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Leaders needed, not just managers 32



In normal circumstances Lucas Papademos, Greece's new prime minister, would not be sitting in the seat of power. The former European Central Bank vice-president has won his nomination, not by election, but after two weeks of haggling between discredited politicians.

Italy too is going through a similar process. By next week, it is hoped that months of political paralysis will be resolved with the resignation of Silvio Berlusconi as prime minister in favour of an independent technocrat capable of pushing through reforms so far shirked by il Cavaliere in his characteristic fashion. Mario Monti, the European Union's former competition commissioner, is emerging as the favoured candidate.

It is stating the obvious to say that appointing an unelected technocrat is less than ideal. Yet when the system is dysfunctional, emergency solutions are required. In both countries voters are so deeply alienated from their own corroded political class that only an outsider seems able to overcome the immediate obstacles to the painful reforms needed to restore growth.

It would be a fatal mistake, however, to presume that in either case a coalition of the old established political elite, led by a technocrat, will provide a miracle fix to deeply rooted problems.

While there is relief that discredited governments are being replaced, there is still resentment over what some see as a European, or worse, a German-imposed solution to domestic crises. The fact that both Mr Papademos and Mr Monti are former EU officials has reinforced this. The new Greek prime minister is already being called "the Merkel man", not without a certain degree of bitterness. Both governments will have to walk a tightrope between domestic politics and credibility in the markets.

It is true that in Italy there is significant popular support for an interim government, and the experience of technocratic leadership has been largely positive. But precedent also shows that voters will not tolerate technocrats indefinitely. In both countries the interim governments must set a clear timetable for elections so voters do not feel they have been locked out of a process that will demand a great deal of sacrifice.

The new leaders must also recognise that nothing will be achieved without popular support. They could struggle to get reforms through parliament. The answer will be to show real leadership. Managerial competence will simply not suffice.

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