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## **Chapter 4**

### **Populism's Claims**

#### **The Struggle Between Privilege and Equality**

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Who are the 'people' supporting 'populist' leaders and what are their claims? The argument I seek to develop here is that 'populist' mobilisations (of all kinds) are a reassessment of the continued reality of illiberal capitalism and the withering away of the ideological force of the illusion of Enlightenment liberalism and democracy. Hence, rather than focusing on 'illiberal democracy' I will focus on the inherently 'illiberal' aspect of capitalism and on the irresolvable contradiction of the ideological articulation of democracy and capitalism (Crouch 2015; Merkel 2014; Streeck 2015) that has repeatedly produced a 'populist' kind of conflict. Indeed, we find similar anti-liberal and anti-capitalist popular mobilisations scattered throughout European history in the nineteenth century, taking the form either of 'resistance' revolts seeking to preserve rights and duties embedded in obligations attached to privileges of status (Thompson 1971, 1993), and 'transformative' revolutions seeking to establish an egalitarian society.

Although the intellectual lineages supporting these divergent expressions of discontent have tried to maintain a certain ideological coherence and continuity, there have often been overlaps in discourse and claims to precursors as well as crossovers of leading figures (Blais 2007; Canfora 2006; Compagnon 2005; Sternhell 1983) that have been treated

as anomalies. If we look at the actual people, rather than at the discourses of their alleged leaders, we often also find overlaps and crossovers, or similar sociological positions, resentment and demands. When, as social scientists, we speak of ‘exclusionary’ (i.e. ‘bad’) populism as different from ‘inclusionary’ (i.e. ‘good’) populism we are, in my opinion, following the historical intellectual discourse of divergence, positioning ourselves within it or, more often, outside it. However, this moralisation of the practices and discourses that we seek to understand might obscure the actual issues which push reasonable people to mobilise against a particular social system, either seeking restitution of past forms of obligation, or proposing new forms of social responsibility.

In his study on populism, Laclau (2005) has addressed the construction of an identity of ‘the people’ from a discursive perspective in order to explain its emergence as political subject. His structuralist, Lacanian and ontological analysis of populism conceives the concept as an empty signifier, as a concept devoid of ideological content and material substance, that enables a positional dichotomisation of the social field through the logic of equivalences of particular units of ‘social demand’ (a lack of fulfilment of ‘democratic demands’). In contrast, my perspective is concerned with content, rather than form. It is interested in practice rather than signification, and in the substantive motivations—both material and discursive—that push various agents (individual, collective, corporate, institutional) to action when confronted in a struggle for resources that they value differently. In so doing, I wish to explain the field of forces of a kind of popular mobilisation that is not amenable to suitable forms of political expression within liberal democratic pluralism. Three vectors of tension will guide my analysis of the paradoxical entanglement of liberalism and capitalism: wealth / power; freedom / dependence; and equality / privilege which will be the main focus of attention. Empirically, this reflection is grounded in the emergence of so-called populist mobilisations and parties in Europe, especially in the wake of the austerity measures

that have been imposed by governments of allegedly different political persuasions, but it will probably resonate with similar processes in other regions of the world.

### **Liberalism: Wealth, Power, and Freedom**

The meaning of populism as a concept relates to liberalism in a straight forward manner, in particular with a brand of liberal politics described as pluralist and parliamentary (i.e. groups with different views and interests resolve conflict through debate) and directly opposed to revolutionary transformation. The day after the 18 Brumaire (9 November 1799) coup d'état of General Bonaparte, Barère de Vieuzac, whose political life would span from being a Deputy of the Third Estate in the Estates General of 1789, a member of the Comité de Salut Public with Robespierre, a member of the Council of Five Hundred under the Directory, to finally being a royalist member of Parliament in 1815, wrote to Bonaparte the following: 'Revolutionary ideas are worn out, reactionary ideas are odious, the only space left at present is for liberal ideas'<sup>1</sup> (in Canfora 2006: 103). What this meant has to be understood in the context of the war that absolutist regimes in Europe waged against revolutionary France. While the Revolution had been a fight for freedom from any kind of privilege and dependence (especially during the Convention), a constitutional monarchy with a representative parliament could provide a 'third way' in the manner of the English and American revolutions.

Representation, however, was the key to exercising power through legislation, and neither the vote nor the capacity to become a candidate was open to all. As Bauman points out: 'Freedom was born as a privilege and has remained so ever since. Freedom divides and separates. It sets the best apart from the rest' (Bauman 1988: 9). Parliamentary regimes, while positing equality before the law, defined the privilege of representation (i.e. the power of making law) in relation to freedom as opposed to dependence and as measured, among other criteria, by wealth. Indeed, those who held positions that made them dependent on others

(e.g. women, domestics, and those who did not possess sufficient wealth) were not free to vote or be candidates, and hence to yield power in Parliament. As C.B. Macpherson describes in his *The Life and Times of Liberal Democracy*, 'the extent and genuineness of the franchise became the central question' of a system of representative parliamentary government that would suit a capitalist society that linked protection of its citizens from insecurity to maximisation of wealth (Macpherson 1977:34). Enfranchisement of the masses through universal suffrage was seen as a danger to private property, the central tenet of the system. Therefore, many kinds of exclusions were deemed necessary to the democratic franchise (based on gender, age, education, wealth, taxation, etc.).

As the nineteenth century progressed and the working class became articulate, organised, and combative, drawing them into active participation in government through the vote became a necessary transformation in order for the system to survive (Macpherson 1977:51). Still, the danger that the more 'numerous class' would take power and legislate in its own favour, compelled Stuart Mill to propose that the 'smaller class' should have several votes, so as to balance their interests (Macpherson 1977:57). Thus the issue of enfranchisement, tied to that of representation, was understood as being at odds with the requirements of capitalism by the founding theorists of Liberal Democracy.

Rousseau ((1762) 1966) moreover had pointed to the problem of representation as being a transfer of sovereignty and an acceptance of servitude concealed in the free act of election. Hence the will of the people (general will) was not present in the Parliament, only the will of those elected, a privileged minority. Rancière (2017:16-17) points to a similar issue: experts, technocrats, experienced politicians are up for election 'Representation has become a trade exercised by a class of professional politicians who, basically, self-reproduce and validate this self-reproduction through the specific form of people it produces, namely the electoral body'.<sup>2</sup> The legitimate representatives of our liberal parliamentary democracies

produce a hierarchical logic of power. It is therefore outside the representative system that 'an egalitarian people in movement'<sup>3</sup> can emerge and the will of the people can yield power.

For Rancière liberal democracy configures 'the people' in a restricted and formalised manner tied to the illusive identity of representation, but so does the 'populism of the left' which creates an image of a 'substantive and suffering people despised by the elites that finds its expression in a force that represents it authentically and a leader that incarnates it' (2017:67). This kind of antagonism remains trapped in 'two forms of inequality' and Rancière concludes: 'However the problem is not about the opposition of groups, but of worlds: a world of equality and a world of inequality'<sup>4</sup> (2017:67). I wish to take this insight seriously and place (in)equality as the issue of contention as it compounds both the force and the potential weakness of popular forms of mobilisation in present-day Europe.

In contemporary liberal democracies wealth and power are supposed to be separated, articulated only through regulation whose main purpose is to create a stable juridical context that will enable agents in the market to operate freely. Conversely market 'forces' are supposed to operate independently of power structures as long as these do not interfere. Collusion between the realms of 'power' and 'wealth' is considered a problem. When wealth holders lobby or bribe power holders it distorts the market's competitive basis. When power holders submit to wealth holders' interests, they produce privilege often inscribing it in law. As we know historically and experience continuously (and the example of Trump as President and billionaire entrepreneur is paradigmatic) this is not so: liberalism is about the blending of wealth and power under the auspices of 'freedom', but a 'freedom' which is a privilege tied to wealth (instead of status), a privilege which itself would seem to accrue from a principle of liberation: money (Reddy 1987).

It is well known that the French Revolution abolished privileges that were directly relevant to wealth-making: the privilege of the corporations and guilds (freeing work and

entrepreneurship); the privilege of kinship ties (freeing dependents from paternal domination); the privilege of seigniorial jurisdiction (freeing subjects from the lord's dominion and the fiscal dues attached to it); the privilege of entailment (freeing land from its attachment to lineages, the Church or the commons). These were all processes of disembedding the economy, in particular as it affected the circulation of factors of production, from various kinds of obligations that sustained livelihoods unequally within a framework of hierarchical relationships (Polanyi 1971; Thompson 1971, 1993). Politically this was related to a 'productivist' idea of wealth that would put to work 'idle' lands and hands to the benefit of the nation's power. However, as already Rousseau ((1754) 1965) and later Marx pointed out ((1844) 1959), those freedoms rested on a privilege that became the basis for the new liberal institutionalisation: that of private property attached to the sole individual who had absolute rights of alienating it. This included property of the self (as individual enfranchisement) which was ideologically considered the grounding of the entire social system. Indeed, private property appeared as a derivate of individual effort (Locke 1980 (1690)) and, hence, equally open to all in theory, while simultaneously material wealth created the individual as 'free' from dependent ties and politically 'equal'.

How did the liberal illusion work? William Reddy (1987) has presented an interesting argument that builds on Marx's point that the 'free' worker is both the sole owner of his labour power, and is 'freed' from any other way to make a living than that of selling its use through contract. What Reddy presents as crucial, however, is the pervasive fact of 'exchange asymmetries' that the liberal illusion of market equality obscures, an illusion grounded on the concept of money as universal equivalent in market exchange. The idea of exchange asymmetries is different from that of 'unequal exchange' in that it is based on the actual use value (referred to culturally embedded livelihood needs) of what is exchanged for the different parties, not on the unequal exchange value of a transaction (Reddy 1987: 66-67). As

a universal medium of exchange, money appeared to dissolve privilege asymmetry in social relations of production: 'exchange asymmetries could be wished out of existence' (Reddy 1987: 78); 'relationships were actually between two equal parties freely exchanging money equivalents' (Reddy 1987: 80). But obviously the stakes that each party had in the transaction were different and were tied to its capacity to endure outside of the proposed relationship, a situation which had to do with the wealth, power and support networks available to the parties. In fact, it had to do, centrally, with the possession of property, privilege and embeddedness. The liberal illusion of freedom of factors of production and of money as a universal equivalent imposed an alleged calculative reason to exchange and obscured existing embeddedness and privilege in transactions. It was also the central tenet describing capitalism as a liberal system based on competitive exchange. A calculative reason that will extend to a form of calculative politics, a technocratic, unpartisan, neutral rule, guided by abstract principles and disembedded obligations.

The liberal illusion did not go unchallenged and the revolts and revolutions that shook nineteenth century Europe are an expression of how the un-privileged opposed a regime that did not favour them. These popular protests sometimes appeared as definitely anti-liberal, seeking to reembed social obligations in their hierarchical and exploitive albeit responsible webs of privilege (e.g. the popular support for the traditionalist revolts in Spain and elsewhere, Millán 2000).<sup>5</sup> At other times, popular protest appeared as anti-capitalist pushing the drive to equality to its limits by proposing the abolition of the ultimate privilege: private property (e.g. 1848, 1871, and 1917 revolutions). This egalitarian popular mobilisation, however, also sought to reconfigure embedded obligations through forms of social responsibility and cooperation. In sum, claims to subsistence and to recognition drove popular protest in two fundamentally different routes, one seeking resources through rekindling privileged links with wealth and power holders, the other seeking resources

through the ultimate realisation of social freedom, equality, and collective responsibility. Both routes were repeatedly co-opted or repressed at best by the forces of 'liberal' illiberal capitalism and representative democracy, and at worst by dictatorial regimes mostly supporting various forms of illiberal capitalism as well.

The strength of the liberal illusion has endured as long as the system provided the conditions of possibility for the extension of power / wealth privileges to the population, and legislation upheld the separation of wealth and power, while constraining the privilege of wealth, mostly through redistributive policies, anti-monopoly law, and equality before the law. Obviously, the era of democratic pluralism in Europe and the West, was predicated on world system dependencies of an uneven capitalist 'development' which was often incompatible with democratic expansion (Amin 1993: 61).

When 'democracy' has been pegged to capitalist expansion (e.g. in Latin America, in post-socialist Central Eastern Europe) it has legitimised foreign intervention while generally been restricted to formal electoral participation in what has been defined as 'low intensity democracy' (Gills et al. 1993). More recently, forms of NGO development of 'social capital' projects supported by international agencies such as the World Bank have introduced an aspect of local participation often reconfiguring new kinds of embedded dependencies that challenge liberal democracy ideals through the extension of neo-indigenist power systems, albeit often reproducing neo-liberal rationalities (Bretón Solo de Zaldivar 2006; Gledhill 2005). However, what has become increasingly obvious in the present globalised economy, is that nation-states and their elected representatives, the political spaces of liberal democratic legitimacy, have lost all economic sovereignty and hence the ability to respond to the 'will of the people' who vote them into power.

## **The Project of Europe: Democracy, Capitalism, and its Transformations**

After World War II (WW II) the aim of a peaceful future between the nations of Europe became synonymous with economic integration, centred on the creation of an *open market for Coal and Steel*. The Schuman declaration (9 May 1950), considered as the founding bloc of the European Economic Community (1957), proposed:

The pooling of coal and steel production should immediately provide for the setting up of common foundations for economic development as a first step in the federation of Europe (...). The solidarity in production thus established will make it plain that any war between France and Germany becomes not merely unthinkable, but materially impossible (Schuman 1950).

An additional aim was '*the equalisation and improvement of the living conditions of workers in these industries*' (Schuman 1950, emphasis added). Therefore, while the creation of an open market in coal and steel, regulated by a High Authority, aimed at limiting national intervention in these markets for the common good of attaining durable peace, this free-market aspect was often overpowered by the national preoccupation with full employment and wealth redistribution needed to control class unrest in the context of the cold war. As Maier has put it for post WW II Europe: 'In the last analysis, the politics of productivity that emerged as the American organising idea for the postwar economic world depended upon superseding class conflict with economic growth' (1977: 629; see also 1981). The result was a political economic system based on the Keynesian Welfare State or 'embedded capitalism' (Harvey 2005; Jessop et al. 1984).

Thus, in Southern European countries emerging from dictatorships in the 1970s (Portugal, Spain, Greece), the imaginary Europe (then still the EEC) that working people sought to join was one where democracy—understood as equal rights—and increased welfare—understood as the expansion of economic equality—were the basis of integration

and convergence. What workers had experienced as immigrants to northern European countries in terms of social services and consumption possibilities, but also in terms of free unionisation and freedom of political expression would be imported to the young democracies in the south. But democracy and Europe were tied to economic policy, and the conditionalities of access to the EEC resulted in deindustrialisation and a reconfiguration of agricultural production which transformed the livelihood opportunities of many in southern Europe. These transformations, however, came hand in hand with desired liberal democracy and with European funds that would create the means for the economies to become 'productive' and 'competitive', that is, 'modern'. This would result in 'growth' and generalised wellbeing through redistribution, which would propel southern nations to an equal position with northern European ones. Hence, people were happy to make the sacrifices these transformations entailed (Narotzky 2016a).

Representation through elections and equality in front of the law were highly prized by workers, and some got elected. But privilege had not disappeared. In Spain, large infrastructure works undertaken with European funds after the transition were generally adjudicated to large companies who had been privileged under (and supporters of) Franco and had strong (often kinship) connections with those in power. In conservative parties, the lineages of electable representatives go far into the Francoist or even deeper traditionalist anti-liberal past (e.g. Carlism). Most parliamentary deputies after the Transition (even those in the social democratic parties of the left) became staunch supporters of capitalism, of (de)regulation, and have practiced 'revolving doors'. Spain has indeed become an export-led economy, extremely competitive in international markets (in food production, tourist service, and infrastructure construction) albeit generally through garnering an 'edge' through personal contact with those in power. This is not an exception of a particular, historically tainted country with an undemocratic past. Indeed, one of the first acts of the Trump

presidency was to repeal the Securities and Exchange Commission rule that aimed to reduce bribery and corruption of companies dealing with foreign countries (especially extractive industries).

The dream of equality in Europe was short lived. The Social Market Economy was initially an ordoliberal project tempered by social security provision aimed at establishing a free competitive market that would prevent extractive monopolies and the domination of a plutocratic elite. During the 1980s the project was progressively transformed into a new kind of global neo-liberal cum monopolistic system where fierce competition occurs in parallel to strong oligopolies (Crouch 2015). Indeed, global competition shifts jobs to countries with less regulation (labour, environmental), creates high unemployment in the areas of stronger regulation, and slashes wages and labour rights. It sets smaller firms to compete with each other in a despotic neo-liberal space while large transnational corporations shop around for spaces of privilege to benefit from corporate tax cuts, tax avoidance and evasion, and crony capitalism. Increasingly, profit is provided by rent in FIRE, extractive, knowledge, and platform capitalism forms (Henni 2012; Hudson 2012; Standing 2016).

Surplus value from production, however, is often also of a 'new' kind as labour is exchanged below its value in the market, obtained through unfree labour forms more akin to labour service that rely on strongly embedded personalised connections which often bypass or resignify contract. This evidences a systemic duality where big corporate firms strengthen monopolies while labour and small firms are subject to savage competitive environments. If today the domain of the political is being reconfigured both symbolically and physically it is in relation to a new kind of political economy which comprises multiple scales of illiberal practice thwarting equality and promoting new forms of privilege.

Although monopoly capitalism has always been acknowledged as a reality, it has generally been considered an anomaly to 'pure' capitalism, which flourished in competitive

markets. Because of this assumption, the multiple forms of capitalism thriving on unfree factors (e.g. bonded or slave labour, imperial privilege of commerce, patents, etc.) were considered transitional to 'pure', 'free', liberal capitalism (e.g. protectionism as a backward policy based on preserving the privilege of particular groups of producers), often explained as part of the evolutionary aspect of capitalism, a reward to innovation (e.g. patents) and 'productivity' that pushed the market's competitive objective ultimately resulting in better distribution. Freedom and capitalism went hand in hand, and this has been the slogan of the 'free world': you get capitalism and you get freedom, meaning liberal parliamentary democracy as political freedom, and vice versa. But we know this is not the case, and perhaps the dictatorship of Pinochet in Chile is a recent example, but historically we have innumerable examples, not least in Southern European countries in the 1960s where dictatorships soon became an expression of illiberal capitalism a reality that the promise of Europe and democracy was expected to transform.

### **Popular Mobilisation in Spain: Indignation**

During the Indignados 15 of May movement in 2011, in Spain, the people's assemblies in Acampada Sol-Madrid and Barcelona-Plaza de Catalunya gathered demands and suggestions from participants. In Barcelona, the demands agreed by the general assembly were ranked by order of importance as follows: No privileges for politicians; No privileges for bankers; No privileges for big fortunes (the Rich); Dignity in salaries and quality of life; Right to housing; Quality public services (especially Health & Education); Liberties and participatory democracy; and the Environment.

In Madrid, the Acampada Sol accepted suggestions from participants for several months. It received some 14,700 (fourteen-thousand seven-hundred) contributions that were subsequently organised and analysed. The most recurrent claims, with over 600 mentions,

were 'suppression of political privilege', 'reform of the election system', and 'control of corruption'. This was followed by demands for public education, better labour conditions, and financial regulation.

The main focuses of those participating in the popular assemblies were: undue privilege, economic welfare and social rights. They underscored the political within the economic. They discredited the view of a purely technocratic tackling of the 'economic crisis'. They questioned the (neo-liberal) discourse that the state's intervention in the economy should be minimised if an optimal allocation of resources was to be achieved. But they also challenged the perception that, in the post-1980s political economic conjuncture of Europe, the state had effectively rolled back, that it was 'intervening' less (Peck and Tickell 2002). On the contrary, the state was perceived as pervasive in its 'business friendly' regulations while clamping down on socially redistributive and labour protective practices. It operated on behalf of a small constituency of individual and corporate wealth holders. Nowhere was this collusion more obvious than in the bailing out of banks, the endless corruption scandals and in the double standard regarding taxation and tax avoidance sanctions.

Each of the three issues highlighted in the assemblies (undue privilege, economic welfare and social rights) presents a different angle of the articulation of political power and economic power and how it affects ordinary people. It points to the tension between the liberal ideology of freedom from statutory dependencies and individual equality (the alleged aim of liberal democratic polities) and a pervasive illiberal practice that defines communities of privilege and produces barriers to entry against competitors. 'Indignation' also underscored the issue of reclaiming dignity and equal worth against an experienced reality of hierarchy and daily disregard. There was a structure of feeling that was making its voice heard, a form of immediate struggle against the consequences of the financial crisis and austerity as it affected ordinary livelihoods (Narotzky 2016b; Williams 1989).

In the European Union, the political discourse of mainstream parties (social democrats and liberal conservatives alike) had stressed the liberalisation of the market, free trade and labour deregulation as a path to growth and wellbeing. As we know, the liberal argument of market freedom comes in the same package as individual equality: in theory, stripped out of privilege and outside intervention, the market would be an equaliser, facilitating access to needed resources at the lowest cost, and thus expanding welfare in the long run. However, as ordinary citizens experienced the privilege of wealth and power holders together with increasing dispossession of their means of livelihood, the role of existing liberal parliamentary democracy and elected representatives was put into question. 'They do not represent us!' was a famous slogan of the Indignados 15-M movement. Hence the lack of representative legitimacy in actual existing contemporary democracy came to the fore and underlined the original contradiction between the alleged franchise of liberalism and the founding privilege in capitalism.

The Indignados 15-M popular mobilisation did assert the importance of the 'social question' and it was centrally concerned with issues of exploitation, domination, discrimination, and the environment as Chantal Mouffe (2018) has recently defined 'Left populism'. It was also traversed by affect as one of its moving forces but it did not as yet self-identify as 'populist'. Indeed, the leaders of Podemos, the party that has claimed for itself the affect of the original mobilisation, had a highly crafted theory of politics based on Laclau and Mouffe's writings, in particular on the idea of building 'a people' around the chain of equivalences that would unite diverse demands (Laclau and Mouffe 1985). The idea and language of class transversality—of going beyond sociological realities—and the refusal of positioning the party in the left, was an intellectual discourse of the leadership, at least initially. The horizontal opposition between right and left ideologies was declared obsolete and Podemos vindicated a form of populism that opposed 'the people' to 'the caste' or

oligarchy. However, rather than falling into nationalist and xenophobic arguments it sought to expand entitlements and confront neo-liberalism with what were the traditional instruments of the left: regulation, progressive taxation, redistribution, and a social state (Navarro et al. 2011). A discredit of traditional parliamentary democracy fostered by corruption and by its failure to care for citizens, colluding instead to impose ‘austerity’, supported the reframing of conflict into a vertical confrontation of the people against the establishment, although this appeared as a tactic to get hold of power through the traditional electoral system. Recently, a split within the leadership of Podemos, between Iñigo Errejón—whose attachment to Laclau and Mouffe’s theories is resilient—and Pablo Iglesias who has shifted to a more traditional left position, has resulted in a withering away of the ‘populist’ tag of the party, although it is still used as a derogatory disqualifying description by political opponents.

### **Breakdown and reembedding of trust: the claim for entitlements**

The failure of Western governments (of different persuasions) to care for citizens who are coping with job loss and fiscal austerity policies appears as a breach of trust. It makes the state, its institutions and its representatives responsible for the breakdown of working people’s expectations of improved wellbeing. At the same time, collusion of financial capitalism and large monopolistic firms with political agents has become blatant, a situation which has resulted in presenting the political establishment as the handmaiden of capitalism or, more specifically, ‘banks’, ‘the rich’, ‘the billionaires’, and so on. The discredit of liberal parliamentary democracy fostered by collusion, corruption, and revolving doors rewards for complacent retired politicians, has eroded faith in electoral representation. The saying is that ‘politicians are all the same, whatever their party’, ‘they never fulfil their campaign promises’ and, as the Indignados in Spain (May 2011) chanted ‘they do not represent us’.

These seem to be the more evident expressions of a growing mistrust of a political system that gives power to those that, fundamentally, do not care about whom they purport to represent. Popular outrage at how democratic governments have destroyed common people's livelihoods by imposing austerity, and mistrust in 'the system' is expressed through different popular mobilisations and political agendas, albeit with convergences between them, such as the struggle to reembed economic relations and to enhance proximate responsibility. As trust in democratic existing institutions fails, trust channels shift to personal relations, precisely those that liberalism allegedly abolished but in fact retained in the form of illiberal capitalism and privilege for the propertied.

We are witnessing the collapse of Enlightenment values that produced the political environment of liberalism and modern parliamentary democracies. This often results in an anti-liberal rather than an anti-capitalist revolt, although the case of Podemos in Spain seems to be clearly positioned as an egalitarian and redistributive attack to neo-liberalism (see also Stavrakakis and Katsambekis 2014, on Syriza). As I pointed out at the outset of this article, these were the two main routes of confrontation with the disembedding and dispossession forces of nascent capitalism. In the face of illiberal capitalism (not a novelty but now increasingly obvious to many in the West who had been relatively protected within the world system), that is, in the face of the recurrence and inscription of privilege of wealth and power holders, popular claims try to reembed responsibility through claims to parcels of privilege within the existing hierarchical structure, rather than seeking to eliminate the grounds for hierarchy: the privilege of private property and of unequal power. This is accomplished through claiming particular privileges of deservingness that underline differences instead of equality. In this expression of outrage at the existing shortcomings of liberal democracy in constraining the workings of illiberal capitalism, affects are also mobilised in the name of 'a people' which feels it has been abandoned by those whose responsibility it is to protect.

Protection here is about fencing against the encroachment of others whose difference excludes them from the 'people'.

Difference is increasingly conflated with identity (national, ethnic, religious, etc.), essentialised, and understood in terms of socially predefined privilege groups instead of as a result of historical and material struggles for making a living or capturing surplus and power (Kalb 2009). In this exclusionary form of populism, the value of difference shifts from being understood as an obstacle to needed resources (expressed in struggles for equal rights of access) to being perceived as a possible avenue to needed resources. These shifts in people's argument for making claims respond to the present-day conjuncture but not in a manner totally unprecedented. There are material and ideological reasons for it: (1) the delocalisation of industrial production, the fragmentation and volatility of livelihood practices, the distancing of commodity chains, the rise of financial and rentier capitalism; (2) the postmodern rejection of 'grand narratives', the rise of cultural relativism, the erosion of equality as a political concept and the multiplication of exceptions as the grounds for redistributive justice; and (3) the contradiction, in practice, of the liberal entitlement to equality and the effective reproduction of inequality and privilege. Politically, this last contradiction was made palatable and acceptable during the Keynesian Welfare State (KWS) period because of formal equality before the law, and because of the avowed objective of providing equal opportunity to competing individuals, mostly through ensuring access to education, while eliding the objective of equality of outcome. Neo-liberal policies and practice have enhanced the contradiction instead of concealing it.

### **Conclusion: Illiberal Capitalism, Liberal Democracies, and Populism**

Is competitive pluralism (e.g. what the elections represent) the symbolic anchor of liberal democracy? Is tolerance to difference inherent to liberal democracy? Pluralism expresses political competition in an open arena akin to market competition. It accepts or tolerates

different projects but this is premised on an (economic / political) Darwinist idea that the best (project) wins. Hence the anchor of liberal democracy is not tolerance but the competitive process that leads to the natural disappearance of less successful opponents in the short or long term (e.g. the celebratory and self-righteous discourses of liberal democracies after the 1989 fall of 'socialist' polities!). This political pluralist Darwinism states the righteousness of the elimination process of other projects (in the name of progress, civilisation, development, etc.) (e.g. TINA), a process that mirrors the liberal competitive market model.

How can we explain the relevance of 'cultural' and 'national' arguments in many present-day populisms? Liberal politics is allegedly a project based on making cultural difference irrelevant (often by force) and having citizenship replace other forms of attachment (guilds, entailments, kinship, etc.) making them irrelevant to the governing powers (although this is never completely the case). This un-differentiation of subjects is based on a technical device: contract and therefore on 'the rule of law'. Subjects are no longer ascribed to the ruler through national, religious or historical traditions (e.g. the Austro-Hungarian empire and its nationalities), but by a rational and allegedly voluntary act of association (e.g. this voluntary citizenship system was active for a few short years after the French Revolution, during the Convention). Liberalism is based on individual rights not collective rights and this has been a problematic issue for liberal multiculturalists (how to uphold both simultaneously) (Kymlicka 1996).

Pluralist liberal democracy is being presented as the opposite of populism on two grounds: (1) its pluralist openness to other political projects (e.g. the open society) and (2) its superior character based on the equality of the individual citizens before the law. Populism, instead, allegedly forecloses pluralism, creates bounded societies and reclaims the superiority of the embedded aspect of belonging (not any longer an abstract 'imagined community' but a very real corporatist entity). I would argue that the shift from the political Darwinism of

pluralist liberal democracies to the illiberal populist Darwinism of exclusionary nationalisms and hierarchies of deservingness mirrors the larger transformations in present-day capitalism, and in particular the heightened tension between competitive and monopoly forms of surplus extraction.

Capitalism has always combined an ideology and a practice of competition with the continuous objective of reaping monopoly rents and limiting competition through diverse forms of political leverage. Moreover, these two processes have generally characterised the environment for different kinds of actors in relation to their power to set the rules of the game, in particular their leverage with rule makers and enforcers. The greater the power they can yield the more privilege they can obtain and the less competition will affect them. This is true for firms but also for labour as powerful unions and professional guilds evidence through the creation of internal or protected labour markets.

It seems to me that this is relevant for the populist debate. Neo-liberal ideology recurrently voices the idea of individual and corporations' freedom from state interference as the objective of a 'pure' capitalism. On the contrary, we are witnessing today a move toward an illiberal form of capitalism that only briefly seemed to recede during the KWS period. In it, the state is a major player in the regulation of privilege for economic actors. The state produces privileges for big corporations and 'the rich' instead of increasing equal opportunity by redistributing assets through public services. This negates in practice both the liberal ideology of citizenship equality and the postulate of freedom from state intervention. Indeed, it encourages the creation of status groups and brokerage networks that promote inequality and dependency.

Two consequences should be highlighted: (1) Competitive market frameworks are selectively enforced on powerless actors while monopoly privilege is increasingly instituted for the powerful; and (2) Actors are shifting from labour/capital (class) struggles to struggles

for privilege that simultaneously decry and design boundaries of inclusion and exclusion of access.

Less powerful actors experience and understand this new reality of an increasingly illiberal capitalism as a betrayal of the liberal democracy promise of equal opportunity that prevented privilege and enhanced consumption possibilities through market capitalism. As these promises are not being kept, people address contradictory claims to the state. On the one hand, the elimination of privileges of the powerful economic actors (e.g. banks, the 'rich', corrupt politicians). On the other hand, the protection of personal identity rents (the creation of deserving hierarchies, i.e. privilege) through the exclusion of immigrants' entitlements and the closing of borders.

The difference between 'exclusionary' and 'inclusionary' populisms rests on the way leaders and organic intellectuals of popular mobilisations tilt the balance of claims against really existing liberal democracy and illiberal capitalism. The main difference rests in whether they seek redress through pushing equality towards its actual realisation as so called 'Left populisms' of the Podemos kind seem to be doing, or through obtaining grants to some form of privilege as so called 'Right populisms' in other parts of Europe are doing. These two routes taken to confront the exploitation, domination and dispossession processes of capitalism in its ever-changing forms are very different, as a long history demonstrates. Both, however, seek redress against technocracy through the reembedding of political responsibilities within a logic of mutuality and social care.

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<sup>1</sup> 'Les idées révolutionnaires sont usées, les idées réactionnaires sont odieuses, il n'y a désormais plus de place que pour les idées libérales'

<sup>2</sup> 'La représentation est devenue un métier exercé par une classe de politiciens professionnels qui, pour l'essentiel, s'auto-reproduit et fait valider cette autoreproduction par la forme spécifique de peuple qu'il produit, à savoir le corps électoral'

<sup>3</sup> 'un peuple égalitaire en mouvement'

<sup>4</sup> 'Or le problème n'est pas d'opposition des groupes mais des mondes: un monde de l'égalité et un monde de l'inégalité'

<sup>5</sup> Lenin (1895) defines (and critiques) the aims of the 'populists' in Russia for idealising the 'Peasant community' and its pre-capitalist order in opposition to the development of capitalism and competitive individualism, and for rejecting Enlightenment ideas of individual freedom. Lenin's main critique was that populists disregarded the effects of capitalism in Russia, its contradictions, and its connections with contemporary peasant communes, as well as the potentially positive aspects of progressive bourgeois ideologies of freedom and equality.