

Populism and the Democratic Crisis: Comparative Study of Four Countries

Hyein Ko

Abstract—In 2017, many signs of populism occurred around the world. This paper suggests that populism is not a sudden phenomenon, but a manifestation of common people's will. By analyzing previous research, this paper proposes three factors related to populism: Inequality, experience of economic crisis, and rapid cultural change. With these three elements, four cases will be investigated in this article; two countries experienced populism, and the other two countries did not experience it. Comparing four cases by using three elements will give a fruitful foundation for further analysis regarding populism. In sum, aforementioned three elements are highly related to the occurrence of populism. However, there is one hidden factor: dissatisfaction with established politics. Thus, populism is not a temporal phenomenon. It is a red alert for democratic crisis.

Keywords—Common people, democratic crisis, populism, Trump phenomenon.

I. INTRODUCTION

AS of 2017, many countries around the world are suffering. The inequality index is rising in most countries, and the conflicts within the society are becoming serious. Several examples, including Brexit, the Trump phenomenon in the United States, and increase of both rightwing and leftwing extremist in countries all over Europe, are also closely related with today's suffering. It is easy to blame the economy and the recession for the cause of this pain, but we should pay attention to the fact that current symptoms are not simply based on these factors. In particular, it is necessary to be alert to the fact that current symptoms can be seen as a sign of democratic crisis in democratic countries. The current situations should be treated as a crisis of international politics and economy as well as a crisis of democracy.

In this article, the diagnosis of crisis through various scholars will be summarized, and three causes of the current situation, populism, will be presented. This paper also suggests the way populism activates and then applies it to the context of individual countries. Two questions are crucial in the process of analyzing individual countries. One is about the differences between countries which go through populism and countries which do not experience populism. The other is how dissatisfaction with established politics affects populism. Based on these two questions, this paper will present the analysis at the individual country level and conclusion. Before beginning the investigation, previous crisis diagnosis will be explained in the following section.

Hyein Ko is a graduate student researcher of Brain Korea 21 (BK21) team at Ewha Woman University, Seoul, South Korea (phone: (+82)10-7112-4277; e-mail: hirookie25@gmail.com).

II. DIAGNOSING THE CRISIS

Several researches are diagnosing the current crisis and phenomenon. Although each scholar emphasizes different point, they largely pay attention to inequality, globalization, and (global) financial market for the cause of the crisis. In this chapter, we will briefly review the diagnosis of crises, and then present what factors are the main causes of the current phenomenon.

Reference [1] has been largely an analysis of advanced countries, but analysis of long-term inequality in [1] shows that inequality is moving in a similar pattern. In particular, the discourse of abilityism in relation to social justice is central idea in [1]. In terms of why we are inequitable, [2] has a similar aspect to [1] in its emphasis on inequality. However, [2] has the view that income inequality should be viewed as a global phenomenon. Still, the nation-state plays a key role in determining the main political and economic activities. Changes in the economic and political status of individual countries, shifts in inequality level within the country, and transitions in societal and political institutions affect the variation in global inequality. According to [1], the exogenous shocks, such as World War I, which are not related to economic dynamics, were in the phase of inequality mitigation; while in the aspect of [2] deepening inequality would inevitably lead to political change. It reflects that political decisions are made within economic boundaries. To be specific, [1] and [2] are presenting an analysis for the current international situation, and they emphasize the aspect of inequality; [3] and [4] look at international politics around international monetary policy. International monetary policy is one of the major causes of the 2008-2009 financial crisis. There are, of course, more roots in the occurrence of the financial crisis. However, the international monetary system can be regarded as a background and structural explanatory factor of the crisis, and it is also an important factor in the diagnosis of the current crisis. In [3], three levels are suggested for analyzing the financial crisis in 2008: Domestic, international and financial. More specifically, it presents four major causes of the crisis: Weakness of the financial industry itself and problems occurred from domestic policy, interaction between financial and other policies, and conflicts between countries.

Reference [4] argues that the privileged position of the dollar caused the 2008-2009 financial crisis. The economic status of United States was booming for a considerable period of time and was able to develop dynamically. But behind this, there was a fairly unequal element of the privileged status of the dollar and the contradiction of capitalism. As long as the dollar remains in reserve currency and privileged status, the United

States will be positioned on the international economic level with certain advantages. So far, confidence in the United States economy has existed in the international community. However, the period of reevaluation is coming. Since the economic circumstance affects the political reaction and the political feedback again produces some responses, the problem of populism should be discussed enough to understand the current international situation.

Reference [5] analyzed that in the economic crisis, other alternatives were available in addition to austerity, but continued budget tightening policy has led to a deepening of the crisis. Reference [5] specifically emphasizes that Ireland and Iceland should not use austerity policies. In some cases, using austerity is necessary. However, resistance to this policy is also unbearable. This is because economic status and race are often interrelated due to globalization, and austerity pushes the economic burden to a particular class or race or ethnic group. Despite the fact that racial or ethnic majorities are also victims, policies such as austerity act as a trigger for conflict by transferring responsibility to the most socially vulnerable groups.

In [6], the current situation is analyzed in a slightly larger framework. It presents a description of capitalism and the international economic system based on three axes: globalization, democracy, and the nation state. In particular, [5]'s main argument is that democracy, globalization, and the nation-state cannot be achieved together. That is, trilemma occurs. Reference [5] suggests that the current crisis can be solved by pursuing "shallow globalization" which emphasizes the importance of individual countries.

Lastly, the double movement is a key concept in [7]. It argues that because of human values and the destruction of life as a social being by the market, social protection claims and movements of the society occur naturally. Although [7] investigated phenomenon occurred about 100 years ago, since it is the era of popular democracy, anti-liberal, anti-globalization, and anti-market social movement can be interpreted as the self-protective movement of society. On the other hand, [7] also suggests how the state or society should respond in the midst of change.

As seen in above, each research proposes a slightly different diagnosis of the crisis. This article will treat 'populism' as the most important sign which implies democratic crisis. Given the discussions of the aforementioned studies and the circumstances of each country, it seems that there are three features of populism in the countries where populism is emerging or increasing: inequality, experience of economic crisis, and rapid rate of cultural change. Next chapter will discuss how each characteristic combines to produce populism. This chapter will also confirm the explanatory power of the proposed factors by applying the mechanism to individual countries.

III. POPULISM AND THREE CAUSES

In countries where populism occurs or gains power, it seems that factors such as inequality, economic crisis, and rapid rate of cultural change appear in common. Moreover, if people

experienced direct terrorism, as in the case of the United States, the United Kingdom, and France, the distinction between insiders and outsiders will be more prominent at the racial and religious levels. Therefore, in addition to the abovementioned three factors, the experience of terrorism will be a trigger that can strengthen the populism.

Four triggers related with populism are:

- a. (income) Inequality deepening
- b. Experience of (global) economic crisis
- c. Rapid rate of cultural change
- d. Speed of cultural change * experience of terrorism

In addition to the abovementioned factors, there is one additional element which is crucial to analyze the populism. Populism phenomenon is not created, but manifested. In other words, populism is not a sudden phenomenon that did not previously exist. Rather, populism is a situation that has been hidden within a society but has appeared in a so-called "shy" pattern. The possibility of populism is inherent in society. The populism comes out when the complaints have been pushed out by certain triggers.

In the last part of this chapter, this paper will investigate two countries which have been experiencing populism phenomenon (United States and France) and the other two countries which have not (Canada and Korea). Despite the fact that the United States and Canada are geographically adjacent and share a common feature of immigrants, they are different in terms of populism. In the process of analyzing United States and Canada, this paper will first try to apply the triggers of populism; then, it will analyze it by focusing on what factors may have affected the manifestation of populism. On the other hand, France and Korea are geographically and culturally different countries, but recently they have experienced common complaints about established political forces. Therefore, through the case of Korea and France, this study will investigate the way in which the three factors mentioned above affect the way of populism despite their common experience.

A. North American Countries and Populism: United States

Populism so called the Trump phenomenon is emerging in American society at present. This part will explicate how the elements of the populism mentioned above are applied in the United States.

First, political parties usually build their support foundation based on economic ties. The most common composition is *upper class vs. under class*. The Democratic and Republican parties in the United States have used these economic classes as their basis for support. Both political parties have represented hierarchical interest for quite some time. The political history of each party was long, and it also served as a basis for the party's core support in the process of forming a coalition. However, historically, as a result of market failures and government failures, policies in the economic realm seem to converge to a large extent in both parties. Furthermore, the aspect of inequality deepens. People recognize that a collusion between elite, vested interests, policy makers and politicians is not only suspicious but also real. On the other hand, United States suffered from financial crisis which occurred in 2008. At

that time, the United States government has chosen to socialize the costs incurred by the crisis rather than left them to the companies and banks which were related with that crisis. This financial crisis also leads to an increase in unemployment and poverty rates. Social welfare programs for solving the programs of unemployment and poverty have racial prejudices regarding their beneficiaries. In addition, immigration increases the number of low-skilled workers in the economy as a whole, thereby reducing domestic workers' wages.

The two triggers, inequality and the financial crisis, make conflicts within the society: elites vs. common people. It also raises the question of who the "common" person is. At this point, culture and identity play an important role. Racially white, and religiously Christian Americans are the "common people" they envision.

The United States has not shown any trials to control the "pace of change" in accepting diverse cultures. It also experienced direct terrorism. These two factors led populism to differentiate between ordinary people and heterogeneous groups in the United States, and to demand the forgotten common people.

As discussed earlier, populism in the United States could be interpreted as a combination of three factors and triggers. On the other hand, Canada, which is not only geographically adjacent, but also a large proportion of immigrants like the United States, has not yet seen populism. Several factors are related to this difference.

B. North American Countries and Populism: Canada

Canada currently has three parties, the Liberal Party, the Conservative Party and the New Democratic Party. The Liberal Party is now led by the Canadian Prime Minister, Justin Trudeau, and has a liberal political line [8]. Conservatives, on the other hand, pursue conservatism and economic liberalism, and the political line of the New Democratic Party adopts social democracy. Canada has not been able to escape the increasing trend of inequality, but the political convergence patterns of the political parties, especially the capital elite and the political actors, seem to be relatively uneventful. In Canada, there is no evidence that a new political party or key person is expanding its power due to the disappointing behavior of the established political forces.

The 2008 financial crisis has hit the rest of the world, but Canada was a bit different from other countries that were struggling with this crisis. Banks in Canada have been dominated by domestic capital, and the government has impeded foreigners from acquiring more than a certain percentage of the bank's stake (65% for medium-sized banks and 20% for larger banks) [9], [10]. As a result of maintaining the financial sector under such a conservative standard, even in the financial crisis, it showed a contrast with other countries. Going back the 1980s, one can see another reason why the Bank of Canada was able to avoid the financial crisis. Since the mid-1980s, the United States and European countries have begun to loosen regulations on the financial industry [9]. In particular, banks in the United States actively sold derivative financial products, such as selling mortgage packages back to

the market. But Canada has not eased regulations and Canadian banks have not sold mortgage products unlike the United States. Because of these factors, the system was maintained in such a way that the loans did not lead to another debt, but rather that they managed to repay the debts.

Canada also experienced direct terrorism as in the case of the United States. Despite the terrorist experience, however, Canada continues to pursue immigration and multicultural policies. Unlike the United States and European countries where populism appears, the experience of terrorism is not directly connected to anti-immigration. It seems that policies related to Canadian government immigration have affected. According to Choi [11], Canada has not developed an assimilation policy for immigrants, but developed a way of respecting and coexisting with people from diverse backgrounds. There is also the possibility of discrimination in the so-called mosaic society, and the Canadian government has implemented various projects to help raise awareness among nations and to eradicate discrimination. Canadian government has laid the foundations for a society that can accommodate immigrants, and it continues to work on projects that immigrants can coexist with Canadians. In other words, the Canadian government has implemented protective policies, which help its people to endure an increase in immigrants according to globalization. The government has provided various pieces of equipment to control the pace of change.

In the case of the United States and Canada, it seems that populism requires three main causes. Canada has not suffered from the global financial crisis by maintaining conservative financial regulation. Moreover, the direct experience of terrorism has affected the anti-immigrant sentiment of the people in a positive way by controlling the pace of change with immigrants through various programs of the government. The United States and Canada were similar in that they had analogous geographical features and a high percentage of immigrants, but populism such as the Trump phenomenon emerged only in the United States, which included all the major causes of populism. In the following section, this paper will analyze the relationship between populism and the emergence of complaints about established politics through the case of France and Korea.

C. Expressing Complaints on Established Politics and Populism: France

Marin Le Pen, who was a candidate for the extreme right in the French 25th presidential election, was defeated by Emmanuel Macron in the final vote. But this result did not mean that populism has ebbed in France. Except for 2017, after the fifth republic, France's politics have been centered on the dual right-wing Republicans and the mid-left Socialist Party [12], [13]. But the results of the presidential election and the general election show that the support of the French people is turning to other political parties. In the 2017 presidential election, the Socialist and Republican parties failed to produce the first runoff vote since 1965 [13]. In the ensuing general election, the Socialist and Republican parties, which had long been the two axes, lost their relative positions.

The Socialist and Republican parties are the political parties that have been leading neo-liberalism in France for the last 30 years, despite ideological differences. To be specific, François Hollande, a member of the Socialist Party and the 24th president, made promises that he would make progressive policies such as introducing rich tax, raising income tax rate of high income earners, and introducing financial transaction tax [14]. After winning the election, Hollande had focused on introducing wealth taxes, but abolished it in two years [15]. With the prolonged recession and inequality, the Hollande government changed its route with the right-wing policy. It has pursued proposals to amend the Pro-Labor Act and retreated within the Labor Reform Act. In this situation, “general” people are more likely to recognize that existing political forces do not represent their will [14], [15].

At the same time, France has experience direct terrorism from outside and even terrorism has occurred recently. According to Kim [16], France has used republican assimilation policy in immigration matters. However, it does not take measures to substantially alleviate social discrimination, but it tries to achieve the effect of integrating immigrants into society through assimilation policies. In the matter of globalization and subsequent immigration, the French government has not been able to control the pace of change. Le Pen, who was the presidential candidate of the National Front, the French right-wing party, claimed to represent the forgotten people. It is similar to the support of the rust belt workers in the Trump phenomenon that the backward industrialist workers in the eastern and the northern regions of France acted as support for Le Pen. Although Le Pen did not win in the presidential election in 2017, it is hardly a complete defeat considering the support rate in the working class. At present, populism in France can be interpreted as taking a short breath and watching the direction of the new regime. In spite of having elements that could lead to populism, France had the opportunity to express dissatisfaction with the emerging politics by electing the president who declared that he would be “different from established politics.” That was the president Macron. Whether French populism will now burst out will depend on how much the regime of Macron is willing to tell the story of the forgotten people in France, and how his will to be different from established politics will make a socially positive change.

D.Expressing Complaints on Established Politics and Populism: South Korea

Political parties in South Korea have a unique support base. The South Korean party does not seem to be supported by particular classes or groups, but by specific regions. Some argue that the regional base is relatively weaker than in the past, and that there is support for the party by generation. Nevertheless, economical class is not the most core support base of political parties in South Korea. The past history of Korean War, division, security and democratization movement seems to have influenced the way of party support so far. Furthermore, although South Korean political parties are based on two largest political parties, their history is very short. When tracing origin of each party, there were three political parties in

South Korea: the Democratic Republican Party, the New Democratic Party, and the Unification Social Party. However, the organization has been changing continuously. South Korean political parties have not been maintained for a long period of time like the political parties in the United States or Europe, and even large political parties would not have been able to reflect hierarchical interest. South Korea, on the other hand, has achieved economic development through industry-led and industry-oriented development. This process of development means that the political and economic spheres had to maintain a closer relationship in the process of industrialization. In the Korean society, the consensus of the elite, the vested interests, and the policy makers was emerging. In the meantime South Korea has undergone two major economic crises in recent 20 years. First, it experienced the IMF crisis in the late 1990s, and it was shocked by the 2008 financial crisis originated from the United States. Social inequalities in South Korea are constantly intensifying, and so-called “the spoon class theory”, which argues that individual's economic status is determined by their parents' assets, has come into the realm of everyday life. The fact that this term is commonly used within society suggests that inequality is not unusual in Korean society.

Unlike the United States and Canada, there are still no serious problems with migrant workers in South Korea. In addition, South Korea did not experience direct terrorism by the outside. The cause of the labor problem is rather a tendency to pursue white color job or stable occupations. In the implementation of social welfare, South Korea is rather frustrated that the elite or the capitalist class receive the same benefits collectively with other classes. A typical example is the “free school meals” problem. In the implementation of free meals, the frame of “benefiting from grandchildren of large corporations” is spreading because the beneficiaries should be at least “ordinary people”, not capitalists and elites. When treating welfare policy and its benefits in South Korea and the United States, definition problem occurs. The definition of ordinary people is central to this problem.

South Korean society has suffered from inequality and economic crisis. The core support base of the Korean political party was not based on particular class, but in the course of economic development, the people had long been aware of the consensus between political actors and capitalists. In the broader sense, the factors discussed above correspond to the factors that make populism work. In South Korea, however, migrant worker problems and threat of terrorists are relatively unsubstantial than other countries. Despite these differences, the people experience complaints about the emerging politics.

From 2016 to first quarter of 2017, South Korean society was very dissatisfied with government power. Narrowly, it is complaint about a certain person, but if we interpret this matter more broadly, it is not only the government but also the annoyance with the established politics. General public in South Korea expressed their fury in the Candlelight Movement, and this movement also supported the impeachment. When the South Korean Constitutional Court made decision, it considered people's discontent and anger to the president Park.

Furthermore, even in the absence of the president, South Korea altered regime in the peaceful way. By solving the negative discontent trigger through the existing democratic system, South Korean society has resolved some dissatisfaction with the established politics.

Although more specific studies are required to analyze populism, one thing is confirmed through the case of France and South Korea. In spite of the existence of factors of populism, when the complaints of the people to the established politics are accepted into the political system by using democratic system, the populism will watch the situation and not appear for a while. However, if three elements of populism are not met like in South Korea, populism is still unlikely to occur even though the incumbent president and presidential party have not fulfilled people's expectation. But France is different. Although France had the elements of populism, there is a trend to watch the new president for a while. His political walk will substantially affect course of populism in France.

IV. CONCLUSION

The factors affecting the occurrence of populism are three: Deepening of inequality, experience of global economic crisis, and speed of cultural change. Here, the pace of cultural change and the experience of terrorism serve as triggers of populism. This paper analyzed the effects of these factors on the occurrence of actual populism through the cases of the United States and Canada. The United States has all the elements, while Canada does not include some elements. There are few cases to generalize, but there is room for some interpretation that the elements discussed above contribute to populism.

The presence of elements of populism does not mean that there is no way out. In populism, "dissatisfaction with established politics" is a hidden factor and a hidden trigger. Comparison of France and South Korea demonstrates this. In the case of France, although the factors that could cause populism were provided, the person who said "I am different from established politics" was elected as the president. Due to this experience, populism will breathe briefly in French society and will see how Macron will reduce people's dissatisfaction with established politics and how to deal with elements of populism. If the Macron government is not successful, then populism is likely to become more serious. On the other hand, South Korea did not include all of the factors of populism, but the complaints of the people were partially resolved in the form of successful impeachment. Since South Korea does not meet the requirements for populism, it is unlikely that populism will appear even if the current regime does not meet the expectation of general public. In the case of France and South Korea, it seems that the dissatisfaction with established politics of ordinary people intensifies emergence of populism. Again, populism is not a sudden phenomenon, it is a manifestation. If the conditions discussed above are satisfied, there is a possibility that it will burst from any country in the world. Populism can be interpreted essentially as a crisis of democracy in that the hidden element of manifestation of populism is "dissatisfaction with established politics." To solve the crisis of the present era, we must start by resolving the problems of

current democracy.

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Hyein Ko is a graduate student and graduate student researcher of Brain Korea team in Ewha Womans University. She studied economics and political science in undergraduate. She is currently interested in Parliamentary Politics and Formal Theory, especially regarding political actors such as National Assembly Members.