

GLOBAL INSIGHT

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Europe must confront crisis of legitimacy

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By Tony Barber in London

In Europe's comforting crisis narrative, the financial crash of 2008 was imported from the US, a land of reckless alpha bankers and subprime borrowers as ignorant as the former Republican president.

The myth of the dumb and dangerous Other across the ocean served a transparent purpose in the elite European project of building a common, supranational identity.

Alas for Europe, no myth can displace political and economic realities for long. Today's reality is that the financial crash, whatever its origins, is stirring a potentially far-reaching crisis of legitimacy in Europe's political system.

This goes beyond the fiscal deficits and sovereign debt market turmoil with which European Union governments have grappled since Greece confessed to its budgetary sins in late 2009. It goes beyond whether Europe's monetary union, and the EU itself, will survive.

It concerns the ability of mainstream European political parties to convince voters that they will deliver jobs, decent wages, financial stability and enough economic growth to preserve the backbone of the universal welfare state. By and large, this is what the parties have done and been rewarded for since the 1950s.

Success in expanding the prosperity of individuals, and the simultaneous development of the welfare state, is what bestowed legitimacy on Europe's Christian democrat, liberal and social democratic parties as they rebuilt democracy in lands once ravaged by world war and domestic political violence.

Now the landscape is shifting. In some countries that are implementing strict austerity, and in others that are barely practising it at all, voters are starting to lose faith in the party political system and its representatives.

Take the performances on Sunday of Marine Le Pen, leader of the anti-immigrant National Front, and Jean-Luc Mélenchon, the Communist-backed leftist, in the first round of France's presidential election. Almost one in three voters backed this pair of extremists in spite of their doltish proposals for tackling the financial crisis.

True, modern French presidential elections invariably produce results like that on Sunday. The two-round electoral system permits – indeed, encourages – voters in the first round to put

passion above reason. France would not be France unless 30 per cent of the electorate appeared to favour a rerun of 1789 at the earliest opportunity. Normal service will presumably return on May 6.

More revealing is the Dutch case. The collapse of the ruling coalition there stems from two factors. One was the impasse among mainstream centre-right government and centre-left opposition parties over how to meet EU-dictated budget deficit targets. The other factor was the strength of the anti-euro, anti-establishment Freedom party of Geert Wilders.

If the Netherlands is to retain credibility as an exponent of iron fiscal discipline in the eurozone, the mainstream parties will have to make budget cuts on a scale the public is unprepared for. It will mean recasting a generous welfare state that many horrified “native” Dutch citizens already regard as having been colonised by poorly integrated immigrants.

An early general election looks likely, but whether it would deliver a strong government is another matter. The inconclusive result of the last election in June 2010 played straight into the hands of Mr Wilders. Dutch politics in the euro crisis is acquiring a reputation for domestic instability masked behind the rhetoric of fiscal rectitude.

Elsewhere, the removal of incompetent but democratically elected governments last November in Greece and Italy is having profound effects on public attitudes. According to recent Italian opinion polls, confidence in the parties that have governed the nation since the early 1990s now ranges from a mere 4 to 10 per cent. Yet it is a mystery what will replace them.

Arguably, even a political system in complete disintegration is better than one in which, as in today's Italy, a billionaire former prime minister on trial must explain why guests at his private parties dressed up as nurses and policewomen.

But the larger point remains. The more the debt crisis erodes modern Europe's postwar social contract, the less trust voters will place in a political system that is seen to be breaking its side of the bargain.

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