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The Challenge of Populism

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Populism's threat to liberty is rising throughout the world, as its appeal to nationalism and xenophobia afflicts rich and poor countries alike. How can we define and understand populism? What circumstances allow it to thrive? And how can we defeat it? Peruvian novelist and 2010 Nobel laureate in literature Mario Vargas Llosa and his son Álvaro Vargas Llosa discussed these questions at Cato's Joseph K. McLaughlin Lecture Series in November. Álvaro Vargas Llosa is most recently the editor of *El estallido del populismo*, a book that examines the explosion of populism throughout the globe, from Cuba and Venezuela to France, Britain, and even the United States.



MARIO VARGAS LLOSA (right) and ÁLVARO VARGAS LLOSA speak at the Cato Institute in November.

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MARIO VARGAS LLOSA: The worst and most dangerous enemy of democracy is no longer communism, but populism. Populism has replaced this great enemy that we had for so many years.

Communism has destroyed itself by its total incapacity to fulfill all its promises of prosperity, justice, and happiness. What survives of communism in our days—North Korea, Venezuela—are very painful models of how societies can be destroyed internally by the policies they've adopted in their economy and in their culture.

But populism is more difficult to fight, because it's not an ideology, it's not a system with principles, with ideas that we can refute rationally. Populism is a kind of illness in the democratic system, a kind of corruption of democratic values and principles that can attack democracies in a very discreet manner—at least at the beginning. Populism can attack very strong, traditional democracies in countries where democratic values are assumed by the majority of society, and it can also attack new democracies in Third World countries.

How can we define populism? I think we can say that populism sacrifices the future of a country, of a society, for a very transitory present. A present that promises to solve all problems.

One essential ingredient of populism is nationalism. Nationalism may have momentarily progressive symptoms in colonial countries, where it brings the liberation of an occupied society. But there are very few cases in our days of this kind of progressive nationalism.

The kind of nationalism that we have now is a reactionary movement that promises to regress a society to a fictional past that represents a kind of perfect society. And there is no country that is totally vaccinated against this kind of fiction.

Look to Latin America, where populism has produced the monstrosity that Venezuela now is. Venezuela was the most prosperous country in Latin America for many years. It had a very strong democracy, a real democracy. And for 40 years, this Venezuelan democracy worked, creating institutions that produced prosperity, and also a way of living in which tolerance was extremely important. Coexistence in diversity, which is a great democratic ideal, was a reality in Venezuela. And during those 40 years, Venezuela had very good presidents and governments that helped other Latin Americans who wanted democracy for their own countries, who were fighting against the dictatorships that in those years were practically everywhere else in Latin America.

What happened? Why did Venezuela, which was advancing, progressing, suddenly start to regress and follow the crazy demagoguery of Comandante Chavez? What happened? A fiction took control.

I am not against fictions. As you know, I have spent much of my life writing fictions, and reading fictions, and I love nothing more than a good, persuasive fiction. But in politics, fictions are extremely dangerous. It's very important for fictions to stay in literature. In literature, fiction doesn't lie—fictions present themselves as fictions. When you open a novel, you know that this is not the real world—this is the world of literature. But in politics, when fiction presents itself as history, the *real* history, these lies can seduce societies and produce the kind of catastrophe, the terrible cataclysm, that is Venezuela in our days.



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What is terrible about populism is that populism appeals to the weakest aspect of the human personality. We don't like sacrifices, and if a demagogue tells us that the problems of a country can be solved without sacrifices, and very rapidly, we tend to believe them. How wonderful, that without sacrifices, we will have prosperity, we will have justice, we will have progress! These kinds of lies are very easily introduced into a society in particular moments in which there is a crisis, in which there is incertitude of the present and the immediate future. And it is particularly in that moment, when it is still possible to stop populism, that we must act, and act with great determination, refuting these lies and destroying these fictions.

In some societies, populism takes the mask of the left, and in others, the mask of the right. The language varies a lot, and the enemies of populism seem to be very different—it depends very much on the social and economic context in which populism appears. But what is absolutely similar are the effects of populism in a society: poverty, chaos, corruption, and terrible violence.

Populists in Latin America will say, “We are poor because they are *rich*! Their richness is our poverty! Imperialism is the enemy!” Populist Catalans say, “Spain robbed us! We are poor because Spain is rich!” Populists in the United States say, “The Mexicans are taking advantage of us! The Chinese are taking advantage of

us! We cannot prosper because everybody is taking advantage of us!” You live in a world of fiction with populism, but it is a fiction that does not present itself as fiction, as in literature. That is why the fictions in literature help us to improve, and fictions in politics are absolutely negative and destructive.

We need to be prepared to face populism, because in our days, we have seen how what we thought were the most solid societies for democracy, for freedom, can evolve suddenly, in such a way that populism suddenly replaces the real world with its fantasies, and starts to produce division and demagoguery instead of reason, and fictions instead of truth.

ÁLVARO VARGAS LLOSA: It’s very difficult to define populism. I think that is one of its main characteristics. It has this quality about it that makes it so easy to adopt, and so difficult to define. I think the financial crisis was a major factor. Certain countries in Europe where large groups of people adopted populism would not have done so were it not for the circumstances that arose out of the financial crisis.

Another issue in our times—and I think as classical liberals this is something that we need to grapple with—is the economic and social effects of globalization. Globalization is a huge and obvious benefit, as well as a matter of principle—globalization is essentially about freedom. But of course, if you adopt globalization, there is always a first generation that is going to be exposed to the dislocations that are caused by globalization.

Social inequality has undeniably played a role. Demagoguery over inequality eventually produces envy across a society, and the type of envy it produces is a violent, rancorous envy that connects very well with the discourse of populists.

I always say that populism feeds on two really important elements: one is myth, and the other is utopia. (Myth, of course, is the invention of the past, and utopia is the invention of the future.) It’s very difficult to fight against myth and to fight against utopia, because you cannot disprove the past that nobody has seen, and you cannot disprove the future that nobody has seen. And if somebody offers you a quicker way to reach utopia, rather than the tough and cumbersome way that rational people like us propose, then clearly, we are at a big disadvantage.

I think the role of the state is a crucial factor that unifies all sorts of populists—at least in modern times. (This is a complicated discussion, because you can go back to the early days of the republic here, in the United States, and there was a type of libertarian populism. When we talk about populism, we’re not talking about Jeffersonian populism, we’re talking about present-day populism.) Today the role of the state is absolutely crucial—the nationalists of the right want the state to become the main agent of protection and security.

People will willingly accept the excesses of the state if they believe the state is protecting them from whatever insecurity is traumatizing them.

And on the left, of course, the state is the agent of social justice. Social justice is a concept that sounds very innocuous, but really, it's pregnant with violence—because populists tend to blame a certain “elite” for the social conditions of the majority and the poor. From there, you build up a discord based on that essential premise, and eventually you end up saying, “Well, what we need to do, of course, is take away from the elite what the elite has taken away from you.”

Whether the state is protecting you from economic injustice or foreign threats—in other words, whether it's protecting you from the enemies of the left or the enemies of the right—it is doing the same thing. And I think that's



“Every populist believes in the state as the agent of some kind of protection or justice.”

one of the key things both sides of populism have in common today. Every populist believes in the state as the agent of some kind of protection or justice.

You never win this battle of ideas on a permanent basis. The world would be very boring if you did. But you can win it for a few decades—and then in the space of those decades, you can put in place the right kind of policies and make life so much better for so many people. If we don't defeat populism today, with the amazing examples of its failure that we have all around us, we can't win anything. We have now not only these bad examples, but we also have the best allies we could possibly have: the people. The Argentinians just proved it, the Brazilians just proved it, the Chileans—we have millions and millions of Latin Americans who want to get rid of this demagoguery, who want to get rid of an interventionist state, who want to get rid of institutions that are easily controlled by elites. People want the rule of law, they want private property, they want free commerce, they want free trade. Many millions of people, for the first time in a long time—simply because they have suffered the horrendous consequences of the opposite policies. ■



SCHOLAR PROFILE

Ian Vásquez

IAN VÁSQUEZ is the director of Cato's Center for Global Liberty and Prosperity. He is the coauthor of *The Human Freedom Index*. His articles have appeared in newspapers throughout the United States and Latin America, and he is a columnist at *El Comercio* (Peru).

How did you become a libertarian?

I'm originally from Peru, so when I was an undergrad at Northwestern University in the 1980s, I was paying close attention to how repressive economic policies were leading the country to the verge of collapse. Amid a crisis of hyperinflation, shortages of basic goods, blackouts, severe economic contraction, and the increasingly successful "Shining Path" Maoist insurgency—there emerged a current of libertarian thinking that provided answers to many of the country's toughest problems.

Economist Hernando de Soto and legal scholar Enrique Ghersi, for example, described how Peru's vast informal economy was the result of regulations that discriminated against the poor and led them to embrace the market, while novelist Mario Vargas Llosa ran for president on an explicitly libertarian platform. He minced no words when he challenged the conventional wisdom by explaining that capitalism had never existed in Latin America and that that was part of its problem. Those lessons differed markedly from what I was being taught, sometimes by Marxist professors, at Northwestern. That experience led me to look deeper on my own for answers, and I discovered classical liberalism. Luck helped too in that I had a professor of comparative literature who, quite unexpectedly, assigned libertarian texts for discussion alongside classics in Spanish literature.

What are the biggest takeaways from the new *Economic Freedom of the World* report?

Though it has improved slightly, the United States still ranks relatively low (11th place) compared to its decades-long performance; it began a long-term decline around 2000 when it

ranked 4th. This year's report includes an important innovation: because some countries do not afford women the same level of economic freedom as men, the index now adjusts for these disparities. As a result, some 20 countries saw notable changes to their scores. Qatar, Bahrain, and the United Arab Emirates, for example, dropped significantly in the index.

What are you working on these days?

At the economic freedom network meetings organized by the Canada-based Fraser Institute, Milton Friedman used to encourage us to create an index that measures a full range of human freedoms. That wasn't possible at the time, but after much research into new data, we recently began copublishing the *Human Freedom Index* with Fraser and the Liberales Institut in Germany. My coauthor, Tanja Porčnik, and I look at 79 distinct indicators of personal and economic freedom in 159 countries to paint a reasonably accurate picture of freedom in the world.

On the new *Human Freedom Index*, the United States ranks 17th, not quite a bastion of liberty. Since 2008, the level of human freedom in the world has declined somewhat, with the broad categories of freedom of movement, expression, and information, and the rule of law seeing the largest declines. The two least free regions of the world, the Middle East/North Africa and Eastern Europe, saw the largest declines. Some 44 percent of the world's population lives in countries that have low levels of freedom. The data also suggest that if you want to live in a country with high levels of personal freedom, you need to have high levels of economic freedom as well. ■

The Freedom to Decide

Joe Harrison wasn't quite a libertarian at 16 years old, but by then he was already drawing the ire of a labor union official. Soon after Joe began a new retail job, a surly man approached him, grabbed the shopping cart he was pushing, and demanded, "Get your apron off. Get out of here!" As it turns out, Joe had worked too many hours, according to the union labor rules—without even realizing he was union labor. Later that night he got a call from his manager explaining the rules against working too hard. "That really disturbed me," Joe recalls.

A decade later, in 1963, Joe received another blow to his freedom to choose when he was drafted into the peacetime military as a 25-year-old with a young wife. Up until then, Joe had been working in a high-tech job with complex computer systems. "The first computer I worked on had 400 vacuum tubes and went down into a nuclear submarine," Joe says. "And with my experience, after I was drafted, they made me a radio repairman." Not only had he been forced into something against his will—the government declined to even use his talents while he was there.

These events are connected to a question Joe has continued to ask repeatedly throughout his life, which speaks to his principled individualism: "Who decides?" If it's someone else making the choices for him, Joe, like all Cato Sponsors, becomes wary.

Two years later, Joe was back from Germany with his wife, Josephine, eventually raising their three children in suburban Chicago. Joe became a civil engineer, graduating from the University of Illinois—Chicago



and designing storm sewers for the City of Chicago. He recalls the inception and design of the Deep Tunnel Project as a great achievement in his career. Over the course of their 44-year marriage, Joe and Josephine were also business partners, before she lost her battle with breast cancer.

The government made that devastating fight even worse by forbidding individual choice in Josephine's medical care. The Harrisons found that their desire to turn to medical marijuana as a potential source of relief from Josephine's sickness would make them criminals for simply doing what they felt was best for them. "Government shouldn't be doing this to people who are hurting," Joe says.

Today, Joe is partnering with Cato to advance the philosophy of libertarianism and our shared belief in the dignity of the individual. He has a particular passion for school choice, and especially enjoyed the release of *School, Inc.* in 2017. We were glad that in December Joe could join us at Cato Club Naples for the first time and meet Cato's leadership and scholars in person.

Earlier this year Joe decided that, in addition to his annual contributions to Cato, naming Cato as the beneficiary of a specially created IRA was an opportunity to make a significant contribution to our fight for freedom. "I'm so proud and happy to support Cato's work," Joe says. ■

IF YOU'RE ALSO CONSIDERING A LEGACY THAT ADVANCES THE CAUSE OF LIBERTY, PLEASE KNOW WE'RE AVAILABLE TO DISCUSS YOUR LONG-TERM ASPIRATIONS THROUGH ESTATE PLANNING. PLEASE CONTACT BRIAN MULLIS AT BMULLIS@CATO.ORG OR 202-789-5263.

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