



# Global Instability And The Rise Of Technopopulism

Leftists are revolting in the streets around the world to protest any existing status quo, but as they unwittingly merge with Technocracy that they could conceivably hate just as much, they are fomenting the rise of Technopopulism. □ TN Editor

From developing nations to rich countries, people are taking to the streets. Protests are leading to bloodshed from South America to Asia. The reasons for the protests differ, but there are a number of underlying questions: Why doesn't everyone benefit in equal measure from greatly increased prosperity; why are our liberties being affected; why do the political elites enrich themselves?

The demonstrations and the deep-seated discontent can be traced back to the crisis of neo-liberalism and the populist response to this. The protests can therefore be viewed as one side of the coin, with the other side being the top of corporate America pleading for a focus beyond the

almighty shareholder.

In August, the Business Roundtable distanced itself from the adage that the sole reason for existence of companies is to please their shareholders, arguing that the interests of employees, customers and society as a whole should also be given a prominent place in business operations.

R's call comes as business elites fear that governments and populations will take matters in their own hands, for example via far higher taxes on profits, expropriations, the splitting up of companies, et cetera.

In essence, the most important contemporary political-economic issue is how to bring together three objectives in the best possible way: reasonable to high economic growth, a more equitable division of prosperity (it is of course possible to endlessly debate what is fair), and the protection of the earth, so that future generations will also be able to lead good lives.

Populism could offer something good here, if it has indeed woken up the elite and encourages reforms before the entire system threatens to be brought down.

U.S. history illustrates this. At the end of the 19th century, inequality had spun out of control. The transition from an agricultural society to an industrial one ensured that many farmers in particular ended up bankrupt. A 10 year depression from 1873 onwards caused even more misery.

The government was fairly powerless and did little. The emerging wave of populism found its expression in the People's Party, also known as the Populist Party, and its party program, the Omaha Platform of 1892. It included the following fragment:

*We meet in the midst of a nation brought to the verge of moral, political, and material ruin. Corruption dominates the ballot-box, the Legislatures, the Congress, and touches even the ermine of the bench. The people are demoralized.*

The establishment was greatly concerned. For a long time, it looked as though the Populist Party was on a course to seize power, but it fell apart. It did, however, pave the way for the reforms of political and economic institutions by Presidents Roosevelt, Taft and Wilson, which served to make capitalist democracy more rewarding for the masses and to prevent the collapse of the entire system.

In this sense, populism is ingrained in democracy and it is perhaps a necessary correction mechanism. As Daron Acemoglu and James A. Robinson state:

*When the state and elites become too powerful, it paves the way to despotism that silences or coerces the others to go along with it (think China). But... when non-elites become too powerful, the result is not liberty but the disabling of the state. As they disobey and dismantle state institutions, those institutions atrophy, laws become ineffective, liberty gets eroded, and the key functions of government fall by the wayside.*

The pendulum is constantly swinging back and forth between too much power of the elite and rebellion by the masses. It is important to steer a middle course here — with the elite being seated securely enough to facilitate the proper functioning of the institutions of capitalist democracy, but not to the extent where clientelism and corruption prevail. At the same time, society as a whole should benefit sufficiently from prosperity growth and be sure in the knowledge that it can call the elite to account when necessary.

Parties have strayed too much from this middle course. On the one hand, there is the camp with a TINA attitude: there is no alternative to liberal democracy. ***They have sometimes become blind to the shadow sides of liberal democracy, and this has led to a technocracy that has spun out of control, with politicians essentially being managers.***

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