Neo-nationalism as a counter-movement against marketization

A critical political economic perspective can be particularly useful to understand the neo-nationalist phenomenon. More specifically, the rise of neo-nationalism points to the contemporary relevance of Karl Polanyi’s intellectual arsenal, crystallized in his magnum opus *The Great Transformation.* One of the significant issues in this line of thought is that of the ‘double movement’ demonstrating the antagonistic relationship between the drive toward the ‘ultraplan free market’ and the inevitable societal ‘counter-movement’. Polanyi famously argued that societies would demand social protection against the process of marketization. Neo-nationalism can thus be interpreted as a renewed Polanyian moment whereby pro-market restructuring of the state under the auspices of neoliberal globalization generates genuine grievances exploited by populist nationalists.3 And although Polanyi focused on the industrial Global North only, his insights are well applicable in the Asian context. On a more recent level, Streeck has argued that the ‘double movement’ dynamic, which was largely developed in the early 1990s to account for the process of untamed globalization, now seems to be at play on a global scale.9

**Empirical references**

To give the first illustration from the Asia-Pacific region, the structural changes in the national economy and state formed a fertile breeding ground for Pauline Hansen’s One Nation Party’s (ONP) vision of a homogeneous Australia. As in other advanced industrial nations, Australia had undergone a radical pro-market restructuring of the economy and state, the process underpinned by the ideology of ‘economics rationalism’ which was labeled as neoliberalism.2 The transformation began back in the 1970s under Gough Whitlam’s Labor government and gained momentum in the 1980s. The subsequent advancement of policies and practices to deregulate welfare, labour, and finance under the Hawke-Keating (1983–1991) governments signified a break with the tradition of the ‘Australian Settlement’. The pro-market re-regulation and ensuing declining capacity to fulfill the social contract towards working and middle class Australia translated into increased experiences of deprivation and status anxiety, as well as disillusionment with ‘politics as usual’. In the absence of meaningful alternatives, the ONP offered a simple populist message to harness fears of material and social displacement: give a voice to ‘ordinary people’ or ‘the little man’ so that every ‘blonde would have a fair go’. On the vertical axis of identity construction, the ONP drew the boundaries of Australia to exclude the elites who failed to protect the people from economic and social dislocations. From a horizontal perspective, it emphasized an attack against the more ‘privileged’ groups, most notably welfare recipients, Asian migrants, and Aborigines who were seen to challenge the ‘Australian way of life’. Yet, although the ONP relied on ethno-migrant cleavage to mobilize voters against the Aboriginal, Muslim, Asian ‘Others’, the people’s racial sensibilities did not exist in a vacuum. Rather, they became especially acute and were available to be politicized in the time of anxiety over social welfare rationalization, job insecurity, and redistribution stemming from the structural changes in the country’s political economy. In a solution resembling other neo-nationalist forces, the ONP offered a chauvinistic vision of ‘Fortress Australia’ as a response to these changes.

In South Korea, although no institutionalized populist nationalism emerged, left-wing ‘progressive’ parties such as the Democratic Labor Party (DLP) and its successor the Unified Progress Party (UPP) displayed some elements of it. Rooted in the democratic and labour uprisings of the late 1980s, and the formation of the Korean Confederation of Trade Unions (KCTU), DLP was established in 2000 and gained 13 per cent of the vote in the 2004 general election, capitalizing on the post-1997 (Asian Financial Crisis) reforms and the new proportional representation law. DLP represented the marginalized ‘underclass’—workers, farmers, and the urban poor—and opposed the ruling conservative Grand National Party’s policies, from privatization of public utilities to hostility towards North Korea.3 Although the DLP and UPP lacked the elements of populism and radicalism most commonly associated with European neo-nationalist parties, there were outsider challengers nonetheless; they mounted a third alternative to the liberal-conservative system at the expense of populism and radicalism within the Korean post-democratization period. Thus, analytically they represent a nascent form of Polanyian ‘counter-movement’ against the encroachment of the market. Both parties dissolved or were banned by 2014, yet the political void was filled by the 2008 and 2017 ‘candlelight protests’. The former was sparked as a reaction to the government’s decision to reopen South Korea’s beef market to the US, and originated in the critique of neoliberalism within the Korean leftist circles. The trigger for the more recent massive protests was the ‘Cho’ Soon-il gate’ of 2016–2017, which culminated in the ousting of president Park Geun-hye, accused of embezzlement and collusion with the country’s biggest chaebols. Yet while the protests may have had a lot to do with the specifics of Park’s regime, grievances had accumulated over the years. From a comparative perspective, although Koreans appear to have lost patience with their political system in line with the political alienation trend elsewhere, their response presents a more progressive civic and civilizational response of the Polanyian ‘double-movement’ dynamic.

Finally, the radical right in Japan is multi-layered and appears to be distinct from Western counterparts in two aspects: a staunch emphasis on historical revisionism, as demonstrated by the multiple instances of glorifying the pre-war Japanese Empire; and nativist sentiments against close neighbours (most notably Korea) rather than migrants.3 However, as the sociologist Michael Pusey has argued, economic restructuring creates a “defensive need for ‘communities of memory’ in which social resistances to commodification congeal in revived memories and imaginary constructions of shared experience.” With the overall neoliberal consensus in the incumbent and post-governments, acts such as the restoration of the National Foundation Day or the Prime Minister’s worshipping at the Yasukuni Shrine make intuitive sense. These symbolic appeals to national greatness serve as a psychological coping strategy for citizens who hope for improved socio-economic standing, especially those who lack other markers of social status, such as education or occupation.

**Notes**


3 Economic rationalism presumes that “economies, markets and money offer the only reliable means of setting values on anything” and “always deliver better outcomes than states and bureaucracies.” Pusey, M. 1996. *Economic Rationalism and the Context for Civil Society.* Thress Reven Vz.62.


6 Left-wing political contestation is alive nonetheless. (Progressive) Justice Party, founded in 2002 as a split from the UFP, gained 7.2 per cent vote share in the 2016 legislative elections, and 6.3 per cent in the 2017 presidential election.
