nationalists and populists;

c. Positioning the party as the key to influencing national policy—not the individual candidate's ability, character or capacity;

d. Using a door-to-door campaign strategy borrowed from Australian and New Zealand election campaign models; and

e. Campaigning on a platform of amending the 2008 Constitution, instituting federal democracy, pursuing national reconciliation, and embracing an anti-corruption policy.

Having campaigned on a nationalist platform, the NLD's failure to address the citizenship rights of the Burmese Muslim and Rohingya minority is not surprising. However, having taken office, its failure to decisively address the humanitarian crisis in Rakhine State has caused it, and Daw Suu, enormous reputational and moral damage internationally.

During the transition of power in 2016, the NLD deployed three strategic decisions in order to combat article 59(f) of the 2008 Constitution, which barred Daw Suu from becoming President of the state. These were: (a) the legal team of the NLD strategically designed the *State Counsellor Act*, which allowed its leader to become the de facto leader of the state; (b) Daw Suu boldly claimed that she would stand above the President after the election; and (c) Daw Suu established a "national reconciliation government" with the assistance of a former general, Thura U Shwe Man of the Union Solidarity and Development Party (USDP).

When Myanmar was permitted to contest elections in 2015, the people of Myanmar terminated Thein Sein's quasi-government by voting to change their political system on 8 November 2015. No analyst in Myanmar predicted that the NLD

would win so significantly. Yet, the 2015 election had vastly different consequences than the 1990 election: the NLD effectively took state legislative power from the USDP. Under the 2008 Constitution, Aung San Suu Kyi established a national reconciliation government with a cabinet of 21 ex-public servants and military generals. Aung San Suu Kyi was officially assigned the role of the State Counsellor of Myanmar on 6 April 2016, which, in accordance with the *State Counsellor Act*, permitted her to communicate directly with state regulatory agencies and made her accountable to the Parliament.

2. A New Democratic Culture in Myanmar?

The dramatic shift in political power in 2015 has not immediately resulted in a new democratic political culture. Both Thein Sein's administration and Aung San Suu Kyi's government appealed to populism and ultra-nationalism in order to win the elections. Neither administration has sought a secular state or any separation between religion and state (in this case, the special status accorded to Buddhism under the Constitution); nor have they promoted democratic norms and religious tolerance. Both governments have supported the "crony" business model linked to wealthy supporters of the military, who have been given privileged business opportunities by the government. Due to the ideological struggle between a disciplined democracy and a centrally-controlled democracy, public and private sector managers face huge challenges, including the lack of meritocracy, accountability, democratic norms and liberal practices (including diversity and equity) in the conduct of public and private enterprises.

Although the NLD-led Parliament amended many laws and regulations in its inaugural year in office (2016-17), rent seeking, bribery, cronyism and poor governance by elites in both the private and public sectors remain the norm in Myanmar. This is compounded by the deficit of trust and social capital in every layer of society. Decades of surveillance by the military in Myanmar have meant that lack of trust in Myanmar is the most socially corrosive issue for every pillar of the society. Thus, a bright spot in the 2015 election was the fact that the NLD declared itself strongly committed to integrity, anti-corruption issues and the rule of law for 2015-18.

The problem for the NLD, however, is that it has either been unwilling or unable to undertake public administrative reform or introduce a robust labour market policy to date. The result is that the state's public agencies are personally manipulated by elites, rather than institutionally flourishing, serving the people. The mission and performance of the state's service delivery agencies, such as the courts, law enforcement agencies and state-owned enterprises, are distorted. High-ranking bureaucrats in these public agencies do not want to change from their autocratic behaviours to democratic business conduct. Since 90% of senior decision-makers in public

regulatory institutions and 80% of ambassadors are ex-military personnel, it is not surprising that policy institutions have not changed their mindset and management culture towards one that serves the people. The capacity of the NLD government to effect immediate change in these public regulatory institutions is minimal.

Certainly, many global policy think tanks and development aid agencies have been supporting Myanmar's political parties' institution-building and policy-formulation capacity since 2012. However, a foundational issue is that all of the political parties are currently formed and led by Yangon elites, with the support of, or active involvement of, ex-generals aided by business tycoons or former cronies. With the exception of the NLD, no political party in Myanmar has an anti-corruption policy or financial transparency policy, and the political parties have never released their financial statements, budgets or policies for either their party or the national budgets. The political parties are competing for political power on the basis of rent seeking, populism and ultra-nationalism rather than meritocracy, accountability, strategy, policy competition and ethical debates. As a result, the political parties' official policies are so similar to each other that there are no obvious policy choices, strategies or outcome differences visible to the voting public.

3. External Evaluations of Myanmar's Democratic Progress

The NLD's first two years in office have yielded relatively few structural changes that advance democracy. The reasons for this lie in part in the glacial progress on constitutional reform. The loss of constitutional advisor U Ko Ni, who was assassinated in 2017, is also a contributing factor. Currently, no one can freely contest the highest office in the land, including Aung San Suu Kyi, who is banned by Section 59(f). Minority rights have not advanced and the federal aspirations of ethnic groups who are majorities in some States have not been realised. Nor are there any meaningful policy debates between the political leaders in Myanmar. Democratisation in the form of free elections and partial freedom of the media has taken place; however, democratic values, civil liberty, minority rights, and religious tolerance are far from being embedded in political or public life. In particular, Myanmar's political elites have marginalised minorities such as Christians, Hindus and Muslims.

The political intervention of the military in the polity, the economy and the society is largely unchecked, due to the lack of democratic accountability in both national and sub-national governments. Ordinary people do not trust the military, in part because of the control they exercise over public institutions. The critical issues for political transformation in Myanmar are the need to both professionalise the armed forces and to institute civilian, rather than military, leadership of policy institutions.

These issues are reflected in international assessments of Myanmar's transition. According to surveys by the *Asian Barometer*[9] and The Asia Foundation,[10] the majority of people in Myanmar expected a new democratic political culture, but they do not know how to develop better governance or how to make regulatory institutions function well in Myanmar's political system.

Table 1: Selected international indicators and indexes of Myanmar.

Year	Human Development Index	Life expectancy at birth	Freedom Index	GDP per capita[1]	Fragile States Index	Press Freedom Index	Corruption Perceptions Index
2012	149th	65.5	6.5	1,175	21st	169th	172nd
2013		65.7	5.5	1,171	26th	151st	157th
2014	150th	65.9	5.5	1,260	24th	145th	156th
2015	145th	66.1	6.0	1,138	27th	144th	147th
2016	145th	66.1	5.5	1,195	26th	143rd	136th
2017	n.a.	n.a.	5.0	n.a.	35th	131st	n.a.

Note:
1. GDP per capita is based on US$ and calculated by the World Bank.

As the table above shows, Myanmar's freedom index[11] fluctuated between 6.5 in 2012 and 5.0 in 2017 and it has been included in the list of "partly free" and "not free" countries. With regard to freedom of information, Reporters without Borders (RSF) ranked Myanmar between 174th in 2011 and 137th in 2018 out of 180 countries in its Press Freedom Index.[12] With respect to integrity and corruption, Transparency International (TI)[13] ranked Myanmar as the 3rd most corrupt country in 2011-12 and has continually ranked Myanmar as one of the most corrupt countries for many decades. With respect to human development and income, the life expectancy at birth and GDP per capita in Myanmar is the lowest among the

[9] Asian Barometer Survey, "Myanmar's Political Aspiration & Perceptions 2015," 2016.

[10] Asian Society, *Myanmar 2014: Civic Knowledge and Values in a Changing Society* (San Francisco: The Asia Foundation, 2014).

[11] Freedom House produces annual freedom indexes of countries on a seven-point scale (from 7.0, which means "Not Free", to 1.0, which means "Free"), accessed 6 May 2018, https://freedomhouse.org/report/freedom-world/2017/myanmar.

[12] The Press Freedom Index is compiled by Reporters Sans Frontiers, accessed 6 May 2018, https://rsf.org/en/myanmar.

[13] The Corruption Perceptions Index is designed by Transparency International, accessed 6 May 2018, https://www.transparency.org/country/MMR.

countries of the Association of Southeast Asian Nations (ASEAN), and it has been included in the list of fragile states[14] for decades.

4. What Does This Mean for Domestic Governance and Society?

Currently, it could be fairly argued that Myanmar is a country with two governments, as the State Counsellor's administration is given so little power to govern the country. According to Section 291 and 292 of Myanmar's 2008 Constitution and section 3 of the Civil Servant Law (2010), both the military and the police force are excluded from the scope of this law (and thus the oversight of the State Counsellor). Furthermore, the State Counsellor herself has compounded this structural weakness by adopting an autocratic style of governance, without consulting an inclusive political team, advisors or technocrats. Aung San Suu Kyi personally took the chairpersonship of 16 national-level committees and four ministries, a portfolio of unusual size and complexity. There is no clear answer as to why no one dares to question her, or why no one has emerged as having more ability and capability then her.

Thus, there are five major reasons why democratic governance has not been able to develop in Myanmar to date. The first is that the institutional capacity and ability of the NLD's transitional management has been limited and inadequate. Myanmar has countless policy problems that are a legacy of its 56 years of military junta rule. Predictably, the NLD is inexperienced in governance and has failed to invest in the education of both the party and its next-generation leaders. Of the existing leadership, a few party bosses are trained professionals, while the majority lacks management experience. One result is that only a few party leaders' management style is consistent with a democratic culture and genuine policy openness, while most are concerned with modes of behaviour and control that look more like socialist centralisation. It is typical for the majority of party leaders to claim that he/she has been given "authority or an order from above", meaning Aung San Suu Kyi. Such claims are difficult to verify and it is true that Aung San Suu Kyi used a similar management style when she was an opposition leader. However, after becoming the leader of the state, how is it possible—or desirable—for Myanmar to be governed through orders that "comes from above", rather than through promoting democratic culture and practices in the state? Consequently, Myanmar has a leader, but there is no strategic institution or policy team to implement policy and strategy. Presently, the politicians who represent the NLD are unable to deliver any of the

[14] The Fragile States Index is jointly produced by the Fund for Peace and *Foreign Policy*, and the ranking are based on twelve indicators of state vulnerability, comprising four social issues, two economic issues and six political issues.

policy objectives outlined in the 2015 election manifesto, due to weaknesses in both the party and its capability. Moreover, a huge risk in Myanmar's democratisation is the utter reliance on a 73-year-old individual who is apparently making most of the policy decisions of the state. Thus, Myanmar's democratisation needs robust institutions, technocrats, advisors and bureaucrats.

The second reason for Myanmar's current state of affairs is that the State Counsellor's government has become an instrument of a political system that allows the military to take the driver's seat and the NLD the passenger seat. Myanmar effectively has two governments, with two ministries for international or foreign affairs, two ministries for government administration, and two ministries for the President. At the same time, a political legitimacy struggle is taking place among the 93 registered political parties in urban areas and the ethnocentric politicians (including the 22 ethnic armed groups) in frontier areas. This legitimacy struggle undercuts Myanmar's peace-making process by creating a severe tension between natural resources distribution and the settlement of constitutional issues. Because of this legitimacy struggle and the disparity in income across regions in the country, the State Counsellor's government faces bureaucratic resistance. The majority of bureaucrats do not respect the NLD's policies and have not changed from their old dictatorial manner to adopt good governance or ethical business practices. An example of administrative corruption is the difference between the highest official monthly salary of state bureaucrats (such as director general or managing director), which is MMK500,000 (US$371 per month), and their unofficial income, which is more than MMK100,000,000 (US$74,239 per month). It has suited the ministers of Daw Aung San Suu Kyi's cabinet to put all the legal, political and administrative burdens on her. It has suited them because the ministers do not want to take democratic accountability and legal responsibility. Senior bureaucrats, such as decision-makers and policy-makers (such as director generals, the governor and board of the central bank, and managing directors) within public policy institutions, too, have neither coordinated nor complied with the NLD manifesto and election promises.

The third current challenge is the collapse in public trust at all levels of the state, exacerbated by an assassination, which we can assume to have been a deterrence strategy. U Ko Ni, a respected legal scholar and a constitutional advisor of Daw Aung San Suu Kyi and the NLD, was assassinated on 29 January 2017 at Yangon International Airport. No convincing investigation and prosecution has been carried out and both elected and non-elected politicians are affected by this; trust in Myanmar's law enforcement agencies is low. The ripple effect of this is that a majority of ethnic armed organisations are not engaging with the state-led peace-making process, due to a deficit of trust among the players in the system. Trust is the scarcest commodity among the political actors in Myanmar's democratisation.

A fourth constraining issue is the mismanagement of the crisis in Rakhine State, which has diminished the State Counsellor's international legitimacy, perceived trustworthiness and moral authority, due to the complete absence of a robust strategy and responsive policy actions. Myanmar's government took no action against human rights violators, while approximately 6,700 Rohingya have allegedly been killed, and more than half a million Rohingya were fleeing to neighbouring Bangladesh. Historically, none of Myanmar's political leaders had effectively engaged with, or resolved Arakan (Rakhine) issues. Although the global media was saturated with coverage of Rohingya issues, no domestic media reported on the crisis, apart from Yangon-based news outlets such as *Democratic Voices of Burma* (DVB) and *Frontier Myanmar.*

Most of the state's public policy agencies have bitterly rejected discussions of human rights and democracy, even within the Rakhine State legislature. However, the conflicts and problems of Rakhine State have to be resolved by political means, by the elected leaders of the country—whether the current leadership of Myanmar likes it or not. An obvious solution to the Rohingya issue is to grant long-term Rohingya residents citizenship.

While the State Counsellor at present shows no sign of embracing such a policy solution, it is also true that she remains a leader who could help to deliver this, notwithstanding her diminished political credibility and charismatic reputation in the global arena. Pragmatically, singling out the State Counsellor for censure is not a pathway to solution of Rakhine issues and arguably even inflames the chauvinism that is currently hijacking Myanmar's democratisation.

The fifth issue is that the people of Myanmar remain unsatisfied with the country's economic growth under the State Counsellor's government. Even though Freedom House ranked Myanmar as a "partly free" country in 2017, the economic transformation of Myanmar is ranked at 122 out of 129 by the Bertelsmann Stiftung's Transformation Index.[15] The World Bank's Doing Business Index[16] ranked Myanmar's ease of doing business at 182 out of 189 in 2014, 177 out of 189 in 2015, improved it to 167 out of 189 countries in 2016, and then dropped it to 171 out of 189 in 2018. Due to a lack of job creation and employment policies by the government and the local business community, there are estimated to be 2,478 people leaving monthly for work in neighbouring economies in 2016-18. As a result, there are both skilled and unskilled labour shortages in the domestic labour market, which

[15] The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 120 countries, accessed 6 May 2018, https://www.bti-project.org/fileadmin/files/BTI/Downloads/Reports/2016/pdf/BTI_2016_Myanmar.pdf.

[16] The Doing Business Index of the World Bank assesses how easy or difficult it is for a local business to establish and run a small to medium-sized business when complying with relevant regulations in 189 countries and territories, accessed 6 May 2018, http://www.doingbusiness.org/data/exploreeconomies/myanmar.

encourages increases in wages and the cost of production and labour. Substitutes in the domestic labour force include young girls, children and the elderly, while working-age adults leave in large numbers for middle-income economies. Due to a lack of skill-enhancing training in Myanmar, the quality of products and services cannot compete with international outputs and services in the regional markets. The state's foreign trade and international economic policy is weak; the country has a trade deficit with its neighbours and continues to export raw materials and primary products.

One economic cost of the nationalist sentiment in Myanmar has been that half of the international tourists booked to visit in 2017 cancelled their visit. The grand total of visitors arrival to Myanmar in 2015 was 4,681,020; this dropped to 2,907,207 in 2016, according to visitors data from the Ministry of Tourism.[17] Multilateral partners such as the European Union postponed visits by their trade delegations and many multinational corporations boycotted investments in Myanmar in 2017 due to Myanmar's ineffective management of the Rakhine crises. Bright spots remain banking, communication and infrastructure, such as electricity, roads and telephone and communication in 2016-18, due to foreign investments by multilateral investors and development partners.

Conclusion

Presently, Myanmar is transitioning from a military dictatorship to an illiberal democracy. Politicians in Myanmar will need to manage the impact of ultra-nationalism and populism if Myanmar is to become a consolidated democracy. Unexpectedly, no political leader has dared to call for the implementation of a liberal democracy or for market transformation. Hence, Myanmar today is illiberal—democratising without democrats and reforming without reformers. Equally, the civilian politicians of Myanmar need to assert oversight and management of the security sector and the armed forces. Without these structural changes, Myanmar's political system will continue in a fairly repressive pattern, supported by non-amendment of the constitution—at least until a new political game-changer appears.

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[17] "Myanmar Tourism Statistics 2016," accessed 6 May 2018, http://tourism.gov.mm/wp-content/uploads/2017/08/Myanmar-Tourism-Statistics-2016-1.pdf.

The Modi Phenomenon and the Re-Making of India

Brahma Chellaney

In the four years that he has been in office, Prime Minister Narendra Modi has animated domestic politics in India and the country's foreign policy by departing often from conventional methods and shibboleths. A key question is whether the Modi era will mark a defining moment for India, just as the 1990s were for China and Prime Minister Shinzo Abe's return as prime minister has been for Japan. The answer to that question is still not clear. What is clear, however, is that Modi's ascension to power has clearly changed Indian politics and diplomacy.

Even before Modi's Bharatiya Janata (Indian People's) Party, or BJP, won the May 2014 national election, India's fast-growing economy and rising geopolitical weight had significantly increased the country's international profile. India was widely perceived to be a key "swing state" in the emerging geopolitical order. Since the start of this century, India's relationship with the United States (US) has gradually but dramatically transformed. India and the US are now increasingly close partners. The US holds more military exercises with India every year than with any other country, including Britain. In the last decade, the US has also emerged as the largest seller of weapons to India, leaving the traditional supplier, Russia, far behind.

Modi's pro-market economic policies, tax reforms, defence modernisation and foreign-policy dynamism have not only helped to further increase India's international profile, but also augur well for the country's economic-growth trajectory and rising strength. However, India's troubled neighbourhood, along with its spillover effects, has posed a growing challenge for the Modi government. The combustible neighbourhood has underscored the imperative for India to evolve more dynamic and innovative approaches to diplomacy and national defence. For example, with its vulnerability to terrorist attacks linked to its location next to the Pakistan-Afghanistan belt, India has little choice but to prepare for a long-term battle against the forces of Islamic extremism and terrorism. Similarly, India's ability to secure its maritime backyard, including its main trade arteries in the Indian Ocean region, will be an important test of its maritime strategy and foreign policy, especially at

a time when an increasingly powerful and revisionist China is encroaching into India's maritime space.

Modi's Impact on Domestic Politics

Modi went quickly from being a provincial leader to becoming the prime minister of the world's largest democracy. In fact, he rode to power in a landslide national-election victory that gave India the first government since the 1980s to be led by a party enjoying an absolute majority on its own in Parliament. The period since the late 1980s saw a series of successive coalition governments in New Delhi. Coalition governments became such a norm in India that the BJP's success in securing an absolute majority in 2014 surprised even political analysts.

What factors explain the sudden rise of Modi? One factor clearly was the major corruption scandals that marred the decade-long rule of the preceding Congress Party-led coalition government headed by Prime Minister Manmohan Singh. The national treasury lost tens of billions of dollars in various corruption scandals. What stood out was not just the tardy prosecution process to bring to justice those responsible for the colossal losses but also the lack of sincere efforts to recoup the losses. The pervasive misuse of public office for private gain was seen by the voters as sapping India's strength.

Modi, as the long-serving top elected official of the western Indian state of Gujarat, had provided a relatively clean administration free of any major corruption scandal. That stood out in contrast to Singh's graft-tainted federal government. However, Hindu-Muslim riots in 2002 in Gujarat turned Modi into a controversial figure, with his opponents alleging that his state administration looked the other way as Hindu rioters attacked Muslims in reprisal for a Muslim mob setting a passenger train on fire. The political controversy actually prompted the US government in 2005 to revoke Modi's visa over the unproven allegations that he connived in the Hindu-Muslim riots. Even after India's Supreme Court found no evidence to link Modi to the violence, the US continued to ostracise him, reaching out to him only on the eve of the 2014 national election when he appeared set to become the next prime minister.

Modi's political career at the provincial level was actually built on his success in coordinating relief work in his home state of Gujarat in response to a major 2001 earthquake there. Months after his relief work, Modi became the state's chief minister, or the top elected official.

His party, the BJP, has tacitly espoused the cause of the country's Hindu majority for long while claiming to represent all religious communities. The BJP sees itself as being no different than the Christian parties that emerged in Western Europe in the post-World War II era. The Christian parties in Western Europe, such

as Germany's long-dominant Christian Democratic Union (CDU), played a key role in Western Europe's post-war recovery and economic and political integration.[1] Modi himself has subtly played the Hindu card to advance his political ambitions at the national level.

One can also draw a parallel between the prolonged period of political drift and paralysis in India that led to the national rise of Modi in 2014 and Japan's six years of political instability that paved the way for Japanese Prime Minister Shinzo Abe's return to power in 2012. Just as Abe's return to power reflected Japan's determination to reinvent itself as a more competitive and confident country, Modi's election victory reflected the desire of Indians for a dynamic, assertive leader to help revitalise their country's economy and security.

In fact, both Modi and Abe have focused on reviving their country's economic fortunes, while simultaneously bolstering its defences and strengthening its strategic partnerships with likeminded states in order to promote regional stability and block the emergence of a Sino-centric Asia. Modi's policies mirror Abe's soft nationalism, market-oriented economics, and new "Asianism", including seeking closer ties with Asian democracies to create a web of interlocking strategic partnerships. Until Modi became the first prime minister born after India gained independence in 1947, the wide gap between the average age of Indian political leaders and Indian citizens was conspicuous. That constitutes another parallel with Abe, who is Japan's first prime minister born after World War II.

To be sure, there is an important difference in terms of the two leaders' upbringing. Modi rose from humble beginnings to lead the world's most-populous democracy.[2] Abe, on the other hand, boasts a distinguished political lineage as the grandson and grandnephew of two former Japanese prime ministers and the son of a former foreign minister. In fact, Modi rode to victory by crushing Rahul Gandhi's dynastic aspirations.

Since he became prime minister, Modi has led the BJP to a string of victories in elections in a number of states, making the party the largest political force in the country without doubt. Under his leadership, the traditionally urban-focused BJP has significantly expanded its base in rural areas and among the socially disadvantaged classes. His skills as a political tactician steeped in cold-eyed pragmatism have held him in good stead. Modi, however, has become increasingly polarising. Indian democracy today is probably as divided and polarised as US democracy.

Politically, Modi has blended strong leadership, soft nationalism, and an appeal to the Hindu majority into an election-winning strategy. Playing the Hindu-nationalist card, for example, helped the BJP to sweep the northern Hindi-speaking

[1] John Murray, "Christian Parties in Western Europe," *Studies*, Vol. 50, No. 198 (Summer 1961).

[2] Andy Marino, Narendra Modi: A political Biography (New Delhi: HarperCollins, 2014).

heartland in the 2014 national election and ride to victory in the subsequent state election in Uttar Pradesh, the country's largest state. But use of Hindu-nationalism, not surprisingly, has fostered greater divisiveness across a multi-ethnic and multi-religious country. Despite playing that card, the BJP, however, has done little in terms of concrete policies for the Hindu majority specifically, thus reinforcing criticism that it cleverly uses populist, issue-specific rhetoric in order to achieve electoral gains.

The BJP's electoral successes, meanwhile, have prompted the opposition leader, Rahul Gandhi, to take a leaf out of Modi's playbook by seeking to similarly boost his popularity among the Hindu majority. While campaigning in the December 2017 Gujarat state election, for example, Rahul Gandhi visited many Hindu temples. This new strategy resulted in his Congress Party, which has traditionally banked on the Muslim vote, significantly improving its strength in the Gujarat state legislature, although the BJP managed to hold on to power in a close election contest.

More fundamentally, Modi's political rise had much to do with the Indian electorate's yearning for an era of decisive government. Before becoming prime minister, Modi—a darling of business leaders at home and abroad—promised to restore rapid economic growth, saying there should be "no red tape, only red carpet" for investors.[3] He also pledged a qualitative change in governance and assured that the corrupt would face the full force of law. But, in office, has Modi really lived up to his promises?

Although he came to office with a popular mandate to usher in major changes, his record in power has been restorative rather than transformative. The transformative moment usually comes once in a generation. Modi failed to seize that moment. He seems to believe in incrementalism, not transformative change. His sheen has clearly dulled, yet his mass appeal remains unmatched in the country.

New Dynamism but also New Challenges in Foreign Policy

India faces major foreign-policy challenges, which by and large predate Modi's ascension to power. India is home to more than one-sixth of the world's population, yet it punches far below its weight. A year before Modi assumed office, an essay in the journal *Foreign Affairs*, titled "India's Feeble Foreign Policy", focused on how the country is resisting its own rise, as if the political miasma in New Delhi had turned the country into its own worst enemy.[4]

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[3] *Economic Times*, "Red carpet, not red tape for investors is the way out of economic crisis," Interview with Narendra Modi, 7 June 2012.

[4] Manjari Chatterjee Miller, "India's Feeble Foreign Policy: A Would-Be Great Power Resists Its Own Rise," *Foreign Affairs* (May/June 2013).

When Modi became prime minister, many Indians hoped that he would give a new direction to foreign relations at a time when the gap between India and China in terms of international power and stature was growing significantly. In fact, India's influence in its own strategic backyard—including Nepal, Sri Lanka, Bangladesh and the Maldives—has shrunk. Indeed, Bhutan remains India's sole pocket of strategic clout in South Asia.

India also confronts the strengthening nexus between its two nuclear-armed regional adversaries, China and Pakistan, both of which have staked claims to substantial swaths of Indian territory and continue to collaborate on weapons of mass destruction. In dealing with these countries, Modi has faced the same dilemma that has haunted previous Indian governments: the Chinese and Pakistani foreign ministries are weak actors. The Communist Party and the military shape Chinese foreign policy, while Pakistan is effectively controlled by its army and intelligence services, which still use terror groups as proxies. Under Modi, India has faced several daring terrorist attacks staged from Pakistan, including on Indian military facilities.

One Modi priority after assuming office was restoring momentum to the relationship with the United States, which, to some extent, had been damaged by grating diplomatic tensions and trade disputes while his predecessor was in office. While Modi has been unable to contain cross-border terrorist attacks from Pakistan or stem Chinese military incursions across the disputed Himalayan frontier, he has managed to lift the bilateral relationship with the US to a new level of engagement. He has enjoyed a good personal relationship with US President Donald Trump, like he had with Trump's predecessor, Barack Obama.

Modi considers close ties with the US as essential to the advancement of India's economic and security interests. The US, for its part, sees India as central to its Indo-Pacific strategy. As the White House's national security strategy report in December 2017 put it, "A geopolitical competition between free and repressive visions of world order is taking place in the Indo-Pacific region. The region, which stretches from the west coast of India to the western shores of the United States, represents the most populous and economically dynamic part of the world.…We welcome India's emergence as a leading global power and stronger strategic and defence partner."[5]

More broadly, Modi's various steps and policy moves have helped highlight the trademarks of his foreign policy—from pragmatism and lucidity to zeal and showmanship. They have also exemplified his penchant for springing diplomatic surprises. One example was his announcement during a China visit to grant Chinese tourists e-visas on arrival, an announcement that caught by surprise even his foreign secretary, who had just said at a media briefing that there was "no decision" on the

[5] White House, *National Security Strategy of the United States of America* (Washington, DC: December 2017), https://goo.gl/CWQf1t.

issue. Another example was in Paris, where Modi announced a surprise decision to buy 36 French Rafale fighter-jets.

Modi is a realist who loves to play on the grand chessboard of geopolitics. He is seeking to steer foreign policy in a direction that helps to significantly aid his strategy to revitalise the country's economic and military security. At least five things stand out about his foreign policy.

First, Modi has invested considerable political capital—and time—in high-powered diplomacy. No other prime minister since the country's independence participated in so many bilateral and multilateral summit meetings in his first years in office. Critics contend that Modi's busy foreign policy schedule leaves him restricted time to focus on his most-critical responsibility—domestic issues, which will define his legacy.

Second, pragmatism is the hallmark of the Modi foreign policy. Nothing better illustrates this than the priority he accorded, soon after coming to office, to adding momentum to the relationship with America, despite the US having heaped visa-denial humiliation on him over nine years. In his first year in office, he also went out of his way to befriend India's strategic rival, China, negating the early assumptions that he would be less accommodating toward Beijing than his predecessor. With China increasingly assertive and unaccommodating, Modi's gamble failed to pay off. Yet, in April 2018, Modi made a fresh effort to "reset" relations with China and held an informal summit meeting with Chinese President Xi Jinping in the central Chinese city of Wuhan.

Third, Modi has sought to shape a non-doctrinaire foreign-policy approach powered by ideas. He has taken some of his domestic policy ideas (such as "Make in India" and "Digital India") to foreign policy, as if to underscore that his priority is to revitalise India economically. By simultaneously courting different major powers, Modi has also sought to demonstrate his ability to forge partnerships with rival powers and broker cooperative international approaches in a rapidly changing world.

In fact, Modi's foreign policy is implicitly attempting to move India from its long-held nonalignment to a contemporary, globalised practicality. In essence, this means that India—a founding leader of the nonaligned movement—could become more multi-aligned and less nonaligned. Building close partnerships with major powers to pursue a variety of interests in diverse settings will not only enable India to advance its core priorities but also will help it to preserve strategic autonomy, in keeping with the country's longstanding preference for policy independence.

Nonalignment suggests a passive approach, including staying on the sidelines. Being multi-aligned, on the other hand, permits a proactive approach. Being pragmatically multi-aligned seems a better option for India than remaining passively non-aligned. A multi-aligned India is already tilting more toward the major

democracies of the world, as the resurrected Australia-India-Japan-US quadrilateral (or "quad") grouping underscores. Still, India's insistence on charting an independent course is reflected in its refusal to join America-led financial sanctions against Russia.

Meanwhile, a Modi-led India has not shied away from building strategic partnerships with countries around China's periphery to counter that country's creeping strategic encirclement of India. New Delhi's resolve was apparent when Modi tacitly criticised China's military buildup and encroachments in the South China Sea as evidence of an "18th-century expansionist mindset." India's "Look East" policy, for its part, has graduated to an "Act East" policy, with the original economic logic of "Look East" giving way to a geopolitical logic. The thrust of the new "Act East" policy—unveiled with US blessings—is to re-establish historically close ties with countries to India's east so as to contribute to building a stable balance of power in the Indo-Pacific region. As Modi said in an op-ed published in 27 ASEAN newspapers on 26 January 2018 (the day, in a remarkable diplomatic feat, India hosted the leaders of all 10 ASEAN states as chief guests at its Republic Day parade), "Indians have always looked East to see the nurturing sunrise and the light of opportunities. Now, as before, the East, or the Indo-Pacific region, will be indispensable to India's future and our common destiny."[6]

Fourth, Modi has a penchant for diplomatic showmanship, reflected not only in the surprises he has sprung but also in the kinds of big-ticket speeches he has given abroad, often to chants of "Modi, Modi" from the audience. Like a rock star, he unleashed Modi-mania among Indian-diaspora audiences by taking the stage at New York's storied Madison Square Garden, at Sydney's sprawling Allphones Arena, and at Ricoh Coliseum, a hockey arena in downtown Toronto. When permission was sought for a similar speech event in Shanghai during Modi's 2015 China visit, an apprehensive Chinese government, which bars any public rally, relented only on the condition that the event would be staged in an indoor stadium.

To help propel Indian foreign policy, Modi has also injected a personal touch. Indeed, Modi has used his personal touch with great effect, addressing leaders ranging from Obama to Abe by their first name and building an easy relationship with multiple world leaders. In keeping with his personalised stamp on diplomacy, Modi has relied on bilateral summits to open new avenues for cooperation and collaboration. At the same time, underscoring his nimble approach to diplomacy, he has shown he can think on his feet. The speed with which he rushed aid and rescue teams to an earthquake-battered Nepal, as well as dispatched Indian forces to evacuate Indian and foreign nationals from Nepal and conflict-torn Yemen, helped

[6] Narendra Modi, "Shared values, common destiny," *The Straits Times*, 26 January 2018, available at: http://www.straitstimes.com/opinion/shared-values-common-destiny.

to raise India's international profile, highlighting its capacity to respond swiftly to natural and human-induced disasters.

Fifth, it is scarcely a surprise that, given this background, Modi has put his own stamp on Indian foreign policy. The paradox is that Modi came to office with little foreign policy experience, yet he has demonstrated impressive diplomatic acumen, including taking bold steps and charting a vision for building a greater international role for India.

The former US secretary of state Madeleine Albright famously said, "The purpose of foreign policy is to persuade other countries to do what we want or, better yet, to want what we want."[7] How has Modi's foreign policy done when measured against such a standard of success? One must concede that, in terms of concrete results, Modi's record thus far isn't all that impressive. His supporters, however, would say that dividends from a new direction in foreign policy flow slowly and that he has been in office for just four years.To be sure, a long period of strategic drift under coalition governments undermined India's strength in its own backyard. Modi, however, has not yet been able to recoup the country's losses in its neighbourhood. The erosion of India's influence in its backyard holds far-reaching implications for its security, underscoring the imperative for a more dynamic, forward-looking foreign policy and a greater focus on its immediate neighbourhood. China's strategic clout, for example, is increasingly on display even in countries symbiotically tied to India, such as Nepal, Sri Lanka and the Maldives. If China established a Djibouti-type naval base in the Maldives or Pakistan, it would effectively open an Indian Ocean front against India in the same quiet way that it opened the trans-Himalayan threat under Mao Zedong by gobbling up Tibet, the historical buffer. China has already leased several tiny islands in the Maldives and is reportedly working on a naval base adjacent to Pakistan's Chinese-built Gwadar port.

To be sure, Modi has injected dynamism and motivation in diplomacy.[8] But he has also highlighted what has long blighted the country's foreign policy—ad hoc and personality-driven actions that confound tactics with strategy. Institutionalised and integrated policymaking is essential for a robust diplomacy that takes a long view. Without healthy institutionalised processes, policy will tend to be ad hoc and shifting, with personalities at the helm having an excessive role in shaping thinking, priorities and objectives. If foreign policy is shaped by the whims and fancies of personalities who hold the reins of power, there will be a propensity to act in haste and repent at leisure, as has happened in India repeatedly since the time of Prime Minister Jawaharlal Nehru, who was in office for 17 years.

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[7] Madeleine Albright, *The Mighty and the Almighty* (New York: Harper Perennial, 2007).

[8] Alyssa Ayres, *Our Time Has Come: How India is Making Its Place in the World* (New York: Oxford University Press, 2018).

Today, India confronts a "tyranny of geography"—that is, serious external threats from virtually all directions. To some extent, it is a self-inflicted tyranny. India's concerns over China, Pakistan, Nepal, Bangladesh, Sri Lanka and the Maldives stem from the failures of its past policies. An increasingly unstable neighbourhood also makes it more difficult to promote regional cooperation and integration. With its tyranny of geography putting greater pressure on its external and internal security, India needs to develop more innovative approaches to diplomacy. The erosion of its influence in its own backyard should serve as a wake-up call. Only through forward thinking can India hope to ameliorate its regional-security situation and play a larger global role. Otherwise, it will continue to be weighed down by its region.

While India undoubtedly is injecting greater realism in its foreign policy, it remains intrinsically cautious and reactive, rather than forward-looking and proactive. India has not fully abandoned its quixotic traditions. India's tradition of realist strategic thought is probably the oldest in the world.[9] The realist doctrine was propounded by the strategist Kautilya, also known as Chanakya, who wrote the *Arthashastra* before Christ; this ancient manual on great-power diplomacy and international statecraft remains a must-read classic. Yet India, ironically, appears to have forgotten its own realist strategic thought.

Concluding Observations

India is more culturally diverse than the entire European Union—but with twice as many people. It is remarkable that India's democracy has thrived despite such diversity. Yet, like the US, India has become politically polarised. And like Trump, Modi draws strong reactions—in support of him or against him. When Modi won the 2014 national election, critics said they feared his strongman tendencies—a fear they still profess. But in office, Modi has been anything but strong or aggressive in his policies. For example, his foreign policy and his domestic policies, especially economic policy, have been cautious and tactful. However, the "strongman" tag that critics have given Modi helps to obscure his failure to improve governance in India. On his watch, for example, India's trade deficit with China has doubled to almost $5 billion a month.

Prudent gradualism, however, remains the hallmark of Modi's approach in diplomacy and domestic policy. For example, to underpin India's position as the world's fastest-growing developing economy, Modi has preferred slow but steady progress on reforms, an approach that Arvind Subramanian, the government's chief

[9] Aparna Pande, *From Chanakya to Modi: Evolution of India's Foreign Policy* (New Delhi: HarperCollins, 2017).

economic adviser, dubbed "creative incrementalism." Many in India, of course, would prefer a bolder approach. But as a raucous democracy, India has to pay a "democracy tax" in the form of slower decision-making and pandering to powerful electoral constituencies. For example, under Modi, India's bill for state subsidies has risen sharply.

A dynamic foreign policy can be built only on the foundation of a strong domestic policy, a realm where Modi must overcome political obstacles to shape a transformative legacy. If India is to emerge as a global economic powerhouse, Modi must make economic growth his first priority. Another imperative is for India to reduce its spiralling arms imports by developing an indigenous defence industry. However, Modi's "Make in India" initiative has yet to take off, with manufacturing's share of India's GDP actually contracting.

As a shrewd politician, Modi has shown an ability to deftly recover from a setback. For example, he came under withering criticism when, while meeting Obama in early 2015 in New Delhi, he wore a navy suit with his name monogrammed in golden stripes all over it. Critics accused him of being narcissistic, while one politician went to the extent of calling him a "megalomaniac." But by auctioning off the suit, Modi quickly cauterised a political liability. The designer suit was auctioned for charity, fetching INR 43.1 million ($693,234).

To many, Modi seems politically invincible at home, floating above the laws of political gravity. But, as happens in any democracy, any leader's time eventually runs out. Modi suddenly appeared vulnerable in last December's state elections in his native state of Gujarat but his party managed to retain power, although with a reduced majority. Until his political stock starts to irreversibly diminish, Modi will continue to dominate the Indian political scene, playing an outsize role. At present, though, there is no apparent successor to Modi.

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Political Change in Sri Lanka? Challenges for a Stable Post-Civil War Consensus

Mallika Joseph

> "Perhaps the most fatal blow to the cause of democracy would be the breakdown of democracy in a country where it has been strong and stable."[1]

It's been three years since Maithripala Sirisena, a common candidate drawn from the Sri Lanka Freedom Party, narrowly defeated then President Mahinda Rajapaksa to become the President of Sri Lanka, ushering in not just a change in government, but also bringing hope for a corrupt-free government, an end to nepotism, an inclusive political narrative and reconciliation. Earlier this year, with the overwhelming victory of Mahinda Rajapaksa's newly formed Sri Lanka Podujana Peramuna in the local elections, the Sirisena government has been served with the reality check of a perform-or-perish ultimatum before the Presidential elections due in a couple of years in 2020.

Against this background, it would be interesting to answer some of the following questions:

What were the factors that led to Rajapaksa's defeat in the 2015 elections? Also, what were the factors that were responsible for bringing success to Maithripala Sirisena? It is important to note the difference in these two questions as the answers to these two questions shed light on the following two questions: What factors are responsible for the renewed wave of support for Rajapaksa and where does public dissatisfaction with the Sirisena government come from?

Moreover, are these factors only confined to political developments on the island, or are there larger geopolitical trends that are also driving the changes in the country?

The last question to ponder is: Will Rajapaksa 2.0 be different from Rajapaksa 1.0 (2005-2015)? If so, how, and what will be its implications?

[1] Marc F. Plattner, "The End of the Transitions Era?," *Journal of Democracy*, Volume 25, Number 3 (July 2014): 16.

In 2014, no one could have predicted that Rajapaksa would be defeated. Even by his own assessment, he believed that victory was his when he called for the Presidential elections two years before it was due. In his calculations, he may have perceived that his popularity might wane if the elections were held as scheduled and thus he decided to have the elections earlier. After all he was the one who was responsible for bringing the civil war to its end militarily. This is no mean feat considering negotiation, mediation and power-sharing are the favoured and generally adopted means of bringing conflicts the world over to an end—peaceful ends to conflicts. Domestically, he had also reignited the flame of Sinhalese Buddhist nationalism. Additionally, he was able to provide a vision for the country that the war-affected and fatigued "common man" desperately longed for. Internationally, he had successfully brought to the fore the strategic importance of the island that lies between the two important and competing powers in the region—India and China.

The only problem was that his vision and governance catered exclusively to the majority—the Sinhalese Buddhists—and their brand of nationalism at the cost of other communities, principally the Tamils and the Muslims. His second term saw a huge spike in violence against Muslims, and polarisation of perceptions among the communities. Organisations such as the Bodu Bala Sena[2] went about spewing hate, and there was little social or political censorship to arrest the steady erosion of social cohesion. For decades, Sri Lanka has battled with majoritarianism, and a

[2] Bodu Bala Sena (BBS) is a Sinhalese Buddhist nationalist organisation, formed in 2012, which received official patronage under the Rajapaksa government, and has been the centre of many controversies, particularly its role in abetting and inciting violence against the minority Muslim population in Sri Lanka. Many moderate voices among the Sinhalese Buddhist community have decried the hate campaign of the BBS, labelling it as "saffron fascism" and "militant Buddhism" but it continues to be popular within a segment of the far right which is engaged in communal violence across the country. This was witnessed in communal riots in Aluthgama in 2014, as well as the latest violence in Kandy in 2018. While in Aluthgama the government under Rajapaksa received flak for not responding quickly as Muslim shops and houses were gutted, in 2018, the Sirisena government acted swiftly to cut off the internet and thereby attempted to prevent further spread of violence through social media mobilisation.

majority polity suffering from a minority complex. This divisive politics is what had set in motion the catalysts of violence and conflict in the country.[3]

Mahinda Rajapaksa's huge electoral victory, following the military end to the civil war, offered a huge opportunity to right some of the historical wrongs; to bring closure to communities that had suffered much during the war; and to work towards truth and reconciliation. If ever there was a favourable political time to bridge the chasm among the communities, it was then; sadly, despite immense domestic hope, and international expectations, Rajapaksa did little to deliver on that front. The discussions that dominated the political space were focused on development, democracy, and devolution issues; essentially in that order, while the priorities of the Tamil community were the reverse. Rebuilding was the priority of the government, over reconciliation and rehabilitation.[4] The huge presence of the military in the areas formerly under the Liberation Tigers of Tamil Eelam's (LTTE) control, continued occupation of land belonging to the Tamil community there[5] and attempts at rejigging the demography of the northern areas[6] continue to signify post-war realities.

These factors largely contributed towards the 2015 win by the combined opposition, headed by Maithripala Sirisena. The angst against the Rajapaksa government

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[3] The roots of the conflict in Sri Lanka can be traced to the period under colonial rule when the Tamils, despite being a small minority, enjoyed disproportionate presence within the civic administration. Immediately after independence, the government disenfranchised the Indian Tamil population that had been brought to Sri Lanka by the British to work in the tea plantations through its Citizenship Act in 1948. In 1956, with the passing of the Sinhala Only act, replacing English with Sinhala as the official language, the seeds for the conflict that followed were sown and many Tamil-speaking bureaucrats were forced to resign with the implementation of this Act. The conflict sharpened the schisms of identity along lingual lines (majority Sinhalese and minority Tamil), though the subtext was also religious (majority Buddhist and minority Hindu). After the war, the same majoritarian trend continues, but it has also sought to include and induce violence between the majority Sinhalese Buddhists and the minority Muslims, who are Tamil-speaking. A majority with a minority complex has been constructed over time by positioning the Sinhalese not just against the minority Tamil community on the island, but rather viewing them together with the 60 million Tamil population in India, who were believed to be instrumental in shaping India's Sri Lanka policy. Likewise, the recent trends in positioning of the majority Buddhists against the minority Muslims, viewing them together with Muslims worldwide, has helped build and strengthen the minority complex within a majority community.

[4] Manela Karunadasa, "Post War Resettlement in Sri Lanka," Center for Poverty Analysis (CEPA), 22 April 2016, http://www.cepa.lk/blog/details/post-war-resettlement-in-sri-lanka-02f9bd78786e722b6f832d9ee4bd83ad.html.

[5] CPA Report, "Land Occupation in the Northern Province: A Commentary on Ground Realities and Recommendations for Reform," Centre for Policy Analysis Report, March 2016, https://www.cpalanka.org/wp-content/uploads/2016/03/Land-Occupation-in-the-Northern-Province..pdf.

[6] "State Facilitated Colonization of Northern Sri Lanka—2013," *Groundviews*, 19 September 2013, https://groundviews.org/2013/09/19/state-facilitated-colonization-of-northern-sri-lanka-2013/. See also, "Gota wants to change demography: TNA," *Daily Mirror*, 29 December 2012, http://www.dailymirror.lk/19014/gota-wants-to-change-demography-tna.

was strong enough that the combined opposition of unnatural allies[7] still managed to achieve victory despite having just two months to prepare for the elections. While the opposition could count on the support from the minorities, they also managed to get some support from the majority community mainly due to their unhappiness with the high levels of corruption and nepotism that became typical of the Rajapaksa government. The battle cry therefore was providing a corruption-free government.

If the Sirisena government is on shaky ground today, this is where the reasons lie—they have been unable to provide the corruption-free government they promised. It is a forgone conclusion that only those who enjoy the support from the majority will form the government and continue to remain in power. So if any party or coalition wishes to remain relevant in the Sri Lankan political sphere, they need to be able to address the aspirations of the majority community—and in the run-up to the 2015 elections there was a section within the majority community that looked beyond the Sinhalese Buddhist nationalist narrative and sought corruption-free, dynasty-free governance. Today, those are the constituents that have lost faith in the government, as reflected in the spectacular win by Rajapaksa's new party in the local elections held in early 2018.

And early on, on the eve of the elections and immediately thereafter, Rajapaksa accused India of engineering the opposition, particularly in bringing together a winning coalition and identifying the common opposition candidate.[8] This served a very useful purpose for Rajapaksa in discrediting the Sirisena government and bringing into question its credibility and legitimacy even before they could begin governing. The accusation could have also helped fire the first salvo between the combined opposition and the smaller constituency of the majority community whose support they enjoyed. In this context, it is important to remember that the

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[7] Prior to the 2015 elections, the Sri Lanka Freedom Party (SLFP), from which both Sirisena and Rajapaksa hail from, was part of the United People's Freedom Alliance, formed in 2004 against Ranil Wickremesinghe's United National Party; and Sirisena served in the Rajapaksa government as Minister of Health. On the eve of the 2015 elections, Sirisena emerged as the common opposition candidate, taking his loyalists away from the SLFP and forming a fresh alliance with Ranil Wickremesinghe. For ten years, 2004 until 2014, the parties and their cadres had been working against each other, and differences ran deep on how each party viewed issues relating to ethnic harmony, foreign policy and economic policy. Therefore it was difficult to fathom how parties with such strong differences could come together, and hope to make it work.

[8] "The new Indo-Lanka equation—what was India's role?," *Sunday Times*, 25 January 2015, http://www.sundaytimes.lk/150125/columns/the-new-indo-lanka-equation-what-was-indias-role-131670.html. See also, http://www.sundaytimes.lk/141228/columns/lankas-penny-nys-ambassador-to-the-world-128953.html; Interview (with Suhasini Haidar) "Rajapaksa: RAW not government conspired against me," *The Hindu*, 13 March 2015, http://www.thehindu.com/opinion/interview/rajapaksa-raw-not-government-conspired-against-me/article6987460.ece; "India's spy agency RAW behind my poll defeat, says former Sri Lankan president Mahinda Rajapaksa," *India Today*, 13 March 2015, https://www.indiatoday.in/world/story/sri-lanka-president-mahinda-rajapaksa-blames-india-raw-for-his-election-defeat-244216-2015-03-13.

2015 victory was a rather slim one with Sirisena securing 51.2 percent of the popular vote, and Rajapaksa 47.5 percent.

The combined opposition per se were strange bedfellows to begin with. They had very little time to consolidate the common agenda tying them together. While leaders in Colombo could think of and agree on a working arrangement, the differences among party members working at the grassroots continued to exist. Prior to the elections of 2015, there was very little time available for the combined opposition parties to make the decision of coming together an inclusive one within the party. However, very little appears to have been done even after the elections to build ownership within each party in favour of the coalition. And today, the schisms that existed well below the surface have emerged out in the open.

Even at the time of the Sirisena victory in 2015, there was much scepticism on whether the coalition would survive and deliver on its promises

> because Sirisena comes from the same political stock of Sinhala-Buddhists. There is nothing to indicate that his politics is different from that of Rajapaksa and there is nothing encouraging about his stand vis-à-vis the Tamils. Will he give more autonomy to the TNA-ruled[9] northern province? No. Will he initiate a credible investigation into the alleged war crimes by the Rajapaksa regime? No. Will he demilitarise the Tamil areas? No.[10]

And part of the problem in delivering on the promises has also been much obstruction from the opposition, as well as resistance and bureaucratic inertia from the government bodies, filled with sympathisers and supporters of Rajapaksa who had entered various agencies in the government during his two terms in office.

The Sirisena government has achieved much domestically, and worked hard at correcting the Sri Lankan image internationally; yet on some of the significant issues people continue to be dissatisfied with the government's performance. On the issue of corruption, it continues to draw flak.

The Sri Lankan electorate has limited choices before them. All moderate voices—Sinhalese and Tamil—have been systematically eliminated by the LTTE. And of the choices that are available, the one provided by the current Sirisena government should have been at least a bit more appealing to one of South Asia's strongest and finest democracies. So, why is it that people's disappointment with the current government has easily translated to support for Rajapaksa, despite knowing full well that his government was more corrupt? What is it that Rajapaksa is able to

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[9] Tamil National Alliance.

[10] Pramod Kumar, "Minorities win with Rajapaksa's fall, but will Sirisena change Sri Lanka's majoritarian politics?," First Post, 9 January 2015, https://www.firstpost.com/world/minorities-win-with-rajapaksas-fall-but-will-sirisena-change-sri-lankas-majoritarian-politics-2038095.html.

offer, that people are able to look beyond fundamental democratic principles and practices and embrace comfortably his majoritarian posturing?

Is Sri Lanka a case of a reverse wave of democratisation? A second reverse wave—like Indira Gandhi in India in 1975, or the newly democratic countries in Latin America (Uruguay and Chile) adopting authoritarian regimes in 1973? Or are we witnessing a regime change? There are compelling arguments for both.

Studies indicate that there has been democratic backsliding in recent years in as many as 25 countries; and the list also includes the United States. The reason of course is the constant threat to democratic institutions and practices due to domestic terrorism and political violence combined with the emergence of populist and authoritarian governments that feed the fear created by random acts of violence targeting unarmed civilians.

We are witnessing similar trends in South Asia, too. And it is problematic to use prevalence of terrorism and violence as an excuse for democratic backsliding.

In his article "The End of the Transitions Era?," Mark Plattner points out that from 1999 onwards there has been an increasing trend in democratic reversals. The good news is that wherever that have happened, the countries involved quickly got back on track. The danger is when efforts are not made to arrest the backsliding, and slow regime change happens—change of regime from democracy to autocracy. How else do we explain the continuing electoral success of right-wing governments that prey on schisms created due to divisive politics?

Another disturbing trend that is observable is that "the vigour, if not necessarily the power, of authoritarian states on the international scene seem to be growing."[11] Is it possible that the civil war spanning three decades has resulted in democratic backsliding, which, combined with the allure of authoritarian states in the global arena, has triggered a regime change in Sri Lanka?

In the same article, Plattner, citing Aristotle, argues that political uprisings that aim to change the regime are just changing the people who have or can have control over that regime, and are not essentially changing the nature of the regime itself. Periodical changes in governments may occur, but they may not necessarily change the regime.[12] This has been observed not just in peaceful transitions of governments, but also violent ones, including coup d'états. If that were the case, should we see the peaceful transition in governments as just replacing of the people who have control over the current regime, rather than an attempt at changing the regime itself? Does that better explain why despite all the negative focus on Rajapaksa, people are still keen to get him back—because he best represents a regime that they are comfortable with?

[11] Plattner, "The End of the Transitions Era?," 14.

[12] Plattner, "The End of the Transitions Era?," 6.

Another trend is constant erosion of the current understanding and acceptability of what we mean by democracy. Democracy cannot be just peaceful transfer of power, and elections. Unfortunately that is what it has been reduced to today. Just elections.

Currently, all South Asian countries are democracies. But the understanding of democracy has significantly reduced in all countries. "When we use the word democracy today, we mean a regime that combines individual freedom and the rule of law with equality among its citizens….Yet there still are many that offer formal equality without freedom."[13]

Today, democracy is being seen only as elections, as who wins the majority—all other principles of a democracy, like inclusivity, accountability and transparency, have been thrown to the wind; what we have in its place is just plain straightforward majoritarianism. At the height of the conflict, Sri Lanka used to be referred to as a majority with a minority complex. Today, that trend is visible in other countries in the neighbourhood as well. Similarly, the shrinking in understanding of democracy to just elections, majority win, and majoritarian rule has spilled over within the region, and Sri Lanka is not the only country to exhibit this trend.

The danger with majoritarian rule is that the dominant party becomes a custodian of its version of nationalism, and enforces that. Most countries in the region have multi-cultural multi-ethnic identities. And when attempts are made to exclusively reinforce certain identities for electoral victories, they do great harm in challenging the peaceful co-existence of multiple identities by promoting their version of nationalism.

If the government works for the constituencies that brought it to power, rather than for everyone who are part of the social contract, then it is problematic. As right-wing governments shrink the space for liberal narratives and expressions, promote their singular version of nationalism, and snuff out moderate voices, the ensuing high levels of intolerance to alternative viewpoints have shredded the social fabric and polarised communities.

There is an emerging pattern of regular needling of minority communities, followed by retaliation by minority communities, and then massive retaliation by right-wing communities, not to mention the high decibels of abuse splashed all across the social media and mainstream media. Social cohesion and social contract is constantly under attack.

Additionally wherever there is overlap of identities, the prevalence of violence and conflict is accentuated. For instance, in Sri Lanka, the Tamil (lingual) identity also overlaps with the Hindu (religious) identity, making conflict highly likely unless acknowledged and resolved. The very fact that there are currently two strong

[13] Plattner, "The End of the Transitions Era?," 8-9.

narratives on whether the situation in the country is post-conflict or post-war is indicative of the entrenched polarisation.

Against this background, it is important to ask the question: Will Rajapaksa return to power? What will happen if he returns to power? What will be the difference between Rajapaksa 1.0 and 2.0? Currently there are no viable alternatives for a solid opposition. With the earlier experiment at a common opposition totally failing, it is more likely that Rajapaksa's party will win the next elections. Their overwhelming win at the local elections in February this year can safely be used as an indicator of their impending success. Rajapaksa 2.0 will not be very different from 1.0—it will continue to cultivate and serve the constituency that brought it to power, providing them with the pride of Sinhalese Buddhist nationalism, which the current Sirisena government rightly decided to keep away from. The island will continue to see the rise of religious radicalisation, and violence resulting from it, as witnessed in Kandy in March 2018. The fear of Tamil groups regrouping would be used as a strategy to legitimise continued military presence in the north. Despite repeated pleas to implement the lessons from the Lessons Learnt and Reconciliation Commission (LLRC)[14] report, it will continue to gather dust, making reconciliation harder with each passing day. The debt burden placed on the country on account of developmental projects is probably the only issue that the government is likely to face. However, this would provide an opportunity for China to bargain its way to increased presence in the region. However, it remains to be seen if the next Rajapaksa

[14] The Lessons Learnt and Reconciliation Commission was set up by the Rajapaksa government in May 2010 with the following mandate: To inquire into and report on the following matters that may have taken place during the period between 21st February, 2002 and 19th May, 2009, namely:

- The facts and circumstances which led to the failure of the ceasefire agreement operationalised on 21st February, 2002 and the sequence of events that followed thereafter up to the 19th of May, 2009;
- Whether any person, group or institution directly or indirectly bear responsibility in this regard;
- The lessons we would learn from those events and their attendant concerns, in order to ensure that there will be no recurrence;
- The methodology whereby restitution to any person affected by those events or their dependents or their heirs can be affected;
- The institutional, administrative and legislative measures which need to be taken in order to prevent any recurrence of such concerns in the future, and to promote further national unity and the reconciliation among all communities, and to make any such other recommendations with reference to any of the matters that have been inquired into under the terms of the Warrant.

The Commission, after extensive interviews with various stakeholders, submitted its report to the Parliament in November 2011, and thereafter made it public in December 2011. Despite criticism from various quarters on the composition of the Commission, or its findings, there is expectation across the board on the government to implement the recommendations of the report. Many continue to believe that is the minimum that the government could/should do to start the process of reconciliation.

government will be able to leverage Sri Lanka as a swing state between China and India, or will it end up getting caught between a rock and a hard place.

What will Rajapaksa's success mean? It would mean that democracy is seen as a system of rule by the majority, for the majority. In the wake of external interventions following the Arab spring, one of the questions glaring at the face of the international community was: Is it about stability or democracy? And the Western world today is half-heartedly settling for stability, although they would like to ensure that the stability is legitimate, hoping that it would adhere to democratic principles that would ensure legitimacy. Unfortunately, this might not be the case in the Sri Lankan context, as well as a few other countries in the region. You could actually have governments that are elected though free and fair elections, enjoy the popular support of the people (legitimacy), and are able to complete their full term in office (stability), but still continue to shrink the democratic space for dissent and alternative viewpoints.

The Rajapaksa win should serve as a wake-up call to the Sirisena government to take note of what is at stake. It is not just a political victory or defeat. It is the severe stress on the island's democracy that should be of concern. It is unrealistic to expect much to change in the run-up to the next elections. But what can be done is to see how much the government can deliver from the promises it made in 2015. Reconciliation, demilitarisation, development, constitutional change, corruption-free government—these continue to be issues of priority for those who brought the Sirisena government to power. It has always been a case of "too little, too late" when it comes to political response and action in the country. Hopefully the Sirisena government will be able to address these challenges despite the odds stacked against it.

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Unmasking Duterte's Populism: Populist Rhetoric versus Policies in the Philippines

Ronald U. Mendoza

Introduction

Some analysts say that there is a populist tsunami sweeping across the world right now. And this is not new—the Thaksins in Thailand, Chavez in Venezuela, and Erdogan in Turkey, among others, signalled its arrival in many developing countries many years back. More recently, even the industrialised economies were not spared, with the election of President Donald Trump in the United States (US) and the Brexit vote in the United Kingdom (UK). Some would argue that Xi Jinping in China and President Rodrigo Duterte in the Philippines could also be considered populist leaders.[1]

While there are several conceptions of populism, there are at least two ways to describe this phenomenon. One approach, popular in political science, describes populism as an ideology separating society into two antagonistic groups—the vast majority of people and a corrupt elite.[2] On the other hand, among the economists, populism has sometimes been described as an economic strategy emphasising redistribution, with rising risks linked to higher inflation and deficits later on. Populism is often seen as an unsustainable strategy, as growth eventually sputters and the costs associated with populist policies lead to debt-related challenges.[3]

In many cases, populist waves end in crises, as redistribution policies appealing to large numbers of citizens often impose unsustainable fiscal burdens. In the worst

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[1] For recent analyses of the populist wave, see A. Chen, "When A Populist Demagogue Takes Power," *The New Yorker*, 21 November 2016, http://www.newyorker.com/magazine/2016/11/21/when-a-populist-demagogue-takes-power; and Ronald Inglehart and Pippa Norris, "Trump, BREXIT and the Rise of Populism: Economic Have-Nots and Cultural Backlash" (Harvard Kennedy School Faculty Working Paper Series 16-026, Cambridge, Mass., August 2016).

[2] See C. Mudde, "The Populist Zeitgeist," *Government and Opposition* 39, no. 4 (2004): 541-563, http://onlinelibrary.wiley.com/doi/10.1111/j.1477-7053.2004.00135.x/abstract.

[3] See R. Dornbusch and S. Edwards, "The Macroeconomics of Populism," in *The Macroeconomics of Populism in Latin America*, eds. R. Dornbusch and S. Edwards (Chicago: University of Chicago Press, 1991), 7-13, http://www.nber.org/chapters/c8295; and Jeffrey Sachs, "Social Conflict and Populist Policies in Latin America" (NBER Working Paper, Cambridge, Mass., 1989), http://www.nber.org/papers/w2897.

cases, redistribution policies also often come at the cost of deep structural reforms, including those that make the economy much more competitive and inclusive. Deeper reforms are often delayed by temporary and often shallow redistribution policies, while the country lingers in a populist euphoria.

In today's world, populist leaders could come from the political left or the conservative right, often leveraging social discontent, as well as either racial or economic anxieties brewing in society. Often, they leverage deep social, political, and economic divides in society, separating a large mass of voters from an elite, portrayed to be unnecessarily and unfairly advantaged.

Trump's rise to power, for example, has been accompanied by strong anti-immigrant and protectionist rhetoric, leveraging a public sentiment which might actually be embedded in deep economic divides. Researchers from Brookings Institution, for example, found evidence that Hillary Clinton won in only 472 counties, which nevertheless accounted for over 60 percent of US economic output. Trump, on the other hand, won in over 2,500 counties accounting for a mere 36 percent of US GDP. Brookings therefore attributes part of the election divide as having to do with the differences across "high-output America" and "low-output America".

Table 1: US Counties Won by Candidates and their Share of GDP in 2000 and 2016.

Year	Candidates	# of Counties won	Aggregate share of GDP
2000	Al Gore	659	54%
	George W. Bush	2397	46%
2016	Hillary Clinton	472	64%
	Donald Trump	2584	36%

Source: M. Muro and S. Liu.[4]

In the Philippines, it seems that a mix of factors could be contributing to the tendency towards some populist politics. One of these factors could be the rising inequality, which seems to favour a "high-output Philippines" that probably benefited relatively more from greater economic integration in the last several decades.

On the other hand, sectors which may have benefited less—or may even have been harmed—could then be targeted for redistributive policies: farmers with no means to invest in irrigation, young people aspiring for better jobs through higher education, small firms marginalised by the formal financial sector despite the benign credit environment, and an urban lower middle class, feeling the pinch from rising transport, housing, food and other costs, combined with job uncertainty. Top this off with an urban population that witnesses the proliferation of rapidly

[4] M. Muro, and S. Liu, "Another Clinton-Trump divide: High-output America vs low-output America," *The Avenue*, 29 November 2016, https://www.brookings.edu/blog/the-avenue/2016/11/29/another-clinton-trump-divide-high-output-america-vs-low-output-america/.

improving lifestyles, and the mushrooming of high-end condominiums, and you have the makings of deep discontent—an "in-your-face inequality" that will likely generate growing pressure for a pushback.

In urban areas, growing concerns over the challenges and risks associated with rapid urbanisation—including the threat of crime and illegal drugs, rising transport costs and traffic, as well as economic uncertainty—could also be contributing to the strong support for policies that cater specifically to these issues. That in itself does not necessarily make those policies populist—rather it's the focus on quicker yet ultimately unsustainable policy shortcuts, which may give rise to the canonical populism that has led to policy failure and crises in many countries where this has taken hold.

In Latin American countries affected by populist waves, for example, spendthrift populist leaders failed to address structural inequality as their policies merely triggered inflation, which in turn triggered wage increases and macroeconomic instability. In these countries, populist policies were exposed for their lack of sustainability, and for missing out on deeper structural reforms.[5]

In what follows, an analysis of three examples of Duterte policies paints a mixed picture as regards the claim to populism. The analysis focuses on the President's vocal stance against oligarchs, the policies to support free irrigation, and finally the government's tax reform programme. These examples suggest that there is a high degree of incoherence and inconsistency in Duterte's brand of populism.

Anti-Oligarch?[6]

Populists the world over almost always attack the rich, branding them as "oligarchs". The common definition of oligarchy actually refers to a government run by a small group of powerful individuals. The Greek philosopher Plato, however, referred to oligarchs as "greedy men" reluctant to pay their fair share of taxes. In oligarchies, Plato further warned, the majority are poor and disempowered, while a small ruling class consolidates power and subverts laws to press their own interests over the common good.

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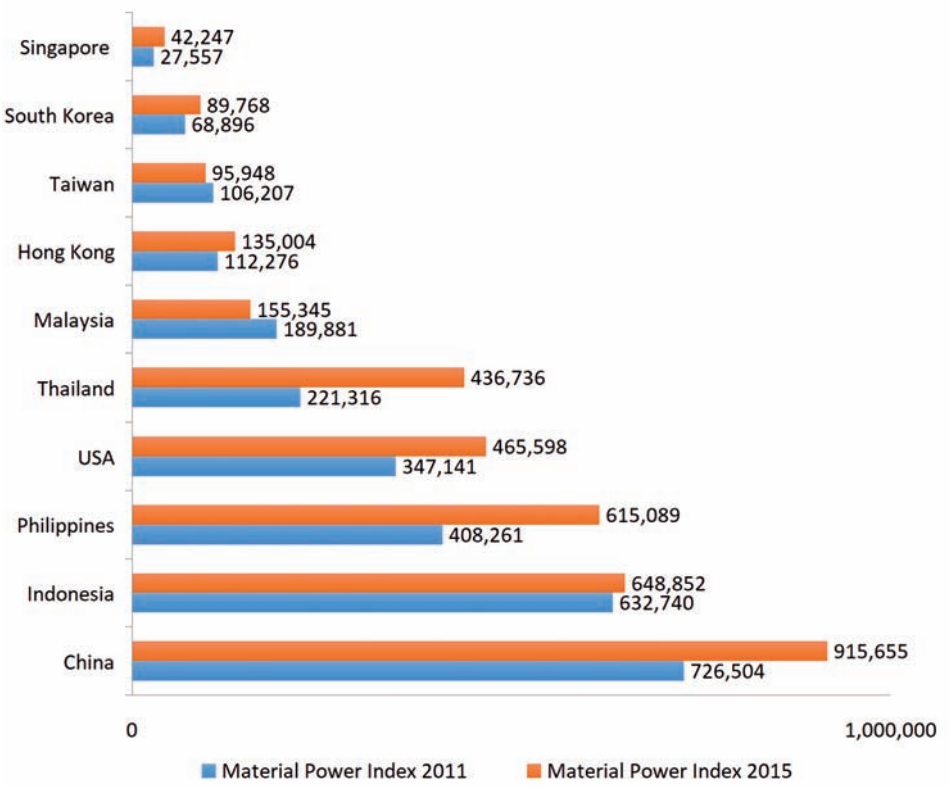
[5] See among others David Doyle, "The Legitimacy of Political Institutions: Explaining Contemporary Populism in Latin America," *Comparative Political Studies* Volume 44, issue 11 (2011): 1447-1473; Jeffrey Sachs, "Social Conflict and Populist Policies in Latin America" (NBER Working Paper, Cambridge, Mass., 1989), http://www.nber.org/papers/w2897; and more recently, "Why populism is in retreat in Latin America," *The Economist*, 21 November 2016.

[6] This section draws on Ronald U. Mendoza, "How to tame your oligarch," *Rappler*, 11 August 2016, https://www.rappler.com/thought-leaders/142623-taming-oligarchs-competition.

How dominant (or potentially dominant) are the oligarchs in their respective economies? Figure 1, for example, shows the "material power index" developed by Jeffrey Winters of Northwestern University. This indicator is the ratio of the average wealth of the top 40 richest individuals to the GDP per capita of the country.

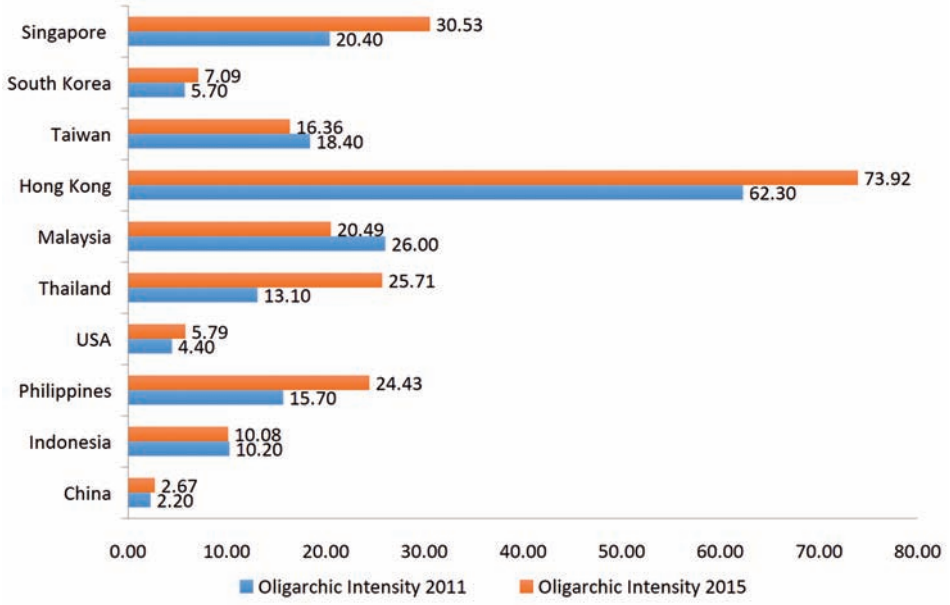
Figure 1: Material Power Index across Selected Economies.



Source: Author's calculations using data from Forbes and the World Bank, and based on the formula developed by Winters.[7]

[7] Jeffrey Winters, "Oligarchy and Democracy in Indonesia," *Indonesia* 96: 11-33 (2013), https://bcventura.files.wordpress.com/2016/11/2-oligarchy-and-democracy-in-indonesia.pdf.

Figure 2: Oligarchic Intensity across Selected Economies.



Source: Author's calculations using data from Forbes and the World Bank, and based on the formula developed by Winters.[8]

Furthermore, Figure 2 provides a snapshot of "oligarchic intensity" as measured by the total wealth of the top 40 wealthiest individuals in each of the selected economies, expressed as a share of total GDP. Between 2011 and 2015, most countries in the sample experienced an increase in both oligarchic intensity and the material power index, suggesting increasing wealth (relative to the overall economy) among this small group of individuals.

The Philippines stands out in terms of the dramatic increase in its "material power index" during this period. Put differently, the country's top 40 richest individuals experienced a phenomenal increase in wealth over the past five years—growth outpacing the average Filipino income.

Perhaps it is in this light that President Duterte seems to have called them out. "Ang plano talaga is…destroy the oligarchs that are embedded in government. Iyan-iyan sila. I'll give you an example, publicly…Ongpin, Roberto."[9] In his public comments, President Duterte emphasised specific problematic characteristics of oligarchs—they obtain lucrative government contracts using political connections, and they engage in illegal activities to gain an advantage, such as insider-trading.

[8] Ibid.

[9] *GMA News Online*, "Duterte vows to destroy 'monster' oligarchs," 4 August 2016, http://www.gmanetwork.com/news/money/companies/576357/duterte-vows-to-destroy-monster-oligarchs/story/.

A patrimonial state and a predatory oligarchy combine to extract rent for selected powerful vested interests, often to the detriment of public policy goals and the common good. Scholars of Asian industrialisation have since called this either "booty capitalism" or "crony capitalism".[10]

Weeks after assuming office, Duterte's tirade against oligarchs in general and Ongpin in particular generated a swift response from the financial market. Following the President's comments on the ills of online gambling in early August, the shares of PhilWeb Corporation (Ongpin's company) plunged, resulting in paper losses reaching at least PhP14 billion. Figure 3 juxtaposes the trading price of PhilWeb Corporation from June 2016 to November 2017.

Essentially, the pressure exerted by the Duterte administration (i.e., the President's public comments combined with the non-renewal of PhilWeb's contract by the Philippine Amusement and Gaming Corporation or PAGCOR) influenced the stock price to plunge by almost 90%. Ongpin then resigned; and Gregorio Araneta was elected the new chair of PhilWeb. (Note that Araneta also belongs to one of the wealthiest families in the Philippines; and he is also very politically connected, being the son-in-law of Ferdinand and Imelda Marcos and the husband of Irene Marcos.) Araneta then acquired Ongpin's shares for a song (PhP2.6 per share). PhilWeb subsequently gained provisional accreditation from PAGCOR, and its stock price recovered—translating to at least roughly PhP5 billion in gains for Araneta since he purchased the controlling stake in PhilWeb.

Figure 3: PhilWeb under the Duterte Administration.

Source: News reports collected by the staff of the Ateneo Policy Center.

[10] Paul Hutchcroft, *Booty Capitalism: The Politics of Banking in the Philippines* (Manila, Ateneo University Press, 1998).

The PhilWeb saga may have exposed the true nature of Duterte's rant against oligarchs—addressing very little by way of eroding oligarchic control of markets, while simply transferring economic rents from one wealthy clan to another.

Free Irrigation?[11]

Another case is irrigation. Access to irrigation remains one of the main challenges of agriculture in the Philippines. With the country having one of the highest irrigation fees in Asia, irrigation continues to be a burden for farmers. With this, President Rodrigo Duterte advocated for free irrigation (along with land distribution) during the campaign period.

In an attempt to fulfil this campaign promise, PhP2.3 billion was added to the budget of the National Irrigation Administration (NIA) to cover the irrigation services fees (ISF), which used to be paid by farmers, increasing the total budget to PhP38.7 billion.[12] But is this enough to provide free irrigation for all?

According to NIA's Annual Report, a total of PhP1,671,729,887 was allocated for ISF in 2015.[13] From this, it would seem that the additional PhP2.3 billion is already enough to cover the ISF. However, according to NIA, the total firmed-up service area (FUSA) or the service area to be covered by irrigation facilities as of December 2015 is 1.7 million hectares, covering only about 57% of irrigable land.[14] Of the remaining 1.3 million hectares, NIA is targeting to cover 75% over a 10-year period, which is 96,636 hectares per year.[15] Moreover, of the total FUSA, there are still about 400,000 hectares that need repair.

Based on the available figures, Mendoza et al.[16] estimated the true total cost of irrigation, if all irrigable land were to be included. Their estimates suggest that the government will have to pay a total of PhP3.8 billion every year to cover the ISF of the entire 3 million hectares. Compare this with the present allocation of PhP2.3 billion.

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[11] This section draws on Ronald U. Mendoza, Michae Ilagan, Miann Sombise Banaag, and Ivyrose Baysic, "Costing Populist Policies" (Ateneo Policy Center, Ateneo School of Government, 2017), SSRN: https://ssrn.com/abstract=3040451.

[12] Philippine Information Agency, "NIA offers free irrigation service," *Philippine Information Agency*, 2 December 2016, accessed 1 February 2017, http://pia.gov.ph/news/articles/1251480663465.

[13] National Irrigation Commission (NIA), "2015 Annual Report," accessed 21 January 2017, http://www.nia.gov.ph/sites/default/files/newsletter/2015-annualreport.pdf.

[14] National Irrigation Commission (NIA), "2015 Annual Report," accessed 21 January 2017, http://www.nia.gov.ph/sites/default/files/newsletter/2015-annualreport.pdf.

[15] P. Pasion, "Agri chief seeks P4B additional funds for NIA," *Rappler,* 25 August 2016, accessed 2 February 2017, http://www.rappler.com/nation/144181-agriculture-chief-wants-additional-funds-for-irrigation.

[16] Mendoza et al., "Costing Populist Policies."

In addition, the above computation has not yet accounted for the cost of expanding the FUSA. Unless the government builds the necessary infrastructure, it will remain "a challenge to bring water to farmlands."[17] According to a study of the Philippine Institute for Development Studies (PIDS) on irrigation development, NIA in 1995 estimated the average cost per hectare of constructing a gravity irrigation system to be PhP100,000.[18] Note, however, that this is still underestimated if we are to consider the current cost. The computation below illustrates the estimated cost to be incurred in constructing the additional target irrigation systems:

Additional areas to be irrigated in 2017	96,636
Cost per hectare	PhP100,000
Estimated additional cost	PhP96,636 x 100,000 = PhP9,663,600,000

Adding 96,636 hectares per year to the FUSA thus costs an additional PhP9.6 billion per year, in 1995 prices. In comparison, the NIA budget in 2017 increased only by PhP3.6 billion from the 2016 budget. In other words, the increase in budget from 2016 to 2017 will have to be more than doubled for the government to reach its target for the year.

In summary, adding PhP2.3 billion is enough to subsidise irrigation services for the current FUSA. However, implementing a comprehensive programme that will fully provide a free and sustainable irrigation system for Filipino farmers will require a much more extensive effort to repair and expand the existing system, as well as the mobilisation of sufficient resources to undertake these investments. The Duterte administration's quick fix on the matter might actually distract from these deeper structural issues.

Once again, the focus on "quick fixes" masks the lack of action on deeper structural reforms. Yet for many, this may actually be more palatable compared to the much slower pace of reforms (and impact) in relation to institutions and governance.

[17] Julio, H., "Government vows free irrigation program will take effect this year," *ABS-CBN News*, 10 January 2017, accessed 1 February 2017, http://news.abs-cbn.com/news/01/10/17/government-vows-free-irrigation- program-will-take-effect-this-year.

[18] David, W., "Constraints, Opportunities and Options in Irrigation Development," *Philippine Institute for Development Studies*, Discussion Paper Series No. 2000-39, 14, October 2000, accessed 24 January 2017, http://dirp3.pids.gov.ph/ris/ris/pdf/pidsdps0039.PDF.

Progressive Public Finance?[19]

A focus on deeper reforms in the Philippines should inevitably tackle public finance issues—both on the taxing and spending sides of the public sector. Article VI, Section 28 of the Philippine Constitution states that "the rule of taxation shall be uniform and equitable" and that "Congress shall evolve a progressive system of taxation." Yet most experts would acknowledge that the country's public finance policy is far from progressive.

The Duterte administration recently passed the first instalment of a comprehensive package of tax reforms (Tax Reforms for Acceleration and Inclusion Act or TRAIN) long advocated by many in the policymaking community.

There are a variety of motivations for various parts of the reforms—on top of fixing the progressivity and fairness of the income tax system and providing relief to the middle class, the government also seeks to generate over PhP300 billion in new revenues to help fund its infrastructure programmes. In addition, concerns over the lack of competitiveness of Philippine tax rates abound, as the country's corporate income taxes and personal income taxes (top tier) are among the highest in the region.

Finally, some tax policies (notably exemptions and lower rates) are used as a means to protect vulnerable members of society (e.g., the elderly and poor families), while others are used as part of the country's efforts to boost investments and job creation in certain industries (e.g., business process outsourcing, industries in export processing zones, etc.). Nevertheless, there is evidence that the hodge-podge of fiscal incentives has created an incoherent fiscal environment whereby contradictory and ineffective policies fail to satisfy policy objectives.[20]

Unsurprisingly, some of these goals are often conflicting in their expected impact. Increased revenues from indirect taxes are unlikely to reduce inequality. Removing VAT exemptions, while making the tool more efficient, will likely erode government support for key industries unless especially designed subsidies and support packages are ready.

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[19] This section draws on Ronald U. Mendoza, "Redirecting TRAIN against inequality," *Rappler*, 4 October 2017, https://www.rappler.com/thought-leaders/184229-redirecting-train-against-inequality. See also Ronald U. Mendoza, Patricia Thea Basilio and Eunice Lalic, "Tax Reform Options to Generate Revenues While Reducing Inequality" (ASOG Working Paper 17-011, 5 October 2017), SSRN: https://ssrn.com/abstract=3048166 or http://dx.doi.org/10.2139/ssrn.3048166.

[20] Renato Reside, "Towards rational fiscal incentives: Good investments or wasted gifts?" (UP School of Economics Working Paper, 2006), http://www.econ.upd.edu.ph/dp/index.php/dp/article/view/74/66; Renato Reside, "Can fiscal incentives stimulate regional investment in the Philippines?" (UP School of Economics Working Paper, 2007), https://www.researchgate.net/publication/242264312_CAN_FISCAL_INCENTIVES_STIMULATE_REGIONAL_INVESTMENT_IN_THE_PHILIPPINES_An_update_of_empirical_results.

As expected, the difficult trade-offs in the still-evolving tax package are generating mixed reviews from various groups. Yet, Filipino legislators now have a genuine opportunity to form a coherent narrative on how taxing and spending policies could help promote more inclusive development, improving dramatically from what past administrations have been able to achieve.

Rather than simply focussing on tax revenues and growth (through infrastructure spending), this administration can address deep-seated inequality in society and economy through tax and spending reforms combined. Nevertheless, the emerging versions of TRAIN pushed by the House of Representatives differ significantly from the version supported by the Senate.

Based on calculations by the Ateneo Policy Center, the version of the tax package produced by the House of Representatives (dominated by allies of the Duterte administration under his political party, PDP-Laban) would have exacerbated inequality as measured by the Gini index, a common measure of income inequality. Applying the measures proposed by House Bill 5636[21] to households included in the 2015 Family Income and Expenditure Survey, the pre-tax reforms Gini of 49.1 worsened to a post-tax reforms Gini of 50.7. Even complete delivery of transfers would not improve upon this dramatically, driving the Gini down to only about 50.

By comparison, the Senate version reduces inequality much further than HB 5636—thanks largely to adjustments in personal income tax schedules, much higher per household transfers, and a longer and fixed transfer period. There is even good reason to believe that the Senate version of the tax package will be able to produce a post-tax reforms Gini that will be even better (read: less inequality) compared to the pre-tax reforms situation, if its more extensive pro-poor earmarks fully worked out.

Compared to HB 5636, which allocated only 40% of incremental revenues of the oil excise tax (a projected PhP29.8 billion for 2018) to a "*social benefits programme*" which includes cash transfer, Senate Bill 1592[22] temporarily earmarks all incremental revenues to an even more expansive range of social benefits and investments for poor and near-poor households.

Figure 4 illustrates the distribution of the net impact of the government's tax reforms (based on the House of Representatives version, which is also supported by the Department of Finance). It becomes clear that the main beneficiaries from the reforms include high-income families, the upper middle class and part of the larger middle class. Poor families and the lower-middle-income families are likely to be adversely affected by the tax package if the House version was approved. Fortunately, that version was somewhat improved by the Senate later on, even if

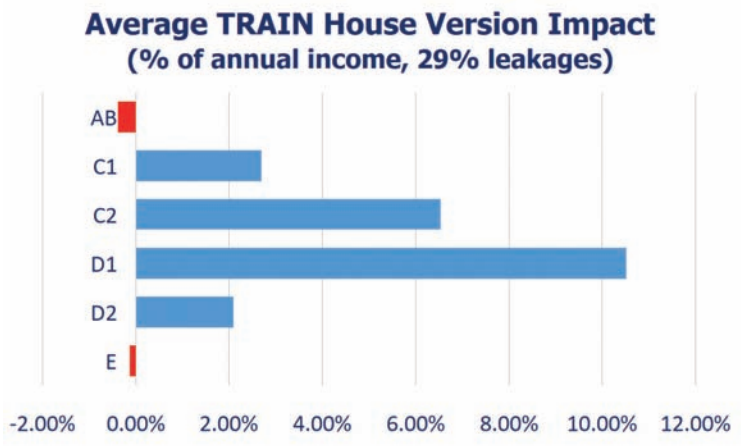
[21] See https://www.senate.gov.ph/lis/bill_res.aspx?congress=17&q=HBN-5636.

[22] See https://www.senate.gov.ph/lis/bill_res.aspx?congress=17&q=SBN-1592.

the final version still did not produce dramatic improvements in the benefits for the poor and subsequently on the equity effect of the overall tax package.

Once again, the Duterte administration's purported populism becomes less compelling given that the primary beneficiaries from the tax programme are actually from the mid- to higher-income levels. In related analyses, the Ateneo Policy Center has advocated to leverage tax policy reforms (TRAIN) within a broader portfolio of economic development reforms that build stronger inclusiveness in the country's growth pattern. Notably, by linking the tax reforms to food security reforms, as the transition from quantitative restrictions to tariffs will also generate revenues which can be channelled to protect vulnerable groups. It is not too late for the government to adjust its policy, which seems to prioritise growth-driving reforms, with very little progress on equity-focused and inclusiveness-enhancing economic policies.[23]

Figure 4: The Distribution of Tax Reforms Impact.



Source: Ateneo Policy Center staff calculations.

Conclusion

The three policy examples discussed in this article help to expose Duterte's highly incoherent stance on populism. Taken together—and along with many other policy moves under Duterte—they reveal key divergences between rhetoric and action. They send mixed signals as to the true extent of redistribution or pro-poor stance that one normally associates with populism.

[23] See Jerome Cruz and Ronald U. Mendoza, "Saving tax reform from TRAIN," *GMA News Online*, 1 February 2018, http://www.gmanetwork.com/news/opinion/content/641867/saving-tax-reform-from-train/story/.

First, his anti-oligarchy bark is worse than his bite. He does not really seem to be against oligarchy per se—and his actions on PhilWeb appear to have merely transferred economic rents from one business tycoon to another. Furthermore, the system of rent-seeking for government contracts—a structural challenge that has plagued the Philippine public sector for decades—has not really been debilitated in any institutional way.

Moreover, his stance on the agricultural sector—as evidenced by his rhetoric to make irrigation accessible and free—masks a disregard for the true extent of resource needs in the sector. It also exposes the lack of clear metrics to meet the true demand for support in this sector, implying that the impact of the "free irrigation" promise could be much more on the political sphere rather than on the agricultural reality in the Philippines.

And the tax reform programme of the Duterte Administration has created some benefits for middle-class workers; but it has led to more inflation pressure, in turn affecting many poor and low-income households. The latest national surveys by Pulse Asia (released in April 2018) note that about 86% of respondents reported being "strongly affected" by inflation in early 2018, with over 90% of respondents reporting food price increases, with rice price inflation topping the list of commodities most affecting them.[24] Nevertheless, the tax reform programme was well received by credit rating agencies and some investors. Most recently, Standard and Poor's upgraded the country's outlook to "positive", noting the Philippines' strong fiscal reforms so far.[25]

For these reasons, it is difficult to consider President Duterte a "populist" in the traditional redistributive sense. For instance, his administration's controversial and bloody anti-drugs campaign has led to significant casualties among poor communities. Recently, there has been growing evidence of police abuse. Unsurprisingly, the slippage in his political support as evidenced by recent satisfaction surveys is among the poor and low-income groups, while his support among upper-income classes is holding steady (at the time of writing this article).[26]

As regards his political style, which tends to be adversarial and divisive, it is also unclear to what extent he favours the marginalised sectors of society (e.g., farm-

[24] Jessica Phenol, "Pulse Asia: Most Filipinos 'strongly affected' by price hikes in basic goods," ABS-CBN News, 27 April 2018, http://news.abs-cbn.com/business/04/27/18/pulse-asia-most-filipinos-strongly-affected-by-price-hikes-in-basic-goods.

[25] Luchi de Guzman, "Standard & Poor's upgrades Philippines credit outlook to 'positive'," CNN Philippines, 27 April 2018, http://cnnphilippines.com/business/2018/04/27/standard-poors-upgrade-Philippines-credit-outlook-positive.html.

[26] Dharel Placido, "SWS: Duterte admin's net satisfaction rating still 'very good' but drops in Luzon, Class E," *ABS-CBN News*, 19 October 2017, http://news.abs-cbn.com/news/10/19/17/sws-duterte-admins-net-satisfaction-rating-still-very-good-but-drops-in-luzon-class-e.

ers, students, the poor). Some of the major reforms under his administration imply mixed effects on some of these groups. As shown in the analysis herein, promises may appear bigger than the actual programme coverage and benefits that could be prudently absorbed by the public sector budget (as is the case in free irrigation); and reform benefits may not necessarily benefit the poor (as in the case of tax reforms). This carries political risk, if the President's support base is eroded by a growing recognition that he may actually care less about poor and low-income Filipinos and he instead continues to behave unpredictably.

Reformists in the Duterte administration could still implement a few reforms that could truly deliver for the vast majority of poor and low-income Filipinos. Clearly, one area would be to recalibrate the government's bloody anti-drugs campaign, which has been focused on poor drug users for the most part while failing to address some of the main sources of the drugs problem. Drawing on international evidence and best practice, the government could instead implement a more health-based approach to curbing the drugs challenge in the country. A stronger partnership involving the Church, drug-affected communities, civil society and the Philippine National Police could help rebuild trust and address addiction challenges, notably among the youth. Drug supply interdiction focused on the sources of drugs could also help address the root causes of this problem in the Philippines.

In addition, the government's tax reforms and infrastructure investments ramp-up are going to be good for economic growth. These will be even more impactful on the lives of more Filipinos if public sector investments go well beyond urban centres like Metro Manila and Metro Cebu. If these investments are more strategically developed, they could begin to better interconnect the sources of growth in the Philippines with more regions and populations that have not yet connected well with the country's economic boom. In particular, the creation of "growth corridors" could dramatically increase the participation of many smaller firms, workers and communities in the country's growth dynamic. By tapping more productive factors, this could also help to sustain the country's industrial push, avoiding immediate inflationary pressure which would result from tapping only a limited pool of resources and regions.

Finally, addressing the country's food security policy—in particular rice policy—could also help address hunger and poverty in dramatic ways. One way to dramatically reduce the number of hungry and poor families is to stabilise the price of rice at a much lower level than present. This is possible—and much more cost-effective for taxpayers—if a combination of increased importation and targeted agricultural investments for increased productivity and economic support for affected farmers could be designed as a package. Similar approaches already exist in the Association of Southeast Asian Nations—for example the Malaysians have a 65% rice self-production target, with the rest of their rice supply more competitively

purchased from international markets. Such a reform could prove popular among poor and low-income households, for whom food constitutes a relatively larger share of the household budget. And it could also provide relief to many minimum-wage and informal workers who may not have benefited from the tax reforms (principally because the poor in the Philippines are not covered by personal income taxes anyway).

There is still time to create real positive change in the lives of the vast majority of poor and low-income households in the Philippines. Beyond mere populist-sounding promises, deep structural reforms are necessary to help ensure more inclusive development and less socio-economic and political division in the Philippines.

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Digital Populism and the Social Media Impact on the 2017 Mongolian Presidential Election

Tserenjamts Munkhtsetseg

Introduction

Elections in recent times have witnessed a growing trend to use mass media, especially social networks, to appeal to fundamental cultural characteristics such as traditions, shared values, identities, religious beliefs of a group, ethnicities and nationalism in order to stimulate public opinion, direct their emotions and build attitudes to achieve election results that best fit the interests of politicians.

Taking advantage of the current situation, with the lack of censorship and control of social networks, populist politicians and political parties have been pervasively spreading fake news, mudslinging, and using smear tactics among the populace. These have been observed in recent elections in the established liberal democracies of the US, France and Germany. As Francis Fukuyama recently wrote, "the emergence of a 'post-fact' world, in which virtually all authoritative information sources are challenged by contrary facts of dubious quality and provenance"[1] has become a reality.

This paper tries to examine a similar trend or pattern in the case of the presidential election in Mongolia in 2017 and makes comparisons between the Mongolian presidential election and the US presidential election in 2016. For this purpose, analyses were conducted on public opinion survey findings, media monitoring surveys, observations and analyses of independent researchers, and field study results.

General Picture of the 2017 Mongolian Presidential Election

In the 2017 Mongolian presidential election, the main competition took place among the candidates Miyeegombyn Enkhbold, from the Mongolian People's Party (MPP); Khaltmaagiin Battulga, from the Democratic Party (DP); and Sainkhuugiin

[1] F. Fukuyama, "The Emergence of a Post-Fact World," 2017, accessed 4 April 2018, https://www.project-syndicate.org/onpoint/the-emergence-of-a-post-fact-world-by-francis-fukuyama-2017-0.

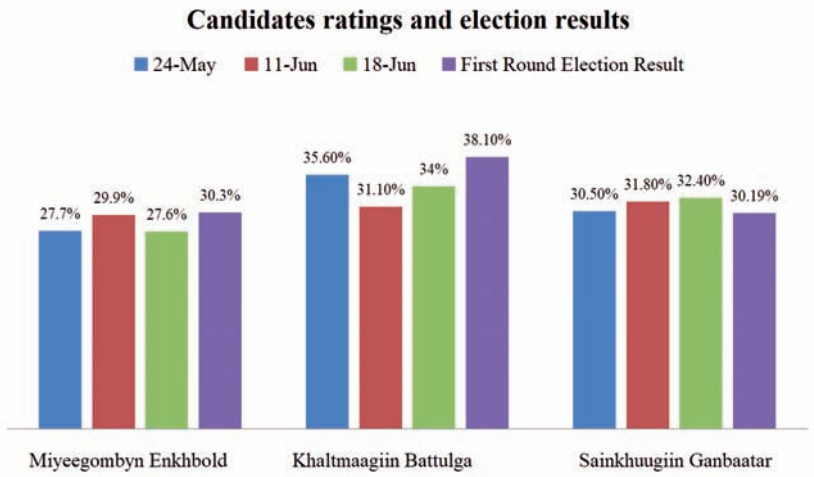
Ganbaatar, from the Mongolian People's Revolutionary Party (MPRP), all three of which also have seats in the State Great Khural (Parliament) of Mongolia. In the first round of the election, none of the candidates received a clear majority and thus, Battulga and Enkhbold remained in the ballot for run-off voting. In the second round of the election, Battulga won with 50.6% of the votes.

This recent election was peculiar in comparison with previous presidential elections in that the overwhelming majority of voters made their choices from the moment the candidates were determined and the number of floating voters who were undecided was minimal. Research findings show that throughout most of the period of the election campaign, the level of floating voters was at 6-7%, which is a significantly lower indicator compared to previous presidential and parliamentary elections.

During previous elections one third of the voters were undecided until the final week prior to election day. For example, public opinion survey findings conducted in the week prior to the polling day of parliamentary elections 2016 found that 29-31% of the total voters at the national level had not decided whom to vote for.[2]

In contrast, from the beginning of the campaign for the 2017 presidential election, voters were divided among the three candidates and floating voters were miniscule. The ratings of the three candidates during the election campaign and the first-round election results are shown in Graph 1.

Graph 1: Ratings of the three candidates during the election campaign and first-round election results.



Source: MMCG Research Centre, *Public opinion survey research of Presidential election, 2017.*

[2] Institute of Political Communication, "Voting behaviour survey during the parliamentary election campaign," 21 June 2016, 13.

As research findings and the election results show, 93-94% of the voters had decided their voting preference quite early and the election campaigns of the three candidates were targeted at luring the votes of the remaining 6-7% of the electorate.

Key Influencing Factors for the Election Results

This part of the article sheds light on the key causes and conditions that influenced the victory of opposition candidate Battulga over candidate Enkhbold of the incumbent party MPP, which controls the majority of the seats in parliament.

With regard to the conditions concerning Enkhbold's election campaign, there are three major factors that were at play. These are:

1. Candidates' image and their reputation among the masses.
2. Government's popularity, its decisions disliked by the masses and its management of crises.
3. Digital populism.

I will briefly describe these three factors below.

1. Candidates' image and individual characteristics

The individual characteristics and public images of the three candidates greatly differed from each other and the nomination processes carried out by their parties also varied extensively. In the case of Battulga from the Democratic Party, he prevailed over six other individuals in the internal party pre-selection contest. Ganbaatar, the candidate from MPRP, was an outsider to the party but gained the nomination from the party. As for the MPP, in its VIII party conference, Enkhbold and Tsendiin Nyamdorj were nominated and 85.7% of the attendees voted for Enkhbold to be the candidate. Even though Nyamdorj had maintained good leading positions within the ruling ranks in the party structure, and another potential figure, Badmaanyambuugiin Bat-Erdene, who, notwithstanding the fact that he had been a losing candidate in the previous presidential election, enjoyed a good reputation in the public, the party through its policy decided to nominate Enkhbold to run for the office.

Along with the party factor, individual characteristics play an especially important role during presidential elections. In this recent election, among the candidates, both Battulga and Ganbaatar distinguished themselves as strongly populist figures and are quite well-known as personalities, whereas Enkhbold was known more as a party leader and was not particularly popular among the masses. Battulga is well-known and respected as an athlete of sambo (a wrestling style similar to judo, mostly popular in former socialist countries) and judo wrestling, which is the

favourite and traditional sport among Mongolians. Moreover, perhaps under the influence of strongman authoritarian leadership in both neighbours Russia and China, there is growing support among Mongolians for a strong leader and presidential government, according to public opinion polls in recent years. Focus group discussions during the election indicate that the image and public perception of candidate Battulga is that of a strong leader.

During our focus group discussion, organised together with the Maxima research centre, conducted on 2-3 June 2017 in Ulaanbaatar city, 78 citizens shared their views on candidate Battulga: "as he keeps his promises", "is a strong character, as an athlete, he prefers a fair game", "only person to clean the politics", "potentially strong president", and "has Russian wife; Mongolia should be aligned with Russia instead of China, so Russian wife is acceptable" and other positive assessments. In addition, they also had some negative views regarding him as "he embezzled the budget spending on railway construction", "tends to decide politics from a business viewpoint", and "if he is elected as president then he will definitely enter into conflict with Parliament and Government", among others.[3]

With regard to Enkhbold, citizens had positive views, such as "can be potentially better head of state than the other two candidates in dealing with issues through peaceful means, extensive knowledge and experience", and negative ones, such as "his body language seems undecided and hesitant", and "held all the high posts previously, including UB city mayor, prime minister, and parliamentary speaker, and had good chance to make changes, what difference does it make if he becomes president".

On candidate Ganbaatar, people viewed him as a person who "fought for citizens' interest as the president of the trade union, potential fighter against MANAN (conspiring grand coalition including two major parties; MAN is abbreviation of MPP and AN is abbreviation of DP; "Manan" is the Mongolian word for "fog"), lone fighter who is standing up for our nation". There were also negative perceptions, such as "changing his parties, inconsistent, not ready to be president".

In general, among the citizens of both Ulaanbaatar city and rural areas, Enkhbold's rating was significantly weaker, with predominantly negative evaluations, while both Battulga and Ganbaatar had roughly the same number of positive and negative views.

2. Government popularity, its decisions disliked by the masses and its management of crises

One general pattern observed in most of the presidential and parliamentary elections around the globe is that when elections are held during a crisis, it usually

[3] Maxima Consulting, "Focus Group Interview Report," 2-3 June 2017.

negatively impacts the incumbent party. The public tends to blame the incumbent party for the crisis of the time. For example, this was the main cause for the defeat of the Democratic Party in the 2016 Mongolian parliamentary elections. In 2011 Mongolia's economy grew by 17% and attracted billions of dollars in foreign investment. Nevertheless, the prices of commodities, the main sector of Mongolia's economy, sharply plunged in the late 2011 and early 2012, causing a financial and economic crisis. Thus, once the world's fastest-growing economy, mining-dependent Mongolia faces mounting unemployment, declining foreign direct investment and a looming debt crisis. Some researches indicate that election results greatly depend on how the ruling party manages economic and other crises, and how it implements its political communication to convey crisis management, policy, and results.[4] In particular, during an economic crisis, it is often necessary to cut budget spending and to increase tax to generate more revenue, which directly affects voters' living conditions, causing them to view the incumbents negatively. In this context, the policy mistakes of the incumbent MPP government in crisis management were one key cause for its defeat in the presidential election.

One of the primary factors that adversely influenced the decline of Enkhbold's popularity was the fact that he did not become the prime minister even though he was the leader of the majority party after the 2016 parliamentary elections. Among others, the main campaign promises of the MPP included the formation of a professional government and refusal to appoint any member of parliament as cabinet members; both promises were highly supported and expected by the public. Hence the selection and appointment of J.Erdenebat as prime minister was the first major blow to the long-awaited public expectation. This appointment was a major setback for the rating of the party and Enkhbold's personal popularity, as the people had expected Enkhbold to be appointed a prime minister since he was the leader of the triumphant party.

This dissatisfaction over his refusal to assume the premiership was widely observed from a series of public opinion surveys carried out during the election. The public criticised: "Usually party leaders become prime ministers, but Enkhbold decided not to in order to become president; many good things were promised during the recent election campaign but have not been realised and even repudiated", among other issues.

The declining popularity of the MPP government and its erroneous policies form the precondition for its defeat in the presidential election of 2017. For instance,

[4] Jeffry Frieden and Stefanie Walter, "Understanding the Political Economy of the Eurozone Crisis," *Annual Review of Political Science* 20:1 (2017): 371-390; Michal Kotnarowski and Radoslaw Markowski, "Political Preferences in Times of Crisis: Economic Voting in the 2011 Polish Elections," *ActaPolitica* 49.4 (2014): 431-461.

the government decisions to increase seven types of taxes, cut social care, and extend the retirement age all faced public outcry.

A range of public opinion surveys conducted before or during the election established that these government decisions led the citizen to evaluate as such: "MPP could not deliver its election promises from the parliamentary elections and failed the trust of the masses". Participants in the surveys stated: "MPP after securing the majority in parliament forgot its promises and there were ways to cut spending without increasing tax rates".[5]

Thus, the inappropriate policy mistakes of the MPP government and irresponsible actions of some individual politicians made the starting condition of the election campaign unfavourable for the MPP.

3. Digital populism

The 2017 presidential election campaign lasted only 18 days from 6 June 2017 according to the law, and in contrast to previous election campaigns, candidates were restricted in their use of advertising channels. In the case of TV ads, each candidate was permitted 15 minutes air-time on 16 nation-wide broadcasting TV channels. According to Electoral Law, each candidate is entitled to distribute election campaign printed material to voters not exceeding the following sizes and form: three printer's sheets of journal, two printer's sheets of leaflet and poster, two printer's sheets of the candidate's resume and three printer's sheets of reports on performed work.[6] The number and locations of street posters were also significantly limited.

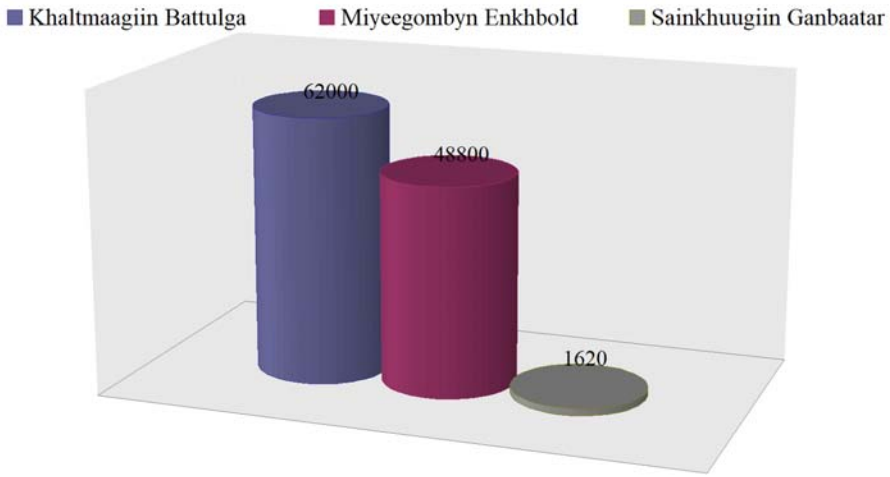
Thus, the traditional features of election campaigning were widely restricted in comparison with previous elections. Hence, the candidate of the MPP and that of the DP both extensively exploited social media, whereas the candidate Ganbaatar focused more on his face-to-face contacts and meetings as the main channel of his campaigning strategy.

Throughout the election campaign, the Democratic Party's candidate, Battulga, successfully made a corruption accusation on Facebook against his main rival Enkhbold, who in turn launched a negative political campaign against his main opponent Battulga on Twitter. Clear evidence of Battulga's campaign prevalence on Facebook was that his campaign ads, live videos and coverages attracted the largest amount of viewership throughout the whole election campaign period. To clarify this point, let me compare the viewership of the election campaign opening ceremonies of all three candidates.

[5] Institute of Political Communication, *Research Report*, 10 June 2017, 9.

[6] *Electoral law of Mongolia* (2016), Article 77.

Graph 2: Number of people who watched the election campaign commercials of the three candidates on Facebook.



Source: Institute of Political Communication, "Research Report," 28 July 2017, 16.

This pattern of viewership was maintained during the election campaign period. Battulga's advertisements, and their negative campaigning, led in terms of viewership shares, while Ganbaatar's supporters on Facebook were minimal from the beginning until the end of the election. Therefore, it is possible to conclude that Ganbaatar's supporters were not on Facebook, but were offline supporters.

The overall image of the election campaign was not filled with the platforms or the policies of the three candidates, but by negative campaigns by the candidates against each other and fake news. None of the three candidates was able to conduct the election campaigning in accordance with strategic planning. For instance, Enkhbold's election campaign team had mainly focused on giving proper responses and rebuttals. In the meantime, Battulga's campaign focused on anti-Chinese advertisements and a recording of "60 billion" (a piece of audio recording where the leading figures of the MPP were heard discussing a suggestion to organise a scheme of election, contributions and post-election appropriation of government posts, each of which is claimed to be priced, in total reaching 60 billion tugriks). In doing so, similar methods of creating fake stories and fake news used in the 2016 US presidential election by the Donald Trump team were largely utilised. Below are some examples.

The fact that candidates engaged in mudslinging and smear tactics to damage each other's reputation and propagation of negative publicity on social media in order to attract public attention was observed during the monitoring study on the influence of social media and the press conducted during the 2017 presidential election by the Political Communication Institute.

The DP's campaign team started posting three related but separate videos, titled "The death of a brave Mongolian", "Enkhbold's ethnic lineage" and "Insulting Great Genghis khan", on 1 and 2 June 2017, even before the election campaign had officially started. These posts were published and shared on the largest groups and pages on Facebook

The recording of "Enkhbold's ethnic lineage" was first posted on TV Choice page on 1 June 2017, claiming that Enkhbold had a Chinese origin and mixed ethnicity. This recording was distributed and spread in large Facebook groups with more than 40,000 members, such as Offshore, Zugaatai zaluus (Fun Guys), Automashin zarlal (Vehicle Classified), Information, and Online Sale, among others. The Zugaatai zaluus group is the largest, having 332,000 members. The recording was watched by 99,000 accounts and shared 2,403 times within 48 hours of its initial posting.[7]

Moreover, on 2 June 2017, within 24 hours of its initial posting, the video recording was published on around 10 news sites, with the title "Enkhbold proven to be of mixed blood with hard evidence".

It has been observed that most of the comments under these three separate videos were driven by hatred and xenophobia against Enkhbold's Chinese lineage, such as "Enkhbold is a Chinese, and that is why we should elect a genuine Mongolian". The fact that people believed without questioning those videos, which were exploiting the traditional xenophobic fear against China, was of great influence to the voters.

"The death of a brave mongolian", the second video, was published with a short explanation: "Chinese people are running over inner-mongolians to kill them". Again it was posted on the largest groups and pages on Facebook, such as Mongolian Entertainment, Paparazzi, Zugaatai zaluus, and Khamag Mongol (Pan-Mongolia), each with thousands of members, while people were sharing it on their personal accounts.

"Insulting Great Genghis khan", the third video, depicted the scene of a Chinese acting in a disrespectful way towards the portrait of Genghis khan and was shared on the largest groups on Facebook, including Sensational Videos, Trendy Videos, and Mongolian Entertainment, among other large groups with over 30,000 members, and had several thousand views.

Thus, these three videos were posted in a coordinated sequence on 1-2 June 2017, and many celebrities and social-network celebrities with many followers also shared them, allowing them to reach a large number of accounts. For example, famous sumo wrestling champion Asoshoryu Dagvadorj artificially edited a photo with the explanation "How he took revenge on the Chinese insulted Genghis Khan

[7] Institute of Political Communication, *Research Report*, 28 July 2017, 21.

portrait" on his own Facebook timeline on 2 June, which reached 671 shares in just one hour before the champion himself deleted the post.[8]

When analysed, it was found that the comments under these mutually coordinated videos posted on Facebook focused on the hatred against the Chinese, complained that too many Chinese workers were coming to Mongolia, accused M.Enkhbold of being Chinese and called for electing a genuine Mongolian as the president.

In relation to the inflammatory sentiments based on the traditional xenophobic fear against the Chinese, many people tended to accept these views and comments on social networks without question, according to our surveys. Checking of validity, reliability and accuracy of news and its sources were ignored and conscious filtering did not take place on social networks.

Hence, the election team of DP candidate Battulga successfully posted a series of negative campaign videos, which in a span of minutes reached multiple people. In particular, the level of influence of these negative advertising was higher among youth, the main users of social networks, compared to other age groups, as observed in our focus group discussion during the election campaign.[9]

Similarities and Differences of Social Networks in the Presidential Election Campaigns of Mongolia and the US

A comparison of social networks' impact upon the presidential election campaigns in the US and Mongolia can highlight similar patterns. For instance, in both cases, social network usage has become widespread and its influencing power upon the opinion of the voters has increased significantly in comparison to previous elections. In previous elections, social network platforms such as Facebook, Twitter, Youtube, etc., were used as a promotional platform for positive campaigning, as an election platform, and to showcase the policy positions of candidates. Negative advertising was miniscule, as seen in the cases of the 2008 and 2012 campaigns of Barack Obama, from the Democratic Party, and the 2012 campaign of Mitt Romney, from the Republican Party.

In the case of Mongolia, the 2013 presidential election campaign saw the start of the use of social networks for election campaigning. In 2013, although there were three candidates from the MPP, the DP and the MPRP, the main contest within the social media realm took place between the candidates from the MPP and the DP. Nevertheless, the magnitude and content of negative campaign advertisements were

[8] Institute of Political Communication, *Research Report*, 10 June 2017, 13.

[9] Maxima Consulting, "Focus Group Discussion Report," 16 June 2017.

markedly limited. There were some negative messages and information which could be categorised as being more funny than mudslinging against candidates B.Bat-Erdene and Ts.Elbegdorj. For example, B.Bat-Erdene was described as a bulky Mongolian man while it was joked that Ts.Elbegdorj was so short that when he was on horseback his feet could not reach the stirrups. There were pictures and photos showing B.Bat-Erdene wresting in the national festival Naadam (he is a multiple-times champion of national wrestling). Other photos showed Ts.Elbegdorj as a leader of the democratic movement in the 1990s, with an explanation: "Ts.Elbegdorj was involved in leading the democratic revolution, where has been Bat-Erdene in the meantime?"

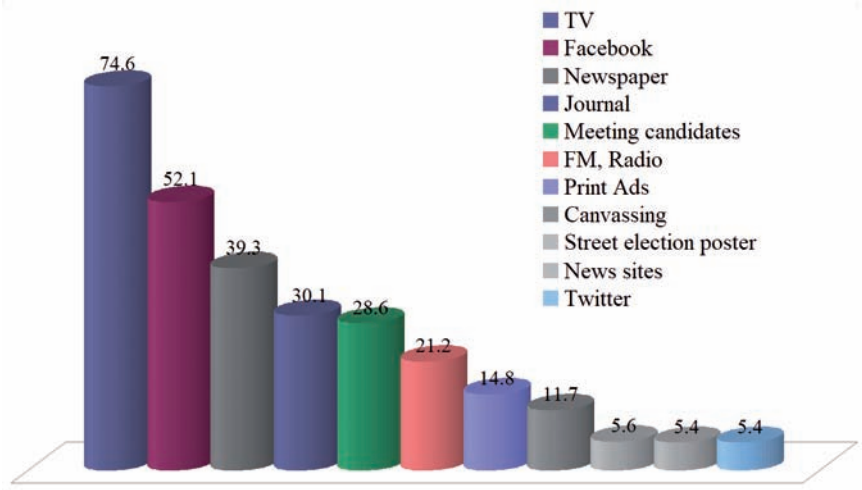
As for the 2016 US presidential election and the 2017 Mongolian presidential election, both saw the use of social networks as the main battleground of election competition. A series of mudslinging ads and fake news were prepared and used to damage the competitors' popularity. According to Allcott and Gentzkow in 2016, Donald Trump's team made and spread multiple fake news, insults, and mudslinging ads to inflame inter-ethnic feuds and provoke racial discrimination, causing more divisions.[10] In 2017, Battulga's team made use of Mongolians' unfavourable views regarding the Chinese to spread fake news, using videos of random crime scenes with the political message of "Chinese against Mongolians", titling them as the real danger of the Chinese.

Although there are thus some similarities regarding the usage of social networks between the presidential election campaigns in the US and Mongolia, there are also significant differences, too. Foremost among the differences is the fact that while the two main social networks, Facebook and Twitter, are both powerful in influencing voters' opinion in the US, in the case of Mongolia, Facebook alone has far-reaching influence on major groups of voters. As for Twitter, Mongolian users are relatively few and thus its impact on the electorate is limited, which was seen in the 2016 parliamentary elections and the 2017 presidential election campaign.

According to our studies conducted during the 2017 presidential election, Facebook is the third most important source of information about the candidates. 39.3% of respondents of the survey responded that they received information about the candidates from Facebook whereas only 5.4% of respondents responded that they received information about the candidates from Twitter.

[10] Hunt Allcott and Matthew Gentzkow, "Social Media and Fake News in the 2016 Election," *Journal of Economic Perspectives* Vol. 31(2) (2017): 211-236.

Graph 3: From what source do you get your information about the candidates?



Source: Maxima Consulting, "Public opinion poll," 15-16 June 2017.

The group of respondents who use Facebook as the main source of information comprises of youth between the ages of 18-25 residing mostly in Ulaanbaatar city or aimag, which are the largest administrative and territorial division centres, and from different educational backgrounds.[11] From this, it is possible to conclude that the main information and campaign ads on Facebook during the 2017 presidential election were able to reach large groups of voters.

As for the main user group on Twitter, it comprises of people who are mostly office employees, graduated from higher education institutions, and are between the ages of 30-45.[12] There were a number of users with many followers who were hired by the election campaign teams to tweet for certain candidates. Nonetheless, the Twitter messages were relatively narrow in terms of users and were not able to reach most of the ordinary voters, in contrast to the Twitter effect in the US presidential election. As observers have pointed out, Trump's election team was highly effective in terms of using Twitter messages and could reach certain groups of voters during the US presidential election.[13] Information and messages on the Twitter network in Mongolia may have some reach on the decision-makers or politicians themselves but not the wider masses of the electorate and as a result has very minimal effect, unlike the widespread influence of Facebook. Therefore, although MPP supporters

[11] Maxima Consulting, "Public opinion poll," 15-16 June 2017.

[12] Ibid.

[13] Gunn Enli, "Professionalisation Meets Amateurism: Comparing the Social Media Presence of the 2016 Clinton Campaign and the 2016 Trump Campaign," *European Journal of Communication* Vol. 32, Issue 1 (2017): 50-61.

were prevalent in Twitter, its effect did not reach a wider array of voters in the 2017 presidential election.

The impact of social networks has been growing in elections around the world, and political campaigning based on emotions is notably spreading, as seen in the cases of the 2016 US presidential election and the 2017 Mongolian presidential election. In addition, it is also vastly common that populist politics is turning via social networks into digital populism.

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The European Union's Institutional Resilience at Times of Domestic Change

Olaf Wientzek

The success of the European Union (EU) crucially depends on the goodwill of its member states and their capability to act. It is therefore obvious that political change in its member states influences the course the EU is taking. This article will firstly outline several domestic trends, particularly addressing the challenge of populist and Eurosceptic movements for the EU and its capacity to act. Secondly, the article will argue that despite several challenging evolutions in various member states, the European integration process has shown a certain degree of resilience: Despite these challenges the EU has been able to deliver. Thirdly, the article will argue that the political environment will likely remain challenging for the EU and its member states.

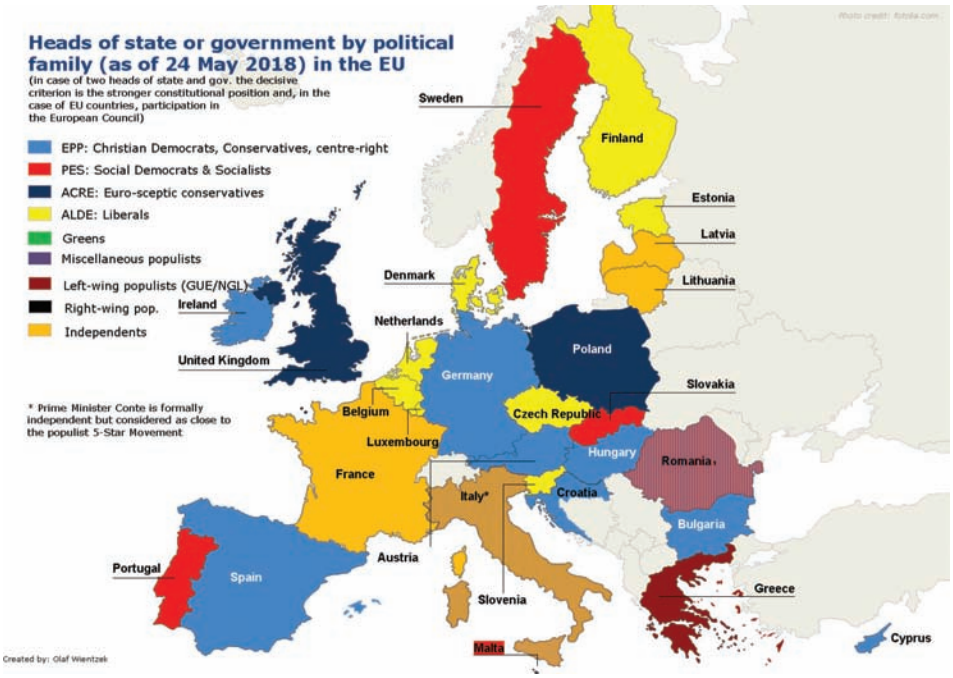
External and Internal Challenges and Their Impact on Party Systems in the EU

Both external and internal developments have significantly influenced the political landscape in the EU's member states:

In the past years, the EU has been confronted with a high degree of external instability in its immediate neighbourhood. In the East, it was confronted with the consequences of an increasingly aggressive Russia which is attempting to roll-back the transformation processes in the now sovereign former Soviet Republics—sometimes with military force. In the EU's south, instability and wars have caused strong migratory pressure on the EU as a whole. This in turn has not only led to a major crisis in the EU but has had tremendous impact on several national elections since 2015. In the West, the US—while remaining the principal ally of the EU—has become a more challenging partner in areas such as trade and climate policy. Finally, the planned departure of the United Kingdom (UK) from the EU will be a formidable challenge for EU-UK relations.

Moreover, the EU's member states have faced several serious challenges at the domestic level which have led observers to question the sustainability of the European integration process as a whole. The consequences of the debt crisis and

the inadequate economic competitiveness of some member states have made painful adjustment processes necessary—not only in Greece. These very different challenges had one thing in common: they led to a feeling of insecurity and to an increased demand for protection among EU citizens—be it through national member states or the EU. Other societal trends have equally had a profound impact on member states and their political systems: secularisation (in some of the EU member states) and the transition towards service-based societies have led to a more diversified voter base and to the erosion of traditional electoral milieus. These developments have overall led to significant changes in the party systems of most EU member states: For a long time, governments consisted of either pro-EU-minded centre-left or centre-right cabinets, which in most cases belonged to one of the two big European political families, the centre-right European People's Party (EPP) and the Socialists (PES). In the last few years, increased electoral volatility and the appearance of new political movements have led to a different dynamic. After dominating the political party system for decades in many member states, parties of both centre-left and centre-right today often struggle to assemble half of the electorate around them (see Graphic 1).



This is mostly due to the profound crisis of the Social Democratic parties in many EU member states in which the main electoral issue was the promise of "protection"—a promise which in the current unstable environment member states cannot guarantee on their own. The shrinking political centre has made pragmatic, but unpopular, grand coalitions with the centre-right necessary. This has tempted

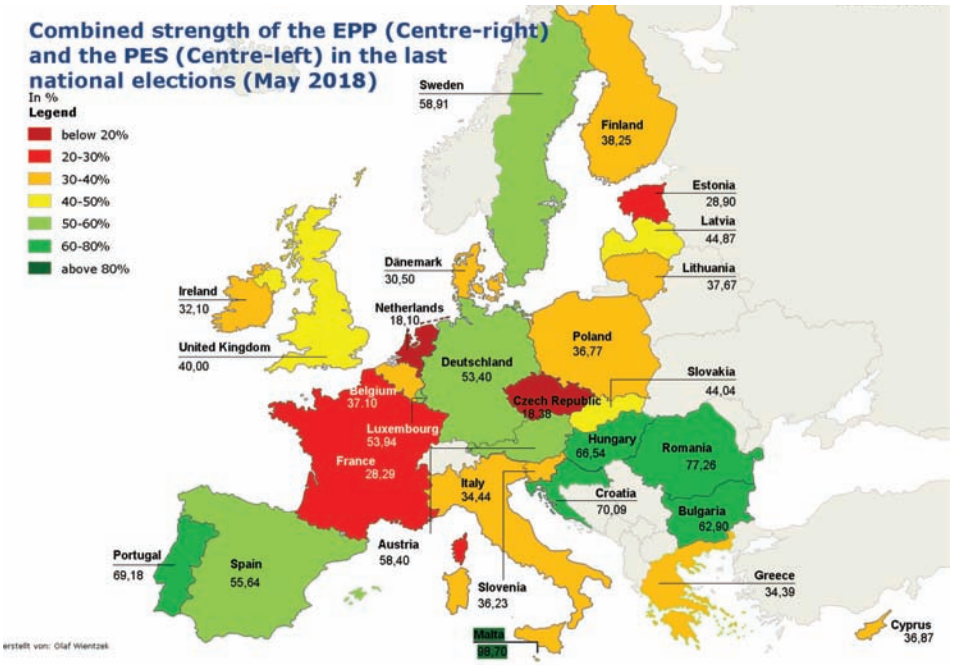
some Social Democratic parties to embrace a more combative but also more populist discourse in politics. The evolution on the centre-right has been somewhat less dramatic. However, in several countries (Netherlands, Belgium, France, and Italy) traditionally strong pro-European centre-right parties have lost their once dominant position. Overall, in many EU countries, the party scenery has become more diverse and coalition-formation more cumbersome.

The void left by traditional forces has been filled by new parties, often populist movements from the extreme left or the extreme right. As a response to the above-mentioned internal and external challenges, many of these parties use a socialist-nationalist discourse: They argue that protection can be achieved through closure towards external influences—trade, European integration, migration and the international environment as such. These movements use an anti-European discourse as a contrast to the pro-European discourse of most of the moderate parties in the EU. This does not mean that the old left-right cleavage in politics has completely lost its relevance. However it has been complemented by an "open versus closed society" cleavage: This dividing line separates parties in favour of trade, European integration, liberal democracy and international institutions from parties which advocate an anti-EU policy, protectionist system and sometimes even authoritarian features of governance.

Still, the presence of Eurosceptic movements as such is not a new phenomenon. Rather, they have accompanied the history of European integration from the very beginning, such as the Poujadistes in France in the 1960s. The past decade has, however, seen a particular resurgence from Eurosceptic, populist and extremist movements. These parties are heterogeneous: Not all Eurosceptic parties are deeply populist (such as the British Tories), not all populists are anti-EU as such (notable examples are the left-wing movements Syriza in Greece and Podemos in Spain), and not all Eurosceptic or populist movements can automatically be described as extremists from either the right or left wing. Overall, they have scored some notable successes: In France, Marine Le Pen received one third of the votes in the second round of the presidential elections. The Dutch anti-Islamic, anti-migrant and anti-EU party PVV has established itself in the political system; the right-wing populist FPÖ in Austria received 26% of the popular vote in the Austrian legislative elections. In Italy, populists from diverse political backgrounds have managed to achieve more than 50% of the vote and have formed—in an unlikely alliance between rather left-leaning populists (5 Star Movement) and right-wing populists (Lega)— a new government bent on defying many fundamental European rules. It is, however, equally important to emphasise that despite their successes, these movements have also witnessed some setbacks. Only in rare cases have Eurosceptic or populist movements become the single strongest party in a country and for now, few of them have a realistic chance of heading a government.

One result of the above-mentioned trends is a much more diversified political landscape. This is reflected by various evolutions: While in February 2012, 16 out of 27 heads of state or government belonged to the pro-European Christian Democratic and Conservative European People's Party, in December 2017 this political family united only 8 out of 28 heads of state and government. While in the past, the EPP and the Party of the European Socialists have together mustered large majorities in the European Parliament, this "grand coalition" is now uniting hardly more than half of the MEPs (according to the last party barometer recently published by KAS, both EPP and PES are unlikely to achieve a majority after the upcoming European elections).

It is, however, notable that the relative success of Eurosceptic movements does not always mirror the opinion of the population towards European integration as such: In both Poland and Hungary support for the EU and European integration has been particularly strong and is significantly above the EU-28 average. This represents the stance towards the EU in the population of many of its member states as well: While European integration as such is widely supported and a large majority sees the necessity of more EU cooperation in the areas of security, defence, anti-terrorism and foreign policy, citizens are often not satisfied with how the EU is working at the moment.



Impact on European Decision-Making and Its Capability to Act

The pressures caused by economic and social crises or stalemates in government formation have at times restrained the EU's capability to act:

Domestic pressure has made it more difficult for some governments to assume ownership of developments at the EU level: Unpopular decisions agreed upon by member states in Council meetings in Brussels have been openly criticised by the same ministers or heads of state once they addressed the national public back home. Often, it has been more tempting to pin failure on Brussels, and attribute European successes to one's own state. However, the two biggest crises have been rooted in the failures of member states rather than in the deficits of the EU architecture: In both the Eurozone and the migration crises, it was particularly the insufficient implementation of EU rules by member states which caused or accelerated the crisis.

Some governments, under pressure from apparent successes of extremist or populist movements, have copied or emulated the discourse of populist and Eurosceptic movements in the areas of migration, integration and EU enlargement. On the other hand, other member states' politicians have managed to score some important electoral victories over populists. In fact, 2017 delivered some powerful examples showing that it may pay off to stand one's ground with determination in favour of European integration: The most prominent example in this context has certainly been the election of French President Emmanuel Macron, who deliberately challenged his right-wing extremist competitor Marine Le Pen with an unashamedly pro-European stance and soundly won the second round of the French presidential elections. Several months earlier, the Croatian centre-right prime ministerial candidate Andrej Plenkovic similarly demonstrated that a positive, pro-European and future-oriented electoral campaign can be successful.

The electoral success of populist forces in some countries and most of all the Brexit vote have been a wake-up call for established governments and political parties all over the EU: the focus of the EU debate has moved much more to the necessity to create a "Europe that protects", focussing on concrete results the EU can deliver in order to demonstrate its added value to its citizens: Thus, in an informal summit in September 2016, the EU decided to launch a reflection process in order to identify key areas the EU should focus on in the coming years and decades. This includes primarily stronger cooperation in security matters (migration, anti-terrorism, foreign and security policy, defence), but also the strengthening of economic cooperation and the enhancement of the EU's social dimension.

In particular, the emphasis on security cooperation merits attention: This has been one area in which EU citizens see the most urgent need for EU action. As the same time, this has been a policy area where until 2015, cooperation had been relatively shallow. Increasing the EU's role in security was thus a way to address

the above-mentioned need for an "EU that protects" its citizens in an unstable environment. Furthermore, the EU member states' determination—as both German Chancellor Angela Merkel and the President of the European Council Donald Tusk have emphasised—to prioritise the EU's unity is remarkable: This has been particularly the case in the EU's unified stance towards the UK in the Brexit negotiations.

Since 2016, this strategy has delivered relatively well on short-term solutions: Control of the EU's external borders has been enhanced, the number of illegal migrants has been considerably reduced, and important measures towards better cooperation in combating terrorism have been taken. Equally, economic indicators from all over the EU (including the Eurozone) have improved. Remarkably, the EU has maintained a unified position on the sanctions towards Russia and agreed on a broad global strategy for its foreign and security policy.

Finding compromises on divisive long-term issues such as the future of the Eurozone, the reform of the EU's migration and asylum system or more specific strategies for the EU's foreign and security policy has proven more difficult. Consensus on long-term reforms is lacking. This is also due to the felt or imagined pressure at home: Populist movements will depict compromise on some questions as a betrayal of national interest.

Overall, there is a more committed but also more sober approach towards European integration: When the President of the European Commission Jean-Claude Juncker published five scenarios on the future of the European project in March 2017,[1] most member states subscribed to the fourth scenario ("doing less but more efficiently"): concentrate on the main priorities (with more means) and do less in other areas. The general thinking seems to suggest that an uncritical support for "more Europe" will not be welcomed by the domestic electorate.

Ideological diversification in the EU has led to different preferences regarding the pace and the priorities of the integration process: While France, Italy and Spain for example strongly promote further integration, the Nordic countries, the Netherlands and the Visegrad countries (Czech Republic, Hungary, Poland and Slovakia) are more cautious in most matters. While most of the EU member states prioritise security issues, countries such as Italy and Greece emphasise the importance of enhancing the EU's social dimension. In particular, France and Italy have pushed for more differentiated integration, arguing that this would be a more suitable response towards the member states' diverging ambitions and capabilities. Thus, the issue of differentiated integration in the European Union has been gaining momentum: In a 2017 Eurobarometer poll among EU citizens, the number of those preferring differentiated, two-tier integration has surpassed the number of those who advocate a common approach at all costs. There is, however, no consensus

[1] European Commission, "White paper on the Future of Europe," 2017, https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf.

on what a "European core" would look like and which countries it would include. Furthermore, most of the Central and Eastern European member states have opposed differentiated integration, fearing to be left behind and becoming second-class EU members. This has led them to join new initiatives despite their initial scepticism. For example, all Central and Eastern European countries recently joined an initiative for closer defence cooperation put forward by Germany, France, Italy and Spain, primarily in order not to be left behind by other EU member states. On the other hand, pressure for more differentiated integration in other areas, such as the reform of the Eurozone, has increased. For now, the EU is unlikely to split into an even closer Union and a less-integrated part. It remains, however, to be seen whether this remains true in the coming years if opinions on key issues such as migration, the priorities of the EU budget, and the control of the rule of law keep diverging.

As a reaction to domestic pressure, both the EU and its member states have made attempts to reconnect with their citizens and include them in the dialogue on the future of the EU: One such example has been the consultation process of the European Commission following the presentation of its white paper on the future of Europe. It attempted to include civil society in a structured dialogue and organised roundtables with citizens on this topic. Despite relatively strong initial public attention on this process, the dynamic has somewhat faded in recent months. Another initiative was Emmanuel Macron's promise in his famous Sorbonne speech in September 2017[2] to initiate so-called "democratic conventions" with ordinary European citizens—now dubbed citizen consultations—ahead of the European elections in order to give citizens the opportunity to voice their demands and expectations concerning the EU. While this proposal has received notable attention, some suspect this to be an example of hectic activism rather than a thoroughly planned process. An important element to increase visibility and democratic legitimacy of the EU would be the continuation of the so-called "Spitzenkandidaten" (*top candidate*) process for the European elections in 2019: In 2014, the transnational European parties, such as the EPP, the European Socialists, the Liberal and the Greens, nominated candidates for the European Commission in order to increase the visibility and the personalisation of European elections, and to make them more similar to national elections. The European Parliament has also already made it clear that it will not accept any candidate for the European Commission President who is not the "Spitzenkandidat" put forward by a political family for this post. Several of the EU heads of state and government have, however, been less enthusiastic regarding the continuation of this process.

[2] "Initiative pour l'Europe—Discours d'Emmanuel Macron pour une Europe souveraine, unie et démocratique," 26 September 2017, http://www.elysee.fr/declarations/article/initiative-pour-l-europe-discours-d-emmanuel-macron-pour-une-europe-souveraine-unie-democratique/.

Overall, despite increasing ideological diversity, pressure by populist movements at home and—in some cases—the crisis of traditional parties, the EU has not fallen apart. Instead, it has often demonstrated that it is capable of acting and responding to the challenges. In this context, two elements merit particular attention:

1. In several EU countries, populist movements were "tamed" by including them in government, thus forcing their representatives to deal with the intricacies of EU politics. This in turn forced some of these parties to—at least temporarily—moderate their anti-EU or Eurosceptic discourse. This has been largely the case with the True Finns Party in Finland but also in Austria's government coalition of the right-wing populist FPÖ and the centre-right Austrian People's Party (ÖVP). In this context it is remarkable that the ÖVP has succeeded in agreeing on a clearly pro-European coalition agreement with the FPÖ in the new government under Austrian chancellor Sebastian Kurz. On the other end of the political spectrum, far-left populist head of government Tsipras had to—albeit reluctantly—implement economic reforms which he had campaigned against a few years previously.

2. Socialisation by European institutions: The European Council, which defines the guidelines of EU policy, consists of heads of state and government with very different ideological backgrounds. Nonetheless, it has continued to work and deliver. The fact that 27 heads of state and government succeeded in agreeing on a common declaration[3] on the future of the EU in March 2017, in Rome, demonstrates that the European Council is an important forum for socialisation which is able to absorb or moderate very different political views. Furthermore, Europarties, such as the Christian Democratic and Conservative European People's Party (EPP) and the Party of European Socialists (PES), have influenced their member parties: While their impact should not be overstated, both played an important role in moderating sceptical views on EU issues among their member parties.

Perspectives

Despite profound domestic changes in several member states, the EU has demonstrated its resilience, and has so far avoided a domino effect following the UK's decision to leave the EU. 2018 will, however, be an important year: France and Germany are expected to put forward common plans for further integration in some key policy areas—at the same time the new coalition in Italy will not make it easier to find consensus on broad EU reform. While the EU has so far been able to absorb many "domestic political shocks", the ascension of strongly anti-European forces to power (not as a coalition partner but as a main or only government party) in one

[3] European Council, "The Rome declaration - Declaration of the leaders of 27 member states and of the European Council, the European Parliament and the European Commission," 2017, http://www.consilium.europa.eu/en/press/press-releases/2017/03/25/rome-declaration/pdf.

of its three biggest countries—in this case, Italy—would be a challenge. Difficult coalition-building at the domestic level (not only in the three above-mentioned countries) may equally limit the ability to make far-reaching compromises at the EU level. 2018 will also be a test for the EU's promise to deliver on concrete projects for its citizens: The reform of the migration and asylum system, the reform of the Eurozone, concrete measures to step up the fight against terrorism, the conclusion of the negotiations on the future EU budget—these are all challenges for which crucial steps will have to be taken this year. The EU summit in the Romanian city of Sibiu in May 2019 just before the EU elections will demonstrate whether the EU has managed to deliver on its promises.

The European Parliament elections in 2019 could therefore be a milestone for citizens to assess the performance of the EU and its leaders in the past and their projects for the future. Even if the performance is considered satisfactory, this will, however, not necessarily lead to a glorious triumph for the pro-European forces. Rather, domestic grievances—and the desire to punish one's own national government—will likely continue to influence the voter's decision.

Most of the causes for the success of populist or Eurosceptic parties (such as migration, global competitiveness pressure, digitalisation as well as the dissolution of social and electoral milieus) are likely to stay.

In order to best counter the populist claims in favour of more closed societies, the EU, its member states as well as its political parties will have to prove that the EU is an open system, which is at the same time able to provide protection for its citizens. Substantially increasing cooperation in matters of security and defence as well as the fight against terrorism could help to increase the support for the EU as a provider of important public goods.

At the same time, closing the gap between deeds and expectations will be crucial in order to avoid disappointment: progress in many key areas (migration, economic governance, security and defence) will likely be steady, but slow. An overall more honest discourse on the EU and what it can deliver will be an important element to increase acceptance among citizens for the European integration project.

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Brexit as a Cause and a Consequence of Political Change in the UK

Simon Usherwood

It is difficult to overstate the impact that the 2016 decision by the United Kingdom (UK) to leave the European Union (EU) has and will have on the country's politics and society. The referendum held that year became an opportunity for the crystallisation of various discontents and disaffections—not all of them directly linked to the EU itself—and opened up a substantial rupture within the underlying assumptions of British statecraft.[1] In particular, the self-image of British politics as being driven by pragmatism has hindered—and will continue to hinder—the ability of politicians and society to work a way through these challenges.

The Impact

Historically, the British approach to its international relations has been one of engagement.[2] To take Palmerston's famous line, the UK has no eternal allies, only eternal interests, which in turn has translated to a persistent desire to maintain a margin of manoeuvre and an unwillingness to become too entangled in any one set of relationships. Certainly, this was one part of the "Leave" campaign's arguments in the 2016 referendum; the constant deepening of European integration risked shackling the UK to a group of countries that is in long-term relative decline, hindering its capacity to reorient to the new centres of political and economic power.

Such a benign reading evidently carried some weight in public discourse, but the decision to withdraw from the European Union still represents a fundamental shift in the country's approach. The underlying geopolitical situation has not changed, the rise of China notwithstanding: as both France and Germany have shown, EU

[1] For an overview of short- and long-run factors in the determination of the referendum, see Farrell, Jason and Paul Goldsmith. *How To Lose A Referendum: The Definitive Story of Why The UK Voted for Brexit.* Biteback, 2017. Also Menon, Anand. "Why the British Chose Brexit: Behind the Scenes of the Referendum." *Foreign Affairs* 96 (2017): 122.

[2] Sanders, David, and David Patrick Houghton. *Losing an empire, finding a role: British foreign policy since 1945*. Palgrave, 2016; Jessop, Bob. "The organic crisis of the British state: Putting Brexit in its place." *Globalizations* 14, no. 1 (2017): 133-141.

membership is not incompatible with active foreign policy or a strong presence in export markets. Even if Europe is not growing as fast as East Asia, it remains the most important region for UK trade, as well as a key underpinning of its security architecture.

In this light, Brexit is exceptional in its intention to move further away in its relations with partners, something that has no equivalent in post-1945 British history. Recall that during this period, the UK was central in the construction of global and regional organisations: indeed, it is possible to argue that the EU itself has never looked more "British" than it does now, after over 40 years of effective shaping of institutions and policies.[3]

With the reversal of what was—in effect—a central plank of foreign policy, Brexit raises questions about the rest of the country's engagements with international organisations. The case for permanent membership of the UN Security Council will become even harder to defend, while the weight of the UK in other bodies will necessarily be less than as a part of the European Union, even if its interests no longer have to pass through that intermediate level of negotiation and compromise. Most importantly, the credibility of the UK as an international partner has now entered an extended period of uncertainty, as others wait to see how it responds and develops through this changing situation.

And the effects go well beyond the UK's international relations. They can also be seen in political, economic and social spheres.

European integration has long been a contentious area of British politics.[4] Both the major parties, Conservative and Labour, have endured internal splits and changes of policy over the past decades. The Conservatives in particular have spent the entire period since the 1991 signing of the Maastricht treaty riven by the tensions between the economic rationality of uploading neo-liberalisation to a continental scale and the political implications of limiting national sovereignty. It was this split that drove much of the process that led not only to the outcome of the referendum, but also the decision to hold one in the first place.[5] Prime Minister David Cameron saw such a vote as a means of creating some immediate space in his dealings with

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[3] Usherwood, Simon. "Bruges as a lodestone of British opposition to the European Union." *Collegium* (2004): 5-16; Daddow, Oliver, and Tim Oliver. "A not so awkward partner: the UK has been a champion of many causes in the EU." *LSE Ideas* (2016). http://eprints.lse.ac.uk/66177/ (accessed 31 January 2018).

[4] For an overview see Menon, Anand, Rachel Minto, and Daniel Wincott. "Introduction: The UK and the European Union." *The Political Quarterly* 87, no. 2 (2016): 174-178. The seminal text remains George, Stephen. *An awkward partner: Britain in the European Community*. Oxford University Press, USA, 1998.

[5] Shipman, Tim. *All out war: The full story of how Brexit sank Britain's political class*. HarperCollins UK, 2016; Oliver, Craig. *Unleashing demons: The inside story of Brexit*. Hodder & Stoughton, 2016; Daddow, Oliver. "Strategising European Policy: David Cameron's Referendum Gamble." *The RUSI Journal* 160, no. 5 (2015): 4-10.

backbench members of parliament (MPs), rather than as a strategic moment to resolve those tensions. As the political debate since June 2016 has shown, the division and uncertainty about European policy remains as stark as ever.

The loss of the referendum immediately resulted in Cameron's resignation from office and the installation of a new government under Theresa May, whose authority and competence were fatally compromised by the decision to call a snap General Election in 2017. Her position as Prime Minister currently appears to be based on little more than an inability of opponents within the party to agree on who might replace her and a feeling that it makes political sense to let her wrap up the process of departure from the EU, so that she might carry all the blame for any and all subsequent problems.

At the same time, the Labour party faces its own problems around Brexit, conditioned as much by leader Jeremy Corbyn's own ambivalence towards the EU as by tactical considerations of how to inflict the most damage on the Conservatives. Neither party was able to articulate a clear line during the 2017 General Election on what Brexit should look like, a situation that looks no easier for Labour after their unexpectedly strong performance in that vote.[6] The collapse of the strongly anti-EU UK Independence Party (UKIP) and the continued weakness of the strongly pro-EU Liberal Democrats suggest that EU policy alone will not be enough to motivate voters.

The irony of this is that in public policy terms, there is little else to consider other than Brexit and its effects. As May's government has found, while one might have ambitions to pursue the usual range of policies in office, there is little bandwidth to do much more than tread water. The need to push through not only the negotiations with the EU on leaving, but also a dozen pieces of major legislation to cover the domestic changes necessary leave little Parliamentary time. The uncertainties over the economic effects have also tightened public finances and financial planning.

The political effects are also being felt beyond Westminster. As competences are returned from the EU, there is much debate about what might be taken down to devolved bodies in Scotland, Wales and Northern Ireland. Even if the Scottish National Party was unable to reignite the idea of Scottish independence, the closing of access to EU funding and the reassertion of London's dominance make it likely that the balance of devolution will be called more into question in the coming years.[7] More pointedly, the impact of Brexit on the border between Northern Ireland and the Irish Republic has left a highly intractable problem for the continuation of the Good Friday Agreement that has regulated community relations and which is

[6] Shipman, Tim. *Fall Out: A year of political mayhem*. HarperCollins UK, 2017.

[7] McHarg, Aileen, and James Mitchell. "Brexit and Scotland." *The British Journal of Politics and International Relations* 19, no. 3 (2017): 512-526.

the bedrock of the post-Troubles landscape: a return to violence is unlikely, even if the situation faces more difficulties than ever before.[8]

Economically, the main impact of the 2016 referendum has been to create uncertainty. Many businesses had put investment and planning decisions on hold following the 2015 General Election, as they awaited the outcome of the referendum: almost two years after that latter vote, they still remain unsure about much of the detail of the future UK-EU relationship. The main consequence of this has been a push by both individual companies and trade associations to lobby the government for clarity on positions and to minimise disruption. In particular, there has been a concern to avoid a double transition; from EU membership to an interim arrangement, and then once more to a final new relationship, when that can be agreed. This has meant that there has been very strong pressure for the interim period to look very similar to membership, a wish that closely accords with the EU's preferences.[9]

Notwithstanding this, the major question for business remains whether the UK can retain its position as an entry-point to the EU market, something that has long made it attractive to international direct investment. While the UK's favourable tax arrangements, legal system and global language will remain, the loss of any access for goods or services might mean there is less attraction. This has been seen in the financial sector in particular, with banks and other financial service providers either relocating to other EU member states or at least setting up subsidiaries there, should passporting rights be lost.[10]

Of course, restricting access to EU markets will also mean that some domestic operators will see an improvement in their position, as competition is reduced. However, the global effect is liable to be negative, especially given the reliance of the British economy on EU nationals working in areas such as agriculture and health: in an economy currently running at very low levels of unemployment, inflationary effects on wages or even an inability to cover some activity might result in the short- to medium-term.

Significant though the political and economic impact of Brexit might be, it is at the personal and social level that the most consequential effects are likely to be felt.

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[8] Gormley-Heenan, Cathy, and Arthur Aughey. "Northern Ireland and Brexit: Three effects on 'the border in the mind'." *The British Journal of Politics and International Relations* 19, no. 3 (2017): 497-511; Tonge, Jonathan. "The impact of withdrawal from the European Union upon Northern Ireland." *The Political Quarterly* 87, no. 3 (2016): 338-342; Murphy, Mary C. "The EU Referendum in Northern Ireland: Closing Borders, Re-Opening Border Debates." *Journal of Contemporary European Research* 12, no. 4 (2016).

[9] http://www.cbi.org.uk/business-issues/brexit-and-eu-negotiations/ (accessed 31 January 2018).

[10] Burton, Lucy. 2017. "City to lose 10,500 jobs by Brexit as fifth of firms flag relocation plans, says EY." *Daily Telegraph*, December 11. http://www.telegraph.co.uk/business/2017/12/11/city-lose-10500-jobs-brexit-fifth-firms-flag-relocation-plans/; also see https://www.ipsos.com/ipsos-mori/en-uk/there-real-threat-finance-sector-brexodus (accessed 31 January 2018).

The EU referendum represented a moment for voters to express their various dissatisfactions with the political system, a process encouraged by the Leave campaign.[11] Such dissatisfaction is unlikely to be addressed by a government whose handling of the withdrawal negotiations is considered by most to be poor.[12] The increase in racially-motivated crimes since the referendum suggests that more xenophobic elements of society might feel emboldened, even as the extensive population of EU nationals in the country reconsider whether they wish to remain somewhere that has yet to secure their current rights or to offer a clear plan of how things might change.[13]

The tightening of public finances and the lengthening of austerity politics impose further pressures on society, especially those in greatest need: the funding of health care, through the National Health Service, is a particular area of concern.[14] The absence of a clear political path through Brexit and the wider modernisation of the UK's social provision leave a gap into which new political forces might be able to enter. In particular, while the UKIP vote fell very markedly between 2015 and 2017, this does not mean that there is not a constituency for a new populist movement, as has been seen elsewhere in Europe. As the past few years in the UK have shown, it is dangerous to assume that the unlikely does not happen.

Why So Big?

The scope and depth of the impact of the decision to leave the EU are both very substantial, but it is also important to reflect on why this might be. Here, three separate but interrelated points need to be kept in mind.

Firstly, the European Union is not a typical international organisation. This manifests in a number of ways. In legal terms, it has created a novel contract between its signatories, extending rights down to citizens and creating a federalised system of arbitration, with the European Court of Justice becoming the new court of last instance for matters relating to the organisation. In policy terms, it combines sectoral policies with cross-cutting market regulation, meaning that it plays some role in every area of public policy. In some cases that might simply be a light-touch mechanism for sharing of best practice between governments, but in others it is a complete movement of decision-making and implementation to the European level,

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[11] Shipman, *All out war*; Oliver, *Unleashing demons*.

[12] https://whatukthinks.org/eu/are-voters-changing-their-minds-about-brexit/ (accessed 31 January 2018).

[13] http://blogs.lse.ac.uk/brexit/2016/10/21/xenophobia-britannica-anti-immigrant-attitudes-in-the-uk-are-among-the-strongest-in-europe/ (accessed 31 January 2018). Also see the *28Plus* project (http://www.28plus.eu/ (accessed 31 January 2018).

[14] Jessop, "The organic crisis of the British state". Also see https://www.ipsos.com/ipsos-mori/en-uk/issues-index-december-2017-more-britons-see-brexit-and-nhs-important-issues-month (accessed 31 January 2018).

with many variants in-between. Institutionally, there is not only the direct election of representatives to the European Parliament, but also a small constellation of regulatory agencies and bodies with highly specific functions: the convenience of the EU architecture means that member states have inclined to piggy-back projects that might otherwise have been more discretely structured. This also explains why many policy areas have been drawn into the EU's fold, such as security and defence: the path of least-resistance has increasingly been that of building on the mass of interactions that already exist within the Union.

The consequence of this is a profound entanglement of the UK—like every other member state—into the EU.[15] Regulatory frameworks are profoundly shaped by membership, be that through sector-specific rules or more generic ones about non-discrimination on nationality, public procurement or workers' rights. That pervasiveness makes it hard even to identify what might be the consequences of changes in the legal and regulatory environment, let alone address them. To take an obvious example, many contracts and pieces of legislation make explicit reference to access to the EU's court for legal remedies: while it might be simple to change that to UK courts, the powers of the latter will differ in ways that might affect the range of possible action.

This basic and extensive entanglement is further reinforced by the second factor, namely time. For over 40 years the UK has been part of the EU and its predecessor organisations. Entire sectors of regulation have emerged during that period, such as e-commerce or climate change, while most others have been transformed. This has meant that in many regards, EU membership has become internalised into the social, economic and legal fabric of the country. More critically, it has meant leaving the Union is not a return to the *status quo ante*, but to a situation that the country has never experienced before, because the world of today is not that of 1972.

The ramifications of this are felt in different ways. One immediate example has been the lack of trained trade negotiators in the UK, since the EU has held that competence and there has been no need for a domestic capacity (except those British nationals that have pursued such a career within the Union itself): the need to rebuild that capacity for the withdrawal process resulted in an international recruitment drive.[16] Likewise, the shift in the 1990s from the General Agreement on Tariffs and Trade (GATT) to the World Trade Organisation (WTO) raises the issue

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[15] See Scharpf, Fritz W. "The joint-decision trap: lessons from German federalism and European integration." *Public administration* 66, no. 3 (1988): 239-278; Wessels, Wolfgang. "An ever closer fusion? A dynamic macropolitical view on integration processes." *JCMS: Journal of Common Market Studies* 35, no. 2 (1997): 267-299.

[16] Vaughan, Richard. 2017. "Ministers blow £1m on headhunters for Brexit trade negotiations." *iNews*. August 2. https://inews.co.uk/news/politics/ministers-blow-1m-headhunters-brexit-trade-negotiators/ (accessed 31 January 2018).

of not only the UK's schedules, all of which were agreed as part of the EU, but also its membership.[17] Finally, the extent and duration of individuals' movement across the EU's territory means that any restriction on citizens' rights will affect a substantial number of long-term residents, both EU nationals in the UK and UK nationals in the EU. Put differently, the EU has been the "normal" state of affairs for some long time now.

All of which makes the third factor even more important: the lack of preparation for the decision to leave. As part of Cameron's decision to hold the referendum, it was decided that the government should not prepare any contingency plans for any particular outcome, for fear that such work would leak and suggest a lack of confidence on the part of Cameron on the outcome.[18] Since neither side in the referendum was obliged to—or, indeed, had—prepared a strategic document outlining the next steps after their victory in the campaign, there was a complete absence of policy in the immediate aftermath, further heightened by the resignation of Cameron himself the morning after.

If such immediate confusion might have been understandable, much less so has been the continued lack of appropriate and adequate preparation for subsequent steps in the process. While May did delay the triggering of the formal procedure until March 2017, the time was not used to produce a detailed and comprehensive plan or a vision of the intended end-goal: The White Paper of February 2017 set out a number of areas for discussion rather than a preferred course.[19] The decision to call a snap General Election shortly after the formal notification was also not a planned step, but one taken without the impact on negotiations being a priority consideration.[20] Even as the talks enter their final phase, heading towards an intended signing date in October 2018, the EU still repeatedly calls for "clarity" on the UK's aims and intentions, as a necessary part of building a mutually-acceptable text.

The Future

The temptation is to see the current situation as one with no good outcome for the UK. By its own analyses, there will be a substantial economic cost to leaving the EU, as well as a number of significant political and strategic question marks over

[17] https://tradebetablog.wordpress.com/ (accessed 31 January 2018) is an excellent source for discussion of this aspect of Brexit.

[18] Shipman, *All out war*.

[19] https://www.gov.uk/government/publications/the-united-kingdoms-exit-from-and-new-partnership-with-the-european-union-white-paper (accessed 31 January 2018).

[20] Shipman, *Fall Out*.

its place in the world.[21] Even if it were to abort the departure process and remain in the Union, some of those costs would still be incurred and the UK would still have failed to address the social and political concerns that led to the referendum in the first place.

At the root of this is a critical point of failure, namely an unwillingness or inability to engage the British public in a strategic debate about what society they want to have in the UK. At no point in the post-1945 history of the country has there been a critical juncture that might have stimulated such discussion: the long-run viability of a system that still draws on the arrangements laid under the restoration of the monarchy in the 17th century has contributed to a political culture that prefers to muddle through, rather than build grand designs.

In the case of European integration, this has translated into a reactive approach, responding to developments rather than agenda-setting. The unwillingness to concede sovereignty in the immediate post-war period left continental Western Europe to form the initial European Economic Community and to set the basic rules and structures of what followed: only once that was demonstrated to be viable and consequential did the UK finally join in the 1970s. Unlike the French state, which had long decided that the best way to secure French interests was through pursuing a leadership role within Europe, Westminster has continued to treat the EU as a distant "other": ministers "go to Europe" to "fight for British interests", rather than presenting it as a system in which the UK has a voice and a vote throughout the decision-making cycle.[22]

The sole exception to this model came in the 1980s, when Margaret Thatcher was a prime mover in promoting the completion of the single market, working with counterparts to set in place the necessary treaty revisions and legislative programme. That initiative arguably remains the bedrock of the Union's system; an irony given current British desires to secure a post-membership deal that breaks up that single market's structure of freedom of movement for people, goods, services and capital.[23]

As the later years of Thatcher's time in office showed, the UK has too often failed to recognise that the EU is a dynamic organisation, still finding its settled form. Just as Thatcher came to turn against integration as it moved from single

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[21] Walker, Peter. 2018. "Government will publish leaked Brexit papers." *Guardian*, January 31. https://www.theguardian.com/politics/2018/jan/31/government-will-not-oppose-labour-motion-on-leaked-brexit-papers (accessed 31 January 2018).

[22] Daddow, Oliver. "The UK media and 'Europe': from permissive consensus to destructive dissent." *International Affairs* 88, no. 6 (2012): 1219-1236.

[23] Young, Hugo. *This blessed plot: Britain and Europe from Churchill to Blair*. Overlook Press, 1998; Jensen, Mads Dagnis, and Holly Snaith. "When politics prevails: the political economy of a Brexit." *Journal of European Public Policy* 23, no. 9 (2016): 1302-1310.

market to single currency, so too there is now a substantial risk that the UK will assume that because it is leaving the Union, that Union no longer matters to it. The 27 remaining member states will continue to be the UK's largest single export market, millions of nationals will live in each other's territories and the deep and pervasive economic and social links across the Channel will still be there.

If the past 70 years have taught us anything about UK-European relations, then it is that crisis-management and problem-avoidance is not a sustainable strategy. The UK used to be unhappy on the outside of the integration processes of the 1950s and 1960s; then it became unhappy on the inside. Unless and until there is a meaningful debate about what the UK wants to achieve in the world—and in itself—then it is more than likely that it will simply become unhappy on the outside once more.

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Understanding the Macron Phenomenon—The Causes and Consequences of an Unprecedented Political Rise

Birgit Holzer[1]

When Emmanuel Macron launched his political movement, En Marche, roughly translatable as "Forwards" or "In Motion", in his hometown of Amiens in April 2016, roughly 13 months prior to the presidential elections, the endeavour not only seemed futile but indeed megalomaniacal. At the time, many observers wondered whether the then French minister of economic affairs under President Francois Hollande was indeed planning to install himself at the top of the state leadership. The fact that the short form of the new political movement spelled out his own initials, "E. M.", provoked sneers among his political opponents, who saw in Macron an overly confident young politician who seemed to ignore traditional boundaries and who had wildly overstepped the mark.

Macron himself assured observers that his actions were not motivated by personal career goals. Instead, he stated, his sole ambition was to find a way forward for a country that was held back by self-doubt and internal conflicts. Macron described his position as being neither part of the political left nor of the political right. Instead, he positioned himself as a part of both camps, or "all at the same time". Macron first learned of this key element of the theory of "dual thinking" when he collaborated with philosopher Paul Ricour during his time at university. Macron later began to employ the concept to explain the policies of the political centre. In fact, as his support base grew to encompass politicians of all politically moderate camps—including conservatives, socialists, the Greens and followers of the pro-European centre party MoDem (*Mouvement Démocrate* or Democratic Movement)—long-held divisions began to blur.

Launched by a political newcomer like a political start-up, Macron's movement, positioned at the political centre, was a novelty in France's political system, which is widely based on confrontation between the left and the right, both of which traditionally display little taste for compromise and cooperation. The political rise of the right-wing populist Marine Le Pen of the Front National had led to the collapse of

[1] Translated from the German original by Dr Susanne Rentzow-Vasu.

France's traditional two party system as the two traditional parties continued to lose public support. However, the question remained if the political system had space for an additional party?

Macron delivered the evidence. When the then 38-year-old, who had left the Cabinet voluntarily in the summer before, announced his candidacy for the presidential election in November 2016, his chances of success were still low—surveys saw him at around 16 percent. Despite low polling numbers, he was to triumph half a year later, enjoying his victory on election night in front of the Louvre with thousands of enthusiastic supporters cheering him on.

How did the young politician emerge victorious—an outcome the press termed either a "political tsunami" or "earthquake"—at his first presidential candidacy, and without established party backing? For the first time, neither of the two traditional parties had reached the run-off election. Instead, they had to watch as voters and some of their staff migrated to *En Marche*.

Previous certainties were far from certain. As it stands, Macron's rise has permanently changed France's political landscape. The reasons for his success lie in a combination of factors that he has only partially influenced himself.

For, in addition to a clever strategy with the construction of a strong financial network, a positive image in the media, and a political offer promising renewal, dynamism, and optimism, Macron benefited from the political context in France. This context was marked by growing discontent of the voters, a deep mistrust of politics and political institutions in general and the resulting acute weakness of the two major people's parties. Each party had proposed candidates for the elections that failed to garner the support of the majority.

Paradoxically, Macron also took advantage of the strength of his closest challenger, Marine Le Pen, who herself had managed to overtake the Socialists and Republicans on her path to the run-off election. Macron was able to distinguish himself as a representative of the humanistic and republican position. Between the first and second ballots he succeeded in positioning himself as a bulwark against the extreme right, thus winning over those parts of the electorate who effectively voted for him as an expression of their protest against Marine Le Pen. Indeed, the entry of the right-wing populist candidate into the second round triggered no protest storms, as had been seen in 2002, when her father Jean-Marie Le Pen surprisingly reached the second run-off against Jacques Chirac. What then signified the breaking of a taboo had long become predictable. Marine Le Pen had largely managed to position the Front National into the political mainstream, steadily moving it to the centre of society, anchoring it regionally and expanding its voter base. Nevertheless, in 2017 the majority of French voters were still firmly opposed to the idea of a right-wing nationalist politician as their head of state. Pre-election polls thus widely predicted that she was likely to reach the second round; yet her opponent would emerge victorious in the end. The polls proved to be true.

In the past, many French voters had only been swayed towards a candidate if he appeared to them as the lesser of two evils. In 2002, Jacques Chirac decidedly won against Jean-Marie Le Pen, and five years later Nicolas Sarkozy convinced the electorate with his promise of a "break" with the rigidity of the Chirac era. In 2012, François Hollande emerged triumphant, as the majority of the French electorate became tired of what they saw as Sarkozy's erratic style of governance.

Hollande's failure in the eyes of his countrymen was also a crucial element for the political rise of Macron. The socialist president had tied his own legitimacy to his early promise of economic growth and falling unemployment rates. Concrete results, however, only emerged at the end of his term of office—a time too late to sway most of the disappointed French voters. Consequently, Macron began to distance himself from his former mentor, a political move that hit Hollande hard. In his book *Lessons of Power*, published earlier this spring, the socialist ex-president adopted a bitter tone in recounting what felt to him like a betrayal. He trusted Macron, he writes in the book, describing the latter as "friendly, lively, fast, cultivated," but quickly adding Macron's ability to "seduce his interlocutor, by quickly guessing what he liked to hear". In fact, Hollande had probably underestimated Macron's instinct for power as the latter went on to unscrupulously distinguish himself from Hollande.

As president, Macron continues to demonstrate the same level of self-confidence that was on display during his political rise. He has demanded a strong role on the international stage by contesting other dominant political leaders, including US President Donald Trump and Russian President Vladimir Putin.

The election of Macron marked the first time in the Fifth Republic that a politician who was not affiliated with either of the two major political parties became president. Macron, as a matter of fact, had only been a member of the Socialist Party for a short while in his younger years. Macron owes his electoral success largely to the unpopularity of his predecessor and the strong desire among the French public for a new beginning. While many foreign observers celebrated him as the "Saviour" and "Saviour of Europe", a considerable part of the French population remained sceptical of him.

This lingering mistrust partly stems from his past career and his close ties to the private sector. Early on, Macron cultivated a network of supporters that included many industry partners whose donations provided him with the necessary financial backing for his solitary election campaign. In addition, he gathered support from experienced and widely respected politicians, such as former socialist Gérard Collomb, mayor of Lyon, and German-French Green Party politician Daniel Cohn-Bendit. Macron has long been able to exploit his personal charm to find influential supporters. His group of supporters included Jacques Attali, a well-connected economist, who worked alongside Macron on reform proposals for conservative ex-president Nicolas Sarkozy, and David de Rothschild, chairperson of the private

bank Rothschild & Cie. The latter hired Macron as an investment banker in 2008, promoting the then only 32-year-old to become a partner a mere three years later. In 2011, Macron entered politics as a supporter of Hollande.

His unprecedented political rise was partially fuelled by a media largely captivated by Macron's smart demeanour and his ability for perfect grandstanding, which has become increasingly grandiose following his election. Public interest in Macron has steadily increased beginning with his role as economic consultant in the Élysée Palace and subsequently as minister of economic affairs since the summer of 2014.

Macron's penchant for sometimes foolhardy but quick-witted *bon mots* helped fuel the interest of the public and the media. One example is his comment on President Hollande's plan to impose a rich tax of 75 percent. France, Macron quipped, would then become "like Cuba without the sun." Even his unusual private love story with his marriage to his former teacher Brigitte, whose three children are about his age, has helped his public image more than it has hurt him. His marriage to a woman 25 years his senior is seen as proof that he will pursue his own path regardless of the opinion of others.

Holding hands with his wife, Macron posed for influential tabloid *ParisMatch* on several occasions. His wife hired a professional celebrity adviser to manage the publication of all her images. While the Macrons appear relaxed and spontaneous in public, nothing about their public image is left to chance. Modern storytelling, inspired by former US President Barack Obama, is part of Macron's winning strategy. He likes to tell personal anecdotes to display a likeable, human personality. When meeting with citizens, he is approachable, interested, and affable. It is only since his election as president that he has adopted a level of detachment and solemnity resembling monarchical qualities, which have made him vulnerable to accusations of autocratic ambitions.

He has consistently used social media to promote his public image. His team of mainly young employees use social media channels to make their boss seem ubiquitous. Unlike traditional parties, membership in Macron's party, *En Marche*, which he has renamed *La République en marche* (LREM) following his election, is free and is attained with a simple mouse click. Thousands of casual supporters have quickly been gathered this way.

Another innovation was the idea of a "Grande Marche", which saw Macron's followers going from door to door across the country during the summer of 2016 to interview the public about their grievances and concerns. The campaign collected data from 25,000 completed questionnaires and 100,000 interviews. In Macron's own words, this novel way of public consultation demonstrated his modern thinking and his closeness to the electorate. It also served as an early campaign to publicise the budding candidate. The feedback gathered during the public consultation was promised to be incorporated into his presidential programme. His employees refer

to the example of gender equality and the fight against sexual harassment in their assurance that this has indeed been carried out. They claim the issue was made a priority in the presidential programme even though it was a lot less visible in the summer of 2016 than a year later as a result of the #metoo movement.

The survey was repeated as the "Great March for Europe" in spring 2018. This, too, can be interpreted as preparation for the election campaign as the outcome of the European elections in May 2019 poses a potential challenge for the French head of state. While most of his ten competitors in the presidential election campaign represented largely European Union-hostile positions, he campaigned on a clear pro-European platform, advocating greater integration of European Union (EU) Member States in all areas.

This pro-European platform cannot be taken for granted in France. In 2005, a public referendum rejected the proposed EU Constitutional Treaty, thus plunging the European Union into a political crisis.

Macron explains his pro-European stance as a lesson learnt from history and he references his home region in northern France, which suffered bitterly from the bloody wars of recent centuries and still has many military cemeteries. While at present France is generally supportive of the European Union and rejects a withdrawal from the euro zone ("Frexit") as demanded by Marine Le Pen, in view of public scepticism, the support is rather cautious.

Nevertheless, Macron's clear commitment to deeper European integration would entail further transfer of national sovereignty. Furthermore, it remains unclear where his party, LREM, will position itself within the current European political system. A possible inclusion into one of the existing political groupings has met objections. Nonetheless, it seems uncertain whether the discreet activities of Macron's employees aimed at founding an independent LREM group will succeed. At present, the establishing of party offshoots is well under way in several European countries. The question remains if Macron's success, which was strongly linked to his personal strategy and the political context in France at the time, can be repeated at EU level. Undoubtedly, the European elections will offer the first significant assessment of public opinion since his election. If his rise to power seemed almost playful at times, its preservation appears much more laborious.

However, it was not just the talent, the extraordinary will power, and the coherent strategy of a single man that led to the astonishing change that France has experienced in a short time. By disrupting the previous political system, Macron knew how to exploit a development that was already underway.

This is also the premise of demographer and historian Hervé Le Bras and pollster Jérôme Fourquet, who analysed the presidential election in their study *The French Puzzle: A New Political Landscape*. According to the authors, the two traditional parties split into several political movements, while the electorate

remained stable: "[t]wo worlds developed separately: those of the voters and those of the political class with parties that divided into ever smaller cliques. The exchange between these two worlds is interrupted." The race for the nomination of the respective presidential candidate within each party further reinforced this trend.

Socialists and Republicans agreed on a single candidate out of necessity to qualify for the second round of the election in preparation for the anticipated qualification of the Front National. This strategy had proven positive for socialist candidate François Hollande during the elections five years earlier.

However, according to Le Bras and Fourquet, instead of creating conciliation among the parties, the 2017 primary elections gave rise to brutal internal struggles. In the wake of these struggles, candidates with distinctive ideological positions, such as Benoît Hamon among the Socialists and François Fillon among the Republicans, rose to prominence. Neither men enjoyed great support within their own party. While each represented the centre of their respective parties, neither epitomised France's political centre. The political space that opened as a result was thus subsequently occupied by Macron. While he was not the only potential candidate, he proved to be faster and better prepared than the others, profiting from what Le Bras and Fourquet describe as a "sclerotic political class".

By the time the Socialists entered the elections, they were already weakened despite forming the government. Ironically, it was their long-time party leader Hollande, widely known for his mediating skills, who drove the Socialist party to the brink of division and alienated many members of its electoral base during his five-year term as president. In an attempt to appeal to left-wing voters Hollande had initially declared the financial world as his "enemy" during the election campaign, only to anger his voters by later abandoning this stance in favour of a moderately entrepreneur-friendly course, largely inspired by Macron in his role as economic consultant and later as minister of economic affairs.

Thus, some of his own followers in the government and in Parliament turned against Hollande. This group of opponents eventually came to be known as the "rebels" and systematically blocked his reform efforts in the National Assembly, thus undermining the credibility of the president. Nevertheless, Hollande's announcement that he would no longer be available for a second term came as a surprise. Hollande's decision followed Macron's announcement of his own candidacy and could thus also be read as a direct response. Furthermore, as the incumbent, Hollande was unwilling to subject himself to the humiliating practice of party-internal primaries.

Ex-Minister of Education Benoît Hamon, a representative of the left wing of the Socialist Party and a member of the "rebels" in opposition to Hollande, emerged as front-runner from the primaries. However, he was unable to overcome the internal fragmentation of the party he had previously help create. His proposal of a basic

income and a robot tax failed to strike a chord with the electorate and he subsequently lost important votes to the left-wing populist Jean-Luc Mélenchon. The latter scored a surprising 19.6 percent of the votes, while the previous ruling party, with Hamon as the leading candidate, experienced a historic low of 6.4 percent. The Socialist Party, from which he subsequently left to set up his own movement, has not recovered since.

The election was similarly disastrous for the conservative Republicans. François Fillon, former prime minister under Nicolas Sarkozy, had emerged victorious from the party-internal primaries. With Fillon as their candidate, the Republicans supported a socially conservative yet economically liberal platform.

Not only did his proposals lack majority appeal, it was above all the series of scandals during the election campaign that tarnished Fillon's image to the point that he became an unfit candidate for many, eventually destroying his reputation as a serious statesman.

The Courts are still investigating allegations of fraud related to payments made by Fillon over several years to his wife and two of his children as parliamentary staff for non-existent jobs. Further revelations such as Fillon's acceptance of generous gifts from a politically dubious personality harmed him further and he ignored calls for resignation from his own party.

However, according to Hervé Le Bras and Jérôme Fourquet, it was not these affairs alone that cost him the chance of a victory. Instead, they merely served as a "simple and simplistic illustration of movements that were well hidden and more powerful"—namely, in the first instance, the rejection of politicians in general. In fact, the French presidential election has in the past frequently resulted in the at times involuntary retirement of key figures who had been part of France's political discourse for decades. These included ex-presidents Hollande and Sarkozy as well as ex-prime ministers Alain Juppé and Manuel Valls, each of whom resigned after defeat in the party's primaries, as well as a number of ministers who left politics for good. While even the self-proclaimed opponent of the "system", Marine Le Pen, and her more-than-40-year-old party, ultimately became an integral part of it, Macron capitalised from his fresh and untainted image.

At a crucial moment during the election campaign, Macron received a boost in the form of the political backing of François Bayrou, leader of the centre party MoDem, who had turned away from the Conservatives following the Fillon scandals. Ten years earlier, Bayrou himself had come close to entering the second ballot when his centrist political platform won him 18.6 percent of the vote. However, he lacked political allies at a time when the Conservatives and the Socialists still represented robust pillars of French politics and the National Front was unable to qualify for the second ballot. At least Bayrou became "kingmaker" by helping Macron to distinguish himself as an opponent of an opaque "system" conducive to corruption.

Indeed, Macron delivered on his political promise to introduce new and transparent rules for members of parliament. Incidentally, Bayrou was the first to fall victim to the new rules. After only a few weeks in office as minister of justice, he was forced to resign over allegations made against his party concerning the illegal use of European Parliament funds to pay employees.

Against the background of a chaotic election campaign marked by scandalous revelations, Macron's position changed from that of an outsider to that of a favourite. Besides Bayrou, he was joined by several important figures from various political camps, which made it seem even more likely that he as the newcomer could actually win the election.

His bipartisan position at the centre of the political spectrum allowed Macron to recruit members for his government across party lines after his victory. This has permanently weakened the opposition parties. The position of the opposition parties in relation to the government has been further complicated for the main parties as former party colleagues are now part of the government. Among the former socialists in Macron's government are Foreign Minister Jean-Yves Le Drian, previously a confidant of then President Hollande, and Interior Minister Gérard Collomb. Former members of the Conservatives are also occupying key posts in the government, including those of prime minister, minister of economic affairs, and public action and accounts minister. Republicans Édouard Philippe, Bruno Le Maire and Gérald Darmanin were expelled subsequently from the Conservative Party for taking these roles. However, as Macron's reform policy largely corresponds with the demands of the Conservatives, the party remains divided over whether to support the government or to oppose it. One fraction in the National Assembly known as "Constructive Republicans" acknowledges the party's ideological proximity to Macron's political position. Nonetheless, the sub-group is firmly rejected by party leader and political hardliner Laurent Wauquiez, who is instead steering the Republicans further to the right, thus intensifying its competition with the Front National.

Nonetheless, even Wauquiez struggles with being audible as an opposition force. Although Marine Le Pen achieved a historic victory for her party, with some 11 million supporters and 34 percent of the votes in the second round of the presidential election, the result was perceived as a failure that clearly showed her limitations. The right-wing populist candidate did not meet her own self-imposed goal and disappointed with an unprofessional performance in the crucial televised debate with Macron. As a result, not only did she lose followers, she also lost the support of her main adviser, the EU- and Euro-sceptic Florian Philippot, who has since founded the rival party "The Patriots". It is questionable whether the simple renaming of the Front National to *Rassemblement National* (National Collective Movement) will be enough to severe ties with its historical legacy and mark a much-hoped-for new beginning. At any rate, the renaming of the party did not include its ideological realignment.

The situation of the Socialist Party is comparatively more disastrous. It continues to struggle with its ideological foundation while lacking a central party figure. With numerous key players having left the party, it has sold its historic headquarters and dismissed more than half of its staff. Owing to massive losses in the parliamentary elections in June, a large part of previous subsidies, based on the number of votes won and the number of Socialist parliamentary representatives, have vanished.

Macron's astonishing election as president was followed by the second surprise of his LREM party winning the absolute majority in the National Assembly in the parliamentary elections in June. The new parliament underwent a rejuvenation, boasting a much higher proportion of female members of parliament (MPs), while many, often veteran, MPs of the other parties were voted out of office. These parliamentarians too were affected by the voters' desire for renewal and change.

This parliamentary power base has permitted Macron to implement his plans speedily and efficiently. While Macron justifies his actions with the democratic legitimacy gained from his election, critics highlight the dearth of democratic debate. In particular, dissenting voices within the ruling party criticising the implementation of a tightened immigration and asylum law were systematically ignored by their leadership. The role of Parliament, which is already frail in the French political system, is thus being further weakened under Macron's leadership.

At present, there are no signs for a quick recovery of the opposition that would permit a challenge to the current government. Warnings usually come from other sources. The economist Thomas Piketty, author of the bestseller *Capital in the 21st Century*, has compared the French president's tax reduction policy to that of Trump's and has warned about widening social inequality. Contrary to Macron's own motto that he is "both left and right", socialists like ex-party leader Martine Aubry criticise the president as "neither left nor left"—so, not left at all.

As has been illustrated by the contrast between Macron and Le Pen in the run-off election, the historical, neat division of the social and political system is in the process of disintegration. In their study, Fourquet and Le Bras no longer draw the "new dividing lines" between the left and the right but between critics and opponents of globalisation. After careful analysis of the election results, they conclude that the urban, high-income and educated population voted for Macron, while Le Pen dominated in areas with high unemployment and poverty rates, appealing largely to those members of the electorate that were feeling disenfranchised. The opinion pollster and researcher Martial Foucault, director of the research centre CEVIPOF, speaks less of a division of the country into winners and losers of globalisation. Rather, he divides people into optimists and pessimists: "[t]he Front National not only gets the votes of the lower class, but those of the unhappy and dissatisfied classes. Macron is not just the candidate of the rich, but that of the confident." Indeed, the people living in Le Pen's strongholds were among the most pessimistic and fearful of further deterioration of their living conditions. These strongholds are

found in the Mediterranean region of France—home to a large number of immigrants and Muslims—which has seen rising levels of mistrust and friction between the different cultures, and the northeast of the country, which has suffered greatly from the deindustrialisation of the past decades and where many people feel both abandoned by the state and economically deprived. It is in these parts of the country that globalisation raises particularly strong fears. It is Macron's responsibility to overcome these divisions. While he beat the right-wing populists at the polls, the reasons for their support remain. The challenges facing Macron originate less from the traditional parties but from the extremes, including both the left and right wing.

As the political opposition continues to redefine itself, expressions of opposition is increasingly turning to the streets. Unions and, in some cases, the radical left have been trying for months to mobilise opponents of reform policies—from officials, to hospital and nursing staff, and students. However, an extensive, unified protest movement has not emerged. Even the long-drawn-out strike by the SNCF (French National Railway Company) in opposition to a rail reform, where employees downed tools two days a week for three months, could hardly force the government to move.

Thus, within a year, France has experienced the unprecedented downfall of the major parties. A 40-year-old Macron rules with the support of his own party and largely without opposition. In a system strongly geared towards the directly elected president, attention is largely focused on him, while his government consists mostly of loyal technocrats, often without political experience.

The traditional left/right-wing divide seems to be permanently damaged, while new forces have yet to emerge. Macron's triumph can be explained as the interplay of his successful political strategy within a specific national context, with large parts of the electorate demanding a fresh start and a fundamental change to the political system. The coming years of his presidency will show if Macron will respond satisfactorily to these demands or if further political upheaval is imminent.

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Viktor Orbán's Hungary: Orbanist Politics and Philosophy from a Historical Perspective

Gellért Rajcsányi

The parliamentary election of 2010 opened a new era in the politics of Hungary. Initially, many were surprised by the introduction of the System of National Cooperation through a declaration[1] right after the election, but now, after eight years, one can really see that there is indeed a new era, a new system in Hungary. However, one can discuss[2, 3] whether it is really a system of national *cooperation* or not.

Not everyone is capable of creating a new political system or era. To do that, real political talent is needed. Viktor Orbán has political talent. After defeating—or surviving—his earlier political rivals, now, at the young age of 54, he is the grand old statesman of Hungarian politics. It is also not by chance that Mr. Orbán is now a well-known player[4] at the European level of politics either.

The last hundred years were a historic helter-skelter for the Hungarian nation.[5] Thriving years, crisis, collapse, rising from the ruins and ashes—all of these happened to the Hungarians (and to the neighbouring nations) in the 20th century, and not just once. Unlike the Britons or Scandinavians, the people of Central Europe had to start their political and economic system, and their own lives and careers, all over, again and again, even within one generation's lifetime.

Those who wanted to be in politics in these countries had to deal with all the hopes, fears and tensions of these societies that had accumulated in the past century. Although there are many hopes and many fears, Mr. Orbán is a master of dealing with these issues.

I am going to attempt to explain it all in this article.

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[1] "Declaration and programme of the System of National Cooperation", http://www-archiv.parlament.hu/irom39/00047/00047_e.pdf.

[2] "Populists in government? Hungary's 'system of national cooperation'," http://www.tandfonline.com/doi/full/10.1080/13510347.2015.1076214.

[3] "Hungary: the Fidesz project," http://www.batory.org.pl/upload/files/pdf/Aspen%20EN.pdf.

[4] "Viktor Orbán—the conservative subversive," https://www.politico.eu/list/politico-28/viktor-orban/.

[5] "Ignác Romsics: Hungary in the twentieth century," http://www.atlantiszkiado.hu/konyv.php?ID_konyvek=12632.

A Thousand Years of National *Kulturkampf*

Around the year 1000, a century after the nomadic Hungarian tribes entered and settled down in the Pannonian Basin, the Hungarian suzerain's son was baptised and took the name Stephen, and began to organise a European feudal Christian state from the covenant of tribes.[6] For this he used Western help by inviting priests, scientists, craftsmen, soldiers and knights into the country from the West. After this, rebellions against the establishment of a Western state lasted for decades.

The fight between Stephen and his main opponent, the pagan Koppány, is a perpetual symbol of the dividedness of Hungarian politics, culture and society, a symbol of the endless fight between "Western" and "Eastern" ways of thinking.

The disagreement between pro-West (at first Christian, feudal, then later pro-Habsburg, liberal, then progressive and leftist or Western conservative) and nationalist or pro-East (patriotic, nationalist and perhaps sympathising with Eastern powers) figures and movements has been constantly present ever since, albeit under different names with different emphases. This struggle has determined Hungary's fate in the last two decades as well. For anyone who wants to enter Hungarian politics and be successful, it is inevitable that he or she will have to face these ruptures and take a standpoint in the debates about them, while he or she might even use them in policymaking or just in everyday superficial political communication.

The Helter-Skelter of 20th-Century Hungarian History

The 20th century, which has the most effect on today's Hungarians, was rife with the fights of pro-West and pro-East politicians and movements. In fact, there had never been such dramatic swings to either of the two sides in Hungarian history in the previous 100 years. In the Austro-Hungarian Empire's peaceful period, pro-system conservatives and liberals faced nationalists fighting for independence. Between 1918 and 1920 pro-Soviet communists and other leftist fought against and were finally defeated by the reactionary, conservative and semi-authoritarian system of Governor Miklós Horthy. During the 25-year governance of Miklós Horthy the mainly pro-West but fundamentally conservative system took tough action against the seditionary far right and radical leftist forces.[7]

[6] "Stephen I of Hungary," https://en.wikipedia.org/wiki/Stephen_I_of_Hungary.

[7] "Horthy—the Admiral on the Endless Sea of Hungarian Self-Delusion," http://hungarianglobe.mandiner.hu/cikk/20120618_horthy_the_admiral_on_the_endless_sea_of_hungarian_self_delusion.

In the Second World War, Hungary eventually became an ally of Nazi Germany, which led the country to a national catastrophe and destruction by the end of the war. The country was occupied by the Soviets as enemy territory and communists from Moscow winded up even the remains of what still existed of the independent, Western-style civil society in Hungary. The 1956 revolution was an uprising against the eastern tyranny, but the Soviets and their political proxy, János Kádár, defeated it.[8]

Between 1956 and 1989, generations of Hungarians, millions of people, grew up under the Kádárian era, including Viktor Orbán. After the initial victimisations, Kádár very slowly began to loosen the strictness of the regime. Gradual welfare provisions, beginning in the 1960s, led to a slow increase in the general living standard, which stabilised Hungarian society. This was the so-called "goulash communism".[9] The majority of people accepted the mono-party system in exchange for relative wellbeing and calculable-yet-slow prosperity growth. People could have a car, television and even a weekend cottage. After a period of time, they could even travel abroad every few years and even to the West. Later, Southern fruits, followed by Western clothing brands and electronic gadgets began to appear on the shelves of stores.

People had secure yet very slightly productive jobs. There were functioning healthcare and educational systems as well. It was possible to plan for a future, to get ahead in life, and, in the 1980s, even to be an individual entrepreneur, which was unique in the Eastern Bloc at that time. These memories from the 1970s and 1980s still live very vividly in the minds of millions of Hungarian people—including Viktor Orbán—from the young generations to the currently eldest Hungarians.

It is not by accident that I write about the phenomena mentioned above in such detail. If we want to understand current Hungarian events, we have to consider this sort of social imprinting.

Viktor Orbán, like many Hungarians—including the author of this article—was born in this Kádárian Hungary. His family's story and also his early personal career's are rather typical stories of development in the Kádár era even compared to the rest of Hungarians'.

Formation Years in the Kádár Era

Orbán was born in 1963 in the Transdanubian town of Székesfehérvár, only 60 kilometres form Budapest. He spent his early childhood in the nearby villages

[8] "Hungarian revolution of 1956," https://www.britannica.com/event/Hungarian-Revolution-1956.

[9] "Salami Reconstructed: 'Goulash Communism' and Political Culture in Hungary," https://www.jstor.org/stable/20174994?seq=1#page_scan_tab_contents.

Alcsútdoboz and Felcsút, the latter being still his country base.[10] According to available biographical data, Orbán's grandfather arrived as a poor man to this village at the time of the Second World War and settled down in a house at the end of the village. Viktor Orbán's father, Győző, grew up as a country boy, just like his son who later became Prime Minister. Győző, who was known as a strict man, strived for success from poverty. He attained more and more important positions in the local farmers' co-operative and finally the family could move to Székesfehérvár.

The Orbán family continued to prosper in the 1980s and could even afford to send the young Viktor to study law at university in the capital city of Budapest. Orbán, coming from a rural background, was first exposed to metropolitan high culture, civil intellectual life, "liberal" lifestyle and all its circumstances at Budapest as a young adult. Orbán himself talked about these experiences in interviews at the early stage of his career.

These personal information are not at all irrelevant for understanding Orbánism. Viktor Orbán's family went through an incredibly significant leap of living standard and wellbeing in the Kádár era that most probably would have been unimaginable in the previous historic eras of Hungary. The story of the Orbán family is from a certain point of view the success story of the Kádár era—even if the young Orbán eventually came to realise the unbearable restrictions of the mono-party system of the socialist dictatorship.

An intellectually challenging atmosphere, equilibrating between opportunities and restrictions, was what typified the Bibó István College[11] of the Eötvös Loránd University in the 1980s.

Orbán received no ideological upbringing at home but he was interested and open and picked up the ideology of contemporary liberalism from his professors. He was confident and impatient and soon became a doctrinaire liberal and a critic of the declining socialist system. He studied the Polish Solidarity movement, which later turned out to be helpful when organising Fidesz. He also went to study the history of British liberal philosophy at the University of Oxford with a scholarship that was provided by the foundation of György Soros, who is today the arch-enemy of Viktor Orbán and the Fidesz party.[12]

Orbán and his fellow members formed FIDESZ in 1988. The abbreviation stands for Alliance of Young Democrats and the party identified itself as an alternative radical liberal force. The prominent figures of the party were young, agile, well-prepared lawyers, who immediately started to attack the monolithic legal system of the regime.

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[10] "Viktor Orbán," https://en.wikipedia.org/wiki/Viktor_Orb%C3%A1n.

[11] "Bibó István College," http://bibo.elte.hu/rolunk/bibo-istvan-college/.

[12] "'A useful punching bag': why Hungary's Viktor Orbán has turned on George Soros," https://www.theguardian.com/world/2017/jun/22/hungary-viktor-orban-george-soros.

The Long and Winding Road of Fidesz from Liberalism to "Populist" Conservatism

The death of the dictator János Kádár and the re-burial of the 1956 revolutionary Prime Minister Imre Nagy, who was sent to death by Kádár, is today part of history. Orbán, in a rather anti-communist speech at the re-burial ceremony, called upon the Soviet troops to leave the territory of Hungary. This courageous speech defines his political image even today.

The Fidesz party that first won seats in parliament in 1990 has come a long way since then.[13] Orbán became the unquestionable leader of the party within a few years. The party had all its successes and failures, good and bad times, under his lead.

The question of how the initially liberal Orbán turned conservative, and according to some interpretations even nationalist and populist, interests Hungarians and international critics to this day.

The author of this article thinks the changes were mainly due to a personal learning and maturing process which of course was completed by Realpolitik calculations. The young and aspiring liberal Orbán naturally soon faced older liberal politicians, intellectuals and media elite who attempted to influence him in his decisions. Orbán began to leave doctrinaire liberalism behind and sought the connection with Hungarian reality and the deep flows of Hungarian history. He achieved this partially by rediscovering his country roots. Parallel to this, a cultural fight and ideological war started between the left wing liberal elite and the Orbán-led political right, and it is still unfinished today. This is the contemporary manifestation of the conflict between Western versus Eastern thinking that I have mentioned at the beginning of the article.

The Orbánian shift to the right can also be explained by the fact that in 1994 the larger liberal party SZDSZ formed a coalition with the post-communist MSZP, which was led by Gyula Horn.[14]

Orbán's Fidesz previously did not ally with the communist party's successors, partially due to anti-communist beliefs and partially based on political calculations. In 1994, the right wing in Hungary was in a devastated state, which created room for Fidesz to become a liberal party open to the right wing and conservative value system.

Meanwhile, a doctrinaire liberal group of leading Fidesz politicians left Fidesz to join the liberal Free Democrats who governed with the post-communist socialists. In the second half of the 1990s, new politicians emerged in Fidesz, including

[13] "Fidesz," https://en.wikipedia.org/wiki/Fidesz.

[14] "Election of 1994 in historical perspective," http://www.jasonwittenberg.org/wp-content/uploads/2013/05/1994-Hungarian-Election.pdf.

many moderate conservatives from the Hungarian countryside and other conservative, right wing urban politicians, intellectuals and personalities who found a new home after the devastating defeat of the first conservative government in 1994. This new class of politicians, having joined an established party, became more and more dependent on the personal decisions of Mr. Orbán, whose leadership in the party became unquestionable to this day. From those years on, the politics and ideology of Fidesz was exclusively shaped by Viktor Orbán (with the help of an often changing small group of advisors and campaign consultants).

Fidesz won the 1998 elections with this intellectual background and Orbán became Prime Minister at the young age of 35. This situation remained until the surprising defeat at the 2002 elections, after which again the post-communist socialists formed the government despite four years of successful Fidesz governance.

For Viktor Orbán, who basically entered politics right from university, politics is a constant learning process. Unlike many of his peers he does not win or lose by applying one and only one political recipe.

In the middle of the 1990s, he reinvented himself and his party by making a shift from a liberal ideology to a more conservative value system. In 2002, this still slightly elitist liberal-conservative "bourgeoisie" politics led to electoral defeat.[15] Orbán had to rethink his politics, image and communication again in order to regain the majority of the votes.

The new solution was returning to the people, to the crowds. This is what in Fidesz circles they call becoming a people's party[16] and what critics claim is a populist change of direction.[17]

The main point of the three-decade-long political shifts of Orbán is that a talented, aspiring country boy with no political and ideological background meets a world explaining ideology in his most responsive years, and after many years he finds the way back to his country's social reality and Realpolitik. He breaks out from doctrinaire liberalism to adopt conservatism, and then leaves behind the conservative elitism in favour of popular national politics and successful mass communication. These changes mean an increase in popularity, election wins, and deeper embeddedness in Hungarian reality for Viktor Orbán and his party.

[15] "Like Déjà Vu All Over Again: The Hungarian Parliamentary Elections of 2002," http://kenbenoit.net/pdfs/Benoit_2002_JCSTP.pdf.

[16] "The 21st Congress of Fidesz," http://2010-2015.miniszterelnok.hu/in_english_article/the_21st_congress_of_fidesz.

[17] "In the name of the people," https://www.policysolutions.hu/userfiles/elemzes/250/in_the_name_of_people.pdf.

The Fidesz as "Orbánist" Movement

After the 2002 defeat, Viktor Orbán reorganised Fidesz as a national movement. Although they were in opposition, they had an enormous political base and Orbán built networks, media and economic background for his political community. The role of Mr. Lajos Simicska, the long-time friend—and now foe—of Viktor Orbán in business was crucial in these projects.[18]

At the 2006 election, Viktor Orbán once again lost to the left with a very small margin, but the socialist Prime Minister of the time, Ferenc Gyurcsány's, leaked lie speech (the so-called speech of Őszöd)[19] led to protests and street riots in the autumn of 2006. The left-liberal parties collapsed under the leadership of Gyurcsány, who clung on to power for another three years, while the radical right wing party Jobbik emerged from the crisis. In these years, only one potential governing option remained in the political, economic and social crisis: Viktor Orbán and Fidesz.

The idea of a new system had begun to unfold in Orbán's vision before 2010, even while he was expecting a landslide victory. After completely defeating the liberal and socialist powers in 2010, with Fidesz gaining a two-thirds majority in parliament, Orbán executed the new system.

The essence of this new system is the so-called central power sphere, a large centrist and stable people's party—Fidesz—that is strongly organised and rooted in Hungarian social reality. On its left, one finds the eroded remains of the small leftist and liberal parties, while the radical right wing is positioned to the far right from Fidesz. This central power is called the System of National Cooperation in Fidesz's communication.

The prefiguration of Orbán's new system can be found in Hungarian history. Such a centre-based, strongly directed governing party—the Liberal Party—governed the country for 30 years at the time of the Austro-Hungarian Empire.[20] A similar centrist party governed the country in the Horthy era between the two World Wars. These strong and pragmatic central parties with right and left wing opposition parties on both sides were able to create balanced and stable political periods. The majority of Hungarians bruised by historical cataclysms were willing to accept this deal for the sake of political stability. Besides the Monarchy and the Horthy era the final decades of the Kádár era were built on this deal in some sense, even if at that time there was no political plurality and capitalist system based on private property.

[18] "Meet Lajos Simicska," https://budapestbeacon.com/meet-lajos-simicska-fideszs-enigmatic-oligarch/.

[19] "Őszöd speech," https://en.wikipedia.org/wiki/%C5%90sz%C3%B6d_speech.

[20] "Kalman Tisza and the Liberal Party," https://www.britannica.com/biography/Kalman-Tisza.

The Fundaments of the Orbán Government

The last eight years of Orbán's governance that will continue from the election of 2018 builds on patterns that are strongly fixed in Hungarian political history, social psyche and consensus.

The fundaments of the new system are the following:

1. Strong central government that leads the country out from the pre-2010 political, social and economic crisis.
2. Government policy that aims to strengthen national sovereignty after the significant international defencelessness which came after the political changes of 1990.
3. A strong and active state which generously supports the middle class—which is considered the class that maintains the whole society—with tax benefits and family policy programmes.
4. Strict and tight yet sustainable and balanced budgetary, fiscal and monetary policies that are nothing like the previous socialist, failed economic philosophy.
5. Other heterodox (unorthodox) economic policies that differ from the neoliberal consensus, serve clear stability and sovereignty goals, and can in the end lead to a sustainable budget and economy.
6. Patriotic politics which are based on Hungarian interests, on the protection of Hungarian minorities living in the neighbouring countries and on nurturing historical pride.

The final goal of Orbánian politics is to create a stable and effective state, and to regain national sovereignty in international politics, while building a strong national economic elite and middle class in Hungary which can be the basis of a sovereign, strong country. These policies are the fundaments of the new Orbánian politics.

As of today, Viktor Orbán has left liberalism behind; in fact, according to his own words his politics is some form of illiberal politics. As he said in his "illiberal speech" in 2014: "The new state that we are constructing in Hungary is an illiberal state, a non-liberal state. It does not reject the fundamental principles of liberalism such as freedom, and I could list a few more, but it does not make this ideology the central element of state organisation, but instead includes a different, special,

national approach."[21] His current politics, besides all their heterodox and populist aspects, can still be considered as classical conservative and right wing politics.

It is true that the Orbán government's concept of a strong and active state and central power is far from the ideals of the Anglo-Saxon consensus. However, we are talking about a continental country, and with the strong central power, the active state can be connected with the governing traditions of France or Germany.

Hungarian society is known for a certain étatism anyway. People would rather support an active state than live with the lack of a state, or the anomy (which was the case before 2010 when—arising from the failed economic and fiscal policies and from the moral crisis of the socialist government—in some Hungarian regions, public security was in a devastated state) that many people could experience directly.

The strengthening of the state and governance is especially true for the budget policies. The national debt, which got completely out of hand between 2002 and 2010 under the social-liberal governments, has been stabilised. Deficit was also taken under control and inflation was drastically reduced. Meanwhile the government has managed to reduce unemployment by creating new jobs and introducing a community work system for the most underprivileged in society. The stabilised Hungarian economic figures were appreciated by the markets as well. Hungarian bonds are very popular and the Central Bank's basic interest rate is very low.[22]

The Orbán government is even more conservative in its social ideology. They have an open Christian-Democratic world view, support the major historic churches (including the Jewish community), propagate the traditional family model and support very generously the bearing of children and families' home purchasing. They support the Hungarian minorities living abroad by helping them to keep their identity (for instance, by granting them dual citizenship). These are all important goals of the government.

Effects on the Political System

In the last eight years, the Orbán government has made significant changes to the Hungarian political system. Having a two-thirds majority in the parliament, the governing party was able to change the foundations of the state. In Hungary, no new constitution was adopted in 1989-1990; only the paragraphs of the Communist constitution were changed, of course, significantly, according to democratic principles. As the first two-thirds majority government, the social-liberal coalition in 1994-1998 was not able to adopt a new constitution; it was Orbán's government after

[21] "The speech on illiberalism," http://www.kormany.hu/en/the-prime-minister/the-prime-minister-s-speeches/prime-minister-viktor-orban-s-speech-at-the-25th-balvanyos-summer-free-university-and-student-camp.

[22] "Hungary: economic outlook," https://www.focus-economics.com/countries/hungary.

2010 that had the necessary majority for such a change. However, they did it. The new constitution is based on the Fundamental Law and a number of other new rules and laws on different issues. The Fundamental Law contains all the basic rules for a liberal democracy, although some conservative values (patriotism, Christianity, traditions) are listed and emphasised in its text.

The new government changed the electoral laws, although not in the way that its most ardent critics say. There is still a mixed electoral system with country-wide party lists and 106 electoral districts. This system follows the Hungarian tradition of the last 30 years. This is a small step towards a more majoritarian electoral system that helps the strongest party to have a stable majority in the parliament. It is true that Fidesz was and still is the strongest party in Hungary, but those who say that this new system makes Fidesz unbeatable should know that in all three by-elections between 2014 and 2018, it was Fidesz that lost and the opposition parties that won. This is why Fidesz lost its two-thirds majority in the parliament.

The author of this article does not believe that there is a gerrymandering problem either. The earlier electoral districts became so demographically disproportionate after more than 20 years that it was the Constitutional Court that urged the parliament to change the boundaries. The Orbán government reduced the number of districts to 106, and these districts are now more proportionate. Unlike in the United Kingdom or the United States, there are no really traditional conservative or left wing strongholds in Hungary, because the mood of voters can change often.

To put it simply: it is not the electoral system or the boundaries of the districts that prevent the opposition parties from winning elections. It is just the popularity of the current government. If they are able to get the most votes in a district, they are going to win—which was what happened in the last three by-elections.

Orbán and His Opponents: The Race for Popularity

Is the Orbán government populist?—one can ask this question. To answer we should first define what we mean by populism, which is not at all obvious. To my mind usually those who talk about populism are the ones who themselves have not been able to reach out to large crowds and the majority of society in a democracy.

It is certain that the Orbán government is popular and it does everything to maintain that popularity with communication and politics that are sympathetic to the majority of people. Orbán used progressive communicational tools throughout his career and now there is a whole communicational and survey machinery behind Fidesz that is extremely professional even compared to international standards. They sense every move or flow in society and they even relinquish policies that are actually in line with their principles and value system if necessary when the

majority of society disagrees. An excellent example of this was when they withdrew legislation for stores to stay closed on Sundays.[23]

Politics and communication that are aimed to reach the widest audience possible are by nature simplified and the government's constant communicational campaigns and national consultations deserve to be referred to as populist. But these simplified messages address real problems that are the concerns of the majority of people. These campaigns work: Fidesz has been the most popular party in the country for twelve straight years.

Neither the leftist liberal nor the radical right wing opposition parties can do anything effective against the government's non-stop, highly active communication and agenda setting. The left wing liberal opposition is nostalgic about the pre-2010 public life and promotes policies that the majority of people had lost their faith in at the time of the financial crisis. The left, which still has many pre-2010 characters amongst their prominent figures, is no longer wanted by the majority of people.

Jobbik, the formerly radical right wing party, is currently trying to show a more moderate profile towards the voters but they are constantly confronted with their previous radical statements, which thus destroys their credibility.[24]

In the beginning of 2018, before the parliamentary elections in April, one of the hot topics in Hungary was whether the radical right wing and liberal leftist opposition could form a united front to defeat the centrist, embedded Fidesz. After the disastrous defeat of the opposition at the 8 April 2018 election in Hungary, this weird coalition is not coming to life. Viktor Orbán once again won a stable, two-thirds majority in parliament to form his fourth government while the vast majority of Hungarian counties and cities are also led by Fidesz politicians.

As we can see from the above-mentioned phenomena, Orbán leads Hungary as the head of a strong, centrist governing party that has clear long-time goals, while the government builds on the historical and political traditions of Hungary, and works on policies that are important for and sympathetic to the majority of the Hungarian people. For creating and maintaining mass support, Mr. Orbán uses the tools of modern communication and constantly reflects on the expectations, hopes and fears of the Hungarian public. This Orbánian recipe works.

[23] "Sunday shopping returns to Hungary," http://abouthungary.hu/blog/sunday-shopping-returns-to-hungary/.

[24] "Hungarian left's far-right dilemma," https://www.politico.eu/article/hungary-left-wing-far-right-viktor-orban-dilemma/.

The Challenges

History teaches us that even the seemingly most stable systems can collapse unexpectedly. Viktor Orbán in 2010 got into a winning situation with his idea of a central power sphere that is still the reality of Hungarian politics. With his thirty years of experience he has been and probably will be able to balance between the two-pole opposition with the support of the majority of Hungarians. However, time moves faster in politics than in everyday life. A four-year cycle is a long time and so is eight or twelve years in government, and especially thirty years in politics. Every politician burns out once, physically and mentally, every political system begins to rust after a while, and power tends to corrupt—to refer to Lord Acton's classic observation.

The very stable political situation can make decision makers feel overly confident at the local and country level as well. With the lack of a strong and vigilant opposition, corruption might also find its way into the system more easily. The fast and impressive enrichment of certain people at the local or national level who are close to the government and its political networks can be displeasing too. Without the presence of a strong opposition and strictly independent "watchdog" institutions, the strong concentration of power may reach a level that will not be acceptable for the Hungarian society, which otherwise usually seeks stability.

Addressing the continuous international debates concerning Hungary, and balancing between the requirements of membership in the EU and the demand to increase sovereignty are a daily responsibility for the leaders of Hungary, and it takes up a lot of intellectual capacity. Over time the governing party and people supporting it may get tired of the constant conflicts deriving from Orbán's personal nature and politics.

If the Orbán government does not reach consolidation after this year's election success, and if it cannot moderate its seemingly unstoppable communicational and power machinery, the new system will not reach a sustainable equilibrium and fatal mistakes can happen in the event of a new major conflict.

The decision on what direction Hungarian politics will take is again in Viktor Orbán's hand in 2018. His personal political qualities, merits and flaws will be more important than ever in the upcoming years of politics in Hungary.

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How Poland is Drifting Away from Liberal Democracy

Piotr Buras

The success of the right-wing, populist party Law and Justice (PiS) in winning an absolute majority in the parliamentary election in October 2015 in Poland came to many as a surprise. Poland had been rightly seen as an example of successful economic transformation and democratisation and as a country which had greatly benefited from integration within the European Union (EU). According to a new World Bank report, Poland belonged to those countries in the EU in which economic convergence (measured by GDP per capita in relation to the EU average) has advanced the most in the last 15 years.[1] Corruption, one of the key challenges in the post-communist societies, ceased to be a major concern many years ago. Moreover, liberal democratic institutions, free media and an independent judiciary seemed to be firmly anchored in the society and political system. Some prominent foreign observers predicted a new golden age for Poland[2] and the international press was full of praise for the "miracle"—the only EU country which did not suffer under the economic and financial crisis of 2008-2009.

Today the tone of foreign commentaries is different and Poland is seen as an awkward country within Europe, and indeed one of the EU's key problems. In January 2016, just a few months after PiS came to power, the European Commission initiated a rule-of-law dialogue with the Polish government to investigate the nature of introduced changes to the functioning of the constitutional tribunal and public media. After months of fruitless negotiations, in December 2017 the Commission, which is the guardian of the EU's legal framework, decided to officially ask the EU member states to declare that there was a severe risk of violation of the fundamental

[1] Cristobal Ridao-Cano and Christian Bodewig, "Growing United. Upgrading Europe's Converging Machine," World Bank's report on the European Union, World Bank Group, 2018, http://www.worldbank.org/en/region/eca/publication/europe-growing-united.

[2] Guenter Verheugen, "Poland's New Golden Age," Project Syndicate, 4 November 2014, https://www.project-syndicate.org/commentary/poland-reemergence-in-europe-by-g-nter-verheugen-2014-11?barrier=accessreg.

principles of the EU (meaning: the rule-of-law) in Poland.[3] While voting has not yet taken place, the conflict between the Polish government and the Commission as well as the criticism about the political developments in Poland in other EU countries make for an unprecedented crisis and have damaged the image of Poland as master of the post-1989 transformation.

To understand what has happened in Poland since 2015, a brief recapitulation of the time before this watershed election is needed. From 2007 to 2015 Poland was governed by the liberal-conservative and pro-European party Civic Platform, whose then leader and Prime Minister, Donald Tusk, is today the President of the European Council (the key decision-making body of the EU, a grouping of the heads of state and government of the member states). Tusk was a respected leader who stood for stability, good economic performance and the ambition of Poland to closely cooperate with Germany and France in the EU. He continued the path of liberal (both economic and political) transformation which Poland had embarked on in the 1990s after the end of communist rule. His election in 2007 followed a two-year period of PiS rule, which ended in chaos and a snap election. The confrontation between Civic Platform and PiS or indeed between their leaders—Tusk and Jaroslaw Kaczynski—has been the dominant feature of Polish politics since 2005. In a nutshell, the main point of contention has been the model of Polish transformation after 1989. Kaczynski has always questioned the utility of the liberal model for Poland's post-communist transformation, based on an imitation of the Western social and economic model. While he had been active in Polish political life since 1989 (or even before—in the democratic opposition), he played a marginal role and until 2005, he did not have a chance to carry out his programme in governmental policy. The year 2005 was a great year for him and his twin brother, Lech Kaczynski, who became the President of Poland. Jaroslaw's party won the parliamentary election and he himself became Prime Minister a year later. However, his government proved to be a disaster. Constant quarrels with the coalition partners (nationalists and populists) and scandals provoked by the government (including abuse of secret services) led to a snap election. Kaczynski lost against Donald Tusk, who promised to restore "normality" and stability after the years of chaos. This is how the Tusk era started—and from that time on Kaczynski had just one dream: to get back to power.

A key event on his road back to power happened in 2010: in an airplane crash near Smolensk in Russia, his beloved brother, Lech, died. The President of Poland and many other high-level politicians were travelling to a state ceremony in Katyn to mark the deaths of Polish officers who were killed by the Soviets in 1940. While bad weather conditions and technical mistakes were the reasons for the catastrophe, Kaczynski and his party accused Tusk of responsibility for this airplane crash,

[3] European Commission, "Rule of Law: European Commission acts to defend judicial independence in Poland," Press release, Brussels, 20 December 2017, http://europa.eu/rapid/press-release_IP-17-5367_en.htm.

alluded to his complicity with Putin, and launched the conspiracy theory of an assassination. This so-called "Smolensk myth" became one of the key tools to mobilise right-wing voters against the government and provided for a deep rift in the society and political life. It took five more years for Kaczynski to get back to power but his success in 2015 would have been much harder to achieve if not for the reckless instrumentalisation of the Smolensk crash.

The right-wing turn in 2015 also had other causes. Tusk's promise of stability, his international credibility and his efficiency in using EU funds to further promote economic modernisation were the pillars of his popularity for a couple of years. However, in his second term in 2011-2015, his government was overshadowed by corruption scandals and other widely commented-on examples of government officials' abusive behaviour. While those abuses of power led to a drastic decline in support for the liberals (and were welcome fuel for their political opponents), Tusk ultimately also misread the political sentiments in the society. While he once famously said that "warm tap water" was the only thing that people expected, he proved to be wrong. "Warm tap water" was a metaphor for stability, lack of big visions and projects which could only annoy or polarise the society. However, this kind of stability associated with Tusk looked more and more like a defence of the status quo and self-complacency. Also, the economic success of the two decades after 1989 and the promise of "catching up with the West" boosted people's aspirations regarding living standards and wages. The young generation of well-educated (at least formally) people realised that the Polish labour market was not offering enough attractive opportunities. Around 2.5 million Poles emigrated for work, most notably to the United Kingdom (UK).[4] Finally, the weaknesses of the Polish welfare state, social protection, and healthcare service were sources of frustration, especially among citizens living in the less-developed areas, who felt not only left behind but also deprived of dignity and became more and more resentful of the Warsaw elites. The liberals did not have much to offer when it came to addressing those grievances. His words of Poland as a "green island" (referring to good economic performance) were evoking anger rather than optimism, at least in a part of the society.

This all opened the way for Kaczynski's return to power. He skilfully fuelled resentment in order to raise the credibility of his own narrative of Poland as a ruined country and build the foundations to support his idea of completely reorganising the state. He had picked up on the real and justified socio-economic worries of many citizens, but at the same time had also exploited and widened the existing divide between the liberal and conservative parts of society. Two things are key to properly understanding the nature and scope of his success. First, PiS is rightly portrayed as a populist party claiming to be the only representative of the "real people" and

[4] See also the article in this journal on the UK and Brexit.

fighting against the establishment. However, in electoral terms it is not necessarily the party of the poor as well as globalisation (or transformation) losers. Kaczynski managed to reach out to almost all social groups and, most importantly, benefited more from the socio-cultural divide in the country than from the economic cleavage. As Jacek Kucharczyk, a leading Polish political analyst observes, the "driving forces of Poland's populist upheaval are nativism, political Catholicism, and fear of Muslim refugees. Thus, the rise to power of authoritarian populists in Poland is better understood as a backlash against open society values and against parts of the political and cultural elites which are believed to represent these values."[5] Voting for PiS is more strongly correlated with strong views on issues of morality and identity, including religiosity, opposition to abortion and deeper European integration, than with the social or economic status of the voters.[6] Kaczynski's promise was one of community, strong identity, leadership, anchoring in the Polish tradition and restoring the dignity of people disorientated or concerned about the rapidly changing environment and uncertain future. An important element of this vision (the mere existence of which made Tusk's technocratic management look bleak) was a generous social policy: children allowances and an increase of the minimum wage consolidated the support for PiS after the election.

Second, PiS's success was hardly sweeping. It gained 39 percent of votes from a turnout of 50 percent, which means that less than 20 percent of eligible voters gave the party its support. It was both the very high mobilisation of the core electorate of PiS and the demobilisation of the liberal centrist voters which provided for Kaczynski's triumph. Thanks to the low turnout (there is no precedent in Poland where trust in political parties was at a lower level) and the electoral system favouring the winning parties, PiS managed to secure the absolute majority and to form a single-party government. Thus, given the above figures, the party's claim of representing the overwhelming majority of the Polish society and being thus entitled to perform an overhaul of the political system despite constitutional constraints is largely unfounded.

Like 2015, Kaczynski decided not to take up the position of Prime Minister. This was occupied first by Beata Szydlo, and since the government's reshuffle in December 2017, by Mateusz Morawiecki, a former banker and Kaczynski's political protégé. Nevertheless, it has been Kaczynski (formally just a member of parliament without any governmental responsibility) who has been the unquestioned leader,

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[5] Jacek Kucharczyk, "It's not the economy, stupid! Explaining the success of authoritarian populism in Poland," 16 January 2018, http://situationroom.dpart.org/index.php/blog/15-articles/poland/31-not-the-economy-stupid.

[6] The most compelling account of the motivations of PiS voters is to be found in Maciej Gdula et al., "Dobra zmiana w Miastku. Neoautorytaryzm w polskiej polityce z perspektywy małego miasta," Warszawa 2018, http://krytykapolityczna.pl/file/sites/4/2017/10/Dobra-zmiana-w-Miastku.pdf.

having full control of the cabinet's strategic decisions. It is also Kaczynski's worldview which explains the political course of the party and government, and which brought about the most fundamental changes in Polish politics after the end of communism.

In his conviction, liberal democracy, famously fragile and vulnerable, is an outdated political structure in this globalised and complex world. Instead, he believes that what is needed is a strong government that acts efficiently on behalf of the democratic majority and, when necessary, is able to take drastic measures to carry out the majority's will without being permanently hobbled by the liberal system of "checks and balances". Victor Orbán of Hungary has demonstrated in his own country that such a model can operate quite successfully without liberal sticklers and other malcontents being able to provide an alternative.[7] Erecting a "Budapest in Warsaw" has been Kaczynski's professed goal for a long time and he is now making great strides towards approaching this "ideal".

While Kaczynski has shown little interest in the economy or foreign policy, his focus is on issues of society, history, morality and culture. Foreign Minister Witold Waszczykowski's statements on the mix of races and cultures and on vegetarians and cyclists as a manifestation of a leftist-liberal opinion leadership in Western Europe,[8] derided by many, are characteristic of Kaczynski's party and its core voters, especially when combined with a rhetoric about how these very things threaten the traditional foundations of the Polish state. They perceive the organic processes of liberalisation, secularisation and individualisation that brought major changes to European societies over the past few decades as ideological schemes imposed from above. It is their belief that a strong state requires a homogeneous, self-confident, community-oriented society that will only be able to ward off external threats if it does not surrender to the corrupting processes of the West.

Kaczynski's affirmative politics of memory and control of public media (PiS took over the public TV and radio by marginalising the constitutional bodies overseeing them and uses the public broadcasters as a tool of propaganda.[9]) are designed to ensure that the national community will be consolidated and based on these very values. In addition, a generous social policy correcting the "neoliberal excesses" of the previous government is supposed to strengthen social cohesion. Rejection of the "Western model" as the only possible option is also geared towards ending the politics of imitation and instead supports a policy of innovation that takes better ac-

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[7] See also the article in this journal on Hungary and Orbanism.

[8] "Haben die Polen einen Vogel? BILD-Interview mit dem polnischen Aussenminister," 3 January 2016, https://www.bild.de/politik/ausland/polen/hat-die-regierung-einen-vogel-44003034.bild.html.

[9] Wojciech Sadurski, "How Democracy Dies (in Poland): A Case Study of Anti-Constitutional Populist Backsliding," Sydney Law School Research Paper, No. 18/01, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3103491.

count of the Polish economy's specific national demands. Incidentally, most experts and politicians, even those not affiliated with the party, see the latter as a necessary precondition for Poland to escape the looming "middle-income trap". Finally, a late settling of accounts with "post-communist networks" that PiS perceives as having influence on political and economic developments is a constant feature of the party's rhetoric.

However, the most fundamental changes in the political system paving the way towards an illiberal model have been carried out in the realm of the judiciary. They violate the Polish constitution as well as the fundamental principle of the separation of powers. The assault on the independence of the judiciary has been carefully planned. The party leader, Jaroslaw Kaczynski, complained years ago about what he called "impossiblism" (related to the checks and balances in the liberal democratic system), which prevents the democratically legitimated majority in the parliament from fully carrying out its programme. The reforms are thus not corrections of an allegedly dysfunctional system but the cornerstones of a new, illiberal political system. As the Venice Commission put it, "some elements of the reform have a striking resemblance with the institutions which existed in the Soviet Union and its satellites."[10]

These reforms happened in many phases and despite their fundamental and systemic characters were not properly deliberated in parliament. This "salami tactic" (for example, the Act on the General Courts was changed and amended five times over 1.5 years) "harms the transparency of the legislative process, especially by hindering verification of the actual intent behind implemented changes."[11] Since December 2015, there has been no independent constitutional court, which—according to the Polish constitution—is required to assess the legality of acts adopted by the Polish parliament. The current President of the Court, Julia Przylebska, was appointed by President Andrzej Duda (PiS) in an illegal way as were the three other judges of the court. The rulings of the constitutional court (in its former composition) stating the illegality of the procedures adopted by the PiS majority in the parliament were not officially published by then Prime Minister Szydlo (despite the constitutional obligation to do so) and ignored by the ruling party and the President. The constitutional court controlled by PiS political appointees does not perform its role as the guardian of the constitution any longer, representing in its sentences mostly the government's line.

[10] Venice Commission, Opinion No. 904 / 2017m Strasbourg, 11 December 2017, http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2017)031-e.

[11] "Report of the Stefan Batory Foundation Legal Expert Group on the impact of the judiciary reform in Poland in 2015-2018," http://www.batory.org.pl/upload/files/Programy%20operacyjne/Odpowiedzialne%20Panstwo/Batory%20Foundation_Report%20on%20the%20judiciary%20reform%20in%20Poland.pdf.

The Minister of Justice (who is the General Prosecutor at the same time) has been vested with far-reaching and discretionary powers in appointing judges, removing them from office, and controlling their careers. "Under the Law on Organisation of Common Courts, which entered into force in September 2017, Ziobro had a six-month window in which he could dismiss presidents of courts and appoint new ones, without consultation. Despite protests by some judges, almost 150 court presidents and vice presidents were replaced."[12] According to the new law the Minister of Justice preserves broad competences in staffing of common courts: he/she will be able to remove presidents and vice-presidents of the courts (the corresponding decisions can be blocked only by a two-thirds majority in the National Judiciary Council, which is fully controlled by the PiS). He is also equipped with the power of control over the appointment of bodies responsible for conducting disciplinary proceedings against judges and for prosecuting in these cases, as well as the capacity to directly influence any disciplinary case.[13] This is a disproportionate influence of the executive power over courts which is already being abused.[14]

The Supreme Court, which is also the highest appellation court and has the power, among others, to control the validity of election, has been subject to an unconstitutional assault on its independence and structure. PiS introduced a new retirement age (65) with an immediate effect (without interim provisions) which will lead to the termination of the terms of office of the President of the Court (whose five-year term is defined by the constitution) and 28 other members of the court on the day when the new law enters into force (3 July 2018). The new members of the Court (and its new President) will be elected in a procedure controlled by the ruling party. Also, the new law introduces a new, largely independent from the President of the Court, Chamber of Extraordinary Control and Public Affairs which has jurisdiction over cases of extreme importance for the political system, such as certifying the validity of elections and referenda, and other cases under public law, and reviewing electoral protests and complaints about unreasonable delays in trials before common courts and military courts. It is also responsible for dealing with the newly introduced "extraordinary appeals", a process whereby any court ruling considered final to date can be challenged if it is deemed necessary for ensuring the

[12] Adam Bodnar, "Europe can save Poland from darkness," *Politico*, 9 April 2018, https://www.politico.eu/article/poland-judiciary-rule-of-law-europe-must-intervene/.

[13] "Report of the Stefan Batory Foundation," op. cit.

[14] As Bodnar writes, "Last month, Ziobro [Minister of Justice] announced that judges should face disciplinary measures for applying the Polish constitution directly in their judgments. Instead, they should ask the Constitutional Tribunal for its opinion. The alternative, he said, would be legal anarchy." Given the disciplinary measures the minister is equipped with, this threat can have a chilling effect on the judges. Bodnar, op. cit.

rule of law and social justice. Even cases ruled up to 20 years ago can be reopened under the interim provisions.

It is striking that the overhaul of the checks and balances, having such a fundamental importance for a liberal democracy, comes hand-in-hand with the above-mentioned criticism of the Western European model of society and political culture. While Europeanisation was the concept that the Polish transformation in the 1990s conformed with, it is the reverse process which set in when PiS came to power. To be sure, Poland is not on the course towards a "Polexit"; support for EU membership is constantly at a very high level (above 80 percent) and neither the ruling party nor any other meaningful political force is advocating to follow the British example of "Brexit". Poland has greatly benefited from EU integration and the value of EU membership is indisputable in the society and in the political elite. However, the ruling party does not frame Europe—in terms of the European integration process and the European model of society—as an opportunity for Poland only. It sees it as a risk as well. Moreover, there is a growing conviction that the expected further development of the EU—be it the integration of the Eurozone, changes in the functioning of the EU internal market, EU defence or migration policy—is increasingly at odds with Polish interests.[15]

When the party came to power in autumn 2015, the concepts of strengthening the nation state, renationalising the economy, opposing deeper EU integration, and criticising liberal democracy were on the rise across Europe. In a way, PiS's decision to move away from the Europeanisation paradigm seemed to reflect PiS's conviction that the party was at the vanguard of Europe's transformation. The populist revolt—not least as a reaction to the migration crisis—against the establishment seemed even to validate PiS's claim that popular sentiment across the EU was on their side. The conviction that the EU in its current institutional setup and political framework was doomed to fail chimed with the new Polish government's belief that its ideas for the EU's renewal would gather momentum. PiS believed that it was not an outlier, as it was often portrayed in the foreign press, but rather the vanguard of the political transformation in the EU. This political climate provided the opportunity for Poland to align itself with partners which would help push the EU towards a reform in line with the sovereigntist agenda and vision of "Europe of nation states."[16]

It should come as no surprise that this re-consideration has resulted in a re-definition of the country's relationship with Germany, previously its number one

[15] See Piotr Buras, "Polen und Europa: Neue EU-Skepsis," Aus Politik und Zeitgeschichte, Heft 10-11. 2018, 2 March 2018, http://www.bpb.de/apuz/265505/polen-und-europa-neue-eu-skepsis?p=all.

[16] For the Polish vision of EU reform, see the interview of the minister for EU affairs Konrad Szymanski: "Polska chce uzdrowić Unię Europejską," *Rzeczpospolita*, 24 August 2016, http://www.rp.pl/Rozmowyczwartkowe/308249904-Konrad-Szymanski-Polska-chce-uzdrowic-Unie-Europejska.html?template=restricted.

partner and the "gate to Europe", as it was framed in Polish discourse during the 1990s. The PiS government has rejected this course, calling it a "policy on the knees" and claiming that the desire to be part of the EU mainstream has not benefited Poland. The refugee issue has become the key driver of Warsaw's criticism of Berlin. Instead Poland declared the United Kingdom as its new key ally in the European Union—it was a logical step as London could indeed be a strong partner in pushing the integration process in a different direction than that advanced by the Franco-German axis.

However, in hindsight, these assumptions proved to be wrong. In June 2016, the UK decided to leave the EU and thus the key new ally of PiS was no longer able to shape the integration process. Also, the anti-establishment revolt across Europe was at least preliminarily halted by Emmanuel Macron's success in France as well as by Germany continuing to be governed by a centrist government after the Bundestag election in 2017. The situation in Europe remains fragile but PiS's renationalisation agenda does not enjoy sufficient support. Rather, Poland's influence in the EU has significantly diminished. The proposal of the new EU budget presented by the EU Commission in May 2018 containing the concept of linking EU subsidies (still a very important driver of Poland's economic growth) to full respect for rule-of-law principles is directly provoked by the "Polish problem".

Poland has arrived at a crossroads of its post-1989 transformation. The local elections in November 2017, the elections for the European Parliament in spring 2019 and, finally, the national elections in autumn 2019 will determine the further course of the country: deepening its "orbanisation" or paving the way for the restoration of liberal democratic principles. The latter is still possible as the opposition in Poland is stronger than in Hungary, the media landscape still pluralistic (even after the capture of the public media by the government), the political corruption much less of a problem and the country—because of its much larger size (38 million inhabitants)—much more difficult to control. There is no simple road back to the past and a new vision of a modern and progressive Poland is required to fend off the populist or reactionary ideas.

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