

Project Syndicate

Understanding the New Nationalism

Jun 8, 2022 | DARON ACEMOGLU

CAMBRIDGE – The euphoria after the fall of the Berlin Wall in 1989 was not just about what Francis Fukuyama called an “unabashed victory of economic and political liberalism.” It was also about the decline of nationalism. With the world economy rapidly becoming more integrated, it was assumed that people would leave their national identities behind. The project of European integration – embraced enthusiastically by well-educated, upwardly mobile young people – was not just supranational, but post-national.

But nationalism is back, and it is playing a central role in global politics. The trend is not confined to the United States or France, where former President Donald Trump and the far-right National Rally leader Marine Le Pen, respectively, lead new nationalist coalitions. Nationalism is also driving populist movements in Hungary, India, Turkey, and many other countries. China has embraced a new nationalist authoritarianism, and Russia has launched a nationalist war aimed at eradicating the Ukrainian nation.

There are at least three factors fueling the new nationalism. First, many of the affected countries have historical grievances. India was systematically exploited by the British under colonialism, and the Chinese Empire was weakened, humiliated, and subjugated during the nineteenth-century Opium Wars. Modern Turkish nationalism is animated by memories of Western occupation of large parts of the country after World War I.

Second, globalization increased pre-existing tensions. Not only did it deepen inequalities in many countries (often in unfair ways, by enriching those with political connections); it also eroded longstanding traditions and social norms.

And, third, political leaders have become increasingly skilled and unscrupulous in exploiting nationalism to serve their own agendas. For example, under Chinese President Xi Jinping’s authoritarian rule, nationalist sentiment is being cultivated through new high-school curricula and propaganda campaigns.

Similarly, under Indian Prime Minister Narendra Modi’s nationalist Hindutva regime, the world’s largest democracy has succumbed to majoritarian illiberalism. In Turkey, President Recep Tayyip Erdoğan initially eschewed nationalism, even spearheading a peace process with the Kurds in the early 2010s. But he has since embraced nationalism wholeheartedly and cracked down on independent media, opposition leaders, and dissidents.

Today’s nationalism is also a self-reinforcing reaction to the post-Cold War project of globalization. In 2000, then-presidential candidate George W. Bush described free trade as “an important ally in what Ronald Reagan called ‘a forward strategy for freedom’ ... Trade freely with China, and time is on our side.” The hope was that global trade and communication would lead to cultural and institutional convergence. And as trade became more important, Western diplomacy would become more potent, because developing countries would fear losing access to American and European markets and finance.

It has not worked out that way. Globalization was organized in ways that created big windfalls for developing countries that could reorient their economies toward industrial exports while also keeping wages down (the secret sauce of China's rise), and for emerging economies rich in oil and gas. But these same trends have empowered charismatic nationalist leaders.

As well-placed developing countries have accumulated more resources, they have acquired a greater ability to carry out propaganda and build coalitions. But even more important has been the ideological dimension. Because Western diplomacy has increasingly come to be seen as a form of meddling (a perception with some justification), efforts to defend human rights, media freedom, or democracy in many countries have proved either ineffective or counterproductive.

In Turkey's case, the prospect of accession to the European Union was supposed to improve the country's human rights record and reinforce its democratic institutions. And for a while, it did. But as the demands from EU representatives multiplied, they became fodder for Turkish nationalism. The accession process stalled, and Turkish democracy has been weakening ever since.

The nationalism fueling Russia's invasion of Ukraine reflects the same three factors listed above. Many Russian political and security elites believe that their country has been humiliated by the West ever since the fall of the Berlin Wall. Russia's integration into the world economy has brought few benefits to its population while furnishing unimaginable riches to a cadre of politically connected, unscrupulous, often criminal oligarchs. And though Russian President Vladimir Putin presides over a vast system of clientelism, he skillfully cultivates and exploits nationalist sentiment.

Russian nationalism is bad news for Ukraine, because it has allowed Putin to make his regime more secure than it otherwise would have been. Sanctions or no sanctions, he is unlikely to be toppled, because he is protected by cronies who share his interests and nationalist sentiments. If anything, isolation may further strengthen Putin's hand. If the war does not weaken his regime, it could continue indefinitely, regardless of how much it damages the Russian economy.

This era of resurgent nationalism offers some lessons. We may need to rethink how we organize the processes of economic globalization. There is no doubt that open trade can be beneficial for developing and developed economies alike. But while trade has reduced prices for Western consumers, it has also multiplied inequalities and enriched oligarchs in Russia and Communist Party hacks in China. Capital, rather than labor, has been the main beneficiary.

We therefore need to consider alternative approaches. Above all, trade arrangements must no longer be dictated by multinational corporations that profit from arbitraging artificially low wages and unacceptable labor standards in emerging markets. Nor can we afford to base trade relations on the cost advantages created by cheap, subsidized fossil fuels.

Moreover, the West may need to accept that it cannot reliably influence its trading partners' political trajectories. It also needs to create new safeguards to ensure that corrupt, authoritarian regimes do not influence its own politics. And, most importantly, Western leaders should recognize that they will gain more credibility in international affairs if they acknowledge their own countries' past misbehavior during both the colonial era and the Cold War.

Recognizing the West's limited influence on others' politics does not mean condoning human-rights abuses. But it does mean that Western governments should adopt a new approach, curtailing official engagement while relying more on civil-society action through organizations such as Amnesty International or Transparency International. There is no silver bullet to vanquish nationalist authoritarianism, but there are better options to counter it.

DARON ACEMOGLU

Daron Acemoglu, Professor of Economics at MIT, is co-author (with James A. Robinson) of *Why Nations Fail: The Origins of Power, Prosperity and Poverty* (Profile, 2019) and *The Narrow Corridor: States, Societies, and the Fate of Liberty* (Penguin, 2020).

<https://prosyn.org/UYyEiYk>

© Project Syndicate - 2022