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Politics after National Development: Explaining the Populist Rise under Late Capitalism

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ABSTRACT *Ten years after the global financial crisis, the world is living through times of great political uncertainty and turbulence. While the current historical juncture has presented renewed opportunities for progressive articulations against marketisation and the individualisation of risk (i.e. neoliberalism), more prominently it has awoken the ghosts of nationalism and various reactionary forms of populism. This article's contribution is in contextualising this novel momentum within late capitalism. We argue that the combination of techno-logistical transformations in production and pro-market policy sets that facilitated the globalisation of capital, and which dealt a death blow to national development strategies, was met by elites with intensified efforts to dislocate politics from society through processes of 'depoliticisation' that in turn allowed for further marketising efforts. However, this dislocation has dovetailed with a formidable social crisis characterised by unprecedented levels of inequality and vulnerability amid immense wealth, calling into question the elite consensus around neoliberalism. While the leaders of the current political reawakening often distinguish themselves against post-political forms of neoliberal governance, they remain confronted by powerful interests and significant structural constraints as they promote solutions for global problems within the anachronistic confines of the nation-state.*

Keywords: globalisation, neoliberalism, global financial crisis, nationalism, populism, post-politics

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The breakdown of the 1980s and 1990s is not due to the actions of human decision-makers which could be recognized as being barbarous, like the projects of Hitler and the terror of Stalin, lunatic, like the arguments justifying the race to nuclear war, or both, like Mao's Cultural Revolution. It is due to the fact that the decision-makers no longer know what to do about a world that escapes from their, or our control, and that the explosive transformation of society and economy since 1950 produced an unprecedented breakdown and disruption of the rules governing behaviour in human societies.

– Eric Hobsbawm, 1994

Despite unprecedented human capacity and material abundance, we live in troubling times: the dawn of a Trump presidency that has already delivered discriminatory travel bans, attempts to destroy limited safety nets, and dramatic threats of trade wars; the rise of aggressively expansionary Chinese nationalism under Xi Jinping; ethno-nationalism in India; austerity, Brexit, and the possible disintegration of the European project and rise, once again, of the radical right; terrorism and new proxy wars; societal collapse in places like Syria and the mass exodus of refugees; and stalled development and rising inequality. Capping off a tumultuous twentieth century—a century Eric Hobsbawm famously characterised as an age of extremes comprising four distinct phases of barbarisation—the start of the twenty-first century suggests that the descent into barbarism, characterised by much of the above, continues apace (see Luxemburg, 1915).¹ Institutionally, both social and liberal democracy, following in the footsteps of socialism and state communism, seem to be in their death throes. The developmental states of Asia—once seen by some to suggest optimistic and replicable models for late development and an ‘Asian century’—now too seem to be historically unique aberrations made possible by a confluence of factors that no longer hold and which leave many countries variously contemplating the realities of stalled growth, dramatically rising inequality, middle-income traps, and worse. In short, the politically and ideologically constituted arrangements that concretised over the last century within the nation-state—built upon revolution, struggle, and nationalism (civic and not-so-civic)—appear to be dissolving at the hands of what we might describe in Polanyian terms as the social disembedding of markets and, indeed, the pre-eminence of world market capitalism.

This contemporary crisis of politics emerges out of a tectonic transformation in the global political economy over the last four decades, switching from an arrangement involving nation-states pursuing variegated national development strategies centred upon a Fordist/country-based mode of accumulation to one characterised by transnationalised economies increasingly subjected to competitive global market dynamics; what David Harvey called ‘flexible accumulation’ (Harvey, 1989). Flexible accumulation refers of course to a mode of accumulation that involves flexibility for capital, the latter achieved through pro-market and market-like (neoliberal) policy sets and advancements in techno-logistical developments. Taken together, these allow for, and further compel, the competitive reorganisation of production and permit capital to more easily enter and exit spaces depending upon profitable opportunities and risks, bequeathing competitive fractions of capital incredible power. This transformation has curtailed opportunities for organised labour and runs in tandem with serious contradiction: severe economic and financial crisis; ‘hollowing-out processes’, rising inequality and decreasing social mobility; increasing levels of vulnerability, the expansion of ‘the precariat’ and dispossessed populations surplus to the immediate exploitative needs of capital; stalled development for many countries mired in ‘middle-income (and worse) traps’; and environmental destruction on a colossal scale.

And yet, for a few decades now, elites have understood many of the early warning signs of disaster as tangential or transitory externalities to the project of building a competitive world

market that would ostensibly bring renewed opportunities for all. The policy suites that elites and mainstream political parties have entertained have become increasingly constrained to further rounds of capital-friendly reform, with opposition to said reform met with a relentless (and even smug) ‘there’s no alternative’ (TINA) discourse and or calls for better communication, from elites down to those in their charge, of the rationality and utility of market-oriented monopoly. However, in the context of a permanent crisis, the post-political ‘panacea’ of the TINA era has been revealed as grossly inadequate to the task of placating the very discontent that it has played a key role in fomenting. In this atmosphere, the standard institutions of representation—liberal democratic or otherwise—appear denuded, while we witness the rapid resurrection of the nation as a discourse of victimhood—from China to Great Britain, from America’s rustbelt to Russia—with culprits for pervasive precarisation and inequality sought in distant worlds and cultures, and anger and fear galvanised to hail new state-capital compacts and or keep-the-ball-rolling strategies. Standing beside the emaciated and terminal carcass of national development, the new ‘alpha males’ of international politics agitate their audiences with promises of border walls, rallying cries for patriotic national rejuvenation, ‘anti-neoliberalism’, historical revisionism and Olympic ethno-nationalism. What is at stake are the arrangements that have allowed many of those very same elites to reign through a period of immense transfer of wealth from the many to the few. In short, a new hegemony for market capitalism is being devised, still neoliberal in its distribution of risk but also national and parochial in its legitimising rationale—a hegemony that is undoubtedly also being challenged from below by a still limited ‘reawakening of the democratic political’ in the form of increasingly organised insurgencies, such as the Occupy movements and Podemos in Spain (Swyngedouw, 2014).

In what follows, we make the case that the emergent forms of populism and nationalism evident are predictable responses to the consolidation of the world market and the formation of an elite consensus around market-oriented policy as being beyond politics. Importantly, as the vignettes that we present below on the US, China, and Spain attest, these trends are not constrained to specific national circumstances—although they are inevitably shaped by locally embedded cultures and political economic backgrounds. Across Europe, the Americas, and in many ‘developing countries’, such as China, India, the Philippines, and Indonesia, we see the rise of interesting and sometimes frightening personalities, parties, and tendencies that often combine calls for patriotism and appeals to ethno-religious and moralistic codes (such as Confucianism and Hindu nationalism) with Panama Paper appearances, dual citizenship and other forms of outright hypocrisy. However, given the integrated nature of the global political economy, the ability of populists (whether left or right) and nationalists to respond to contradiction in a substantive manner and maintain legitimacy appears fraught, prompting consideration of whether we are witnessing a ‘descent into barbarism’—with the crudeness of markets being cloaked over by xenophobic and reactionary politics—or opportunities for another round of re-embedding and revolution. Of course, given the relationship between struggle and outcome within particular junctures across jurisdictions, one does not preclude the other. However, the current trends within many prominent states have rationally fomented a great deal of anxiety. Our times are characterised by nothing short of an ongoing battle to redefine the future of politics after national development. This is a battle that will determine whether the descent into barbarism continues apace—albeit in fresh populist and nationalist clothing—or whether the economy will be repoliticised and the social will take pre-eminence over markets.

The Death of National Development

The twentieth century that Hobsbawm described correctly as an age of extremes was also in many ways a century of development (Hobsbawm, 1996). This was an era of unprecedented progress made in material conditions and productive capacity, one that witnessed grand ideological and political battles over how the world was understood and how it was to be changed, and one that for the first time saw the institutionalisation of national and multilateral efforts to bring about progress and modernity on a large scale. *Nation-states*, including many new entrants to the world system, became the key 'containers' of development; repositories where new forms of hegemony emerged out of the antagonism between distinct class-based patterns of politics and various forms of nationalism derived out of crisis, revolution, conflict and the recognition of uneven development. Regardless of ideological persuasion, these new units of development (held in place with varying degrees of democracy, authoritarianism, and superpower support) were often associated with *interventionist states* that were inextricably linked in a socio-political sense to nationally-bounded (albeit to varying degrees) productive forces: Keynesian/social democratic welfare states; fascist states; communist and socialist states; developmental states; and other hybrid forms of postcolonial nationalist states in the periphery of the international economy. While obviously diverging considerably in form and function, each of these state forms used novel combinations of technocracy, planning, technology, and ideology in the pursuit of ever greater levels of modernity for citizens and indeed, development variously conceived. Crucially, the organisation of societies was the direct product of forms of politics attending the fledgling international system and the opportunities and constraints of production on a national scale, with institutions regularly reflecting or reacting to the relative importance and conditions of non-elite social forces, the power of nationalist discourse and the imperatives of development within a brave new world.²

In the industrialised 'first' world, these containers housed increasingly complex *national economies* oriented around significantly interventionist states that were regularly the product of nationally contained class-based social conflict, albeit mediated by elites and ideology, emanating out of contradiction, war and a highly polarised geopolitical context. In the period after the Great Depression and, indeed, the Second World War, this reality was given prominent expression in two party systems in which the parties of labour and social justice (Attlee's Labour Government—1945–1951—in the UK is particularly emblematic) often enjoyed considerable success over the parties of capital. Importantly, even when the parties of capital were in power, such as under Eisenhower in the US (1953–1961) or Menzies in Australia, or when Gaullist efforts were undertaken in France, significant social policies were expanded. Perhaps most prominently, policies associated with John Maynard Keynes—whose ideas were woven into various national development efforts much to the chagrin of an increasingly bitter Friedrich von Hayek—and the more social justice-oriented components of social democracy were seen as key in obviating the nasty cyclical and asymmetrical tendencies of nationally constituted capitalism and, in turn, fending off the dual spectres of socialism and fascism. In general, nationally constituted capitalism in much of the industrialised world would be nurtured and, indeed, flourished in the post-war period under the custodianship of states tied to sets of social relations in which organised labour enjoyed relative power and in which capital was significantly territorially bound.

This era of national development in the industrialised world saw government controlling prices, retaining the commanding heights of industry, taking responsibility for utilities and infrastructure, using planning strategies developed during the war for civilian life, shielding public

and private economic entities—and indeed populations crucial to political legitimacy—from Darwinian competition, focusing on full employment, and embracing increased regulation in banking, the environment and labour rights. More than this though, in many cases new institutions were forged that spoke to the relative power of working classes in these countries and the embrace of working-class egalitarianism, the latter being unevenly threaded (especially with regards to race and gender) into the national myths and popular ethos of relatively young countries such as Australia. The National Health Service (NHS) in Britain, which was mirrored by other national healthcare systems in other countries, and the increasing provision of public education and unemployment benefits paid for out of progressive taxation, were all key components of what would come to be known as *welfare states* that, along with significant increases in productivity and growth, would deliver unprecedented improvements in per capita income, health and education indicators and, indeed, degrees of social mobility. Even in the US, with its traditions of ‘frontier spirit’ and ‘pull yourself up by the bootstraps’ individualism, the New Deal and Democratic Party dominance of the executive office from 1933 up until the 1960s (with the exception of the Eisenhower administration) evinced important shifts in social relations that manifested in progressive domestic policies, however incomplete and uneven, and state intervention in infrastructure and industry. Notably, the general disposition against leaving the allocation of resources to markets occurred within the context of capitalism’s so-called golden age; an era that now appears, in many ways, historically exceptional.

In much of the so-called second and third worlds, revolutions and the demise of empires and colonialism gave rise to countries embracing myriad non-market and market-constraining-efforts to propel national development, albeit with important facets of cooperation, coercion and forced incorporation characterising relationships between countries. Here, once again, politics combining both strong class and nationalist narratives took institutional form in states and policies actively oriented towards fostering national development in non-liberal ways, although state-communism’s basic gains in gender equality, education, healthcare, and production were often overshadowed by the egregious outcomes of the policies of Stalin in the Soviet Union and Mao’s Great Leap Forward and Cultural Revolution in China. Countries of the Non-Aligned Movement (NAM), such as India under Nehru, Indonesia under Sukarno, and Ghana under Nkrumah, were particularly characteristic of new interventionist attempts to address the imperatives of independence and development. Here, new states led by charismatic leaders championed nationalist and nation-building agendas that sought more egalitarian forms of modernity via non-market-oriented efforts to cultivate the commanding heights of industry (using the classic import substitution industrialisation strategy of channelling resources into desired areas while maintaining protection) and harnessed new technologies in agriculture (such as those associated with the Green Revolution). More broadly, while taking different specific forms, projects within the third world at this time were often built around mixed-economies involving considerable bureaucratic planning, agrarian reform, nationalised industry and a constrained private sector, frequently coupled with ideological and material support from the superpowers and newly minted Cold War-era bilateral and multilateral development agencies.

In the famed ‘developmental states’ of Northeast Asia, mercantilist strategies were deployed by hyper-nationalist states exhibiting differing degrees of limited democracy and authoritarianism. These states variously sought to address post-war reconstruction and uneven development by leveraging off considerable pools of relatively cheap labour, Cold War relations (in terms of technology and capital transfer and preferential market access into a rapidly expanding US economy), planning, and the ability to contain and constrain (often brutally) demands from labour. While private actors often played a prominent role, capital and the market were

hardly allowed to determine the allocation of resources. Notably, in Japan, South Korea, and Taiwan, governments staffed by powerful bureaucracies would busy themselves with *industrial policy* ('picking winners' and 'getting the prices wrong', as Alice Amsden famously put it (1989)) by offering protection and channelling pooled public resources (often through publically owned banks) to conglomerates that would play an important role in export-oriented industrialisation (EOI). Combinations of trade protection and other forms of intervention (such as pegged currency arrangements) would also be crucial to raise per capita incomes and achieve the global prominence of the *keiretsu* in Japan and, later, *chaebol* in South Korea.

However, by the late 1960s, two grand shifts stemming from the dynamism and competitive pressures of capitalism—as well as its contradictory tendencies—would combine to undo this alignment between sets of nationally instantiated and socially embedded politics on the one hand and policy on the other—terminating in the arrival of *globalisation* and increased power for competitive fractions of capital, now free from the constraints of national policy. The first of these shifts was that from nationally constrained economies to an increasingly integrative global political economy made possible by new technologies facilitating the *transnationalisation of production*. The second shift dovetailed closely with the first, amplifying the latter's impact: the increasing and still ongoing displacement of the hitherto discussed state-oriented policy sets with *neoliberalism*, the latter constituting the crucial policy software of globalisation.

The conclusion of the so-called *golden age of capitalism*—which was really only experienced by a limited number of countries for around two decades—with the arrival of stagnating growth and inflation ('stagflation') in the 1960s and 1970s would have policy-makers questioning the technocratic abilities of Keynesian and other nationally oriented policy bundles associated with managing national economies. In the UK and the US, the arrival of Thatcher and Reagan signalled a switch towards extending the market-exalting assumptions of orthodox economics towards the reform of both state and society. While the application of market reform would be highly variegated, encountering issues of both path dependency and politics, political and policy elites would increasingly align the world around the mantra of markets, with crisis often used to justify forcing reform upon countries to dramatic and sudden effect. Here, the fall of the Berlin Wall, the arrival of Washington consensus 'shock therapy' to transition countries, and the 'Asian' crisis of 1997–1998 were critical junctures of marketisation, with the neoliberalised World Bank and International Monetary Fund (IMF) playing important roles in foisting market-oriented policy sets via 'conditional lending' and 'technical assistance' upon the second and third worlds. Famously these policy sets would strike at the very heart of the market-constraining state forms noted above, involving trade, interest rate and foreign direct investment liberalisation, privatisation, deregulation (of finance and business, for example), broadening tax bases and lowering marginal tax rates and floating currencies. China too, from the late 1970s on with its 'Open Door Policy' initiated under Deng Xiaoping, would embark upon its own process of marketisation, with the ostensibly communist country joining that great bastion of free trade, the World Trade Organization (WTO), in 2001 and becoming a veritable factory-to-the-world.³

The rise of offshoring, outsourcing, and ever-intensifying processes of Schumpeterian creative destruction associated with the reorganisation of production made possible by new neoliberal regulatory structures around trade, capital and investment and techno-logistical developments would be tectonically unsettling for nationally constrained capital and labour and the states that they had existed under.⁴ For capital, perennial competitive dynamics would be amplified and uncompetitive fractions would be marginalised and destroyed by competitive fractions able to delink from national constraints and access new advantages in cheap

labour, weakened labour leverage, new markets, and economies of scale. For labour, still largely nationally bound though now more intensively priced within a global market, this new normal would see the potential for realising gains out of collective action diminish significantly, with decreasing union membership, deindustrialisation, and hollowing-out processes taking their toll in the industrialised world. Making matters worse, the rise of new levels of automation and the concentration of advanced productive technology in high-value added industries within the context of a consolidating globalised world market would further threaten the leverage of labour and render the possibilities for underdeveloped nation-states to even contemplate the sorts of mercantilist policies that many did in the past unthinkable. Increasingly, states, cognisant of the vast changes underway would now start to voluntarily (i.e. without immediate fiscal crisis and conditional lending though still driven by powerful interests and ideology) reorient policies around those pushed by the Organisation for Economic Cooperation and Development, the WTO, IMF, and the World Bank, as the ideological assumptions underpinning the work of these organisations became the zeitgeist both dovetailing with and further fomenting grand structural change.

Perhaps most dramatically reflecting the changing relations of production and the political and economic realities flowing from this, by the 1980s and throughout the 1990s, even governments ostensibly of labour had shifted to the right and embraced marketisation and neoliberalism as inevitable common sense, consolidating a new age of post-politics characterised by depoliticised forms of ‘governance’ (Swyngedouw, 2009). In Australia, the Labor Party under Bob Hawke and his adamantly neoliberal treasurer Paul Keating, who succeeded Hawke as Prime Minister, pushed ahead with marketisation measures with zeal, floating the dollar, introducing enterprise bargaining to replace centralised wage negotiation, dropping tariffs on imports and embracing the privatisation of public companies, including state-owned banks and the national flagship carrier Qantas.⁵ In the US, always less of a welfare state than its other Western counterparts, the Clinton administration pushed for some improvements in healthcare coverage while also doing much to marketise and globalise, the latter perhaps unsurprising given the ideological predisposition and provenance of key Clinton administration figures (such as Robert Rubin and Lawrence Summers), the proximity of the Democratic Party to Wall Street’s interests and Clinton’s famous campaign remark, ‘It’s the economy, stupid’. Prominent here was Clinton’s push to reduce trade barriers bilaterally (including signing a trade agreement with China linked to its WTO accession) and multilaterally (in the General Agreement on Tariffs and Trade and, subsequently, the WTO and under the North American Free Trade Agreement (NAFTA)).⁶ It was also under Clinton’s watch that key regulatory impediments to the finance industry, such as the Glass-Steagall Act that since the Great Depression had prevented single institutions engaging in retail and investment banking and insurance, would be demolished, contributing to processes of *financialisation* and fomenting experimentation that would significantly lead to the global financial crisis (GFC) of 2007–2008. Likewise, by the late 1990s in the UK, the Labour Party under Tony Blair would extend many of the first generation marketisation processes started by Margaret Thatcher and continued under John Major. Indeed, ‘New Labour’ would introduce dramatic market-oriented reforms in the most sacrosanct public institutions of the post-war welfare state: those relating to education (introducing tertiary fees), the NHS and welfare. Importantly, the developing world was far from immune to this post-political turn, with the Tiananmen massacre signalling the end of China’s revolutionary era, and a new pro-business hegemony taking hold in India during the 1990s (see Wang, 2016).

The significant embrace of market-oriented policy by parties that traditionally represented working classes seemingly confirmed Baroness Thatcher’s famous remark about there being

no alternative. Yet more than this, it signalled the delinking of the working classes from their parties and states from their sources of legitimacy, as political legitimacy was replaced with the economic disciplining of increasingly vulnerable populations (Streeck, 2016, p. 22). Put another way, it was emblematic of the increasing tendency for political and policy elites of all persuasions to separate *policy from politics*. Of course, the initial political responses to the embrace of market-oriented policies were uneven and often characterised by divisiveness. Emergent forms of social disquiet were perhaps in some settings tempered by a relative economic boom in the US under Clinton and the increasing spread of credit and cheaper consumer goods as markets were opened up and deregulated. Moreover, Clinton's famous charisma and Blair's use of spin and public relations mastery (owing much to people like Peter Mandelsohn and Alistair Campbell, and channelling the ideas and methods of people like Edward Bernays) were emblematic of a new era of convincing people that 'sensible policy' was ostensibly *beyond politics*; a real 'end of history' moment in which marketisation would move beyond the confrontational methods of Thatcher and conditional lending towards well-calibrated efforts to embed policies using language invoking solidarity and earlier progressive struggles, such as 'partnership', 'participation', and 'empowerment', while also emphasising individual responsibility.

This apparently *post-political* era in which the divisions between parties of labour and parties of capital increasingly dissolved certainly would not last for long, as 'hollowing-out' processes, stalling real wages, and declining social mobility—the products of the reconfiguration of production brought about by technology and neoliberalism—started to bite, combining with newly reconfigured institutions built around maintaining fiscal austerity and instilling market discipline on populations. Here, the immediate outcomes would not take the form of reinvigorated reverse Polanyian movements emanating from parties of labour to protect the welfare state and attend to rising inequality but rather the increasing support—often from sections of the working class—of anti-immigration far-right parties. In Australia, the rise of Pauline Hanson's One Nation party would be a harbinger of an ongoing renaissance for the far-right in Europe (Front National, the British National Party, Golden Dawn, the Austrian Freedom Party) that seemed, at least in part, to be a response to the spin common in the second round of selling neoliberalism and the both real and imagined disenfranchisement experienced under global and regional projects that sought to extend the reach of markets through a decrease in national autonomy and more porous borders.

For many on the left, increasing cynicism regarding the capacity to mobilise and collectively organise within the context of flexible accumulation, and the lack of genuine representation offered by the traditional parties of labour and social justice, took a toll. However, there were some important developments in the form of impressive counter-neoliberal 'social' movements and transnational activism in the underdeveloped and developed worlds—based for example around feminist struggles or indigenous peoples' mobilisation. Here, the campaigns against multilateral debt and the operations of IMF and the World Bank, such as the 50 Years is Enough campaign, plus the dramatic protests in Seattle at the 1999 WTO meetings and the emergence of the World Social Forum were prominent. These often joined up with myriad actions and mobilisations at the local and national levels against 'structural adjustment', the latter manifesting in conditional loans from the multilaterals that enforced austerity, privatisation (over water resources for example) and capital and trade liberalisation that increasingly exposed countries to world market discipline and its contradictions. When the GFC hit in 2007 and 2008, rapidly followed by an escalating public debt crisis in Europe, many of the diverse groups that made up the Indignados,

Occupy Wall Street and the anti-Troika protests would reverberate the anti-neoliberal narratives associated with those who had contested the earlier structural adjustment and trade liberalisation efforts of the multilateral organisations. However, this time the distinct narrative was also couched against an elite project reflecting the interests of financial capital—the latest product of four decades of neoliberalism—and the gross inequality that it had produced. Cries of ‘the 99 percent against the 1 percent’ and scathing attacks on bureaucratic, political, and economic elites were clarion calls drawing attention to rising global discontent with policy beyond politics.

The Return of Politics

With the GFC, the honeymoon of financialised capitalism and post-politics came to a catastrophic finale, with collapsing banks, mass housing foreclosures and vast amounts of state intervention to support corporations deemed ‘too big to fail’ and to stimulate growth. As the GFC unfolded, the world seemed to be rapidly waking to the painful realisation that neither the technocrats in charge of supposedly autonomous regulatory agencies nor the financial gurus of Wall Street were in possession of an infallible formula for collective prosperity. Yet the largest economic crisis since the Great Depression of the 1930s would not beget the retrench of neoliberal ideas, as some had hoped and others promised. On the contrary, it became an opportunity in the eyes of mainstream economic pundits and post-politics elites for further marketisation and privatisation of public assets, much in the ‘shock doctrine’ fashion that Klein (2007) had anticipated just one year before the collapse. In Europe, reeling from crisis, Southern Europeans were said to have lived beyond their means, and were prescribed painful austerity measures (closely akin to what the IMF had applied to Thailand, South Korea, and Indonesia during the crisis of 1997–1998) so that states could bail out banks, which would in turn be excused from assuming the costs of their poor market decisions and excessive risk taking (Blyth, 2013). The World Bank’s Orwellian solution to the problem was not to reform economic rules and curb marketisation, but rather to transform the minds of the poor so that they could refrain from ‘social thinking’—in what Polanyi would have seen as the ultimate exercise of disembedding—as if the last frontier to be conquered and marketised resided in our very minds (World Bank, 2015). The consensus was apparent: the system had not failed us; rather, we had failed to internalise the system. The fine to be paid took the form of welfare austerity and growing vulnerability in developed European economies, and unremitting state capitulation to markets elsewhere, and translated in the surrender of immense amounts of wealth to the world’s richest. By 2015, 1% of the global population controlled half the world’s wealth, a situation that has only become more apparent with the revelations earlier this year that 8 people have the same amount of wealth as the poorest 50% (or 3.6 billion people) of the world’s population (Credit Suisse, 2015; Hardoon, 2017).

Some national leaders outside Europe—far from the reach of the infamous Troika, formed by the European Commission, the European Central Bank, and the IMF—sought to resuscitate the spirit of Keynesianism, albeit with notable ideational and structural limitations. In the US and Japan, Keynesian economic policy took the shape of quantitative easing—a formula later adopted by the European Central Bank in partial recognition of the failure of austerity—as experts alerted of ‘liquidity traps’ and weak private demand (Krugman, 2013). China too, facing low global demand for its exports, announced in November 2008 a stimulus package of 4 trillion yuan (US\$586 billion), followed by local government stimulus plans of up to 25 trillion yuan (US\$3.3 trillion), and expansionary fiscal and monetary policies, in an attempt to

overcome the ‘middle-income trap’ and create a reliable domestic market (Yu, 2010). These responses managed to reactivate economic activity to a certain extent—as did the recapitalisation of European banks—and could be seen as short-term victories in the effort to revitalise markets. However, this attempted revival of Keynesianism had two significant shortcomings. On the one hand, and contrary to its original manifestation, Keynesian economic policy was this time divorced from the systematic redistributive social policy (based around progressive tax regimes) and restrictions to capital that came with social democratic projects, and hence the allocation of risk from markets to the individual—a core tenet of neoliberal praxis—continued to spiral out of control. On the other hand, these national-based solutions, articulated by so-called mini-Keynesians such as Joseph Stiglitz and Paul Krugman (the latter two having played important roles in variously justifying and rolling out neoliberalism), failed to comprehend the post-Fordist and globalised nature of late capitalism, with proponents seemingly caught up in romantic and anachronistic memories of the national developmental container of capitalism’s golden age. Yet the capital-labour compact of the post-War period that had been a lynchpin of national development had been torn asunder by transnationalised production and finance. In this context, the recapitalisation of the economy would not necessarily create national consumers for national commodities, and would certainly not curb the repatriation of profits to burgeoning tax havens. Still possessed by the inherent wild optimism of the American Dream and an undefeated trust in markets, political elites breathed a sigh of relief when red turned to green on the screens of stock markets around the world. Yet, unlike the aftermath of the Great Depression, the key structures of the global economy remained untouched, and it was increasingly difficult for the unemployed, the vulnerable and the socially immobile to trust that they were truly living the promise of globalisation.

In the wake of these state-based and multilateral interventions to save markets from themselves, and in sight of the high human price paid to achieve them, we find ourselves in times of great social dislocation amid further demands for marketisation, with the menace of additional protections for capital—at the risk of individuals and states—in the form of new trade agreements, such as the Transatlantic Trade and Investment Partnership (TTIP), the EU-Canada Comprehensive Economic and Trade Agreement (CETA) and the now semi-defunct Trans-Pacific Partnership (TPP). This conjuncture has nurtured yet another crisis, one that at last has raised alarms in the corridors of power and policy: a profound crisis of legitimacy, or what some have come to define recently, drawing upon Gramsci, as a global organic crisis (Gill, 2015; Jessop, 2017). The ever-shrinking space for politics brought about by professionalised post-democratic governance, where the political is side-lined by economic dictates and ‘expert’ prerogatives, is ostensibly insufficient to contain the explosion of discontent that pervades the post-crisis ‘recovery’ scenario. In effect, we are witnessing significant and variegated challenges to the hegemonic global market project that for decades had apparently flattened the maps of international politics and stopped the clocks of history, announcing the death of ideology. So often had post-political elites parroted the TINA mantra that the disillusioned look now for answers outside traditional political parties and beyond the prevailing ‘common sense’. The word of the day is of course ‘populism’, often derogatorily presented in mainstream media merely as a ‘pathological political phenomenon’ and a threat, rather than as a corrective or potential articulator of radical democracy (Laclau & Mouffe, 1985; Rovira Kaltwasser, 2012). From left and right, individuals and movements with no fear to trespass the fences of political correctness are emerging, ranging from Trump’s appeals to a romanticised racially homogeneous past and Rodrigo Duterte’s disdain for elemental human rights in the Philippines, to the waves of ‘Indignados’ protesting austerity and denouncing elite transgressions in the streets of Spain

and elsewhere. The great dissociation of global markets from national societies has hence given way to a new struggle to take policy back, and to repossess the symbols of twentieth century national development—the national economy, the charismatic leader, the border—and to imagine new alternatives—reactionary and progressive—to the contemporary negation of politics.

This struggle to articulate a new hegemony is being fought by various forms of ‘populism’, which we understand here as the attempt to rearticulate a collective identity (i.e. ‘the people’) around a series of frequently combined markers, symbols and or myths—be it those associated with the nation, culture, and history, ‘race’, or class-based and collectivist positions. Populism is hence also inevitably an exercise of exclusion and ‘othering’, of identifying an enemy that legitimises a cause—allowing for both the reawakening of progressive class-based solidarity organised against the concentration of wealth and elite politics and policy on the one hand, and a whole host of reactionary assemblages on the other. Indeed, the emergence of such reactionary assemblages has been the most notorious corollary of the crisis of legitimacy of post-politics, giving way to what we could understand as elite or national populism. Examples abound, from Donald Trump’s ‘Make America Great Again’, to Xi Jinping’s ‘Rejuvenation of the Chinese Nation’, or Europe’s various right-wing movements to curb immigration, preserve national values and vindicate self-determination in the context of European regionalism. These movements have set themselves to the task of defending the nation from foreign influence and have identified enemies within and beyond borders (e.g. Mexicans, the West, Islam), in an effort to galvanise and capitalise upon the discontent of those enduring increasingly vulnerable lives, both at the hands of markets and the diverse forms of unevenness and violence they contribute to—for example through the unravelling of neoliberal imperialism in the Middle East and Western support for radical elements of Islam, not to mention the contribution of the dynamics of capitalism towards the broad cultivation of vast territories of underdevelopment ripe for chaos and rallying ideologies and belief systems (see Chomsky, 2016). To do so, they appear to be *looking backwards to move forward*, tapping into a largely romanticised (and frequently racial) notion of the nation (or other nostalgic geopolitical formations) as a peaceful homogeneous community and the container of national development—where development is understood as the product of a society’s inner characteristics, with all matters of empire and geopolitics conveniently set aside.

What is most curious is how easily elites that have been significant beneficiaries of the neo-liberal era of unrestricted capital mobility are also now leading proponents of the national cause. It is hence sadly unsurprising that the names of Trump, Xi Jinping, Boris Johnson, or Marine Le Pen made appearances in the ICIJ’s Panama Papers. National elite populism may rely heavily on narratives of historical grandeur and foreign usurpation to re-politicise development, but it does so in significant part to divert scrutiny from elites and therefore to recalibrate the marriage of convenience between transnational capital and various congenial regulatory (‘enabling state’) architectures. The new nationalist elites seem to realise, as did the protagonist of Lampedusa’s *Il Gattopardo*, that ‘everything must change so that everything can stay the same’. This does not mean that national elite populisms (which we do not see as fixed types but rather emblematic of a trend that encompasses diverse and dynamic forms) are incapable of challenging various fractions of capital at certain points of time. It is hence not uncommon for these movements to scratch the surface of deeply entrenched grievances by, for example, focusing on national trade imbalances – though they often do so with simplistic narratives that are oblivious to the realities of transnational production. Yet what distinguishes national elite populisms is the tendency towards perpetuating a state of affairs where the varied and changing interests of capital

prevail over those of labour, and indeed the negation of class as a constitutive element of politics altogether. Doing so, these movements often invoke national grievances while obviating issues of labour or financial exploitation, and indeed regularly push for agendas that exacerbate racial and gender inequality. Here, it is also important to note that the rescaling and transformation of governance since the 1970s (from the nation upwards and from various forms of *dirigisme* to market-friendly regulatory modes) was essential for the advance of post-politics and, in turn, for the transfer of risk (the latter having been previously socialised by different forms of political action and socially embedded technocracy), from markets to individuals (see Beck, 2009). However, while these ideological premises were conducive to the structural transformations of late capitalism and the production of global markets, the re-nationalisation of governance by no means guarantees a re-nationalisation of production or finance, and it is in this key way that we argue that national elite populism after national development is drastically constrained in its operating capacity by structural factors, prevailing market rationales and not least by the transnational interests of the new national elites.

This bourgeois pursuit of a new hegemony for capital through exclusionary forms of national populism has nonetheless been accompanied by the emergence of an important foe in the form of anti-establishment populism. From Greece to Iceland, from the streets of Madrid to the very primary elections of traditional parties in the US and Great Britain, a push to retake and redefine politics from below has come to contest both elite populism and technocratic common sense on the road to 'recovery'. This political reawakening at the centre of world politics is certainly not emerging out of a vacuum, but builds upon previous struggles in the Global South and on the stubborn work of uncoopted Northern activists through the politically-desolate era of post-politics.⁷

Anti-establishment populism adopts a wide variety of forms, ranging from the anarchist or quasi-anarchist positions of those who reject the state as a site of possible struggle and seek to bypass institutions altogether (think of Occupy Wall Street, or some strands of the Indignados Movement in Spain), to different party-based initiatives outside the traditional circles of power with differing degrees of participatory decision-making (think of Syriza in Greece, or Podemos in Spain), to campaigns to revert the post-political turn of traditional centre-left parties (think of the wave of passionate support for Jeremy Corbyn in Britain, or Bernie Sanders in the US). But anti-establishment populism is not limited to (broadly defined) left initiatives. It can also take reactionary shapes, as one can appreciate in some of the discourses of democracy of Hong Kong's localist movement, which in its aim to contest Beijing's grip on the city and its alliance with local political elites has all-too-often retreated into parochial and xenophobic positions. The last decades have also observed a revival of extreme right movements throughout Europe, the emergence of religious fanaticism to confront the vacuum left by the demise or absence of forms of social welfare, and even the birth of violent faith-based groups that openly confront the international elite consensus for market-based globalisation—culminating in the establishment of the Islamic State in Iraq and the Levant in a region of the world that for decades has been prey to imperial pillage and violent 'securitisation' for international energy markets and national power. What is common to all these forms of anti-establishment populism is a desire to antagonise the consensus for anti-political administration of public institutions and policy at the service of markets and their leading beneficiaries.

And yet, despite their undeniable momentum, anti-establishment movements face significant hurdles. First and foremost, the emergence of populist challenges to the status quo has resulted in a 'return of the technocrats', and a reframing of the post-political discourse this time not around

claims of expertise and an alleged lack of viable alternatives, but on the basis of fear of the populist alternative. In a somewhat perverted way, post-political elites have themselves sought refuge in populist strategies to confront their challengers, often appropriating the language of those that they oppose. They too now devise discourses that oppose the people versus an undesirable minority, appealing to order and common sense versus the 'radical' leftist hordes from outside the traditional circles of political power. The corporate media (including the liberal left media) has jumped on to the bandwagon without hesitation and variously presents its readers and viewers with daily doses of apocalyptic forecasts about an impending Venezuelan crisis in Europe or a soviet takeover of the US government. Brexit has only further fed into this narrative, becoming a quintessential and all too convenient example of the 'perils' of giving the power of choice to the people.

Even more crucially, anti-establishment populisms from the left are also confronted by the long shadow cast by globalisation, and by the limits of national tools to handle post-national economic realities.⁸ As they get closer to office, these movements become cognisant of the limits to isolated national policy (take Syriza, for example), and in both an attempt to become palatable to a wider electorate and an acknowledgement of the structural constraints for action, are forced to exchange revolution for reform and insurgence for caution. The commitment to stricter regulations on capital, Keynesian macroeconomic planning and the democratisation of institutions appear to be positive shifts, albeit insufficient and incompatible with the tide of the times if limited to the national scale. The key here is the inability to intervene at the global scale in which markets operate (where the global is not an ethereal scale *above* others, but one localised through various capitulations to markets), and at the inter-state and regional scales where regulatory governance finds asylum from democratic scrutiny. These are realms still far from the reach of populisms, which are inevitably articulated through the nation as the first stepping stone to formal power. In order for transformative change to happen, those spaces need first to be repoliticised through coordinated efforts of transnational forces, operating for example via a Pan-European or internationalist vision. The challenges—relating to opposing forces and interests; to structural factors; to the limits of existing institutional architectures; and not least to the very articulation of inclusive populist identities around sentiments of frustration that are also easily channelled within environments of intense inequality and labour immobility towards national populist alternatives—are formidable.

The current historical juncture is thus one where the crises and contradictions of global capitalism have opened the floodgates for myriad double-movements or other social reactions—variously constituted and building off of site-specific cultural, historical and political dynamics—against the maladies of marketisation.⁹ Reflecting on previous crises of capitalism, Tom Nairn presciently explained in 1975 how 'the world market, world industries and world literature predicted with such exultation in *The Communist Manifesto* all conducted, in fact, to the world of nationalism' (Nairn, 1975, p. 13). Yet the structural transformations of the global economy and the institutionalisation of post-politics in late capitalism have all but frustrated the possibilities for meaningful national development, in the sense of a nation-state-based coordination of government, capital and labour for broad developmental outcomes. In this context, nationalism presents itself as a powerful signifier, a nostalgic symbol able to steer social discontent in directions convenient for elites, but ultimately a limited means to re-embed markets into society and assuage capitalism's contradictions. While post-politics as an ideology of development and an institutional praxis is today under assault, its contenders struggle to conceive economic alternatives within the confines of the nation-state without

risking isolation from global value chains of production or circuits of capital. Elite national populism and reactionary anti-establishment populisms tackle the economic basis of the crisis only superficially, while progressive anti-establishment populisms could fall short of their objectives precisely because of the magnitude of the disjuncture between institutions and markets. As we will discuss in our concluding section, a new hegemony versus markets can only be envisaged in a sustainable sense through international coordination and solidarity, but by no means are we ready to forecast this as an inevitable outcome of history. On the contrary, the descent into barbarism may indeed be what lies ahead of us. In what follows we present three distinct vignettes of post-crisis populism through the cases of the US, China, and Spain—a deliberately eclectic selection of cases that demonstrates how the trends discussed above are at play in very different institutional and cultural contexts.

From the New Deal to ‘the Art of the Deal’, via Trade and Financial Liberalisation

Just as New Labour’s election was greeted with enthusiasm by many in working class ranks in Britain in 1997—a sentiment that would be short-lived as some on the left came to recognise that Blair and his post-political gang actually stood for the latest iteration of the agenda started by Thatcher—the election of Barack Obama (inaugurated in January 2009) as America’s first black president was effusively greeted by liberals. The notion that the era of George W. Bush and his cadre of neocons that led the charge after September 11, first into Afghanistan and then Iraq, was seemingly coming to a close no doubt animated imaginations around the prospects of a comparatively progressive agenda within the turbulent context of the GFC. Liberal excitement was palpable, whether it was over plans to exit Iraq and close the detention centre at Guantanamo, the executive prioritising of identity issues in a country where racial prejudice and religious morality have continued to condition politics and society more than many other developed countries, or new healthcare initiatives and ramped up economic stimulus measures.

However, the progressive economic elements that the Obama administration would deliver in reality (alongside increased drone strikes, expanded proxy war activity, universal electronic surveillance, and further trade liberalisation pushes) were nothing approximating the sort of new New Deal required to assuage both real and perceived disenfranchisement and frustration, much of which had been fomenting for decades under the stresses of the reorganisation of production at both the regional and global levels and grossly inadequate systems of redistribution, health, and welfare. Indeed, Obama was quick to surround himself just like Clinton had done before him with the likes of Robert Rubin and Tim Geithner, key architects of financialisation, proving once more that ideologically the Democratic party—traditionally responsible for representing the interests of the working class and social progress—had now long overwhelmingly been a party in support of Wall Street and TINA neoliberalism; disconnected from the material realities of many and responsible for selling ‘rational policies’ in the ‘general interest’ that had been taking tolls on segments of the population, including many of its former supporters. Not surprisingly, all of this would dovetail with a surge in populism on both the right and left.

The emergence of new political alternatives in the US is without doubt a reaction to both dire economic realities and the fact that the Democratic Party has failed to constitute a credible reference for the left. While for decades elites have pushed forward more trade deals, handed Wall Street carte blanche to pillage and plunder, and built an anti-inflationary order that placed the interests of creditors before those of debtors (on the latter, see Blyth, 2016), the rest have faced virtually stagnating real wages, persistently low social mobility coupled with inequality and the decline, by several important measures, of manufacturing as both an employment

base and overarching sector of importance beyond the niche (though economically important) subsector of computers and electronics.¹⁰ Indeed, between 2000 and 2010, an era which includes the impacts of China's ascension to the WTO and increasing importance as factory to the world, the ongoing impact of NAFTA (which promised 200,000 US jobs but by some calculations resulted in 682,900 in job losses) and the global economic crisis, US manufacturing shed 5.7 million jobs, down from approximately 17 million throughout the 1990s. Notably, while in 2000 China accounted for one-third of the US's trade deficit with Asia (the latter being three quarters of the US's overall trade deficit), by 2012 China accounted for a staggering 72% of the deficit with Asian countries (Baily & Bosworth, 2014, p. 4). By some estimates, between 2001 and 2011 the US trade deficit with China was associated with a net decline of 2.7 million US jobs. Beyond employment figures and trade deficits though, and despite the simplistic comparative advantage mantra of free trade being in everybody's best interests, the reorganisation of production placed significant downward pressure on the leverage of US workers and, of course, US worker wages—a process which had begun in the early days of globalisation (Scott, 2015). All of this ran in tandem with a generally astounding era of reward for many of America's wealthiest, including many of those piloting US companies at the forefront of the reorganisation of production. Between 1978 and 2014, inflation-adjusted CEO compensation skyrocketed 997%, from \$1.5 million in 1978 to \$16.3 million in 2014. This contrasted with a near-negligible increase for workers over the same period of just 10.9% (from \$48,000 in 1978 to \$53,200 in 2014) (Mishel & Davis, 2015). For the country's least-well remunerated workers, the impact of a declining inflation-adjusted minimum wage has had a dramatic impact on fortunes relative to 'middle wage workers', with the federal minimum wage falling from 53% of the average US production worker wage in 1968 to a miserly 35.2% in 2014.

It is in this context that America was ripe for a Trump-like figure to emerge out of the ruins of national development. Leading up to the 2016 presidential race, there had been increasingly important responses to the post-politics that had come to dominate US governance and the material conditions it had given rise to. For one, just after Obama was inaugurated, a former hedge fund manager and CNBC journalist, Rick Santelli, would kick off what would become the Tea Party movement in a rant against a government programme (the Homeowners Affordability and Stability Plan) designed to help people facing difficulties with their mortgage payments. The Tea Party blended libertarian, populist and conservative elements, taking strong free market stances on reducing government debt and influence in the economy and reducing taxes, all explicitly framed – in marked contrast with the TINA logic of Clinton – around building national strength. While right wing, many of its members evoked an anti-establishment position railing as much against big spending centrist Republicans as with Democrats, and seeing the cores of both parties as being in cahoots. Importantly, key figures such as Sarah Palin, considered by then-President-elect Trump for a position in his administration, fused libertarian and conservative concerns with a distinctly renewed form of nationalist machismo based around a strong America that refused to apologise for its actions (a position that would come to be prominent in Trump's campaign based around the slogan 'Make America Great Again').

On the other side of the fence was Occupy Wall Street, a movement significantly inspired by the 15-M movement in Spain (see below). While Occupy was initially focused on Wall Street, corporate power and the egregious inequality attending the post-political era, it expanded its attention to issues such as student debt and predatory housing loans (Earle, 2012; Kroll, 2011). In the aftermath of the financial crisis,¹¹ Occupy's slogan 'We are the 99%' resonated in Zuccotti Park and beyond, helping to make a lightning rod of the finance industry and the elite post-politics that had made it possible. By the 2016 presidential election, the battle

between post-politics and novel left and right populists (capturing elements of Occupy and the Tea Party, respectively) would be on in full view. Within the Democratic camp, Bernie Sanders—a self-declared socialist—would channel many of the concerns regarding post-political America that Occupy had brought attention to. Yet, while Sanders was deemed by polls to be the most electable candidate, in the end he was too much for the post-political elite liberal machine that gave Clinton its endorsement to run for the highest office in the land. Predictably, many of the minorities most hard done by the reorganisation of the US economy were unenthusiastic about the choice. Low African-American turnout in key battleground states in the 2016 presidential elections spoke to the degrees of cynicism many no doubt felt when placed in the situation of voting for Hillary Clinton with her well-known connections with corporate America and given too that her, her husband and many of her allies had supported, and indeed continued to support, free trade policies that had increased vulnerability, despite their class-delinked positions on issues of identity.

Within Republican ranks, a surreal battle played out between a high-profile narcissist from outside the party machinery, Donald Trump (who had previously donated significant amounts to the Clinton Foundation and Democrat campaigns), and an array of alternative candidates that did little other than illustrate to the dire state of the GOP. In a direct pitch to many affected by trade and finance liberalisation and hollowing-out processes, Trump built his platform to ‘make America great again’ around being anti-free trade and the issue of undocumented workers (vowing to build a wall between the US and Mexico and having the latter pay for it). His possibly deeply cynical position also included exhortations about taking on vested interests, such as big pharma (within the context of Obamacare that, unlike NHS-style public healthcare, had actually imposed significant costs on many, see Tett, 2016), and prominent members of his team (such as Steve Bannon) had vowed to take on Wall Street. Contrary to the naïve delusions of many post-political and identity obsessed liberals, Trump took many states deemed unwinnable for him, including several crucial ones in the ‘rust belt’. And while the racism and emergence of the alt-right that clearly became emboldened as Trump’s campaign gained ground was part of the story, the importance of underlying economic woes and detached post-political discourse was left unpacked by liberals. As Sanders noted after the election in a TV interview, while it was convenient to think of all Trump voters as intellectually challenged racists, this belied the simple fact that decades of reform, economic transformation and crisis had created ‘a lot of pain’ around the country.

Raising a Red Flag in China

China, the very place where many of the lost manufacturing jobs had been fleeing to for decades, and a country with an authoritarian single-party regime that accepts no expression of dissent, may seem an ill-suited choice to exemplify the rise of populism and challenges to the establishment that have come about with the crisis of capitalism after the death of national development. Quite the contrary; we think that China is an early example of the trends we tease out in this piece, and indeed an excellent case to illustrate how such dynamics are not contingent to local specificities but instead appear to have taken host in a wide variety of contexts. In a way, China can be seen as the quintessential example of late industrialisation in the context of world market capitalism, of the radical depoliticisation of governance and submission to capital, and the subsequent necessity of legitimising an elite project through nationalism. Moreover, it is a case that demonstrates the awkward manoeuvres that elites now often have to make, with the Chinese leadership desperate to convince Chinese nationals that they are still on the

same boat as those that amass staggering wealth born out of the exploitation and dispossession of many, and who now channel their fortunes overseas in record amounts (often to countries deemed by the state as adversaries!).

The reform period, started in the late 1970s under the auspices of Deng Xiaoping, placed China on a trajectory towards market-enabling governance, with the wholesale proletarianisation of society and the dismantling of social guarantees, creating the world's largest pool of cheap labour and turning the country into the epicentre of global production (Walker & Buck, 2007). The Tiananmen massacre of 1989 would signal a point of no return, as party elites sacrificed the lives of students and workers in the name of stability, and with them the possibilities of any debate regarding the country's future direction, ultimately terminating what Wang Hui describes as China's 'revolutionary century' of political deliberation and struggle (Wang, 2016). It was the beginning of an era of soaring urban growth that raised many out of poverty, but also of an era of 'market extremism' and 'discursive hegemony' that resulted in one of the most unequal societies on earth (with the 1% richest households owning a third of the country's wealth), widespread vulnerability, and the effective transformation of the Chinese Communist Party (CCP) into a party of capital (see Wang, 2003).¹² As the 1990s arrived, the CCP transformed the old production units or *danwei* into corporations with no responsibilities to their previous stakeholders, opened its ranks to the emerging business class under Jiang Zemin's leadership, and prepared itself for its imminent ascension to the WTO in 2001. Party officials and those close to them became the primary beneficiaries of China's skyrocketing growth, making it ever clearer that the legitimacy of the system could no longer be sustained with appeals to a communist egalitarian utopia. Instead, nationalism was to become—alongside economic performance—the main pillar of legitimacy of the Party (Breslin, 2004). Today, it is no secret that nationalist outbursts in China are conveniently timed to coincide with episodes of social unrest, with the Party carefully cultivating patriotism as a safety-release valve to mitigate any challenge to its leadership.

What is important here is how China can be seen as the first country to develop and rise to the ranks of a global power within the context of globalisation. As opposed to its predecessors in East Asia, the CCP needed to lure—rather than discipline—transnational capital, facilitating exploitation and dispossession without necessarily retaining much added value. While there is indeed domestic capital in contemporary China, in the form of state-owned enterprises and private businesses that have exploited protected niches in particular sectors and that until recently lacked economic incentives to internationalise, its proximity to the state and their combined undisputed dominance over labour turn any glimpse of nationally inclusive development into a mere illusion. As China's carrying capacity is pushed to its limits and the country is faced with multiple developmental bottlenecks (environmental catastrophe, with air pollution alone contributing to 1.2 million premature deaths annually; political and economic inequality, with an estimated Gini of 46.9; slowing growth and declining profits, with commercial banks seeing their profits plummet from 9.6% to 2.4% in 2016; an ageing population; labour unrest, materialising in a doubling of strikes and protests in 2015; overcapacity; record capital flight—US\$679 billion in 2015; real state bubbles; land grabbing), Hu Jintao and Xi Jinping's administrations have ramped up the nationalist parade. This ramping up has included hosting costly international events demanding the complete overhaul of cities and the temporary shuttering of factories, increased space missions, the inevitably partial and quasi-religious revival of Maoist imagery (sometimes championed by subnational cadres such as Bo Xilai), and the simultaneous pairing of a discourse of victimhood in international relations with the unleashing of expansionary ambitions (in the South China Sea, for example). All of this has run in step with campaigns to diminish the influence of Western thought (rather ironic

for a self-proclaimed 'communist' regime that has recently had to transform itself into a main advocate of free trade in the aftermath of the US elections) and the revival of Confucianism, not to mention the clamping down on corruption and (mostly) dissent that have been hallmarks of a veritable personality cult around Xi Jinping.

China's case is in many ways different from that of the US, not least given the almost complete lack of space for politics beyond the party-state. Yet in both countries we encounter elites needing to re-politicise their discourses as they face structural constraints to delivering national development as well as their own vested interests not to discipline capital. The uniqueness of the Chinese case lies in the complete control of the Party over the political process (something that, given the times we live in, elites in many places would no doubt envy), and it is indeed the Party itself that has navigated through cyclical processes of depoliticisation with appeals to technocratic prowess and repoliticisation through nationalism. The turn from revolution towards depoliticisation first (aided by the general fear of a return to the times of the Cultural Revolution), and towards increased nationalism signals a recognition of the rising popular frustration with the never fulfilled promise of integrative national modernity. As a significant number of elites secure their futures with double passports and investments across the world that will sustain their lavish lifestyles, the Party propagates patriotism at home so that the masses carry the burden of national ascendance without national development, coming to agree with Xi Jinping in that 'the rejuvenation of the Chinese nation is both a glorious and arduous mission that requires the dedicated efforts of the Chinese people one generation after another' (Xi, 2014, p. 38).¹³

Populist Hope in the European Periphery

We would like to finish this brief series of vignettes with an example of how populism can look when it is not under the control of elites or reactionary populists, reflecting on its potential while also recognising the formidable constraints upon progressive politics in the age of globalisation. With a youth unemployment rate of 45% at the time of writing (and overall unemployment at 20%), massive outward migration of educated and skilled young people, and over 27% of its population living in poverty or at risk of social exclusion amid the dismantling of the welfare state and pervasive precarisation, it would seem hard to believe that Spain was once the poster child of the European Union's prosperity dream. The story of Spain's rise is also in a way at odds with the chronology of globalisation, since Spain's labour rights achievements and middle class growth coincided not with the golden era of capitalism but with the expansion of neoliberal policies in the developed world around the 1980s and 1990s. The Spanish anomaly can be explained through internal and external factors. Internally, the end of Franco's dictatorship in 1975 and the exultant nascent democracy that followed unleashed freedoms not seen since the 1930s and facilitated an overdue redistribution of wealth through progressive taxation and the creation of successful social security and public healthcare systems. Externally, Spain's ascension to the European Union guaranteed access to billions of euros in the form of structural and cohesion funds. And while deindustrialisation was an inevitable outcome of regional and global integration (with the percentage of industrial jobs shrinking from over 35% in 1980 to 20% in 2012), this was to a certain degree offset by the development of a robust tourism sector that attracted millions of European visitors every year, a significant increase in public sector employment, and the relentless growth of the construction bubble, which created jobs and boosted government revenues (Trading Economics, *n.d.*).

By 2006 Spain was the eighth largest economy in the world, boasted the second longest high-speed railway network after China, and was constructing more residential housing than Germany, Italy, France and the UK combined. The two main national political parties—the Popular Party (PP, conservatives) and the Socialist Party (traditionally centre-left)—took turns in power and differed greatly in their social policies, but exhibited increasingly similar approaches to economic policy as both supported a Land Law that moved Spain closer to the real estate precipice, financial regulations that allowed banks to take on increased risks without needing to assume responsibilities, and turned their backs on labour demands altogether in the name of productivity. When the crisis hit the real estate and banking sectors, it was the Socialist Party—which had ruled through the last period of the housing bubble—that agreed in 2011 to the first constitutional reform since 1992 in order to make the repayment of public debt a priority over any other budgetary item, folding to the dictates of European Union technocrats. With the Socialists presiding over the country's largest transfer of wealth from working classes to capital in the form of a 100 billion-euro bank bailout that did nothing to stop the daily eviction of 100 families from their houses, Spain came to epitomise the decline of labour parties throughout Europe (other examples being Great Britain, Greece, Denmark, Finland, the Netherlands or Poland) as their mandates became increasingly aligned with capital's demands, and the failure of the European Union as a social project.

The Socialists were soon to be replaced by the PP in government, who pushed for further austerity, 'flexibilisation' of labour and the gradual dismantling of welfare. Angered by the plundering of social security savings, widespread corruption and the frequency with which political elites walked comfortably through 'revolving doors' into the boards of leading firms, Spanish citizens were ready to take politics back into their own hands. In this way, millions of 'Indignados' took the streets of Spain after 15 May 2011 to denounce austerity, corruption, and above all the inability of political parties to represent the needs and aspirations of common people. What came to be known as 15-M was not an isolated protest but a confluence of forces that included, for example, grassroots movements of direct action against evictions. An outcome of this explosion of social forces against markets was the formation of Podemos and other allied political parties after 2014. Led by academics influenced by Laclau's ideas on hegemony and populism, Podemos has come to represent the main challenge to the hegemony of capital in Spanish politics. As one might expect, the corporate media has done its best to discredit and repudiate Podemos (which is certainly not exempt of faults), with a relentless campaign culminating in a coup within the socialist party in October 2016 to surrender tacit support for a new term of conservative government. The re-articulation of politics along progressive populist lines has hence faced important setbacks and elite opposition, and Podemos and its national and regional allies are still far from reaching power at the national level despite a widespread lack of trust in traditional parties.

Interestingly, Spain has not experienced a significant growth in nationalist discourses at the state level in response to the crisis (despite the rise of Ciudadanos, a party that emerged in response to elite calls for 'a kind of Podemos of the right'), in part due to the limited appeal of the flag and other national symbols in a country integrated by regions with their own national identities. Yet the case of Catalonia's pro-independence movement, or the emergence of Ciudadanos itself, suggest that anger and vulnerability may result in distinct forms of political articulation. Importantly, as it went from being a marginal force outside of the political system to become a real government alternative, Podemos has also toned down its economic programme in the face of budgetary constraints and difficulties for action within the policy framework of the European Union. In a recent interview, Pablo Iglesias (Secretary General of Podemos) accepted

the need for a two-stage approach, as he deemed the consolidation of Podemos' ground in Spain an essential first step in its bid to 'open up a space on the question of the economy' at the European level (Iglesias, 2015, p. 29). Spain's weight in the EU could potentially grant Podemos some leeway to negotiate economic policies were it to control the Spanish executive – a still distant prospect. Yet it would fail to succeed without similarly minded leaders in Brussels who were willing to oppose the devolution of power to the EU's regulatory bodies or the demands of transnational capital. In a way, the case of Podemos demonstrates a possible path towards the repoliticisation of markets, but it is also an illustrative example of the challenges for politics in the current economic and policy contexts.

Towards a New Hegemony?

For over a century now, politics has been articulated mostly at a national scale, where perpetual tensions between class-based and nationalist responses to crisis came to define the course of history. However, the advent of globalisation in the 1970s was to free the economy from its national confines, and to transform the state into competitive and regulatory forms that increasingly isolated policy from political deliberation, weakening the bargaining power and economic prospects of working classes and anyone opposed to the wholesale marketisation of society and the individualisation of risk. The disembedding of markets from society under the leadership of post-political elites proved disastrous, and has in turn engendered myriad movements for repoliticisation that look in the mirror of the past for solutions that put people (often some, more than others!) again at the centre of the debate. Yet while these challenges to the neoliberal 'common sense' have put politics back on to the table, emerging movements from left and right are faced today with the reality of the death of national development and its implications for repoliticisation under late capitalism. The cases above (and many others that we could not cover in this piece) indicate that we have arrived at a critical juncture demanding that politics be removed from the significant vacuum in which it has been deliberately (at the behest of policy and economic elites) situated under neoliberalism. Yet, as the vignettes above attest, it is not clear whether the re-joining of people with politics will result in progressive action or whether, on the contrary, the brutality of markets will breed reactionary and xenophobic politics and, indeed, a new era of barbarism.

Where does this leave us in terms of the potential for a hegemony of society over markets? And 'what is left' in the context of late capitalism? If progressive populism has the potential to amalgamate different forms of resistance and articulate radical democracies as Laclau and Mouffe once suggested, one might expect that the current times of profound disenchantment with elites are ripe for renewed political formations that will threaten market fundamentalism and advance alternative globalisations, such as those promoted in the past (albeit with different degrees of success and commitment) through various initiatives such as the NAM, Latin America's Bolivarian alliance, or the World Social Forum. However, the great paradox of our time is that while national strategies against capital may rely on specific local strategies beyond class, drawing upon shared histories, distinct forms of local outrage against oppression and vulnerability, and the confluence of variegated forces to conquer the national summits of political expression and power, these strategies may also (voluntarily or not) articulate exclusionary forms of identity. The latter hamper the sort of internationalist solidarity needed to retake the bastions of economic and policy power, which are today in many ways beyond the reach of the national state—but which may indeed be threatened by a coordinated rising tide of progressive action *across* countries, especially those lying at the

epicentre of global capitalism. This will be an uphill battle against the powers that be, but also against the tendency to seek refuge in our immediate realm for protection against apparently outside forces and ‘the other’. It will ultimately also be a battle that demands challenging key historical frames of reference in a world that, as Hobsbawm expressed in this essay’s introductory quote, escapes from our control.

Notes

- 1 In the Junius Pamphlet, which was subtitled ‘the crisis of German social democracy’, Luxemburg famously spoke of the ‘regression of bourgeois society into barbarism’, pointing to the ongoing World War and referencing Engels’ dire concerns regarding the ‘triumph of imperialism and the collapse of all civilization as in ancient Rome, depopulation, desolation, degeneration—a great cemetery’ (Luxemburg, 1915). While not dismissing the presence of similar characteristics in the present juncture, we expand the definition of barbarism to include the presence, amplification, and extension of the facets noted in the main text above—in short a general decent into reactionary politics (both international and domestic), divisiveness and degeneration resulting in increased turmoil, misery, and chaos for many.
- 2 In a Polanyian sense, one might say that the institutions of governance were socially embedded.
- 3 The competitive consequences internally and externally of China’s marketisation would be massive, with the world’s possible labour force bulging under significant additions from a country that at the time of WTO membership had a population of over 1.25 billion.
- 4 Here, techno-logistical developments such as the increased use of containerised shipping, increased airfreight, and incredible improvements in information and communications technology would be crucial in the unsettling of nationally constituted capitalism.
- 5 Keating also pushed for a flat consumption tax, which would later be introduced during John Howard’s government.
- 6 NAFTA had been signed with other signatory countries by George H. W. Bush but was signed into law unaltered by Clinton, albeit several side agreements regarding labour and the environment were added in a bid to allay concerns within the Democrats and build support for the agreement.
- 7 The resource *nationalisms* of the early noughties in Latin America are an example of how new political subjects came to the stage to resuscitate national politics, albeit with obvious limitations, and foster internationalist solidarity within the region. The rise of these movements became largely possible thanks to the fact that natural resources are often fixed to territory, effectively facilitating the capture of profits. Yet such instances of national development were limited to resource-rich countries and their fortunes were also short-lived, as the end of the resource boom seems to indicate.
- 8 Due to its exclusionary nature and incorrect diagnosis of the national malady based on cultural or ethnic arguments, reactionary anti-establishment populism remains, just like elite populism, oblivious to the structural realities of globalised production and finance, and offers group identity and targets for collective hatred in the place of real solutions for economic grievance.
- 9 A non-exhaustive list of variegated populist and nationalist responses to the social crisis of late capitalism would include Austria, Belgium, Bulgaria, China, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, India, Indonesia, Ireland, Italy, Japan, the Netherlands, Norway, Philippines, Poland, Portugal, Russia, Serbia, Slovakia, Spain, Sweden, Switzerland, Thailand, Turkey, the UK, and the US.
- 10 While US manufacturing’s output as a share of GDP has remained relatively stable for 50 years, much of this sustenance is attributable to the subsector of computers and electronics, with the latter accounting for just 10% of US manufacturing and being a sector that while paying high wages also shed jobs between 2001 and 2011. Meanwhile, the remaining 90% of American manufacturing has seen its share of GDP decline dramatically, with manufacturing in ‘long-standing decline’ as a sector of employment (from well over 25% in 1960 to under 10% in 2011). See Baily and Bosworth (2014) and Scott (2015).
- 11 It should be noted that during the crisis, unemployment hit around 10% and the economy shed 8.8 million jobs. Foreclosure filings were conservatively estimated by US Treasury at 2.6 million (and as high as 5.5 million by other measures), with US\$19.2 trillion in household wealth lost.
- 12 According to a recent report, the richest 1% of households control one-third of China’s wealth, while the poorest 25% own only 1% (Wildau & Mitchell, 2016).
- 13 Here it is important to note how in the global era there is a great dissociation between national development as an integrative measure of wellbeing and progress and national power as measured in geopolitical calculations.

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