

The Growing Political Legitimacy Crisis

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Our current analytical framework is based on the assumption that the world faces four critical and interrelated challenges today, whose potential effects are non-linear. This makes them both hard to understand, and raises the likelihood that we will underestimate their potential impact and will be surprised by the rapid changes they may cause. The first challenge is the fragile nature of the global financial system, in which a very large amount of debt of highly uncertain quality rests on a very thin capital base. On the other side of this equation is the precarious position of many parties that are struggling to repay and/or rollover that debt, including households, some corporations (e.g., commercial property developers), and various levels of government, up to and including some sovereign nations.

The second challenge is the weakened and imbalanced state of global aggregate demand. In many countries, private sector balances (i.e., the difference between savings and investment) have swung from strongly negative to strongly positive since the global financial crisis exploded in 2008, as investment has been cut back and strenuous efforts have been made to save more in order to reduce outstanding debt. The resulting reduction in private sector demand has usually been balanced by a sharp expansion of government deficits and attempted expansion of the money supply, in order to avoid an even deeper economic contraction and more severe rise in unemployment. However, in a world that has become globally interconnected to a degree not seen since the early 1900s, the benefits of these government stimulus programs have spread beyond domestic borders. This has slowed the reduction in aggregate demand in nations that have been most reliant on exports for economic and employment growth, such as

China, Germany, and Japan. In theory this has bought time for these nations to take steps to expand domestic demand (which in turn would allow nations running substantial current account deficits, such as the U.S. and U.K., to reduce them, and replace government deficits with rising exports as a source of GDP growth). Indeed, this is the fundamental assumption that underlies the “muddling through” scenario, which describes a slow, but steady recovery from the Great Recession. In practice, however, we are seeing once again the truth of the old adage that “no plan survives its first contact with reality.”

The third challenge facing the world economy is the risk that developed economies will slip into an extended period of deflation, similar to Japan’s experience since the bursting of its property and equity bubble in 1989. This challenge is the subject of this month’s feature article.

The final challenge we face is maintaining the legitimacy of various political institutions that function as control parameters for the global economy and financial markets. These institutions are both international (e.g. rules governing multilateral trade and capital flows) and domestic (e.g., rules governing taxation and redistribution), in the face of economic and social stresses not seen since in most countries since the 1930s.

In essence, the “muddling through” scenario assumes that all these challenges will be met, and that the main price we will pay is a prolonged period of slower economic growth (the truly rosy scenario assumes that rising domestic demand in emerging markets will cause them to become the new motor of the world economy, which in turn will return global growth to its previously high levels). The downside scenario assumes that we will fail to meet one or more of these challenges, and, given their complex interrelationships and non-linear effects, the result will be an extended period of stagnation whose severity will take many people by surprise.

In our assessment of the new evidence that each month presents, we continue to use the “Analysis of Competing Hypotheses” (ACH) methodology, whose essence is the conscious search for information that is credible and has a high diagnostic value (i.e., it has a low probability of occurrence under more than one scenario). In this way, ACH helps to protect us from the confirmation bias – the tendency to attend to, and give greater weight to information that confirms your preferred view, rather than information that contradicts it (see “Forecasting Accuracy and Cognitive Bias in the Analysis of Competing Hypotheses” by Andrew Brasfield).

This month, we will focus on the growing risks to the legitimacy of political institutions, which we first wrote about in our May 2010 issue. Our starting point will be different frameworks for understanding (and organizing evidence about) the issue of declining political legitimacy. Broadly speaking, there are two ways to construct these frameworks: deductively, by combining existing theories, and inductively, by drawing insights from historical evidence. We’ll begin with deductive frameworks, drawn from complex adaptive systems theory.

The evolutionary process that drives adaptation can be described quite simply. Since the resources available to them are not infinite, to achieve their goals in the face of competition systems must generate variations – new ways of thinking or behaving. These variations are evaluated against a set of “selection criteria”, with those passing this test implemented. Those that produce the best results are reinforced via the provision of additional scarce resources. Organisms and organizations also have “fitness criteria” that enable them to measure their performance against three generic criteria (indeed, all performance measures are variations on this basic set): (1) effectiveness, or results relative to goals; (2) efficiency, or the amount of resources used to achieve those results; and (3) adaptability, or the change in effectiveness and efficiency per unit of change in the external

environment. Within this framework, legitimacy is a function of the extent to which fitness criteria match selection criteria – put differently, is the organization incentivizing (via its fitness measures) those behaviors that are needed to ensure its survival, given the selection criteria it faces. Seen from this perspective, crises of legitimacy develop when either the gap between fitness and selection criteria grows wide, and/or when intensification of the selection environment (e.g., a rise in extinctions due to a fall in available resources) magnifies the impact of even small gaps between fitness and selection criteria.

The second approach to the legitimacy issue is based on the work of Stuart Kauffman, who popularized the use of so-called “NK landscape” models to explain the behavior of complex adaptive systems (see his book, The Origins of Order). An organization or society’s performance can be described in terms of the sum of the fitness of the individual agents (e.g., individuals or groups) that comprise it. In the NK model, “N” represents the number of agents. The fitness of an agent is a function not only the result of the decisions it makes, but also on the decisions made by some fraction of the other agents in the organization. In the NKCS model, “K” refers to the number of other agents that affect a given agent’s fitness– hence its value can range from zero to N-1. The term “landscape” refers to a metaphor that describes differing levels of organizational fitness as mountain peaks of different heights. When the degree of interrelationship between agents’ fitness (K) is low relative to the number of agents (N), the “fitness landscape” is relatively smooth, with only a few peaks. On this type of landscape, it is easy to see the combination of decisions that generates the highest level of fitness. However, as the interrelationship between agents’ fitness increases (K becomes larger), the fitness landscape becomes much more jagged, and it is much more difficult to identify (and agree on) the combination of agent decisions that results in the highest level of

organizational fitness. As long as selection pressure in the environment is low, the organization can continue to exist, even with a high degree of K relative to N. However, once selection pressures increase, the high degree of K makes it very difficult for an organization to adapt, as agents will resist decisions that would negatively affect their individual fitness, even if they would raise the overall fitness (and therefore chances of survival) of the organization as a whole. This is very similar to the phenomenon of public policy paralysis induced by a rising number of special interest groups described in 1982 by the political scientist Mancur Olson in his book, The Rise and Decline of Nations. Seen from this perspective, crises of legitimacy arise due to intensifying conflict between rising selection pressure and a high K organization's inability to make the changes necessary to increase its chances of survival.

The third approach to the legitimacy issue is based on social network dynamics, and the way information, ideas, and behavioral norms propagate through them. A social network is defined by individual people and the links between them. Different network types are defined by the structure and nature of these links. Many social networks are so-called "scale free" networks, because the number of links per individual follows a power law (exponential) distribution, with most people having relatively few links to others, while a few individuals are very highly connected. In some cases, a single link between individuals is sufficient to transmit information or an infection, as in the case of social network models of opinion formation or influenza infection. However, there are also situations where a single link between two individuals is not sufficient to generate transmission. As described by Centola and Macy (in their paper, "Complex Contagions and the Weakness of Long Ties"), "when behaviors are costly, risky or controversial, the willingness to participate [i.e., to change one's behavior] may require independent affirmation or reinforcement from multiple sources. We call

these 'complex contagions' because successful transmission requires interaction with multiple carriers...Many collective behaviors involve complex contagions that require social affirmation or reinforcement from multiple sources...For complex contagions to spread, multiple sources of activation are required." Hence, complex contagions are more likely to spread when individuals in a network observe the new behavior or belief in a significant number of the other individuals to whom they are linked. Other research has estimated that for most people, the maximum size of this socially relevant group is about 150 (see "Neocortex Size as a Constraint on Group Size in Primates" by Robert Dunbar).

More specifically, two conditions are required for the transmission of a complex contagion. First, an individual has to be susceptible to it, in the sense that his or her current behavior or beliefs are not achieving goals that are important to the individual. Second, a threshold must be met, with a minimum number of other linked individuals adopting the new behavior or belief (for good new paper on modeling these transitions, see "From Theory to Simulation: They Dynamic Political Hierarchy in Country Virtualization Models" by Lustick, Alcorn, Garces and Ruvinsky).

In the context of political legitimacy crises, we believe the susceptibility criterion is driven by the extent of fear felt by an individual. In previous issues, we have written at length about the complex neurobiology of fear, and the role played by the amygdala (a primitive part of our brain). To simplify, there are two key primary fear triggers: the experience of uncertainty, and the experience of loss. The latter can be either absolute, as in the loss of resources, or relative, as in the loss of social standing. Once primary fear is triggered, people also experience a heightened secondary fear of social isolation. All of these emotional reactions probably increased our ancestors' chances for survival on the East African plain, and are therefore likely hardwired into us as human beings.

With respect to the threshold criterion, research has also shown that there is a complicated relationship between the emotions triggered by gains and losses and whether they result from our action or inaction, as shown in the following table:

	Result = Gain	Result = Loss
Action (Commission)	<i>Pride</i>	<i>Regret</i>
Inaction (Omission)	<i>Envy</i>	<i>Relief</i>

More specifically, human beings' emotional reaction to gains and losses, and preferences for errors of commission and omission, seems to be deeply connected with whether those gains and losses are private or visible to a socially important group. When they know the results will be private, human beings prefer errors of omission, in order to avoid feeling regret. However, when the results will be public, they prefer errors of commission to avoid feelings of envy (see "Interdependent Utilities: How Social Ranking Affects Choice Behavior" by Bault, Coricelli, and Rustichini). Think of this as a switch from a system dominated by negative feedback to one dominated by positive feedback. From this perspective, political legitimacy crises result when a social network passes two critical points: first, feelings of fear in a sufficiently large number of people, and second, a percentage of socially important individuals to whom an individual is linked adopting new beliefs and behaviors that is large enough to overcome our natural preference for errors of omission rather than errors of commission.

Perhaps the best inductive framework for understanding crises of legitimacy has been developed by the Political Instability Task Force, a group

of scholars that was originally formed in 1994 and whose work was funded by the U.S. Central Intelligence Agency (the task force’s public website can be found at <http://globalpolicy.gmu.edu/pitf/>). In their paper “Modeling Transitions To and From Democracy”, Ulfelder and Lustik summarize the key factors that are associated with these two types of political legitimacy crises (see also, “How to Construct Stable Democracies” by Goldstone and Ulfelder):

<i>Transitions from Authoritarian to Democratic Systems</i>	<i>Transitions from Democratic to Authoritarian Systems</i>
<ul style="list-style-type: none"> • Improving economic conditions, when country has previous experience with democracy (when it does not, improving economic conditions lower the probability of transition). Decreasing economic performance increases probability of transition. 	<ul style="list-style-type: none"> • Increasingly factionalized political competition increases the probability of transition. This is characterized by (1) heightened parochialism (major political parties focus on interest of narrow group, rather than nation as a whole); (2) heightened polarization (competition over central authority increasingly a winner-take-all struggle); and (3) rising mobilization (rival groups pursuing interests through collective action)
<ul style="list-style-type: none"> • Higher share of state revenues from minerals or hydrocarbons reduces probability of transition 	<ul style="list-style-type: none"> • Deteriorating economic performance increases the probability of transition
<ul style="list-style-type: none"> • Higher civil liberties increases probability of transition 	<ul style="list-style-type: none"> • Risk for new democracies is highest between years 2 to 15
<ul style="list-style-type: none"> • Non-violent collective actions within past three years 	

<i>Transitions from Authoritarian to Democratic Systems</i>	<i>Transitions from Democratic to Authoritarian Systems</i>
increases probability of transition	
<ul style="list-style-type: none"> • Recent leadership change increases probability of transition 	

Let us now move from theoretical frameworks for predicting the onset of legitimacy crises, and look at evidence that is not consistent with the hypothesis that we will not face political legitimacy crises over the next few years.

From a complex adaptive systems perspective, there is ample evidence that selection pressures have been increasing in recent years. In labor markets, workers have found their jobs and incomes under growing pressure from the twin forces of more intense global competition and more effective information technology (see, for example, Acemoglu and Autor’s excellent new paper, “Skills, Tasks, and Technologies: Implications for Employment and Earnings”, and David Autor’s must-read, “The Polarization of Job Opportunities in the U.S. Labor Market”). The result has been a widening income distribution in many countries, the consumption and political effects of which were, until 2008, somewhat reduced by rising levels of household debt. But now those chickens have come home to roost. In the markets for goods and services, companies in an ever widening number of sectors and countries have faced intensifying competition, and constant pressure to deliver ever more value to customers while increasing the returns they provide to their investors – or else. One could even argue that selection pressures have increased at the level of the nation-state itself, with an increasingly fierce struggle to capture or hold a share of declining global

aggregate demand and/or maintain access to resources that are in increasingly short supply (e.g., possibly entrepreneurs, probably oil, and certainly rare earth metals).

There is also evidence that in many cases, either fitness metrics are increasingly at odds with selection criteria, and/or that fitness improvement in the face of intensifying selection pressure has been constrained by political paralysis. For example, in the United States, there has been a sharp increase in public anger at the poor value for money produced by public schools, and at the teachers unions that are perceived to be a central obstacle to progress. Recent years have seen a substantial increase in public critiques of the U.S. public school system. To cite but one, in 2005, the National Academies published a landmark report ("The Gathering Storm") that focused on "the ability of America and Americans' to compete for jobs in the global economy." It concluded that "a primary driver of the future economy and concomitant creation of jobs will be innovation", and it "assessed the principal ingredients of innovation and competitiveness: knowledge capital, human capital and a creative ecosystem...The most pervasive concern was considered to be the state of United States' K-12 education, which on average is a laggard among industrial economies, while costing more per student than any other OECD country." Indeed, as President Obama recently noted, (in his speech to the National Urban League), "education is an economic issues, if not the economic issue of our time."

This year, the "Gathering Storm" report was updated. "The unanimous view...is that [the United States'] outlook has worsened...Our public school system...has shown little sign of improvement, particularly in mathematics and science...[and that] the outlook for America to compete for quality jobs has further deteriorated over the past five years." The report somberly concludes that "the Gathering Storm increasingly appears to be a Category

5" (see "Rising Above the Gathering Storm, Revisited" published by the National Academy of Sciences). Despite these reports, America's teachers unions have resisted changes that would differentially compensate teachers on the basis of performance, and make it easier to terminate poor performers and implement new innovations in public schools. At the same time, teachers unions have continued to demand ever higher compensation and benefits from already over-stretched and uncertain taxpayers. Evidence of the growing public resentment of teachers that these trends have produced is found not only in polling data (where respect for them has plummeted), but also in a just released new movie, "Waiting for Superman", that was made by Davis Guggenheim, who also made "An Inconvenient Truth."

More broadly, America's public school experience is just one part of a growing conflict throughout the developed world between public sector employees who are generally unionized, well-compensated, and fiercely resistant to change, and a much larger public that is demanding much more effective, efficient and adaptable government that they know is critical to their ability to cope with the rising selection pressures they face in different aspects of their lives (e.g., see "America's Public Servants are Now Its Masters" by Mort Zuckerman in the 9Sep10 *Financial Times*). But the conflicts go beyond these. Most countries also face strong opposition to change from groups that benefit from government transfer payments, the largest of which is usually the elderly (e.g., see "Obstacle to Deficit Cutting: A Nation on Entitlements" in the 14Sep10 *Wall Street Journal*, and the many articles that have been written on the challenges facing the U.K.'s coalition government in this area).

In turn, this has led to growing frustration in many countries with political systems and politicians that seem unable to either create legislative majorities for, and/or ensure bureaucratic implementation of, changes that

are critical to coping with intensifying selection pressures (see, for example, Peggy Noonan on “Why It’s Time for the Tea Party” in the 17Sep10 *Wall Street Journal*, Tom Friedman on “The Tea Kettle Movement” in the 28Sep10 *New York Times*, David Brooks on “The Responsibility Deficit” in the 23Sep10 *New York Times*, and Joel Kotkin’s “The Golden State’s War on Itself” in the Summer 2010 *City Journal*).

However, this still begs the question of the extent to which these growing frustrations are translating into a growing crisis of political legitimacy. In our view, there is evidence that this is, in fact, occurring. For example, a growing number of commentators have noted the sharply widening gap in the United States, and likely in other countries as well, between the views of the elite and the views of the masses. For example, the pollster Scott Rasmussen has found that 68% of likely voters “say the political class doesn’t care what most Americans think”, while 84% say that America is headed in the wrong direction. In contrast, 67% of what Rasmussen terms the “political class” thinks America is headed in the right direction (for more of his analysis, see Rasmussen’s recently published book, *In Search of Self Governance*). Peggy Noonan also captured this sentiment in a recent *Wall Street Journal* column (“America Is At Risk of Boiling Over”, 6Aug10). She notes that ““The biggest change in my political lifetime is that Americans no longer assume that their children will have it better than they did. This is a huge break with the past, with assumptions and traditions that have shaped us.” She then asks, “but do our political leaders have any sense of what people are felling deep down? They don’t act as if they do. I think their detachment from how normal people think is more dangerous and disturbing than it has been in the past...I’ve never seen the gap wider than it is now. I think it is a chasm...When the adults of a great nation feel long term pessimism, it only makes matters worse when those in authority take actions that reveal their detachment from those concerns – even from the

essential nature of their fellow citizens. And it makes those citizens feel powerless. Inner pessimism and powerlessness: That is a dangerous combination.”

In the July/August 2010 edition of the *American Spectator*, professor Angelo Codevilla offers an extensive analysis of this growing split in his article “America’s Ruling Class – And the Perils of Revolution.” He begins with an examination of the nature of what he terms the United States’ “ruling” or “political class” and the widening gap between the nation’s leaders and the led – what Codevilla terms the Country Class. He also shows how difficult it will be to use existing institutions to enact the Country Class’s agenda, in large part because of America’s “lost capacity for self-governance” due to the takeover of local governments by public sector unions, the limits placed on local action by federal regulations and judicial decisions, and the “takeover of the federal government by interest groups.” Codevilla darkly concludes that, “for the foreseeable future, American politics will consist of a prolonged confrontation between the Ruling Class and the much larger Country Class.”

Is this increasing tension unique to the United States? There is growing evidence that is not. To cite just a few examples, the imposition of austerity to solve the problem of excessive leverage has led to riots and street demonstrations in Europe, improving electoral results for far right parties, and a large number of articles questioning the sustainability of the Euro and perhaps the European Union itself. On the other side of the world, there are increasing indicators of threats to the legitimacy of domestic Chinese political institutions, from growing concerns with corruption, environmental degradation and income inequality, to rising labor unrest and demands for higher wages, to complaints about property price rises that put middle class aspirations increasingly out of reach, to growing worries about the social impact of rising unemployment as China’s export model is hobbled

by a weak global economy, to the policy paralysis induced by competing interest groups that has been well-described by analysts like Andy Xie and Michael Pettis. We have previously noted our belief that China's growing nationalism and aggressive military actions are a direct result of its growing domestic legitimacy crisis. This theme has also been the subject of an increasing number of recent articles, including "The Remilitarization of Beijing" by Gordon Chang in the 21Sep10 edition of *The Diplomat*, "China's Muscle Flexing is a Sign of Weakness" by David Holslag in the 27Sep10 *Financial Times*, "A Recipe for Trouble in China's Backyard" by David Pilling in the 29Sep10 *Financial Times*, and Gillian Tett's brief review of how economic and political crises led to the radicalization of 1930s Japan ("A Cautionary Tale About Exit Strategies from 1930s Japan" in the 2Sep10 *Financial Times*).

In our view, the most likely short-term consequence of the legitimacy crises that are developing around the world will be a change in the nature of the institutions governing the international monetary and trade systems. That these are under great pressure today is undeniable. As foreseen by John Maynard Keynes in the 1930s, the great weakness of the current monetary system is that it cannot force adjustment on a country with a large current account surplus and rapidly growing foreign exchange reserves that is intervening to keep its exchange rate artificially low, and in so doing sapping both aggregate demand and employment from its trading partners. Commentators such as the *Financial Times*' Martin Wolf have repeatedly noted that this description perfectly fits China today, that current trends cannot continue indefinitely, and that there is a rapidly rising probability that they will end badly. For example, in "Currencies Clash in a New Age of Beggar-My-Neighbor" (*Financial Times*, 28Sep10), Wolf notes that today "we are seeing a form of monetary warfare: in effect, the U.S. is seeking to inflate China, and China to deflate the U.S. Both sides are convinced they

are right; neither is succeeding; and the rest of the world suffers." In a recent column, Robert Samuelson reached a similar conclusion ("Risking a Trade War With China" realeclearpolitics.com, 27Sep10), noting that "the trouble is that China has never genuinely accepted the basic rules governing the world economy. China follows those rules when they suit its interests and rejects, modifies, or ignores them when they don't...Most other countries support the legitimacy of the rules" even when that requires short term sacrifices on their part. Samuelson continues, "the post-World War Two trading system was build on the principle of mutual advantage, and that principle, though often compromised, has endured. China wants a trading system subordinated to its needs: ample export markets to support the jobs necessary to keep the Communist Party in power; captive sources for oil, foodstuffs and other essential raw materials; and technological superiority. Other countries win or lose, depending on how well they serve China's interests. The collision is between two concepts of world order. As the old order's main architect and guardian, the United States faces a dreadful choice: resist Chinese ambitions and risk a trade war in which everyone loses; or do nothing and let China remake the trading system. The first would be dangerous; the second, potentially disastrous."

Samuelson isn't alone in these thoughts. The growing legitimacy crisis for the international monetary and trade system was also the subject of a recent report from the U.S. National Intelligence Council, titled "Global Governance 2025: At a Critical Juncture". It begins by noting that while on the one hand, "the effects of rapid globalization are driving demands for more effective global governance," on the other hand, "the gap between increasing disorder and weakening governance structures is widening." The report describes four scenarios for the possible future outcomes of these trends:

- **“Scenario 1: Barely Keeping Afloat.** In this scenario, seen as the most likely one over the next several years, no one crisis will be so overwhelming as to threaten the international system...Crises are dealt with ad hoc, and temporary frameworks or institutions are devised to avert the most threatening aspects of them...Formal institutions remain unreformed...This future is not sustainable over the longer term, as it depends on no crisis being so unmanageable as to overwhelm the international system.”
- **“Scenario 2: Fragmentation.** Powerful states and regions try to wall themselves off from outside threats. Asia builds a regional order that is economically self-sufficient. Global communications ensure that globalization does not die, but it slows significantly. Europe turns its focus inward as it wrestles with growing discontent and declining living standards...The U.S. might be fiscally constrained if its budgetary shortfalls and long-term debt problems remain unresolved.”
- **“Scenario 3: Concert of Europe Redux.** Severe threats to the international system prompt greater cooperation on solving global problems, and significant reform of the international system becomes possible... The U.S. shares power, while China and India increase their burden sharing and the EU takes on a bigger role...Although less likely than the first two scenarios in the immediate future, this scenario might prove the best outcome over the longer term.”
- **“Scenario 4: Conflict Trumps Cooperation.** This scenario is among the least likely, but the possibility cannot be dismissed. The

international system becomes threatened due to domestic disruptions, particularly in emerging powers such as China. Nationalistic pressures build as middle class aspirations are stymied. Tensions build between the United States and China, but also among some of the BRICs as competition grows for scarce resources and clients...Suspicious and tensions make reforming global institutions impossible; budding regional efforts, particularly in Asia, are also undermined.”

In sum, we see widespread evidence today of an accelerating decline in the perceived legitimacy of the political institutions that govern the behavior of critical aspects of the global economic system. We believe that this legitimacy crisis is most visible today at the international level. However, there is also evidence that domestic legitimacy crises are also building in the United States, China and the European Union. This trend represents a significant source of increased uncertainty for the operation of financial markets and the future returns on different asset classes. For the past few years, our downside scenario has included a return to a world of de facto or de jure blocs, including the Anglosphere nations (possibly allied with Japan, India and Latin America), the Sinosphere, and a greatly weakened Eurozone (with Russia’s allegiance an uncertainty, and the Middle East, a battleground, in the absence of a biofuels or vehicle electrification breakthrough). Today, we believe the probability of this scenario developing is higher than it ever has been before. If it does come to pass, there is a high likelihood of increased restrictions on international capital movements. A world of competing blocs would also likely see increased portfolio allocations to real and nominal return government bonds, gold, and perhaps energy vehicles (e.g., stocks and MLPs), commercial property and timber as more investors seek a combination of liquidity and long-term stores of real

value. Asset classes more dependent on growth, and especially on global growth, such as commodities and equities, are likely to perform poorly under this scenario (though industries seeing a shift from foreign to domestic production, as well as defense-related stocks, may be the exceptions to this rule). Cross border investments would likely see either increased correlations (within blocs) or declining attractiveness (across blocs).

In sum, while the threats posed by deleveraging, inadequate aggregate demand, and deflation are more visible, it may well be the rising threats to political legitimacy that have the greatest impact on asset class returns over the next decade.