Catching the wave of future ideologies

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What are the political, social and economic ideological waves of the 21st century that could mark our immediate future.

Ever since Keynesianism in the 1930s, ideologies have marked the evolution of Western economies, with politics constantly adapting to the dominant trend.

Each of these waves starts with an intellectual or educational current, which gradually shapes a new proposal. At a particular moment in time, this material rushes to the surface, usually by way of an important communication vehicle, such as a bestseller. After that, a great number of followers of the new movement come crashing down like a tsunami, washing over everything previously established.

This is the metaphor offered by IESE Prof. José Ramón Pin in "Las olas de la ideología en la democracia occidental" ("Waves of Ideology in Western Democracy"), which analyzes the three most important ideological waves of the 20th century - Keynesianism, Neoliberalism and the Third Way - and discusses what new currents may bubble to the surface soon.

The Keynesian wave

People must consume in order for the economy to grow, but in the bleaker moments, it is the State that has the power to intervene in the system and jump-start the economy. This is the basis for the theories of John Maynard Keynes, which were presented in his 1936 book, *The General Theory of Employment, Interest and Money*. It was not only economists, but also philosophers, sociologists and political ideologists whose social-democratic ideas fueled the success of Keynesianism. State actions were seen as just another element of aggregate demand, not as a threat, and thus the West openly embraced the movement.

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The Keynesian wave gained momentum after the Great Depression of 1929 and came crashing down after the Second World War. The New Deal, initiated in the United States by President Roosevelt, had many points in common with Keynes' theories. Most European countries that were devastated by war and looking to rebuild themselves followed a similar line.

As with any ideology, however, Keynesianism began to show signs of weakness as it ran into problems. In the 1970s, stagflation cast the effectiveness of the system in doubt. Some governments started to reduce the size of the public sector in favor of the private sector, while in the academic world the foundations of a new wave were being designed.

Monetarist neoliberalism

Recognition of Neoliberal theories by the academic community came in 1976 when Milton Friedman, professor at the University of Chicago, was awarded the Nobel memorial prize in economics. He always demonstrated a strong opposition to both Keynesianism and economic regulation by the State and, at the same time, clear support for liberalism.

This posture materialized in the so-called "Conservative Revolution," which embraced the new theory of Neoliberalism, and coincided with two key historical events: the rise to power of Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom. This would mark the triumph of Neoliberalism in the Western world, a doctrine that steamrolled the previous ideologies.

Although Neoliberalism reigned for nearly two decades, with its brilliant macroeconomic results, it ended up showing weaknesses. Social differences were widening in developed countries and, at the international level, the disparity between rich and poor was getting out of hand. By the late 20th century, 30 percent of the world's population lived below the poverty level, and the developing countries accounted for just 15 percent of the world's income.

These figures, added to a disproportionate ecological cost, began to affect the sensitivity of the educated classes in developed countries. With that, a newly created epicenter was about to build force.

The third way

In 1998, Anthony Giddens published *The Third Way: The Renewal of Social Democracy*. The

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book focused on how to overcome the lack of justice and equality in Western societies, and proposed a reformation of people's rights and freedoms. Consequently, it was more of a social and political movement than an economic one, and was thus quickly assimilated by even conservative governments.

In practice, the Third Way is based on politically correct thought and affects virtually everyone. Although many groups may not agree with the social changes, the individuals act according to political correctness so as to avoid being socially demonized.

This has brought us to the present, a time in which Neoliberalism has shown its economic weakness with the onset of an international financial crisis. This situation foreshadows an imminent return to Keynesian positions, with the State emerging in the role of savior.

The story is not over

According to Pin, in the future, one must remain alert in order to discover and help build new ideological epicenters. The author suggests three new scenarios.

- *The emerging epicenters of international affairs:* a convergence of two theories - the Clash of Civilizations and the Flat World. The former advocates cultural separation and isolation, while the latter defends greater alliances and cultural globalization.
- *Electronic democracy:* a direct appeal to citizens to make political decisions by means of electronic media platforms. Models include teledemocracy and cyberdemocracy.
- *The three sectors*: globalization invokes a progressive dividing up of the national economies. This halts competition at the national and international levels, thus paving the way for competing economic communities comprising the corporate, public and nonprofit sectors.

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