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TIMES OF CRUMBLING ECONOMIC IDEOLOGIES IN PARTY POLITICS

This address is prepared for the “Rediscovering Philosophy, Politics and Economics” round table and should only be regarded as a discussion paper on the current trends and developments in party politics related to economic ideologies. It does not intend to answer all questions, but rather to provoke discussion on the logic and tendencies in party politics of many democratic countries. The state of play indicates nothing less than the fact that we could be currently observing the death of traditional economic ideologies. The instrumental and structural need for economic philosophy in party politics is disappearing, in both electoral process and everyday politics. Party positioning is becoming increasingly catch-all.

Modern countries are almost exclusively free market economies. Regional trade agreements, the most-favoured-nation principle of the World Trade Organization, and the path on completion of Economic and Monetary Union are continuously evolving examples of economic integration between capitalist countries. Countries, EU institutions, the OECD and economists throughout the world are seeking answers to perfecting free market systems. Especially since the ideologically and geopolitically driven Soviet communist experiment turned out to be too expensive and inefficient to be sustained eternally a quarter of a century ago.

Therefore, it is fitting to begin with an examination of developments in the party systems of the Baltic countries, as they provide similarities with what the political parties in Western countries are currently experiencing. While Lithuania did experience the emergence of the traditional left-right party cleavage based on economic principles in the 1990s, it started shifting toward “catch-all-ism” in the 21st century.ⁱ At the same time in both Latviaⁱⁱ and Estonia, distancing from social democratic and especially socialist policies secured the birth of different types of party ideologies based on geopolitical and ethnic perspectives. Parties struggling over principles of ethnic relations and geopolitical positioning towards or away from the Russian Federation subordinated the role of economic issues. Hence, their communist past and ideational stigmatisation of Marxism drove the Baltic countries to the neoliberalism paradigm with a rapid transition to market economies. Meanwhile, political parties gradually embraced socio-economically “responsible” rhetoric and became more and more catch-all and personality oriented.

The need for mass mobilisation under the same economic ideology was unnecessary, as the reestablishment of the Baltic states was taking place in society with modern technology and a post-industrial economy. The chosen path of European integration, along with increasing contacts between the Baltic politicians and Western political party representatives caused self-attribution of specific ideological stances among Baltic parties. Specifically, parties’ alignment with European-level political parties to work in the European Parliament after 2004 was a calculated move. At the same time, not all Baltic parties, even those represented in the parliament, have their European

level counterparts. Domestic party politics were based on leaders and electoral “locomotives.” Together with the aforementioned “national consensus” on the open market economy, the popular acceptance of national geopolitical decisions, and preparedness for Europeanisation were the fundamental components of countries’ national interest. The ongoing phase of technological and economic development in both the Baltics and globally, along with the “victory of capitalist system” is pressuring political parties to increasingly position themselves during elections on “everyday issues” – matters of somewhat rather technical nature, such as specific infrastructure investments, fighting corruption, territorial reforms, educational curriculum. Without coherent ideological or philosophical arguments or clear plan, the parties are gaining their voters through form and appearance rather than substance. Many politicians changed their party affiliations and party programs became less and less concrete to avoid inadvertently excluding potential voters.

Turning next to trends in Western democracies, the recent elections in both the United States and in France have demonstrated the new role that leaders play in Western political systems. Demonstrably, established party systems in traditional democracies are gradually taking a similar path to that of the Baltic experience. Emmanuel Macron’s victory without long established party backing and voters support of his leadership demonstrate this important change when classical party careers are no longer needed both from the point of view of the political process and electoral victory. The example of Macron and growth of the *La République En Marche!* party shows that the political party system is facing fundamental changes. The party is seen as the leader’s team, with the leader being responsible for the party members, rather than the party as an institution. Ideological predispositions matter less due to the very same reasons already seen in the Baltic example – there is a general consensus on the economic system and economic adjustments made on the basis of the economic state of the country and societal needs at a particular period of time. Namely, when greater social expenditure can be afforded, greater expenditure is promised and provided. When austerity or investments in specific sectors are required, policies and arguments supporting those will be provided.

This is especially visible in case of the election of Donald Trump when economic ideology (although somewhat in lines with classical GOP approach) or a coherent policy position proved nonessential for voters. Specific issues and individual topical promises for each and every group turned out to be more acceptable than the conceptual and ideologically driven position of other candidates. Moreover, the pressure that Trump’s candidacy put on the Republican Party indicated that the trend of economic ideology and argumentation had lost much of its relevance during the elections. Leadership capacity and charisma became more important than party lines or economic ideologies. Specific topics and issues that are on the current agenda are more important than overall positioning. Addressing the wishes of groups and people that feel excluded has proven more important for political success than general ideologies and principles.

Thereby, economic ideologies will continue to diminish in importance for parties due to their intellectual complexity, specific problems being closer to voters and technical options. Intellectual complexity defines economic ideologies. It is unreasonable to expect the kind of conceptual thinking around the ever-increasing complexity of economic, fiscal and monetary policies from non-professionals in political science or economics. The argumentation of economic policies in the public domain is becoming increasingly complex due to the constant creation of new terms, new principles and new

points of focus. Moreover, the arguments tend to show discrepancies, not only with the basic economic knowledge of a typical voter but also with voters' concentration on their personal socio-economic situation and problems.

This leads to the second argument – that specific personal problems are ever closer to voters. The basic economic and political knowledge that has been universally provided by general education in democratic countries allows people to accept the general consensus on the economic system and political system. Meanwhile, immediate issues and urgent topics matter much more to them. Emotional attachment and the actuality of the problem that is on current agenda are more graspable than economic or political ideologies. Particularly if easy to understand emotional issues like immigration and religious relations are discussed. Migration and personal security issues are clearer than fiscal stabilisation, macroeconomic prudence, quantitative easing and productivity principles. Hence the appeal of one-man-party examples like Geert Wilders or the many populist, catch-all, Eurosceptic or extremist parties that have gained momentum in recent times.

This brings us to the final, but arguably most important explanation of the decline of economic ideologies and traditional party structures – technological development. The role and accessibility of internet vehicles like YouTube, Facebook, Twitter and Instagram has decreased the need to use political parties for organisational purposes. Furthermore, economic or political ideologies are no longer needed to mobilise the masses behind a political party. Advertisements on mass media and direct contact with potential voters via social media open new possibilities for individual politicians, shifting the point of focus of each voter to short and impactful messages or audio-visual materials. With the understanding that political party positions do not differ or matter, voters seek concentrated information on each of the parties or politicians of the electoral catalogue.

Finally, a couple of remarks on discussions of globalisation and neo-protectionism must be made to identify the future of the debates on economic issues. While economic ideologies between capitalism versus Marxism fade, the cleavage between neo-classical liberalism (Monetarist school) and Keynesianism will remain a key component of the discussion around the best approach to sustainable economic development. The austerity and growth debate during the European economic crisis defined the new lines along which further discussions in the EU will take place. However, the debate also became too complex for non-economist audiences. The emergence of neo-protectionism in the rhetoric of Donald Trump or even Marine Le Pen demonstrated the appeal of anti-globalisation ideas. Globalisation has created disadvantaged stakeholders, and the arguments of shipping jobs and production abroad is generally understood. In spite of that, international trade is understood as a part of securing peace among countries.

Depopulation and the centralisation of economic activity due to the economies of scale rationale will become more of an issue to be discussed. The same will happen with increasing unemployment and income changes due to robotisation and digitalisation. Increasingly, more voters are seeking state involvement and looking for new leaders to address the growing new tectonic shifts in labour markets. New ideational cleavages will emerge out of leaders debating the new role of technology in economic and social processes rather than classical economic ideologies, lines between which are becoming more and more blurred. Refurbishing old ideas of protectionism and conservatism in both economics and politics is inevitable. Due to the heavy bureaucratisation of

democratic countries, the role of structured policy making and the consensus on capitalism as the default economic system, the discussions on perfecting the liberal market economy will remain dominant in democratic systems and elections. The most obvious example will be the Europeanisation of a specific variety of capitalismsⁱⁱⁱ through the continued integration and codification of Europe-wide supranational economic standards, principles and approaches. And for mainstream parties to match the technique of populist or Eurosceptic parties by becoming catch-all or entertaining in form as a matter of survival.

ⁱ Duvold K., Jurkynas M. (2013), "Lithuania" in S. Berglund, J. Ekman, K. Deegan-Krause, T. Knutsen (eds.) *The Handbook of Political Change in Eastern Europe*, 3rd edition, Edward Elgar Pub: Cheltenham.

ⁱⁱ Cheskin A., March L. (2016), "Latvia's 'Russian left': Trapped between ethnic, socialist, and social-democratic identities" in L. March, D. Keith (eds.) *Europe's radical left: From marginality to the mainstream?*, Rowman and Littlefield: London.

ⁱⁱⁱ Menz, G. (2009), *Varieties of Capitalism and Europeanization: National Response Strategies to the Single European Market*. Oxford University Press: Oxford.