

Global Insights

Populism, Polarisation and Post-Truth Politics



Populism, Polarisation and Post Truth politics continues to challenge global democracies. Such a brand of politics introduces an array of risks that necessitate serious consideration by both entities and individuals. This report explores such challenges, with a particular focus on business and travel risks associated from these political developments.

Executive Summary



Since the global financial crisis of 2008, the liberal democratic world has faced a period of significant challenges and retreat. The very foundations of democracy have come under mounting internal pressures on a global scale, leading to a noticeable erosion of democratic principles, as reflected in the declining average scores on democracy and freedom indices. This increasing instability is not only evident by the rise of autocracies but also by the diminishing democratic resilience in historically stable nations like the United Kingdom and the United States. From the economic ramifications of Brexit, the invasion of Ukraine, coups in Africa, and political polarisation in the United States, Moises Naim has coined the treble threat of populism, the influence of post-truth narratives, and the role of polarising leadership as continuing factors threatening the stability of democracy and the liberal world order. Amidst these challenges, there have been significant democratic victories, such as Tusk's recent triumph over Kaczyński in Poland, Lula's victory over Bolsonaro in Brazil, and Emmanuel Macron's defeat of Le Pen in France. However, these mixed results detail a world still embroiled in a battle for democracy, and the struggle to uphold democratic values persists.

Populism is a subject of considerable complexity and ongoing debate. Some categorise it as an ideology, while others view it as a strategic approach. However, at its core, populism tends to depict society as a battleground where a corrupt elite contends with a virtuous citizenry. Importantly, the definition of this citizenry is often fluid and can carry ethnic, religious, national, or ideological connotations. When combined with polarisation, populism exacerbates political tensions by simplifying all discourse into a binary of "good versus evil". Consequently, citizens find themselves compelled to align with either the common people or the corrupt elite, thereby impeding the spirit of compromise and bipartisanship that democratic institutions rely on. These tactics, in conjunction with the post-truth era fuelled by the influence of social media and the communication revolution, enable politicians to blur the lines between truth and falsehood. As a result, politicians can flood the public sphere with untruths, exploit social media to disseminate disinformation, and nurture an atmosphere of fear and uncertainty, all of which pose a grave threat to the foundations of democracy.

Executive Summary

Figure 1 – Tracking the number of populists in power (1990–2023)

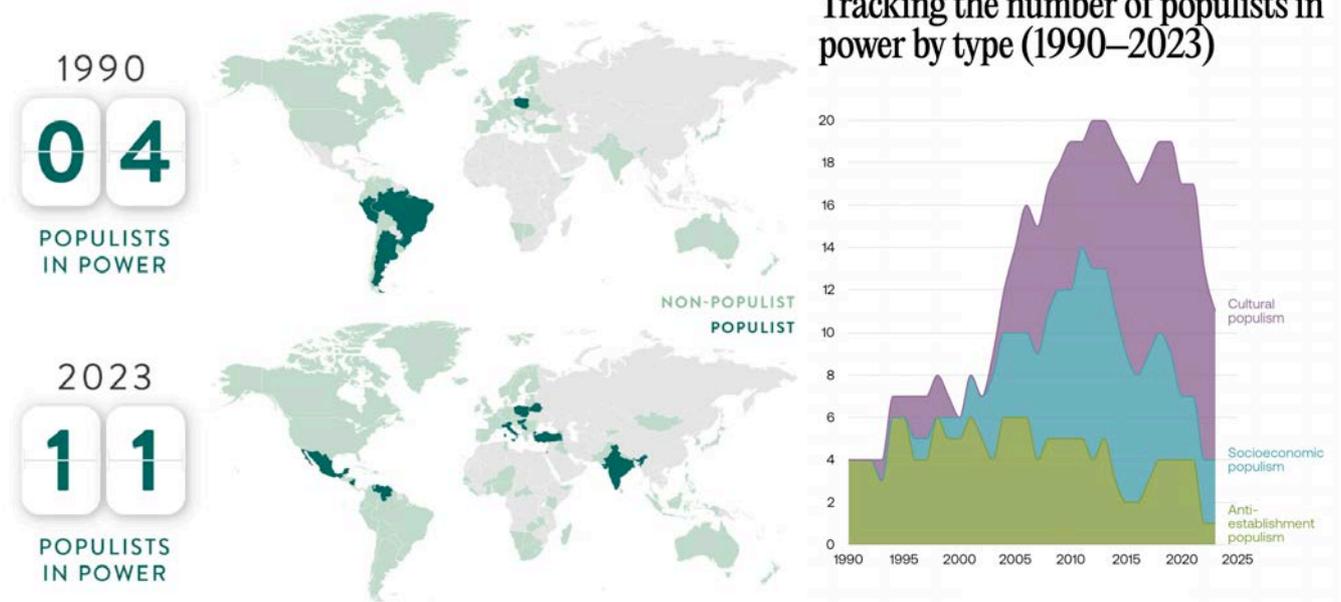


Figure 1: Sourced Tony Blair Institute, (5th January 2023), Retrieved from: <https://www.institute.global/insights/geopolitics-and-security/repel-and-rebuild-expanding-playbook-against-populism>

Globally, autocratic leaders have employed a range of similar and innovative strategies built from the three P's outlined above to maintain the appearance of democratic processes while simultaneously undermining their integrity. They have manipulated elections by excluding opposition figures, gerrymandering districts, intimidating journalists, and distorting campaign coverage to create all but an illusion of democracy, while concurrently undermining its institutions. These tactics are perhaps most poignantly displayed by the figure of Vladimir Putin, whose actions have led to a war on European soil and global consequences. The results of such leadership are seen in the increasing apathy towards democratic systems and the political polarisation and anger, which can result in events like the United States' January 6th riots or, more powerfully, the increasing wave of recent coups witnessed across North Africa.

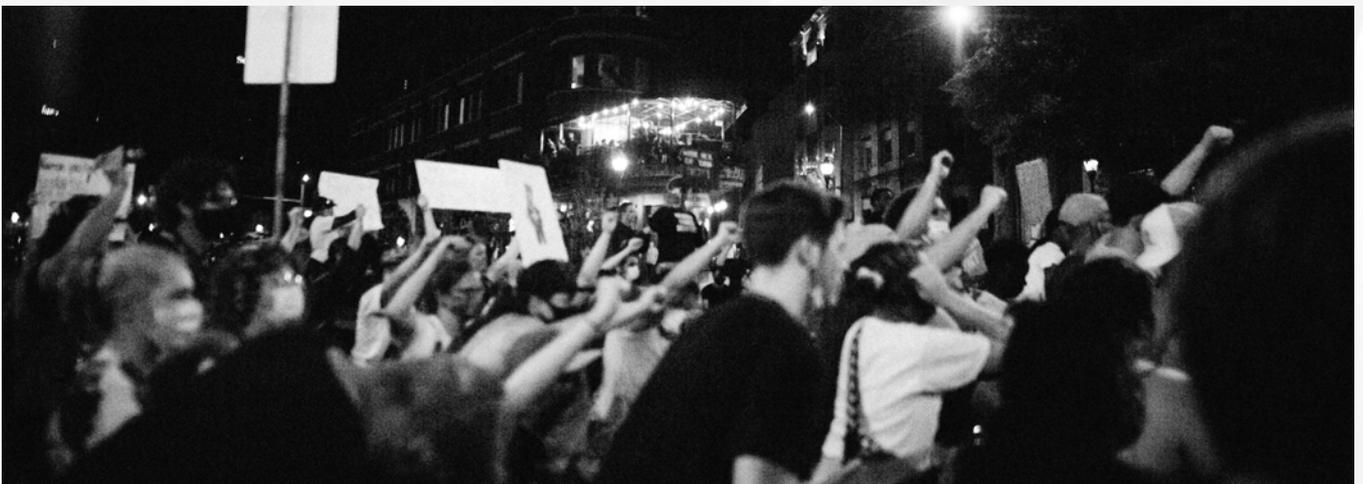
However, such strategies extend beyond elections. Once in power, illiberal populists have crafted legislation and judicial procedures to serve personal ambition, often at the expense of personal freedom. The placement of loyalists in the courts, as witnessed in Turkey, for example, allows for the polarised enforcement of norms and the detainment of dissenting voices. In the realm of information control, they use subtler methods, such as regulating media outlets, businesses, and academic institutes, imposing fines, or co-opting organisations, so that freedom of speech is a mere facade. These trends are witnessed globally but exemplified stereotypically in Hungary and Guatemala. All this highlights the profound global influence that populism, polarisation, and post-truth governance have so far entailed. Despite the increasing frequency of elections, the resilience of true democracies is continually tested. These shifts carry significant implications for both businesses and international travel, as they contribute to the creation of a more unpredictable and disrupted political and economic environment.

Implications

The primary risks stemming from such political evolutions are widespread and are part of the fractious risk environment prone today. Events of conflict, political unrest, increasing industrial disputes, increasing autocracies, and the ever-greater challenging of electoral results, which have upended many global businesses in the last twelve months alone, all have roots in the deepening fractures of political life. Populist politicians often adopt simplified solutions for complex problems, emphasising short-term gains, which can fuel economic instability and unpredictability, posing a challenging environment for businesses. Coupled with this, the frequent, albeit not universal, nationalist trends of such movements divide the globalised world, resulting in trade disputes and tariffs disrupting international supply chains and undermining the global economy international businesses operate within.

Furthermore, through driving divisive political rhetoric, even established democracies with well-functioning guarded economic institutions can be undermined through the fuelling of political unrest. Disruptive and violent demonstrations are now a feature across the world. Such events, driven by the polarisation of society, can lead to disrupted supply chains, increased criminality and property damage, but more broadly contribute to the increasing frailty and distrust of democratic systems. The politics of division enhance cultural and social tensions, potentially leading to personal risks for travellers with local cultures of discrimination or harassment more prone.

The effects are present universally but are most concerning in systems with new or fragile democracies. In these nations, such politics can lead to profound changes to governance and even the loss of democratic systems. This has been witnessed in recent coups across Africa and the increasing threat posed by illiberal democrats in former Soviet states of Eastern and Central Europe. Where citizenship has appeared less attached to democratic ideals, often allowing for a disruptive transference of power. The history of autocracies and military rule highlights the range of risks in such a system to both personal safety and business profitability. Democracy remains an imperfect and increasingly challenged means to ensure stability and representation. Therefore, the changing global commitments to democratic ideals could have profound implications for our systems of governance across many new democracies and as such, national stability and the rule of law.



Implications

Further risks come once populists are in power. Populist governments may enact regulatory changes that favour domestic industries and hinder foreign companies' ability to operate effectively. This shifting regulatory landscape can be a major challenge for international companies, forcing ever more stringent measures. Compliance with ever-changing regulations and requirements demands a heightened level of adaptability, posing a significant operational risk. The spread of populist and illiberal norms may also lead to the increased harassment of foreign entities and personnel, as witnessed in nations such as Putin's Russia or Orban's Hungary. Where the practices of unlawful detainment of foreign nationals or the closure of foreign-owned organisations, especially within the industries of media and academia, remain a growing risk for business travellers.

Finally, risks are posed to marginalised and discriminated minorities. Populism's division into good and evil dehumanises the political opposition and allows for the politicisation of human rights and the rule of law. Throughout illiberal democracies, advocates of freedom of speech and democratic norms have faced curtailment of rights, arrest, and at times violent harassment. Personal safety concerns are therefore elevated in a political climate of division, especially around electoral periods, which are increasingly fractious and contested. All this combines to the violent targeting of minority activists and the repression of political opposition, raising personal security concerns for those with a dissenting voice, whether national or foreign national.

Conclusion

The implications serve not as theoretical speculation but as impacts already witnessed across the world where democracy is facing a continuing challenge driven by populism, polarisation, and post-truth politics. Individuals and organisations must acknowledge and adapt to the complex landscape of risks that accompany political trends. To mitigate challenges, it is essential to stay informed about political developments and conduct comprehensive risk assessments, especially in light of major political events and upcoming elections. Engaging with local partners and understanding the political and cultural context of the destination is vital for informed decision-making. Additionally, diversifying investments and supply chains while implementing contingency plans for political unrest can help businesses navigate these turbulent waters that we expect to continue.

Such challenges to democracies are unlikely to stop. A complex range of factors, including Western relative economic decline, technological evolution, and immigration patterns, have driven and will continue to drive the rise of populism, polarisation, and post-truth politics. Therefore, democracy, a system first institutionalised in ancient Greece, is highly likely to continue to be embroiled in this conflict for years to come, as societies increasingly reflect the divided and unstable characteristics of politics.

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