

BIG POLITICS

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The Scandinavian Brewers' Review is not a political magazine – we have no fixed political basis or cause, as it may. We pay an interest in political developments only when these have specific impacts on our industry – for example, the alcohol policies of the countries in our region that have significant consequences for the brewers. These consequences are very direct in the form of beer taxation as well as the rules governing how we may – or may not in most cases – market our products.



But writing an editorial here at the start, at least as far as the SBR is concerned, of 2017, it is very difficult, if not downright impossible, to ignore the recent events on the global political scene: the Brexit referendum in the

UK and the election, inauguration and first active period of Donald Trump as the new president of the USA. All informed commentators and experts read these changes as mere symptoms of some deeper changes in the political landscapes in the Western world. A large group of voters, which is obviously the same as people in general, looks at the evolution these past few decades, particularly the effects of globalization, with a very fundamental skepticism, as they do not see any benefits of these developments having come their way. Quite the contrary, they see things this way: Jobs have been lost in very large numbers. Average incomes in their groups have not gone up. Immigration is seen as a threat because 'the foreigners' not only take a large share of the remaining jobs not requiring particular skills but they also bring a strange and frightening new culture and religion, and they get a special royal treatment with respect to social services and benefits. Crime – maybe even also the risk of terror – increases, and the net result seems to be fear, depression and pessimism.

The solidity of our liberal and democratic society models has for a long, long time been seen as unshakeable. We have been

convinced that the 'social contract' between all groups in our societies that our values – tolerance, democratic rights for all, openness, a social security system that ensures everyone a decent quality of living as well as equality of the sexes (regardless of how many new ones may be invented) – were so strong that nothing whatsoever could shake them. And, likewise, we have been convinced that although we all have our individual politically based opinions on how to move our societies forward, we have all shared not just the fundamental values but also the fundamental analysis of what the facts are and how the basic forces of society work and interact. Many of us have been shocked to see that this basic fabric of our societies is very far from being solid – it seems clear that those groups that are against the effects of globalization are more than willing to seek their own 'facts' and their own analysis of the problems based on those 'facts'. In every society at any time in history, such a situation has been fertile ground for populists who not only formulate the 'facts' and analysis in no uncertain terms, but they will also happily point out the culprits, and thus the enemies, and the easy solutions needed to address the problems. When the populists' simplistic, misguided and often self-contradictory ideas are met with 'old fashioned', real fact-based arguments and criticism, this is swept off the board without hesitation by categorizing the opponents as enemy conspirators who only seek to uphold their own privileges and the status quo. How can they be trusted when they got us in this mess in the first place?

To me, it is unquestionable that the governing elite for the past 20–30 years has actually helped create this situation by either totally ignoring the real concerns of those groups of people →

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who have now actually used their democratic rights to say 'enough is enough' or by actually recognizing those concerns, only to arrogantly dismiss them as stupid analyses promoted by stupid people and, as such, nothing that needs to be taken seriously.

So, now, Brexit is a reality, Donald J. Trump is in the Oval Office and, in a few months, Geert Wilders in the Netherlands, Marine Le Pen in France, Frauke Petri in Germany and Beppe Grillo in Italy may be either in office or playing a significant role in the politics of their respective countries. Be that as it may, in that case, it will only be the fair and just results of the way our democracies work, and still hardly a situation that in itself warrants the concerns of an editor of a brewing industry journal in Scandinavia. And I agree – the potential democratic victories of these populists will probably not to any significant degree alter the basic conditions for the brewing industry apart from some annoying increased difficulties and costs (import duties, closed borders, etc.) imposed on trading beer across the borders.

But allow me to take the analysis of recent event in international politics one step further. And I'm not even thinking about the potential breakdown of the European Union that many of the observers are now beginning to see as a real risk. Although this is not something that receives any attention in the media at this point in time, I believe it is relevant to consider what the consequences will be when – and I'm deliberately not saying if – it becomes painfully clear to the supporters of the new populist leaders that they will not be able to deliver on the fundamental promises of a 'resurrection' of the underprivileged classes in terms of vastly improved social conditions, jobs, etc.? Is it at all realistic that the angry supporters will simply realize that the populists are just that and that the simple solutions to extremely complex problems were bound to fail in the first place? And with a shrug of the shoulders fall back into line, either again becoming politically resigned and inactive or going back to the established and despised political forces? I see that as next to unthinkable. Another scenario is that the populists will blame their own failures on resistance and active sabotage by the 'old elite', the immigrants, the media and all the other forces making up 'the enemy' in the eyes of the populists and their supporters. Such a scenario will obviously both build on and further deepen the 'them and us' divide, and the fear is that this might destroy whatever is left of the 'social contract' between the populist supporters and 'the enemy', and a possible next step on behalf of the populists could easily be to declare the total failure of

the old open, liberal and democratic model for society, and proclaim a new social order based on autocracy, nationalism and protectionism in the interest of 'the people'. And to those claiming that such a scenario is so far-fetched that it's not worth even considering, may I just point to two very large and very aggressive powers in our vicinity, such as Russia and Turkey. Would it be so unlikely that the populists could point to those and say that autocracy is a viable and effective model for society? How would such a transformation of our societies play out? Would it be relatively peaceful and gradual, or would we see actual social unrest and violence in our streets as a kind of replay of the Arab Spring or even the Russian revolution of 1917? Some very, very scary prospects, if you ask me!

How are such potential changes likely to affect the brewing industry? Will a much more autocratic, isolationist and nationalistic world affect us apart from the aforementioned annoying and perhaps costly import duties on our products? It would not be too difficult to let imagination play freely into aspects such as nationalizations and/or sudden and dramatic limitations on marketing, sales and distribution of alcoholic beverages including beer, but this would not be sober – excuse the expression! What would be not just realistic but almost an automatic consequence if we were to begin seeing dramatic changes in our political systems would be a quick and deep economic recession that would make the last one, beginning in 2007/2008, look like a walk in the park. The world of international business, with the financial sector being the first to react, would react extremely negatively to both the extreme uncertainty that such changes would imply as well as to the generally worsened conditions for international investments and trade.

You may claim that I'm seeing ghosts and behaving precisely as paranoid as the 'elite' has been seen to be reacting already by some observers. And, yes, I do admit that the 'horror scenario' does not currently seem very likely, and it is, in any case, quite a number of years down the road. But can it be discarded as mere paranoia and pessimism? My personal attitude is, as it has always been, actually optimistic, so I attach my hopes to a scenario where the established political classes will reflect very thoroughly over the changes we've already seen and adjust their policies in ways that meet at least some of the expectations and demands of the 'left-behind classes'. However, the fundamental issues causing the problems for these people – lack of education, lack of social mobility and lack of new jobs in the areas that have been hit the hardest – are structural and cannot be solved either easily or quickly. So, addressing the issues is a

monstrous task that will take generations, and, at this point, the patience that might have previously reigned amongst the angry populist supporters is long gone. Will some very clear signals and policies proving that an effort to address the issues has been started, possibly combined with some 'short terms payoffs', work?

Can we do anything ourselves in the brewing industry to support a political movement towards more reason, sanity and predictability? I think we can, although I don't see how we could be 'game changers' or main operators in forming the future models of our societies. But we can act responsibly as individuals, companies and associations in doing whatever little bit we can along the way. And I believe that both the 'big brewing' industry – AB InBev could build a new brewery in West Virginia, for example – and the craft segment, in supporting the local economy at the grassroots level by buying raw materials locally, can make a difference. But we will need a lot more good ideas, we will need them fast, and we'd need to implement them quickly, too! Imagine if the readers of the SBR decided to chip in with ideas and decided to use the magazine as the forum for presenting, discussing and honing the ideas. What an amazing treat for the Technical Editor this would be!

Please remember that we at the SBR very strongly encourage you to comment on anything you wish to comment on in the magazine, but obviously particularly to the editorial. Please forward your comments to anders@kissmeyer.dk. ☺

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