

Can populists govern as populists?



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We have two good examples of populists now in power. In the USA Mr Trump is seeking to remodel government in line with his promises to the American people. In Italy a populist coalition between Lega and Cinque Stelle struggles to keep to its pledges to the Italian people.

Mr Trump's early months in office were afflicted by a reluctance of departments of government to implement his wishes. Secretaries of State and other senior officials he had appointed allowed the media to run a story that "grown ups" were still in charge of the Administration. Someone briefed that people could safely discount the President's tweets and views, as these were not what the government was doing. Mr Trump soon worked out that you have to be in power as well as in office if you wish to get things done. He embarked on removing a number of the senior people in the government who did not get on with his tasks, seeking a team of people who would reflect his wishes and would stick to the campaign promises he made.

The governing establishment seemed to think using tariffs to seek better deals around the world was not the done thing. Mr Trump pushed on with the strategy and found a Commerce Secretary, a Treasury Secretary and a Secretary of State who accepted the direction of travel. Some of the Pentagon and State department seem to favour more military action in the Middle East. Mr Trump has been very careful to use minimum power and only in response to a military provocation. As he himself says, he is not a warmonger and would prefer the USA to be at peace.

There are times when the President's tactical changes to try to get advantage in negotiations with foreign interests make it difficult for the relevant government department to keep up. The departments have got better at keeping quiet when the President is on manoeuvres to gain improvements, as with the tariff threat to Mexico to get them to provide more policing of their borders. Mr Trump's wish to have wide ranging tax cuts was more of a mainstream policy which government and Congress co-operated in, with a successful outcome.

Mr Trump seems to show that a determined politician who wants to keep his word to the electors can make a reluctant governing machine do much of what he wishes. Conscious that a network of international treaties, the so called international rules based system, can impede the US ambitions for fairer

trade or faster growth, the President has been prepared to bend or remove international obstacles to America First jobs based strategy. Faced with an often hostile Congress he has made full use of Presidential executive power and special role in international affairs.

In contrast under the much more comprehensive and stifling EU rules the Italian populist coalition has found it difficult to keep its promises. The wide ranging tax cuts Lega favours and the substantial basic income guarantee Cinque wants have proved difficult against EU enforced budget rules. The leaders of the two parties were forced to be Deputy Prime Ministers, with a PM over them acceptable to the EU with the force to keep Italy in the EU and Euro system. The government's wish to have a tougher migration policy has come up against the EU rules and requirements. The government's wish to rebuild the infrastructure and invest more in the economy is thwarted by debt and deficit controls.

The Syriza experiment in Greece ended in failure for the radical left party, unable to break out of the financial controls imposed by the Euro area because they ultimately would not or could not walk away from the Euro and establish an independent Greek economic policy. Italy is experiencing a similar dilemma. To do the things its government would like to do would require exit from the Euro. The populists are not willing to do something that big and might not have popular support if they tried it. The break up of the Soviet Union showed that it was quite possible for countries to leave a currency bloc and have different economic policies that worked well in a matter of months after exit. Current members of the Euro do not seem to think that would be possible or desirable in their case, so they will fail to be populists in power as well as in office.