

Populism and the Promise of Disruption

How can we understand populism and do they have a point?

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The populists have a point. Ten years after the financial crisis, the establishment policies of conventional wisdom found no response for the millions displaced by globalisation and facing an uncertain future.

It was hardly surprising that they found themselves alienated and unable to identify with a political class that had abandoned them.

So they threw out the establishment and lost faith in its institutions: a universal refrain from Detroit to Turin, from central Europe to the north of England.

Having spent the past three years in the United States mid-West at the University of Nebraska, it was not hard to understand the frustration.

You just had to listen to the heartbeat of the heartland and hear the country music lyrics that only asked for a decent job and fair prospects for the family.

A social compact at the core of the American dream that seemed to be broken by elite special interests growing richer and more distant every day.

So the establishment has itself to blame as – to shamelessly appropriate Yeats – things fall apart, the centre cannot hold.

And yet we need disruption. Sometimes the results can be promising, even game-changing. Western economies are generally doing well.

Would the conventional wisdom approach to foreign policy have President Trump talking to Kim Jong Un? It's not as though 65 years of an orthodox approach to Korea have produced results.

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Then who knows what might have happened if the West – breaking with its orthodox winning narrative - had embraced Russia after the fall of the Soviet Union.

In my 20 years with the United Nations and World Bank I saw few convincing outcomes from traditional development theories and strategies: with the possible exception of the International Finance Corporation, which focused unusually on catalysing the private sector.

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Of course in some cases, as in the UK, populism produced an anti-establishment vote whose disruption seems to have no obvious upside.....

How much should we expect the government to do and how much comes down to individual responsibility?

Massively growing inequality, both real and perceived, is surely playing a role in the breakdown of social cohesion.

At the same time the fears of vast job losses from Artificial Intelligence may be misplaced. Technology is not destiny, history

is not destiny, as many have noted in the polemics surrounding new technologies. Disruption brings the same unknown mix of promise and peril as the populist political surge. Recently researchers have suggested that while AI will bring radical change to the workforce, it may not have the wholesale impact on jobs as some have predicted, helping people in their jobs rather than replacing them.

As we try to gauge disruption and political upheaval, the fear factor plays a critical role. We have seen how online manipulation of alarm and unease has a dramatic effect on the electorate. So much fear and bias are misplaced and can be met by facts and by the truth.

Jobs are generally not at risk either from immigration or new technologies, since both bring overall economic growth and open new if different opportunities. But the fear is visceral and so easy to enflame.

Meanwhile the new “disintermediation” has not helped democracy. Sometimes we need the experts and those with the knowledge to continue

to speak truth to power.

We need more independent assessments of the macro and geopolitical changes affecting society and the world of work, more in-depth sectoral analysis that will reduce the fear of AI and other disruption and drive opportunity from change. More analysis of the data.

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In the wake of this political and technological disruption, positive as some of its effects may be, we have to restore lost connectivity. Fragmented societies that have lost faith in their governments lack a sense of common purpose.

Support for education is perhaps the most direct way that governments can help: education that fills a traditional role in

promoting understanding and civic values, and education that resets the skills to survive in the brave new worlds of tech and the gig economy.

Entrepreneurial activity brings the innovation we demand: but it does not foster a sense of community. “Only connect”, as the English writer EM Forster pleaded at another time of disruption over a century ago. That way we can bring back the trust – in news, in institutions, in each other – that people need to feel more in control of their work and their lives in our anxious era.

About the author(s)

Michael Stopford is the Founder and Managing Partner of ANCORED. He has led strategic communications and managed reputations for some of the world’s most famous names: from Coca-Cola and ExxonMobil, to the United Nations, NATO and the World Bank