

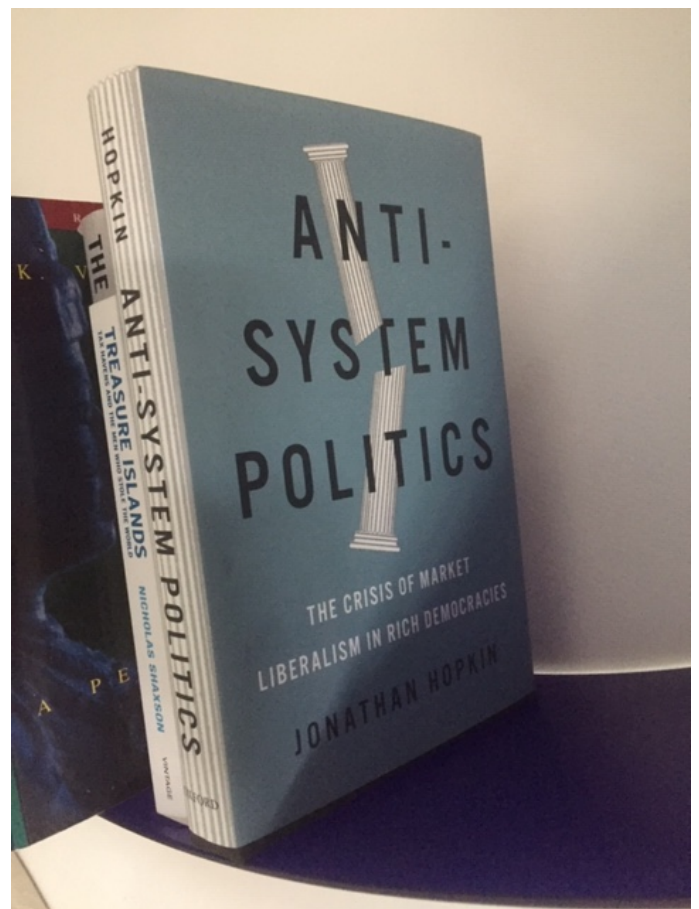
The rise of anti-system politics reflects the exhaustion of neoliberal democracy

*The rise of anti-system politics reflects the exhaustion of neoliberal democracy, writes **Jonathan Hopkin** (LSE) in his new book [‘Anti-System Politics. The Crisis of Market Liberalism in Rich Democracies’](#), which explains the rise of the xenophobic right and the anti-capitalist left as part of a common global trend.*

The seismic events of 2016 – first Britain’s vote to leave the European Union, then Donald Trump’s election to the Presidency six months later – brought anti-system politics on to the front pages, but the pressure had been building for some time. The Greek Socialist Party (PASOK), after presiding over a catastrophic bailout and brutal austerity measures, was effectively wiped out in the 2012 election, its place taken by a radical left coalition, SYRIZA. In Spain, centrist Catalan nationalists pivoted to a radical policy of secession, whilst a powerful anti-austerity street movement directed millions of voters towards an entirely new political party, Podemos (‘We Can’). In Italy, a party of ecologists and digital democracy campaigners led by a comedian, the Five Stars Movement, became the biggest party in the 2013 election. In Britain, Labour Party members elected veteran left-winger Jeremy Corbyn as their new leader in 2015, soon after the pro-independence Scottish Nationalist Party had won all but three parliamentary seats in Scotland.

Unlike Trump or the Brexit campaign, none of these movements had adopted an anti-immigration or culturally conservative message, quite the contrary. Instead, their campaigns focused on the failure of the political establishment to represent popular demands for protection from the brutal effects of the economic crisis. The banking bailouts and the austerity measures that followed them sparked popular outrage whilst sharpening pre-existing political conflicts and discrediting incumbent political elites. Some of this outrage was channeled by right-wing anti-system politicians demanding tighter border controls and a reversal of globalization, but a good part of it went in a very different direction. Social movements demanding a more participatory form of democracy, an end to austerity and a reining in of the power of the wealthy elite – the ‘one per cent’ – were just as much part of the story as the radical anti-migrant right.

This book explains the rise of the xenophobic right and the anti-capitalist left as part of a common global trend: anti-system politics. It explains why anti-system politics is on the march, and why different forms of anti-system politics prosper in different places and amongst different types of voters. Its basic premise is that the political and economic 'system' failed, and that anti-system movements are a predictable, and in many ways welcome, response to that failure. Dismissing angry opposition to the status quo as a result of racism, self-indulgence, or susceptibility to foreign propaganda is a serious mistake. What the anti-system left and right have in common is their shared rejection of the political and economic order governing the rich democracies at the beginning of the 21st century. This rejection is most powerful in the democracies where inequality is highest, and where the social and economic effects of the global financial crisis have been most severe.



Anti-system parties and politicians tend to present themselves self-consciously as alternatives to a discredited establishment or elite. They accuse the mainstream politicians of behaving like Adam Smith's tradesmen, banding together in a 'conspiracy against the public' to close the market to new entrants and cheat their customers by offering them a restricted choice. Typically, the mainstream political parties are depicted as being indistinguishable from each other, their leaders a homogeneous collection of careerists devoid of principles (...).

But the failures of establishment politicians cannot be reduced solely to venality or laziness. The narrowing of the political space owed much to the serious difficulties politicians began to face, especially from the 1970s on, in meeting citizens' demands. The slowing of economic growth meant that politicians had fewer resources to play with, whilst financial markets were becoming more difficult to control, limiting national governments' ability to tax profits or borrow to fund public spending. The political 'cartel' of the late 20th century emerged as politicians became increasingly pessimistic about the possibility of government intervention in the economy to deliver social improvements, and settled instead for a more laissez-faire approach, hoping that freer markets and lower taxes would keep their voters happy.

(...)

The progressively broader role for markets in social life translated almost everywhere into higher inequality. Not only did markets tend to result in a more unequal allocation of resources, but the same neoliberal logic also undermined the kinds of non-market institutions that could mitigate these inequalities, such as progressive taxation and redistributive government spending. (...)

All of this may have been a price worth paying had the promise of improved economic growth and a 'trickle down' effect of higher earnings across the rest of the economy come to fruition. Neoliberalism achieved some successes – notably defeating inflation and eliminating some wasteful and inefficient government regulation and expenditure – but it was unable to match the economic record of the post-war period. The typical household still enjoyed rising living standards in most countries, but poverty rates also increased. Viewed from the mid-2000s, the neoliberal experiment had yielded at best mixed results, and then in 2007 the intricate architecture of the emerging global financial system, a system built upon the neoliberal philosophy of free markets and minimal government intervention, came crashing down, devastating lives across the world.

(...)

The crisis of the late 2000s contains all the basic ingredients for a political backlash: economic stagnation, high inequality, and a political system which blocked off any prospect of effective change. Across the democratic world, the share of the population benefitting from these economic and political arrangements has contracted to such an extent that the dominant political parties no longer have the votes to maintain themselves in office. The 40 year-long experiment in leaving people at the mercy of the market produced a top-heavy income distribution of a small number of big winners, a much larger group of losers, and a squeezed middle fighting to maintain its position in an increasingly insecure world. The political establishment had run out of ideas to make things better. The rise of anti-system politics reflects the exhaustion of neoliberal democracy: an economic model that ultimately only worked for a minority, and a political system that closed off alternatives to it.

This post represents the views of the author and not those of the Brexit blog, nor the LSE.