

# HISTORY REPEATING

WHY POPULISTS RISE  
AND GOVERNMENTS FALL

SAM WILKIN



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# Introduction

Let us imagine, dear reader, that you wish to topple the establishment. Imagine you are an outsider political candidate, despised in Washington or Westminster; or perhaps a campaigner for democracy in an authoritarian country like China or Cuba; or even a revolutionary militant, seeking to depose a corrupt and unjust regime. Imagine that you have been seized by an overpowering vision of yourself leading the people to a better future, swathed in robes of white cotton walking forth upon rose petals scattered by youths singing songs in your praise.

Or perhaps that is just me. Regardless, I have bad news. Let me put it bluntly: your fellow citizens are sheep. ‘Let’s remake this great nation!’ you will cry. ‘Baa,’ they will bleat contentedly, distracted by salty snacks and Instagram. They neither know nor care that the system is failing them. Someone could burst through their front door and shave them, and they would stagger hairless to their feet and return to snacking on the sofa. Such ovine complacency is a problem for those who seek to rally mass movements against the political establishment; indeed, it has been a problem for all leaders who dream of political change, from those who fought to end racial segregation in the American South to those who toppled the Russian government in 1917: there is just not much net gain for the common man in undertaking political action. Struggling against the status quo entails personal effort for a widely shared

reward. We all want a better world, but no one wants to give up their weekend for it.

But do not lose hope: the people can be mobilised. When the UK's referendum on Brexit was held, for instance, some 2.8 million people turned out to vote who had not voted in the previous election; many of them had never voted in their lives. Whether one was appalled or elated by the referendum outcome, it was an extraordinary surge in political participation. And it was no less extraordinary when, in the first post-Brexit general election, turnout among eighteen to twenty-four-year-olds rose by 16 percentage points; and turnout among ethnic minorities rose by six points. What force could compel millions of hitherto uninterested people to rise up from their sofas and participate in politics?

These participation surges are examples of what I will call 'mobilisation politics', and they can produce a very different politics than that to which we have become accustomed. It is the politics of Brexit, of Donald Trump's victory, of the movements against them, and of great political uprisings throughout history. This book explains how such moments of turmoil come about, by telling the stories of leaders who wanted rebellions, mass uprisings, or votes against the establishment, and got them – occasionally to their own great surprise. We have all heard about a butterfly flapping its wings and causing a hurricane. In politics, it is far more common that the hurricane was already building, and a butterfly that happened to be flapping around nearby has loudly claimed credit. Political leaders put a face on events, but it is underlying social, political and economic conditions that give mass movements their strength. The leaders who have led momentous political changes tend to draw conclusions about the size of their wings, but even the most delicate flutter can produce a great storm if conditions are right.

But only if conditions are right. The sexiest revolutionary of all time, Che Guevara, once claimed that 'The revolution is not an apple that falls when it is ripe. You have to make it fall.' He then

disproved his own thesis by dying while attempting to overthrow the government of Bolivia. Today's political leaders, no matter how much we love or hate them, are no less the victims or beneficiaries of broader conditions. Many people no doubt spent 2017 chanting incantations in magic Latin (*egomanius incarcerationis! referendum reverso!*). But would such magic really fix politics? Take the case of Italy, where, during the early 2000s, a wealthy businessman became prime minister and then proceeded to alienate much of the country's political establishment. During the Eurozone debt crisis, the Italians got rid of him. A few years later, the most popular opposition party in Italy was led by a former professional comedian who wanted a referendum on leaving the Euro. Unless underlying conditions are addressed, *plus ça change* ...

But what kinds of conditions produced the turmoil of 2016? Two types are most frequently mentioned, but neither is sufficient to explain these surprising political events. The first is economic distress. But, as we shall see, the link between economic hardship and political unrest is not that simple. If hardship caused uprisings, it would have been peasants who led the Russian Revolution rather than comparatively well-off urban workers. If hardship caused uprisings, there would be a rebellion attempted in North Korea every day (perhaps unsuccessfully, given the North Korean government's willingness to oppress its people). As we shall see, even the extremes of personal hardship do not, on their own, cause people to rise up against the political establishment.

The other underlying condition that is often mentioned is psychological distress. It is said that people who turned out for the Brexit vote or supported Donald Trump were enraged by an assault on their values; or were reacting to a perceived threat from ethnic or religious minorities; or perhaps longed for a more authoritarian leader. But if disputes over values were the cause of recent political events, surely the non-voters who voted for Brexit would have turned out to vote in the previous UK general election as well?



Presumably, people's values did not change that much between the 2015 general election and the 2016 Brexit referendum. Hence conflicts over values cannot, on their own, explain why 2016 was such an unusual year.

But if economic distress, psychological angst, and the size of Boris Johnson's wings cannot explain the surprising events of 2016, what can?

### Social science

I began thinking about this book some time ago, because in my profession of political risk analysis, it has long been apparent that beneath the apparent dullness of modern politics – the all-but-interchangeable parties and policy platforms – the wheels have slowly been coming off. Perhaps, I thought, people will want to read a book about why this happens.

Take, for instance, the country risk ratings compiled by the financial journal *Euromoney*. In the 1980s and 1990s, the US ranked among the least risky countries in the world, perhaps unsurprisingly, given its long history of democracy, stability and general richness. By 2012, however, the United States had dropped to 15th place, eclipsed by, among others, Hong Kong and Singapore. At the time of writing, *Euromoney* ranks the United States one place ahead of Chile. Good for Chile, which only became a democracy in 1989. The country risk rankings of BlackRock, a leading asset management firm, are even more startling, rating France as more risky than Thailand, a country under military rule. It would be tempting to dismiss BlackRock as a bunch of cranks, but the company's annual profits of more than \$11bn suggest that these cranks understand a thing or two about the world economy.

Of course, such trends, while striking, have many causes, including benign factors such as improved conditions in developing economies. Yet one cause is the deterioration of political stability in

Europe and the United States. When America lost its triple-A rating from Standard & Poor's in 2011, the agency specifically attributed the downgrade in part to attempts by Congress to use the threat of a sovereign default to wrest concessions from the White House. Not since 1860, when Standard & Poor's was founded, had the United States been downgraded. A triple-A rating that had survived two world wars was undone partly by political polarisation.

I was personally impacted by the turmoil of 2016 – particularly the post-Brexit crash in the value of the pound. And yet, as I have spent much of my career studying political turmoil in other countries, I was not only shocked but more than a little intrigued to see political risk come home. I am reminded of the reaction of my father, a professor of anatomy and physiology, after he cut his arm badly while attempting some home repairs. He was so fascinated by his examination of the subcutaneous fat layer that it took him a while to realise he was in a lot of pain. Most of this book is about the history and science of what causes stability to crumble, rather than assigning blame for what happened, point-scoring against people who hold different political views than I do, or making fun of Boris Johnson. Still, in the final chapter I will let fly with some personal views.

### **What is in this book?**

In this book, I will introduce some of the more extraordinary political leaders in history – some familiar, some largely unknown – and explain how their delicate flapping toppled governments. Each chapter assembles a piece in the puzzle of political instability. Throughout the book, I will reference the events of 2016 – a historical case that we can all remember, despite many people's best efforts to forget it. I will identify hidden patterns in history; conditions and events that echo in different time periods and on opposite sides of the globe. Some of these patterns offer insight into the

root causes of political turmoil. Others, I assume, are mere coincidence. Take for instance the tendency of anti-establishment leaders to have iconic hats – Trump’s baseball cap is only the latest version; think of Mao, Fidel or Che Guevara. The trend was, arguably, started by Lenin, who for some reason began wearing a painter’s cap he had picked up in Sweden. I cannot think of any reason why revolution requires a great hat. Perhaps you can.

Chapter 1 introduces the characters: the charismatic populist, the old-school politico, the rising middle class. I will tell the story of Thailand’s turmoil and a poodle named Foo Foo. In the wake of a punishing financial crisis, Thailand elected a billionaire populist. The Bangkok middle class rose up against him, but the outcome was not what one might have expected.

Chapters 2 and 3 lay out the causes of political instability. I begin with one of history’s most epochal and improbable mass uprisings, in which a group of Russian workers toppled a ruthless czar. They also reshaped the globe: within a few decades, one third of the world’s people would be living under communist governments. Did the workers’ uprising spring from intolerable suffering? Personal economic distress? Collective insanity? None of the above, it turns out; and from this case I suggest what those forces are that make mobilisation politics possible.

Chapter 3 tells the story of another uprising that reshaped geopolitics: the Islamic revolution in Iran, which, as most people have forgotten, started with a poetry reading. I address the question of why regimes fall (for one thing, it helps if the leader is out of his mind) and how uprisings of the right succeed. At one time, social scientists thought that revolutions were the result of exceptionally powerful rebellions. There is more to it than that, as we shall see.

Neither Russia nor Iran were democracies; so what does it take for a rich democracy to fail? I tackle that question in chapter 4, which tells the story of Argentina – arguably the only country in the modern era to become rich and then become poor again. The

antihero of the chapter is Juan Perón, perhaps the purest populist of all time, a man so superbly gifted in the populist dark arts that he became, like Voldemort, *he who must not be named*. For years, after his downfall, it was a crime to print his name or image in Argentina until, like Voldemort, he made his untimely return, with the help of a sinister accomplice.

For a story with a happy ending, try chapter 5. In the 1930s and 40s, the United States overcame many of today's challenges, including populism and political polarisation. I recount the tale of Huey Long, a man whose charisma was almost a superpower; a natural revolutionary who started his first mass uprising in high school. Did Long threaten American democracy, or inadvertently save it? It is a question with great relevance today.

Which brings us to chapter 6: a handy guide to assessing whether your country is doomed. I explain why social science predicts that we will all be living in the world of Blade Runner, and why in actuality things will probably be worse, and I provide some pointers on assessing political risk. Also, there is a sex scene.

## CHAPTER 1

# The life of Foo Foo: a populist tail

‘A company is a country ... They’re the same.  
The management is the same.’

*Thaksin Shinawatra, billionaire prime minister of Thailand,  
November 1997*

## Meet Foo Foo

Thai royals love their dogs. King Bhumibol wrote a book about his dog, Tongdaeng, which reportedly became the best-selling book in Thai history. Tongdaeng, an adopted stray, is introduced in the book as a ‘common dog who is uncommon’. Tongdaeng can be seen chasing other dogs around trees (always clockwise), eating coconuts (with difficulty), sitting obediently at the king’s feet with paws crossed, and calling her pups telepathically. Everyone in Thailand loved Tongdaeng. One person who posted an insult about Tongdaeng on a Facebook page was charged with sedition and faced a possible prison sentence of thirty-seven years.

The king’s son, the crown prince Maha Vajiralongkorn, also loved his dog, a white poodle named Foo Foo. While Tongdaeng enjoyed simple pleasures, Foo Foo lived large. The US ambassador to Thailand was surprised to see Foo Foo attending a November 2007 gala dinner ‘dressed in formal evening attire complete with

paw mitts'. At one point Foo Foo leapt up on the table and began lapping water from the guests' glasses, to general amusement. Eventually, it emerged that the prince had awarded Foo Foo the rank of Air Chief Marshal in the Thai Air Force. Everyone saw the humour of it, although for members of the Thai military who were now outranked by a poodle, it may have taken some time.

And then a video of the birthday party for the crown prince's third wife was leaked on to YouTube. Everything about the party seems normal – the uniformed staff, the stacked presents, the floral arrangements, the balloons, the trees festooned with lights – aside from one detail: the prince's wife is almost naked. She wears a straw boater, killer heels, a thong and nothing else. The prince smokes a pipe and looks at ease. Even his wife looks relaxed. Then Foo Foo makes his appearance, living large, getting a kiss from this nearly naked Thai woman, and helping to blow out the candles. 'Careless Whisper' plays in the background.

To be fair, princes often misbehave at parties. Most Thais probably ignored the crown prince's antics, and focused on the wise counsel of their revered king. With the benefit of hindsight, however, they should have been paying a lot more attention to Foo Foo.

## On the status quo

In most countries – even Thailand – politics tends to be boring, and for good reason. In the late 1950s, the economist Anthony Downs demonstrated that, in principle, in democracies, the winning strategy for political parties is to pursue the voter with the most middle-of-the-road political views – that is, the 'median voter'. To understand why, imagine there are two political parties, and one of these parties is far to the right of that median voter. If the other party stakes out a position only slightly to the left of that party, it will win any election in a landslide. Why is that? Well,

right-wing extremist voters will love the first, extreme right party, so it will pick up their votes. Voters on the moderate right will love the moderate right party. Everyone else (centrists, soft-leftists and left-wing extremists) will hate the far-right extremists even more than they dislike the moderate right, and so hold their noses and also vote for the moderate right. A landslide win.

So the first party tries again, moving a bit towards the centre. Its rival again sets up just to its left. That process continues until both parties are more or less dead centre, where neither can pick up more votes by moving. It is as if there is a gravitational pull towards the political centre, which is essentially the position that the greatest number of voters dislike the least. Hence government policy in democracies tends, in effect, to be dictated by that most unremarkable of citizens – the ‘average Joe’. In the UK: Joe Bloggs; in Australia: Fred Nurk; in Germany: Otto Normalverbraucher; in a nod to social progress: the average Jo; in Thailand: the average Somchai.

Of course, only a few people – those who share the average Joe’s views, or near enough – love the policy platforms of these centrist parties. Everyone else is unhappy, but would be even more unhappy with a party that moved even further towards the opposite side of the political spectrum; and so, parties cluster at the centre, the least offensive position for the greatest number of people. It is, it must be said, not much to get excited about. Has anyone ever complained that all major political parties and candidates look the same? Or that they are dull? They do, and they are, in order to win. Parties that ignore the median voter tend to lose repeatedly. Their best candidates desert them; their supporters go elsewhere; they either change their ways or go extinct. It is the iron law of milque-toast politics.

An important point: the average Jo, that middle-of-the-road voter, is technically a median rather than an average; hence she is not necessarily the average citizen. Consider the situation in the

United States. In the 2016 presidential election, for instance, only about 60 per cent of eligible Americans turned out to vote; and those who voted differed in important ways from those who did not. One of the most reliable differences is age. In that election, for instance, the turnout rate for eighteen to twenty-nine-year-olds was a bit more than 40 per cent; but for over-sixty-fives, more than 70 per cent. Similarly, in the 2015 UK general election, for eighteen to twenty-four-year-olds turnout was a bit more than 40 per cent; but for over-sixty-fives, nearly 80 per cent. In addition to being older, the average (voting) Joe tends to be richer, more educated, and – in the US and UK at least – whiter.

Over the years, Anthony Downs's theory regarding party strategy in democracies has been put to the test thousands of times across innumerable elections, countries and issues. It is at best a rough guide to reality. There are in practice lots of complications: parties' strategic and reputational concerns; the nature of the political system (which in the United States, for instance, overweights votes in rural areas); the influence of money in politics; and so on. Still, politics in modern democracies tends to err on the side of the milquetoast. The political parties that win office tend to be centrist parties, and in countries with coalition governments, the average Joe's party usually ends up in the winning coalition. It is the politics of Blairism or of the Clinton Democrat. Is it left or right? Who knows? The point is, it wins elections.

But not always.

### The populist

In 1997, Thailand suffered a punishing financial crisis. A few years later, there arose a dark horse political candidate – a billionaire and a populist; a man who claimed he was already so rich that the broken political system could not corrupt him; a man who pledged to restore the vitality of Thai businesses battered by



foreign competition. Against all expectations, he won the 2001 general election, with overwhelming support from rural areas. Once in office, he quickly alienated the urban middle class; became the subject of multiple official investigations; attempted to fire or replace any public official who investigated him; lashed out at anyone who criticised him; promoted his own business interests; and appointed family members to high political positions.

Perhaps this sounds familiar?

Some of these coincidences are just coincidences. But there are often good reasons why history echoes so uncannily on opposite sides of the globe. This is a book about such patterns in history and why they occur. One element of these recurring patterns is the cast of characters. Indeed, many of the characters in this Thai drama will reappear throughout this book in various guises, so it makes sense to introduce them now.

Start with the populist. Thaksin Shinawatra was not initially a politician; he was, rather, a billionaire businessman with political problems. Thaksin had obtained a government licence to provide mobile phone services in Thailand. By the early 1990s, his company was the dominant player in the Thai mobile phone market; in 1992, its profits were 445 million baht (equivalent to about \$30m today); by 1995, 3 billion baht (\$200m today). It was a fabulously lucrative licence, but, because it was awarded by the government, it was also inherently political. In much of Southeast Asia, these licences went not to businessmen like Thaksin but directly to politicians or their relatives. A coveted mobile licence in Myanmar was awarded to the son of one of the country's top leaders; Cambodia's leading mobile phone company was owned by the prime minister. Soon, Thaksin's lucrative licence was attracting acquisitive glances from Thailand's political class.

In 1991, a group of Thai generals carried out a military coup, and it looked like Thaksin's goose was cooked. The generals pledged to root out corruption, and undertook investigations which quickly

revealed that the government officials who had granted Thaksin's mobile phone licence were guilty of having received kickbacks of about 300 million baht (equivalent to about \$21m in today's money), although not necessarily from Thaksin. After uncovering the corruption, the generals announced they would open the telecoms sector to competition. It soon turned out, however, that what they had in mind was not some far-reaching cleanup, but rather, handing out more mobile phone concessions so they could get kickbacks themselves.

That was still a big problem for Thaksin. More concessions would mean more competitors, and less profit. The country's military leaders were in the process of rushing out ten new concessions worth 5 billion baht (\$337m today) when they themselves were deposed by a democratic uprising in 1992. Unfortunately for Thaksin, the new democratic government was also keen to feed at the telecommunications trough, and in short order, Thaksin's competitors were taking advantage of democracy's flowering by jumping into bed with Thai political parties. The conglomerate CP, owner of TelecomAsia, cosied up to the New Aspiration Party; Ucom forged intimate ties with the Democrat Party; while a smaller competitor, Loxley, flirted sometimes with the Democrats, at other times with Thai Nation.

Thaksin decided that he had to get into politics himself. His initial approach was rather surprising: he joined the Moral Force Party, the party of the Buddhist lay ascetic who had been one of the leaders of the 1992 democratic uprising. The followers of a Buddhist ascetic – whose religious views were, even to other Buddhists, somewhat extreme – were never going to mix well with Thaksin's money. When the party split and its leader retired, it caused the government to collapse and new elections to be held. The next government that took power was famously corrupt, but Thaksin led the remnants of the Moral Force Party, admittedly somewhat unwillingly, into the government coalition, and managed to secure

the post of deputy prime minister for himself. His mobile phone concession was extended for five more years. Things were looking good. Thaksin diversified into cable television, satellite television and expressways – the common theme being businesses awarded by government licence.

But live by the sword, die by the sword. Many members of Moral Force did not like Thaksin, and the party soon collapsed around him. The next government was dominated by the New Aspiration Party – one of the parties supported by Thaksin's business rivals. New telecoms concessions were quickly awarded, which meant more competition. Thaksin was in serious trouble, so he doubled down, founding his own political party, the Thais Love Thais Party, on 14 July 1998. As the name suggests, it was nationalist. Initially, Thaksin pledged to pursue anti-globalisation policies and to make Thai businesses great again. 'This is an age of economic war,' he said, 'globalization and the international political system ... [are] increasingly ruthless.' At first, this platform did not get much traction, and many of the new party's founding members drifted away.

Then, in 1999 and 2000, there were major protests. Farmers' groups invaded Bangkok's northern suburbs. During an international conference in late 1999, the police blocked roads to prevent farm trucks from massing in the city. Intrigued by this raw display of people power, Thaksin's team met with rural leaders and the charities that had helped organise the protests. In March 2000, Thais Love Thais announced a new, rural platform. By August 2000, this platform had been fine-tuned to three simple (possibly focus-group-tested) points: a moratorium on agrarian debts for small farmers, a fund of 1 million baht (about \$34,700 today) to encourage entrepreneurship in every village, and a 30 baht-per-visit (\$1) scheme of public healthcare. It was a brilliant move, for the simple reason that rural areas were where the votes were. In roughly 80 per cent of all Thai electoral constituencies, rural voters constituted a majority.