

# A conversation with Giulio Tremonti

MARTA DASSÙ. *Is populism already a thing of the past? While the domino effect of Brexit failed to sweep across continental Europe – as shown by the French elections – we should avoid drawing any hasty or superficial conclusions: the phenomena underlying the middle class protest against the traditional establishment certainly have not disappeared. In a situation marked by the migrant crisis and by a dramatic rise in social inequality, the traditional right-left political dynamic seems to have been relegated to the sidelines by a new debate between openness and closure. The growth of nationalism is there for all to see. And, as Ivan Krastev argues in this issue, liberal democracy and its ability to achieve results is being sorely tested.*

*But let us start at the beginning, with the basic concepts. What is populism?*

GIULIO TREMONTI. To be honest, I know of no one who personally styles himself a “populist”. The populists themselves certainly do not. The term is used as an insult and the only people who talk about populism are the anti-populists. But then, this is not a new debate. Ralf Dahrendorf wrote that one person’s populism is another’s democracy and vice versa – a definition that is in many ways ironic, and certainly profound.

“Populism” goes back a long way. It was seen in Czarist Russia, in the Unit-

ed States with Andrew Jackson, in Weimar Europe and in Latin America, albeit with specific and very different characteristics in each instance. Ever since the onset of modern politics, even in the absence of democracy, there have been schools of thought and of action that would be called populist today. I broadly subscribe to Habermas's position: populism is by definition a latent phenomenon in representative democracy.

*So what are the implications of this? Are populism or populisms the symptoms of a deeper sickness? Do they represent a crisis in liberalism? The feeling I get is that we are looking at the end of an era which was meant to be triumphant ("the end of history") but which actually led to a weakening of the liberal democracies. In other words, instead of enjoying an inevitably liberal-democratic destiny, we now find ourselves in a phase of profound uncertainty, of which populism is but a manifestation.*

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If we wish to grasp the significance of this populism, we first need to understand the phenomenon of elitism. You cannot have one without the other. In Christopher Lasch's book *The Revolt of the Elites and the Betrayal of Democracy*, published in 1995, the author turns the expression "revolt of the masses" on its head and meticulously reconstructs the elites' seizure of power. The elites in question are technocratic elites that fear the people and that fear democracy, that get organized and build their own ideological cathedral. Elitism – comprised of "enlightened", smart (or occasionally not so smart), affluent and self-seeking (or occasionally selfless) people – is the force that forged the ideology of globalization. And globalization is a cathedral with two tabernacles: the new world and the new man – the standardized, normalized one-size-fits-all man. This new man is not simply the globalization era's consumer, he is a man without a past because his identity and his cultural ties have been severed. The new world is built on globaliza-

tion but also on the export of democracy, a move attempted first in the former Yugoslavia and then elsewhere.

When all is said and done, globalization was a pagan religion with the Market playing God, lording it over any other consideration. It was the word of the lord descending on the people from above, a vision based on a purportedly flat, non-ideological, uniform geography. For the first time in history, the clash between Croesus and politics was won by Croesus, marking a full-fledged inversion of the balance of forces that spawned 25 years of unchallenged rule for Wall Street.

Everyone knows the story. The Wall fell in 1989, the WTO was set up in 1994, and China (i.e. Asia) joined in 2001. The problems, and the dark side, of globalization – or at least, of an unbridled, excessively rapid form of globalization – became apparent over time. When the financial crisis hit in 2007-2008, many of the phenomena had been in place for a while. This helps explain both Brexit and Donald Trump’s election. I see these events in fact as symptoms, because the system had already begun to crack at the seams. The financial crisis, the fear of “others” and demographic aging marked the end of an era. The crisis factors merged and mounted up: it was not the end of history but it was the end of a phase in history, the phase that began in 1989 and that picked up speed thanks to the globalization process.

*The end of the era certainly included the undermining of the previous elites’ legitimacy, but does that necessarily entail a deep-seated change in the relationship between the state and civil society, between the authorities and the man in the street?*

The cathedral erected by the elites was rooted in the web even more than it was in the state. The web is a horizontal concept, a far cry from the vertical principle of government. It is interesting to note that two prophecies, by

Goethe and by Marx, have come to fruition in this context. Goethe wrote that “winged words” would fly higher than man’s imagination. He spoke of the transition from material wealth (gold) to immaterial wealth (finance). Marx, for his part, prophesied that global interdependence would take the place of old-style national independence. Neither Goethe nor Marx had an iPad or a computer, yet they both understood the turn that history would take.

Today’s industry is accomplishing its triumphal march precisely on the web. It is the digital revolution followed by the robot revolution that are having a devastating impact on society. We cannot stop them because there is no point in attempting to halt progress, but we may be able to steer them along wiser lines over a longer period of time, as with the globalization process.

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In any event, we must not ignore these revolutions’ social impact: there will be new kinds of jobs, but will there be enough of them to make up for the jobs that have been lost? Those who are losing their jobs, whether blue- or white-collar workers, are in a situation that has never before been seen: their life expectancy is increasing yet their potential for earning a living in the course of their longer lives is decreasing. That is the economic and social risk. But the web, too, is undermining the basis of democracy. Democracy guarantees and governs freedoms. The word “governance” is key here. The alternative we are being offered is a kind of anarchy leading to “digital republics” and to the “Manifesto” of Mark Zuckerberg, who is beginning to sound something like a replay of Lenin.

*In terms of the relationship between the external forces and the internal thrusts that we have been examining, trade plays a crucial role and the Trump phenomenon has brought it into the limelight. Potentially, there are several ideas worth debating here: at the end of the day, after all, “fair trade” is not a populist concept in and of itself.*

I have always felt that “fair trade” is the right alternative to an excess of “free trade”. Dumping, for instance, may be “free” but it certainly is not “trade” in the original sense of the word (or in the sense Adam Smith gave it in his *Wealth of Nations*). In other words, it does not correspond to the balance between the market and regulations. The European Union, in its capacity as a major trading power, can and must apply this rationale in order to set a curb on global competition, which becomes “unfair” competition when we agree to eliminate every kind of defense capability too rapidly.

*Let's now turn to political implications in Europe. In this context, the almost inevitable response to the populist challenge seems to be one or another variation on the “broad coalition” theme – the kind of centrist coalition that is capable of countering “anti-system” trends.*

It is worth pointing out that the specter of populism has been skillfully circulated, despite the predictable, crushing defeat of such proponents as Geert Wilders in Holland or Marine Le Pen in France. The underlying problem, rather, is that the pattern is being repeated, albeit with certain differences, in various different countries. At least one-third of our electorates tend to abstain altogether, and political parties are left to compete for the remaining two-thirds. We are not looking at a “silent majority” beating a noisy minority. This was confirmed, for example, by the French election result. Emmanuel Macron won on the basis of an intelligent and pragmatic agenda, but he set out with 20% of the vote. Speaking in Berlin, he quite rightly said that he will not be able to ignore the French people’s “wrath”. He proved both bold and capable (as well as lucky, in view of his rivals’ mishaps), but still, we must not forget that only about one-third of the French electorate actually voted for him. Grassroots fears and impoverishment remain unresolved issues in France as they do elsewhere in Europe.

Germany is admittedly a kind of exception. The euro area's setup works in the major creditor's favor and to its debtors' detriment. But the reasons for Germany's exceptionality are not just economic. They have to do primarily with the solidity of a system that has continued to assign preeminence to its national Constitution over the European Union. Italy has not done so, and indeed there is a specific challenge facing Italy.

*Macron's priority is always going to be his relationship with Berlin. And the Franco-German axis is going to be strengthened with a new coalition government in power in Germany. At the same time, Italy continues to suffer from its structural ills: it will not be easy for our country in this evolving Europe.*

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There are major problems that are common to Europe as a whole. The overall picture is marked by "masses" of citizens who are in a situation of insecurity, and who harbor bitterness and resentment. As Baruch Spinoza once said, "all the conditions are in place for an uprising." The citizens' wrath is easier to perceive on the web, but it is also voiced in myriad other ways in this phase of history reminiscent of Weimar.

The real problem is not today's populism, which we should interpret as a legitimate reaction to a surfeit of elitism. The real problem is the underlying crisis in society, which we are failing to address. The rifts are getting deeper and deeper because economic difficulties are fueling the resentment harbored by those who feel excluded toward those who are benefiting from the system. And society is cladding itself in a fear of innovation and of anything "alien" to it.

Let us turn to Italy. The country has a population of 60 million, some 9 million of whom are left in the lurch, are left behind. This is a huge social problem with appalling consequences. In a kind of tragic symmetry, we have the highest unemployment rate among both young people and seniors. These

problems are particularly acute and here too we can perceive an echo of the past. After the fall of the Western Roman Empire, Italy picked up again with the Renaissance, but that was followed by an era in the sixteenth century of foreign domination. This, in turn, was followed by the mood that dominated Italy in the seventeenth century, with the appearance on the scene of stock characters expressing both the tragic and the comic sides of genuine cultural despair. Today we are experiencing a similar kind of trajectory, only at higher speed. The tragic and comic stock characters are resurfacing.

