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The Price of Power

Give me a balcony and I will become president.
José María Velasco Ibarra, five time president of Ecuador

To govern through a party is sooner or later to make yourself dependent on it.
Napoleon Bonaparte[1]

THE POLITICAL MARKETPLACE

In November 2020, Donald Trump became America's first one-term president for nearly three decades. True, he didn't vacate the White House without an ugly fight, and American politics have probably been left more polarized as a result of his presidency. But, even if only just, the American electorate delivered Trump a rebuke that is unusual in recent political history. In the postwar era, George H. W. Bush, Jimmy Carter, and Gerald Ford are the only sitting presidents to have lost their bid for reelection. Before that, we'd have to go back to Herbert Hoover's Depression-era loss to Franklin Delano Roosevelt in 1932. One interpretation of Trump's defeat might be that Americans got to have a good look at what populism has to offer and said "thanks, but no thanks." Another is that despite a catastrophic twin public health and economic crisis that would normally have devasted an incumbent's reelection hopes, Trump only lost by the narrowest of margins, with more votes than any losing presidential candidate in history. It could well be, in other words, that whatever kind of politics he represented is here to stay.

Was the Trump presidency just a blip best consigned to the history books? Or was his election the harbinger of a more fundamental shift in politics in America, and perhaps, beyond? To answer these questions, we need to better understand why populists like Trump are successful in the first place. And to do

that, this book proposes that we should follow Trump's lead and think less like political philosophers and more like CEOs. Populism, as I see it – and as I think Trump would see it too – is not a set of moral values or specific policies, but a low-cost political strategy based on direct communication with voters. This strategic approach to understanding populism may not be everybody's cup of tea. But what we'll see is that it provides a parsimonious explanation for when politicians will use populism to win and keep power: Populism will be most prolific when it is a more cost-effective strategy than its alternatives.

In June 2015, when Trump made his way down one of the lobby escalators at his eponymous New York skyscraper to announce his presidential candidacy, I was pulling long hours trying to finish up my first book on populism. Populism in the economically advanced West wasn't my main focus back then, but this potential bit of political theatre had my interest piqued. What could Donald J. Trump – real estate magnate, celebrity game show host, propagator of the Obama "Birther" myth, a man with zero experience in government – possibly say to make himself look like a viable presidential contender? As he labored through his speech, there was little on show to convince me that I was watching the future Republican candidate, never mind the future president. He had neither the easy, folksy charm of a George W. Bush, nor the infectious optimism of a Barack Obama. Trump was pugnacious. He was dark; nasty, even. In his heavily improvised speech, he painted a world of economic desperation, looming terrorism, and rising crime. He called Mexicans rapists and promised to build a wall to keep them out. All politicians like to talk about their accomplishments, but Trump's self-puffery smacked more of insecurity than authenticity: "I'm really rich, I'll show you that in a second," he said.[2]

This combination of negativity and braggadocio hardly seemed likely to win him many supporters. Unsurprisingly, the mainstream media lampooned his controversial – and frankly inarticulate – speech. However, it was precisely because what Trump said was so outrageous, so beyond the pale, that his candidacy would become such a sensation. Trump was portraying himself as the outsider, the man on horseback, who would fix a broken political system. Trump would be the *anti-politician*. He launched into the Democrats, of course, but he didn't have many kind words for his own party either. He set out his stall against a political establishment he said was failing the people on trade, on immigration, on jobs, and on security. "How stupid are our leaders? How stupid are these politicians to allow this to happen? How stupid are they?" he said.

Trump beat this antiestablishment drum again and again on the campaign trail over the next fifteen months, turning the liability of his total lack of experience in government into an asset. Made for the Twitter age, Trump had – and has – a way with one-liners. He fired off epithets for Republicans and Democrats alike: "Liddle Marco" (Rubio), "Low energy Jeb" (Bush), "Lyin' Ted" (Cruz). He dispatched Kentucky senator Rand Paul at the first televised Republican primary debate with a summary shot of condescension:

"You're having a hard time tonight," he said. When Rubio and Cruz retaliated, the latter suggesting links between Trump and the mob, and the former repeatedly calling Trump a "con man," the maestro of insults had the perfect comeback for an age of mass distrust in the political class: "They can say what they want; at the end of the day, they're just *establishment* guys." Goodbye Rubio and Cruz. "*Establishment*" former Republican governor of Ohio, "1 for 38" John Kasich, got the same treatment. The objections of Republican Party operatives and conservative public intellectuals under the Never Trump banner bounced off the Trump juggernaut like BBs from the hull of a Panzer. "Crooked Hillary" Clinton, the consummate beltway insider, was the perfect foil for his marauding campaign.[3]

Trump's policy agenda was notoriously vague on details and his campaign lacked the sophisticated "ground game" of more seasoned candidates. Yet his trademarked pledge to Make America Great Again resonated. Although it later emerged that his campaign spent millions of dollars on a social media operation developed by the consultancy firm Cambridge Analytica, the bread and butter of his bid for office was the old-school mass rally. Trump's rambling, parenthetical speeches are made to be seen and heard in the flesh, not read in a press release. Even though Trump trailed Clinton in fundraising, he held twice as many rallies as she did, often in the kinds of less densely populated places neglected by other candidates. Donning their red baseball caps, Trump devotees chanted in support of his pledges to "Build that wall!," to "Drain the swamp!," and to "Lock her [Clinton] up!" It didn't matter whether he made fun of the disabled, mocked former POWs like John McCain, or even disparaged the Gold Star mother of an American Muslim soldier; nothing or no one was sacred. Confirming the aphorism that any publicity is good publicity, no matter what Trump said, to his supporters he could do no wrong. "I don't, frankly, have time for political correctness," he declared at a 2015 GOP primary debate. When the infamous Access Hollywood tape – a 2005 off-camera recording in which Trump boasted that when you're a celebrity, women will let you do "anything," even "grab them by the pussy" – hit the airways just a month before the election, the normal laws of political gravity didn't seem to apply. Thumbing his nose so openly at polite society only bolstered his outsider status. Trump beat the odds and the establishment to take the Republican Party nomination and the presidency itself.[4]

DEMANDING POPULISM

We hardly lack explanations of the Trump phenomenon or of the rise of populism in general. For sure, each account has its own slant, but a kind of consensus has emerged: Trump's success, like that of other populists, was based on a long-simmering conservative-authoritarian backlash by voters against liberal democracy and the economic and cultural globalization that has gone with it. Over the past three or four decades, technological change, international

trade, and increasing inequality have pushed the working and lower middle classes into ever more precarious economic straits. At the same time, mass immigration and the growing political assertiveness of long-marginalized ethnic minorities have raised the anxiety of working- and lower-middle-class white majorities who fear greater competition over an ever-shrinking economic pie and resent the associated decline in their relative social status. According to this version of events, populism is on the rise because of mass disenchantment with a political establishment that has forced through this agenda of economic and cultural globalization against their wishes. The liberal democratic values that undergirded the postwar political order no longer hold sway. As a result, resentful voters have turned to populists like Trump in droves.[5]

Populism, according to this interpretation, is a distinct way of understanding the political and economic world. It is a political ideology reducible to a simple dictum: *the people versus the elite*. This idea, philosophy, or worldview – whatever you want to call it – underlies people's political preferences. And what the people demand, astute political leaders will deliver. According to this view, which we might call the "product differentiation" model of politics, success is determined by the ideas and policies – the qualities of the product – offered by competing political leaders and parties. When parties of the left or right gain power in a democracy, that's because this is what the people, or at least what a majority of the electorate, wants. If populists are successful, they too must be offering something that the people desire.[6]

In part, the ascendency of this approach stems from our reliance on the omnipresent public opinion poll. Like the drunk searching for his keys under the streetlight even though he probably lost them somewhere else, political analysts are drawn to where the data are available. Because we have mountains of figures on voters' preferences, popular demands are an obvious basis to look to explain the rise of populism. However, the prevalence of this approach is not solely due to biases in modern research design. It has a much longer lineage in political thought that goes all the way back to classical Greece and Rome. If the masses want grain, or peace, or war, well then that is what the political elite should deliver. Philosophers like Aristotle and Cicero dismissed such popular appeals as crass, even dangerous pandering, but each conceded that political leaders needed to be cognizant of something we'd now call public opinion. If this approach to understanding politics is correct, it follows that the greater the number of people who adhere to the populist worldview, and the more intensely they do so, the more likely we are to see populists in power. Populism, by this way of thinking, is successful because voters want it; or in economic terms, what matters is the *demand side*.[7]

Intuitive as this kind of explanation may be, it has several pitfalls. First, it is unclear what exactly the populist ideology is, or how it works to affect political outcomes. The most common efforts to define populism as an ideology either make it so ordinary as to be indistinguishable from democratic politics in general, or they make it so egregious as to equate it with dictatorship.

If populism simply means being *for* "the people" and against whoever is *not* "the people," how many democratic politicians would not be populist? If instead populism is understood as *illiberalism* or *anti-pluralism*, given that the ability of the opposition to freely contest elections is a minimal requirement of democracy, how different is this meaning of populism from outright dictatorship? Second, even if we did agree on an understanding of populism as a set of values or attitudes, measuring them is extraordinarily difficult. Is populism a single coherent belief, or an amalgam of several different attitudes together? If it's the latter, how should these distinct attitudes be aggregated? If populism is manifest in appeals to "the people" against "the elite," is a single speech appealing to "the people" enough? If not, how often must a politician invoke "the people" to qualify as populist? How can we reconcile populism as a coherent set of values when it can take such wildly different forms as Trump's xenophobia on the one hand and Chávez's redistribution of wealth on the other? Third, the best evidence shows that when factors like a voter's personality, policy preferences, and other political attitudes are taken into account, so-called populist values have at best a marginal effect on vote choice. What exactly is it that populist beliefs by themselves *do*? If populism is just being used as a synonym for nativism or socialism, what is the concept adding to our understanding of politics? Last, even if we put these conceptual and measurement issues aside and accepted that populist attitudes or policy preferences might explain why one person is more likely than another to vote for a populist, this still would not account for change in the relative success of populists over time and in different countries. Given that people's values change slowly, how can we account for the swift and sometimes erratic shifts in populists' vote shares? Why do similar grievances not produce the same degree of populist success in different cases?[8]

In this book, I'm largely going to set aside the worries, beliefs, ideologies, and policy preferences of voters – the *demand side* – that animate most accounts of populism. Following that well-known principle of economic analysis, *ceteris paribus* – all else equal – my approach is to hold the demand side constant and see just how much can be explained by looking at what happens when there are changes to the *supply side* of the equation. In other words, rather than asking why people supposedly want populism, I think we can learn a great deal by examining changes in the options that political leaders supply voters with instead. If, as a result, this book appears one-sided in its focus on *populists* rather than their supporters, this is not because I believe the demand side is irrelevant. In the concluding chapter, I'll suggest how we could develop what economists would call a "general equilibrium model" that brings together both the supply and demand sides. My main aim, however, is to restore balance to a field that has become excessively focused on just one side of a complex problem. By examining the supply side, this book will show that populism has a clear economic logic. But before we get there, we need to be clear about just what it is we're trying to explain. What exactly is *populism*?

POPULISM AS STRATEGY

Populism is a famously, frustratingly disputed concept. Although it would be tempting to believe that disagreement over the meaning of populism is due to the post–Trump surge in interest in the subject, the problem of definition has been around for a long time. Back in 1967, a group of prominent social scientists got together at the London School of Economics to try to distill from a wide range of national and historical experiences a shared understanding of populism. The published collection of papers that emerged from that conference is full of insights and still repays reading, but as the editors of the volume acknowledged, they could not establish the conceptual common ground on which future writing on populism would build. In his contribution, Peter Wiles wrote "to each his own definition of populism, according to the academic axe he grinds." Fast forward half a century and the fact that one of the best-selling books on the subject is entitled *What Is Populism?* is telling of how little agreement there still is on what populism actually means and on who or what qualifies as populist.[9]

The reality is that there is no *true* definition of populism. It is, like democracy or justice, one of those essentially contested concepts about which philosophers will forever argue. Yet this doesn't mean that we should just pick a definition at random. Ask a poet and a neuroscientist to define love and you'll get two equally true but very different answers. What we need is a definition of populism that is useful, and fortunately, there are ways of deciding what this would look like – at least for the purposes of political scientists and economists if not philologists. Obviously – but I would also say, trivially – a useful definition of populism should allow us to distinguish populists from non-populists, to separate full populists from partial populists, or to say whether one politician or party is more or less populist than another. But just as importantly, a useful definition should facilitate a better understanding of populism's causes and consequences. It should help us to make clear, testable predictions about the conditions under which it will be successful, the effects it will have on democracy or the economy, and so on; even better, a useful definition will lead to policy remedies. It is with these purposes in mind that I define populism as a *political strategy, in which the leader of a personalistic political movement appeals directly to the people through mass communication to win and/or keep power*. Populism, in short, refers to certain actions or practices, rather than to a set of beliefs or doctrines. It is something that politicians *do* rather than something they *believe*.[10]

Although this understanding of populism as a political strategy is not currently the predominant approach in academia or mainstream punditry, it has a dignified pedigree, going back to one of the fathers of political economy, Max Weber. Weber famously argued that there are three main sources of political authority: the bureaucratic, the patrimonial, and the charismatic. Bureaucratic authority derives from its dependence on rules and procedures, which are, at least in theory, open and unbiased. This kind of authority is viewed as legitimate because of its procedural fairness. Patrimonial authority instead is based on

tradition; the authority of kings, for instance, depends not on talent or justice, but on heredity. Such a system may be less open, but it has the benefit of being predictable. In contrast, charismatic leaders depend on neither rules nor tradition for their authority. Charismatic authority instead rests on a direct relationship between leader and follower, where mass belief in the unique qualities of the leader forms the basis of his power.[11]

In what remains for me one of the most insightful analyses of populism published to date, Greek sociologist Nicos Mouzelis wrote that populism is best understood as a type of relationship between party leaders and voters – or what he called a "mode of incorporation." Mouzelis argued that the people don't just exist as some abstract mass of humanity that shows up at the ballot box of their own volition come election time. The public is deliberately "incorporated" or brought into the system by political leaders. Politicians, as we well know, persuade, cajole, and even coerce. Drawing on Weber's three sources of authority, Mouzelis argued – as I do here – that there are basically just three ways of organizing the pursuit of power in a democracy: programmatic, patronage, and populist incorporation. Mouzelis stresses that populists communicate directly with the people, rather than working through intermediaries as in the case of programmatic and patronage-based party leaders. He put it like this: "As a rule, populist leaders are hostile to strongly institutionalized intermediary levels ... The emphasis on the leader's charisma, on the necessity for direct, nonmediated rapport between the leader and 'his people' as well as the relatively sudden process of political incorporation all lead to a fluidity of organizational forms." Within the movement or organization, power is vested in the person of the leader. The leader's authority is essentially arbitrary, in that it is only minimally constrained by rules, roles, or procedures – populist parties are organizationally "fluid." Outside of the party, populism implies a direct relationship between leader and supporter, which, as much as possible, is unfiltered by party officials, local elites and bosses, newspaper editors, and other intermediaries. The way in which political movements are organized, or what we might call their corporate structure, is critically important to understanding the utility of these *programmatic*, *patronage*, and *populist* strategies.[12]

Programmatic parties are complex and usually large bureaucratic organizations, with regular procedures governing internal promotion and candidate selection, professional staffs, permanent offices, and a generally high level of institutionalization. Internally, authority in the bureaucratic party rests in roles or offices – party chairman, whip etc. – rather than persons. As much as any firm, programmatic parties are professional organizations. Programmatic parties provide career paths open to talent – including, of course, the talents of scheming and manipulation. Programmatic parties typically have well-established links with social and economic organizations such as unions, farmers associations, and churches. As a result, they're often identified with particular interest groups and policies. Party leaders' links with voters are also heavily mediated by a dense organizational ecosystem that includes party workers, civil society organizations,

and the state bureaucracy itself. Additionally, bureaucratic parties have often been mass membership organizations, funded by member dues, although this is less the case today – and has always been less the case in the United States than in Western Europe or the Antipodes. Programmatic parties take a great deal of time to build, and have a corporate personhood that extends beyond the term of any individual leader or cohort. The canonical examples are the Conservative and Labour parties in Britain and the Democratic and Republican parties in the United States.

Patronage-based parties are looser coalitions of political factions or groups. Leaders – or patrons – gain and retain power by judiciously distributing rewards – or patronage – to their supporters or clients. This patron–client form of politics has a long ancestry, epitomized in the pyramidal feudal system of kings, vassals, and peasants in Medieval Europe. In its modern incarnation political leaders win power by buying votes through a network of allied elites and political brokers. At the level of interaction with voters this form of retail politics is often called clientelism, money politics, or just vote buying. Providing jobs in the public sector was how the legendary Tammany Hall political machine in New York maintained its power, with a third of Democratic voters holding a Tammany job in the 1910s. Similarly, as late as the 1960s, Chicago Mayor Richard J. Daley's Cook County – or *Crook County* – organization traded votes for some 30,000 public sector jobs. In this book, however, we'll be more concerned with the higher-level integration of the leaders of rival but functionally similar political factions. Just as voters are bribed to cast their ballot, individuals who control blocs of votes – brokers – are in turn courted by party leaders. Ministerial appointments, government contracts, and other sinecures are the currency of patronage party loyalty. Leadership within the patronage party is governed by the strength of rival factions of patrons, brokers, and clients. Factions will come together to gain and keep power, but the association is an instrumental one, borne out of self-interest rather than out of a deep sense of loyalty or shared ideology. As we'll see in Chapters 3 and 4, the distribution of patronage among office-seeking elites was a major occupation of political leaders in the early American republic. In this, Americans were continuing a practice perfected by the famous eighteenth–century British Whig leader and prime minister Sir Robert Walpole. With the demand for patronage always exceeding its supply, Walpole had to judiciously allocate places and pensions to build and keep his majority in the House of Commons – a strategy he executed successfully for some two decades.

Instead of climbing the rungs of the party ladder or forging transactional alliances with supporters, populists gain power by directly mobilizing a mass support base. That is, they communicate directly with voters rather than mobilize them through intermediaries. In populist organizations, memberships and offices are often poorly defined and subject to arbitrary change from above. Preferring to target free-floating or independent voters, some populist parties, such as Geert Wilders' Party for Freedom (PVV), have no membership system at all. Internally, in a direct inversion of the programmatic party structure,

individuals matter more than roles. Pure populist parties, moreover, do not have regularized procedures for leadership replacement or succession. In short, a populist leader is unconstrained by rules or by dependence on factional support, which creates a very different relationship between a leader and his political associates than in the case of more deeply institutionalized bureaucratic or patronage-based parties. Even the most established of populist parties are, by definition, the tools of their charismatic leaders.

In practice, some leaders will mix these programmatic, patronage, and populist approaches, and the composition of their strategic portfolio may change over time. For instance, two-time Greek prime minister (1981–89 and 1993–96), Andreas Papandreou, came to power as the charismatic leader of the Panhellenic Socialist Movement (more commonly known as PASOK), but once in power he depended more and more on the distribution of patronage to maintain himself in office. Going in the other direction, the subject of my first book, Indira Gandhi, prime minister of India from the mid- 1960s, shifted from a patronage-based to a populist strategy to retain power after a faction of her party attempted to oust her from power. In places like the United States and the United Kingdom, where two main parties have usually exhausted the political space, successful populists have typically adopted a mixed strategy – for instance, populism to gain control of the party apparatus but then the use of programmatic or patronage-based mobilization to succeed in a general election. However, as noted previously, money and time spent on one strategy cannot be spent on others. There are, in economic terms, opportunity costs to any chosen strategy. Aspiring leaders must therefore trade off a concentration on one approach against another. Populists depend *mostly* on the use of a highly personalist organization that makes direct appeals to voters through whatever the mass communication media of the time happen to be.

Populism in this sense is a matter of degree. Determining whether an individual leader is a "populist" means we need to set a somewhat arbitrary threshold for what "mostly" means. I take a relatively restrictive approach, but there is no reason that a more permissive one couldn't be used. For any given leader, we want to know how much their strategy approximates the populist ideal type just outlined. I've previously suggested several practical questions we can ask of any given leader to help make this judgment. As mentioned, populism has both an internal and external dimension to it. Internally, populists have essentially arbitrary authority within their own personalistic political organization, while externally, they link with voters directly rather than through intermediaries. Along the internal dimension, the critical questions are: Is the movement or party one that the leader formed as a personal electoral vehicle? Is authority within the leader's party or movement arbitrary – completely at the discretion of the leader – or rule based? Does the leader control appointment decisions or is leadership/appointment determined by ballot or some other collective procedure? The main questions to ask with respect to the external dimension are: Does the leader's movement or party rely primarily on mass rallies, mass media, and

social media to mobilize electoral support directly, or does it rely primarily on mobilizing voters through its membership, allied unions, churches, or other organizations, or on systematic clientelism? Is the leader himself/herself the primary object of a campaign or is it a party's historical political/group/ethnic linkages to a constituency? Answering these questions, and perhaps others like them, allows us to build up a picture of *how much* a given politician relies on the populist strategy to win and keep power.[13]

Understood in this way, the strategic approach to populism is a good fit for most of the usual suspects: Donald Trump, Geert Wilders, Alexis Tsipras, and Silvio Berlusconi among others would all qualify as highly populist; so would less frequently examined populist leaders such as Charles de Gaulle, Huey Long, or Wendell Willkie. Others, including Andrew Jackson, David Lloyd George, and Jimmy Carter, would also qualify as at least partly populist by these criteria. Consistent with the typical understanding of populism, in my estimation, the criteria would exclude party leaders such as Ronald Reagan, Barack Obama, Margaret Thatcher, or Tony Blair as populists, however personally telegenic or popular they might have been.

It is also the case, however, that other leaders or parties in the contemporary European far right, who are often classified as populist by other scholars, would not count as populist according to the strategic approach. For example, the strategic approach would not classify parties such as the Alternative for Germany (AfD) or the Sweden Democrats as populist; for these parties, the organizational structure is too collective or corporate for them to qualify as populist. Given the tendency to use populism and nativism interchangeably in both academic and popular writing, this omission may bother some readers. However, the problem with the critique that it is "simply impossible to apply [the strategic definition] to European populist parties such as [X, Y, and Z]," is that it begins with the premise that parties X, Y, and Z *are* in fact populist. This has the problem of making and validating concepts backward. We cannot know if parties X, Y, and Z are populist until we have a definition! Scientific concepts need not exactly resemble their folk equivalents. Populism is a term thrown about so casually that to begin from the view that everything ever labeled as populist *is* populist would be very problematic. From here on, then, I treat the objection that "you do/don't include [insert party name here] as populist" as specious.[14]

It is also important to note that if populist parties are "personalist" parties, they are not merely so. Critical to the populist strategy is a reliance on mass communication with supporters that need not be true of personalist parties in general; the latter can primarily exploit kinship networks, patronage, or even more coercive techniques. This strategic approach also differentiates populism from authoritarianism. In the same way that we typically distinguish between democratic and authoritarian government more generally – by whether or not a regime has free and fair elections – we can distinguish between populist and authoritarian leaders. To the extent that coercive tactics – such as censoring the