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Lessons from the anti-globalists

Globalisation is hurting Europe's poor. Liberals need to counter the damage, or the Le Pens of this world will be here to stay

The victory of Emmanuel Macron in the French presidential election has elicited a global sigh of relief. At least Europe is not going down the protectionist path that President Donald Trump is forcing the United States to take.

But advocates of globalisation should keep the champagne on ice: protectionists and advocates of "illiberal democracy" are on the rise in many other countries. And the fact that an open bigot and habitual liar could get as many votes as Trump did in the US, and that the far-right Marine Le Pen will be in the run-off vote with Macron on May 7, should be deeply worrying. Some assume that Trump's poor management and obvious incompetence should be enough to dent enthusiasm for populist nostrums elsewhere. Likewise, the US Rust Belt voters who supported Trump will almost certainly be worse off in four years, and rational voters surely will understand this.

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But it would be a mistake to conclude that discontent with the global economy – at least how it treats large numbers of those in (or formerly in) the middle class – has crested. If the developed liberal democracies maintain *status quo* policies, displaced workers will continue to be alienated. Many will feel that at least Trump, Le Pen, and their ilk profess to feel their pain. The idea that voters will turn against protectionism and populism of their own accord may be no more than cosmopolitan wishful thinking.

Advocates of liberal market economies need to grasp that many reforms and technological advances may leave some groups – possibly large groups – worse off. In principle, these changes increase economic efficiency, enabling the winners to compensate the losers. But if the losers remain

worse off, why should they support globalisation and pro-market policies? Indeed, it is in their self-interest to turn to politicians who oppose these changes.

So the lesson should be obvious: In the absence of progressive policies, including strong social-welfare programs, job retraining, and other forms of assistance for individuals and communities left behind by globalisation, Trumpian politicians may become a permanent feature of the landscape.

The costs imposed by such politicians are high for all of us, even if they do not fully achieve their protectionist and nativist ambitions, because they prey on fear, inflame bigotry, and thrive on a dangerously polarised us-versus-them approach to governance. Trump has leveled his Twitter attacks against Mexico, China, Germany, Canada, and many others – and the list is sure to grow the longer he is in office. Le Pen has targeted Muslims, but her recent comments denying French responsibility for rounding up Jews during World War II revealed her lingering anti-Semitism.

Deep and perhaps irreparable national cleavages may be the result. In the US, Trump has already diminished respect for the presidency and will most likely leave behind a more divided country.

We must not forget that before the dawn of the Enlightenment, with its embrace of science and freedom, incomes and living standards were stagnant for centuries. But Trump, Le Pen, and the other populists represent the antithesis of Enlightenment values. Without blushing, Trump cites “alternative facts,” denies the scientific method, and proposes massive budget cuts for public research, including on climate change, which he believes is a hoax.

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The protectionism advocated by Trump, Le Pen, and others poses a similar threat to the world economy. For three-quarters of a century, there has been an attempt to create a rules-based global economic order, in which goods, services, people, and ideas could move more freely across borders. To the applause from his fellow populists, Trump has thrown a hand grenade into that structure.

Given the insistence of Trump and his acolytes that borders do matter, businesses will think twice as they construct global supply chains. The resulting uncertainty will discourage investment, especially cross-border

investment, which will diminish the momentum for a global rules-based system. With less invested in the system, advocates for such a system will have less incentive to push for it.

This will be troublesome for the entire world. Like it or not, humanity will remain globally connected, facing common problems like climate change and the threat of terrorism. The ability and incentive to work cooperatively to solve these problems must be strengthened, not weakened.

The lesson of all of this is something that Scandinavian countries learned long ago. The region's small countries understood that openness was the key to rapid economic growth and prosperity. But if they were to remain open and democratic, their citizens had to be convinced that significant segments of society would not be left behind.

The welfare state thus became integral to the success of the Scandinavian countries. They understood that the only sustainable prosperity is shared prosperity. It is a lesson that the US and the rest of Europe must now learn.

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