

Elections 2024 – political tribalism likely to trump the economy

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For this New Year's post, no year in review, no specific predictions and no nominations for best or worst of 2023. How often can you conclude that the effects of Brexit have been terrible and are likely to be even worse in the years to come? Well, OK then, weirdest Brexit news of the past month: the Tory government is reintroducing the pint of wine as an official measure in the UK, with the boast that this is made possible by Brexit. That's telling those continentals: instead of a measly 500 ml, (sparkling) wine can now also come in pint bottles, that's 568 ml. If, for some unfathomable reason, this will make a difference to wine sales, it seems to me that it's ultimately the EU's French, Italian and Spanish producers who're going to benefit. So, ta for that.

But then Brexit, it can be argued, is one of those political choices where the public consciously voted against its own economic interests, or at least where other perceived interests outweighed financial considerations. Despite determined attempts at the time to muddy the picture, it's one of those cases that buck the campaigning adage of 'it's the economy, stupid'. With so many elections happening over the next twelve months, it's not a bad time to talk about the role of the economy and money.

Money makes the world go round, of course, and its impact on politics hardly needs elucidating. But for these purposes let me make a distinction between the money that's pumped into politics to affect the outcome of elections, whether as part of a campaign or not, and money as in how much spending power the populace has and other economic considerations at the time of elections. The coming year, we'll be seeing the impact of both maybe most dramatically in the most important race of all: the US presidential election. But Brexit, and the 2016 American elections, among others, already posed the question of whether economic factors are always as relevant or whether these could be trumped by other issues, such as whipped up xenophobia, misogyny, white supremacy, ultra-nationalism, identity politics in general, populism, sovereignty etc.

To go back to Brexit, many of the dire economic warnings were dismissed by the Leave campaign as 'project fear'. Voters were told not to worry, that Brexit would throw off the regulatory shackles of a moribund EU and free up the full economic potential of the UK. Even though the EU economy is not performing brilliantly either at the moment, there's broad agreement that for the UK Brexit has shaved at least some percentage points off the economy and that trade deals have failed either to materialize or have an impact. In the latest polls, the public appears to be well aware of the economic failures of Brexit. Yet, re-joining the EU or even the customs union or single market, is not on the agenda in the coming elections. Why? Because of the widespread anticipation, also in Labour, that revisiting the old arguments will reignite a destructively tribal political debate that has little to do with the economy.

In the end, economic costs, periods of shortages, queues at Dover, even the cost of living crisis, are less important in shifting the needle on Brexit than the Brexiteer's sleaze, party-gate, and their general chaotic political and economic incompetence. The Tories will face the music, maybe as soon as May, and it's very unlikely that even an upturn in the economy will save their electoral bacon, although Jeremy Hunt will do his damndest in the spring budget statement to first of all include some tax cutting goodies to mobilise the Conservative base, secondly, include a popular handout that will appeal to middle class voters and consequently, thirdly, saddle the next Labour government with an impossible fiscal situation.

Money and the economy might have an impact on whether Labour gains overall control, and by how much, but are unlikely to completely change the outcome in the UK. Not so in the US, by far the most important election because of the skulking danger of Trump. There, both the money being pumped into politics and the state of the economy might make a difference. The Republican primary is where the importance of money in politics is most clearly on show at the moment. There is one 'safety' candidate benefiting from outsize donations by a gaggle of billionaires who have over the last couple of decades changed the political landscape with their donations, from the presidency right down to city councils. The stop-Trump hope is former US ambassador to the United Nations Nikki Haley and the billionaires' bandwagon is led by the surviving Koch brother, Charles, a right-wing libertarian. The Koch network's support is interesting, because it and Haley's past policies have often not aligned. Rather than an ideological endorsement, it might be seen more as a sign that the right's money is not on Trump winning another election. Trump has deep pockets as well and he also benefits from donations from a committed base. But even if Trump is outspent, he'll still most likely win the nomination. He has captured the Republican party ideologically to such an extent that it's hard to see a different outcome. Money does play a role, however, as it could position Haley to be there in second place if something should befall the front runner, such as old age or insurmountable legal trouble.

The state of the American economy becomes a factor in the run up to November, when the most probable pairing is the rematch between Biden and Trump, although any other combination is still a possibility. Any candidate from the president's party will to a degree be judged on the administration's economic performance. Traditional measures such as the price at the pump of a gallon of gas and inflation will all have an impact, regardless of the relative overall performance of the American economy, which has been strong over the last couple of years. But will these traditional economic determinants outweigh the current tribal pre-occupations of the electorate? How low does the price of gas need to go in order for the electorate to forgive Biden his age? How likely is it that a total victory over inflation will make MAGA voters waver in their choice? Or the reverse: how bad does the economy need to get for independents in the so-called centre to overcome their distaste for Trump and vote him in again? Barring any major shocks and if Biden manages to keep the American economy on an even keel, such socio-cultural and political factors appear to outweigh all else.

The importance of tribal political and other social and cultural factors has been apparent in recent elections in Europe. True, cost of living issues, inflation and the erosion of the welfare state in terms of healthcare and pensions in all likelihood did play a role but in the Netherlands, Geert Wilders and other parties on the right who were only slightly more coded in their approach, won the elections on the issue of migration. And in Poland, Donald Tusk won the elections for a centrist coalition running on a pro-European, rule of law platform against an ultra-nationalist, conservative party that had in the past been credited with growing the economy and investing in social welfare.

The 'it's the economy' reminder might have been apt for the Clinton, interbellum, years between the end of the Cold War and 9/11. That's not to say that the current dyspeptic mood, with its ultra-nationalism, anti-immigrant scapegoating, anti-establishment ructions, distrust of elites and experts, etc. etc. is not at the very least cross-pollinated or fed by underlying economic perceptions. These might include a sense of growing inequality, a feeling of being abandoned by the state after years of 'small government' austerity, an idea of relative economic decline in the West vis à vis a rising Global South, or even a perceived threat of immigrants taking away jobs and housing from a 'native' population.

While some of those grievances have a basis in fact, most of them are either heavily exaggerated or plain misleading. The Netherlands, where the far-right won recent elections is still one of the most

equal countries in the West. If in most western countries, the state has cut down on services, it's because voters in most places elected austerity, budget-cutting governments time and again. Even if the West's share of the world's economy has shrunk, we've never been so wealthy and isn't it a good thing that millions around the world have been lifted out of poverty? And no, it's not asylum seekers and refugees taking up jobs and houses. If it's migrants at all, they're here on work visas for tech companies, or as nurses in our hospitals, or they're making use of tax incentives. The jobs most of them do are those that we don't do ourselves or that we don't have enough people for. The shortage of affordable housing is because successive governments all over the western world have failed in regulating the housing markets and create new stock. As to who has elected these failed governments, see above.

The relationship between the economy and election results has always been rather more complicated than 'it's the economy, stupid' might convey. Voters have often appeared to 'go against their own best interests'. Sometimes this has been explained as having had 'aspirational' causes: I might only be in the lowest tax bracket now, but when I finally make more money, I don't want it to be taxed to the hilt. Even so, these could still be classified as economic or personal financial considerations. Despite my earlier disavowal of predictions for the coming year, I'd wager that non-economic issues, such as nationalism, political tribalism, culture wars, migration etc. are going to outweigh the economy in importance in elections from India to the US in 2024.