Happiness, Equality, and Participation: What can Bhutan, New Zealand, and Estonia teach us about how to govern in the time of populism?

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Introduction

We are not living in the time of populism so much as we are living in the time of liberal democracy. In the time of liberal democracy, populism is inherent and virtually by design. Populism is something that should be expected, studied, understood, and managed, but not necessarily feared.

I view populism as something akin to a flood or forest fire. These natural phenomena have the potential to be destructive, yet they are necessary for the ecosystem to thrive; bringing renewal to the area around them. Populism plays a similar role today, acting as a democratic balancing loop, refocusing the debate on what is important, identifying the cracks and fissures in our institutions, and providing those who feel they are without a voice the means for making their voice heard.

However, just as in the case of floods and forest fires, there needs to be concrete governance strategies in place to ensure that these natural phenomena do not spread uncontrollably or cause undue harm. This is a continual and ongoing process, requires an understanding of populism's root causes, targeted governance measures to address these causes, and strong institutions with the capacity to implement these solutions.

On Populism

Before delving into how to govern better during apparent populist times, we must start with a discussion about what populism is. Unfortunately, this is not an easy task. Populism can be aligned with the left or the right, or associated with no ideology at all. Populism can be thick or thin.[1] Populism can be constructive or destructive. Populism can be seen as inseparable from politics or as the nemesis of politics.

Populism has been defined as a "thin-centered ideology which advocates the sovereign rule of the people as a homogeneous body"[2] that can be characterized by the presence of anti-elitist and anti-pluralist sentiment combined with support for direct democracy and the general will (volonté générale).[3] Populism is framed as a conflict between "the people" and the "elite". It yearns for transparency and accountability; it reviles corruption; it decries traditional liberal and elitist institutions; and it is in favour of more participatory and direct forms of democracy.

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[1] See, for a discussion on the distinction between these two: Albert W. Dzur & Carolyn M. Hendriks (2018) Thick populism: democracy-enhancing popular participation, *Policy Studies*, 39:3, 334-351, DOI: 10.1080/01442872.2018.1478408
[2] Abts, K., & Rummens, S. (2007). Populism versus democracy. *Political studies*, 55(2), 405-424. Quote from p. 408.
[3] See Stoker, G. (2019). Can the governance paradigm survive the rise of populism?. *Policy & Politics*, 47(1), 3-18; and Mudde, C., & Kaltwasser, C. R. (2017). Populism: A very short introduction. Oxford University Press.

Under this definition, populists are certainly anti-establishment, but not necessarily anti-democratic. In fact recent research has shown that supporters of populist movements can be associated with higher levels of support for democracy, not of the traditional type, but of more deliberative and direct forms, such as referendums.[4]

Populists may feel that they are no longer represented by the "elite" or elected representatives and aim to use more direct forms of democracy to 'take-back' the power. Clear examples of this can be seen in the United Kingdom's BREXIT referendum[5] or in Italy's [M5S Rousseau initiative](#).

Yet, not all view populism as a risk to democracy; Ernesto Laclau views populism as synonymous with politics, occurring on both the right and left side of the political spectrum.[6] While the world is currently seeing a rise in populist movements on the right, there is no shortage of populist movements from the left. This can be seen in the more recent movements such as Occupy Wall Street that pitted the 99% versus the 1%, or historical movements such as those organized by Huey Long and Franklin D. Roosevelt in the USA. So too were the civil rights and women's suffrage movements populist, but, unarguably, they strengthened, not threatened, democracy.

Indeed, many of the world's most successful populist movements can be seen in the left side of the ideological spectrum; these often aim to strengthen liberal democracy and advance societal acceptance of liberal values and beliefs. Viewed in this way, populism serves as a necessary tool in the toolbox of the minorities, the oppressed, or the forgotten. It allows for critical issues to be brought to the attention of the governing powers that be and encourage change.

As the world continues to face an increasing number of crises, both real and perceived, it should not be a surprise that populist calls on both the right and the left are increasing as groups strive to tackle issues such as economic and social inequality, climate change, migration, globalization, war, sustainability, and recession.[7]

Inequality, Wellbeing, and Populism

While some research argues that the current rise in populism can be associated with a clash of values or a cosmopolitan cultural backlash[8], recent research appears to show that populist support is also heavily influenced by increasing instances of inequality[9] and low or decreasing levels of social wellbeing and happiness.[10] These are not necessarily exclusive, and populism is probably driven by a combination of the three. Voters feel disconnected from government; their values aren't being respected; they feel unequal; they are unhappy, they want something different. Populism appears to be the simple clear answer.

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[4] Andrej Zaslove, Bram Geurkink, Kristof Jacobs & Agnes Akkerman (2020) Power to the people? Populism, democracy, and political participation: a citizen's perspective, *West European Politics.* DOI: 10.1080/01402382.2020.1776490

[5] The quote "I think the people of this country have had enough of experts" from Michael Gove is particularly relevant here. See more here: https://www.telegraph.co.uk/news/2016/06/06/eu-referendum-who-needs-experts-when-weve-got-michael-gove/

[6] See, for example: Laclau, E. (2005). Populism: What's in a Name?. *Populism and the Mirror of Democracy*, 48.

[7] Simon Tormey (2018) Populism: democracy's Pharmakon?, *Policy Studies*, 39:3, 260-273.

[8] Inglehart, R. F., & Norris, P. (2016). *Trump, Brexit, and the rise of populism: Economic have-nots and cultural backlash.* Available from: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2818659. Accessed 24.01.2021

[9] Stewart, A. J., McCarty, N., & Bryson, J. J. (2020). Polarization under rising inequality and economic decline. *Science advances*, 6(50).

[10] Ward, G., De Neve, J. E., Ungar, L. H., & Eichstaedt, J. C. (2020). (Un) happiness and voting in US presidential elections. *Journal of Personality and Social Psychology*. DOI: https://doi.org/10.1037/pspi0000249

Acknowledging this sentiment, Mariana Mazzucato has noted that "underneath populism there's a sense of real disenchantment, whether from globalization, technological change, even European unity. Not everyone feels that they have benefitted."[11] It is this widespread disenchantment, as well as decreasing levels of societal wellbeing, that has lead Mazzucato to reimagine capitalism where priorities of government policy, innovation, and regulation are used to solve critical societal challenges, address issues related to societal wellbeing, inequality, citizen happiness, and ensuring sustainable economic and societal growth.

Reimagining the purpose of government, governance, and growth in such a manner — putting the citizens' happiness and societal wellbeing at the forefront — is a critical aspect of governing and managing populism; but more is needed.

Increasing inequality and polarization trigger a departure from participation in civil society. Involvement in democratic discourse declines. There is a decrease in political turnout. Media organizations become increasingly polarized. All of which help further increase the distance between political parties and the voting public. Thus, in addition to addressing inequality and wellbeing, it is important to provide strategies that reengage voters into the public and democratic discourse.

Such strategies would: promote transparency and accountability, reorient the civil service to be community-focused, prioritize happiness and combat inequality, provide funds for societal wellbeing and development, and institutionalize and increase opportunities for citizen engagement, debate, and deliberation. If these are done, then it would be possible to simultaneously constrain the negative aspects of populism (e.g. anti-liberal or anti-institutional tendencies) and harness the positive aspects of populism (e.g. making elected representatives aware of critical societal needs, values, or inequalities).

Governance Strategies

In order to discern potential governance solutions to these causes I look to three countries: Bhutan, New Zealand, and Estonia. Each country offers a unique governance strategy that, I believe, when combined, would yield a holistic solution for the management of populism. The first gives a way to align governance with societal needs through an institutionalized concept of Gross National Happiness (GNH); the second offers an innovative approach for addressing inequality and societal wellbeing; and the third offers solutions for increasing access to deliberative and direct democratic processes.

Bhutan

In Bhutan, the idea of GNH is strongly tied to Buddhist beliefs and has existed since the 1970s, but was brought into the mainstream debate in the early 2000s.[12] Bhutan rejected the neoliberal importance placed on GDP and opted for an approach centred on the development of happiness. The GNH index consists of four primary pillars: "good governance, sustainable socio-economic

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[11] Mazzucato, Mariana. "Missions will require a 'revolution' in European governments – Prof. Mariana Mazzucato". *Horizon Magazine*, 04.07.2019. Available from: https://horizon-magazine.eu/article/missions-will-require-revolution-european-governments-prof-mariana-mazzucato.html. Accessed 24.01.2021

[12] Drechsler, W. (2019). The Reality and Diversity of Buddhist Economics. *American Journal of Economics and Sociology*, 78(2), 523–560. https://doi.org/10.1111/ajes.12271.

development, cultural preservation, and environmental conservation."[13] While GNH is not entirely a satisfactory measure, it is certainly relevant for any discussion on addressing the fundamental drivers of populism.

Of particular relevance for the discussion of liberal democracy and populism is the importance that GNH places on 'good governance', which consists of "political participation, people's perception of government performance, and fundamental rights and freedom"[14], where higher levels of each would be viewed as importance for the overall happiness of society. If institutions reorient their purpose towards the development of happiness, addressing feelings of inequality will become a core component of public service. In carrying out this duty, inequality should diminish, which, in turn, could well lead to increased levels of political participation and decreased populist dissatisfactions.

New Zealand

New Zealand has reimagined public service: its purposes, aims, and functions. There are three particular changes that are worth drawing attention to in the path towards better governance in times of populism.

First, in 2013, New Zealand added a new purpose to their State Sector Act requiring that it be "imbued with the spirit of service to the community"[15], which superseded the previous purpose of "operating in the collective interests of government"[16]. This change puts the needs of the community over the needs of the government; the development of the community and its wellbeing is the goal and purpose.

Second, New Zealand developed a living standards framework consisting of 12 core indicators ranging from civic engagement to housing to income to subjective wellbeing. It provides a more comprehensive approach for measuring the wellbeing of New Zealanders and the potential impacts on their wellbeing that policy changes may have.[17] In order to make their data on these indicators more transparent, New Zealand's Treasury launched a dashboard that tracks the development and trends of societal wellbeing over time.

Third, New Zealand launched a "wellbeing budget" that emphasizes the importance of fostering the development of community wellbeing, not only its economy. The Minister of Finance noted that "this budget signals a new approach to how government works, by placing the wellbeing of New Zealanders at the heart of what we do."[18] The budget makes strategic investments in areas likely to have the biggest impact on societal wellbeing, with six being chosen in the first budget: "Taking mental health seriously, improving child wellbeing, supporting Maori and Pasifika

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[13] Oxford Poverty and Human Development Initiative. (n.d.). *Bhutan's Gross National Happiness Index*. Available at: https://ophi.org.uk/policy/gross-national-happiness-index/. Last accessed: 24.01.2021

[14] Centre for Bhutan Studies, & GNH Research. (2016). *A Compass Towards a Just and Harmonious Society - 2015 GNH Survey Report*. Centre for Bhutan Studies & GNH Research. Quote from p. 188

[15] New Zealand Government. (2020). *State Sector Act 1988 No 20 (as at 07 August 2020), Public Act 1A Purpose*. Available from: https://legislation.govt.nz/act/public/1988/0020/latest/DLM5485226.html. Accessed 24.01.2021

[16] Ibid.

[17] Burton, T. (2018). The Treasury Approach to the Living Standards Framework. Available from: https://www.treasury.govt.nz/publications/tp/treasury-approach-living-standards-framework-html. Accessed 24.01.2021

[18] New Zealand Treasury (2019). *The Wellbeing Budget*. Available from: https://www.treasury.govt.nz/sites/default/files/2019-05/b19-wellbeing-budget.pdf. Accessed 24.01.2021. Quote from p. 3.

aspirations, building a productive nation, transforming the economy, and investing in New Zealand."[19] In this way, New Zealand is making strategic and targeted investments in ensuring the development of wellbeing amongst the population.

In the context of governance in the time of populism, realigning the values of the public service and public servants, adopting indicators on overall societal wellbeing, and making strategic and targeted investments in improving the overall wellbeing of society are all necessary strategies that will temper populist movements.

Estonia

It is not enough for a government to institutionalize happiness, develop an index of wellbeing, and make strategic investments in improving the wellbeing of citizens. Indeed, for those of a populist persuasion these may well present a frightening prospect where the "elite" and "corrupt" institutions dictate what happiness or wellbeing are or are not. Thus, it is of the utmost importance that increased opportunities for citizen deliberation and direct involvement accompany these initiatives.

While the most commonly cited country for such direct democratic participation is Switzerland, known for its heavy use of referenda, Estonia is also of particular interest for its increasing efforts to foster citizen engagement in the governing process. This, so far, has manifested itself in two primary ways.

First, Estonia institutionalized a citizens' initiatives portal that lets any citizen create a public proposal and trigger a deliberative process. If a proposal receives at least 1,000 signatures, it is sent to parliament where it must be considered by the parliament. As this process is institutionalized and a legal requirement there are concrete examples of proposals being drafted into law that started on this platform. The institutionalization, support, and constant use of such processes are critical for the long-term sustainability and success of any such initiative.

Second, many cities in Estonia engage in a practice known as participatory budgeting. In practice, this means that the city government allocates a certain percentage of its budget for citizens' initiatives. Citizens are able to create proposals for how this money should be spent, on what projects, and then through a participatory and deliberative process, a small selection of projects are selected to go to a public vote. The winning projects are then funded.

The institutionalization of proposals that are citizen initiated and led is important. It has been pointed out that referenda and similar forms of direct democracy may well help to revitalize democracy and increase citizen participation;[20] however, this is only true when they are citizen initiated. In cases where these initiatives are government led, they are often used as a tool among populist rulers to skirt liberal democratic checks and balances.[21]

Conclusion

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[19] Ibid. Quote from p. 6.

[20] See: Albert W. Dzur & Carolyn M. Hendriks (2018) Thick populism: democracy-enhancing popular participation, Policy Studies, 39:3, 334-351 and Andrej Zaslove, Bram Geurkink, Kristof Jacobs & Agnes Akkerman (2020) Power to the people? Populism, democracy, and political participation: a citizen's perspective, *West European Politics.*

[21] Van Crombrugge, R. (2020). Are referendums necessarily populist? Countering the populist interpretation of referendums through institutional design. *Representation*, 1-22.

Each of these governance strategies and approaches from above has the potential to have an effect on populist tendencies. However, oddly enough, implemented on their own, each could, in theory, encourage negative aspects of populism. Thus, it is important to acknowledge the complex and systemic nature of these issues and engage in a holistic response to simultaneously constrain the negative populistic attributes (e.g. anti-establishment behaviour) and harness the positive aspects (e.g. making governing institutions aware of inequality).

I believe that this can be done by reconnecting governing parties with their citizens, orienting the focus of government: to fight inequality and improve citizen wellbeing, provide funds to address issues of inequality and wellbeing, reengage citizens in democratic discourse and communication, and give citizens more opportunities to become involved in the policy process.

Such a holistic approach would provide a new way of governing that is more equitable, more citizen centred, and more apt at handling challenges to the legitimacy of our liberal institutions while also enabling opportunities for the "silent majority" to make their voices and concerns heard.