

How neoliberalism led to the rise of the new far-right in Europe



The building pressure from the far-right may force establishment parties to act, or lead to future progressive coalitions in the European Parliament and political alliances between member states that will challenge the neoliberal consensus within Europe.

By E Dimitris Kitis

The May elections for the European Parliament in European Union (EU) member countries marked extraordinary gains for a host of Eurosceptic, nationalist, far-right and even openly neo-Nazi parties. Although far-right parties are currently disunited and politically ineffectual within the European Parliament, they are increasingly influencing the national politics of EU member states and slowly forging alliances inside the European Parliament. All this is eerily reminiscent of the rise of fascism in the 1930s and, arguably, it constitutes the most important challenge to European

institutions and values since the club's inception in the early 1950s.

With the ongoing Eurozone crisis in its seventh year, Europe's establishment parties have been facing a surge in populism and extremism. Establishment parties that have governed on their own or as part of coalitions in the various member states come from a variety of ideological traditions (socialism, conservatism, liberalism, etc.) that can be placed on a right to left spectrum. Although these parties belong to diverse traditions, they have been converging in their policy choices since the 1980s, not least in

their embrace of austerity measures since the beginning of the Eurozone crisis in 2009. In particular, the social democratic ideals and values that dominated Europe after World War II, which stipulated the state provision of universal and socially inclusive healthcare, education, welfare benefits and housing to citizens as a basic human right, are thought to have been considerably eroded in recent times.

Establishment parties coming from the socialist left, such as (New) Labour in the UK, the Social Democratic Party of Germany and the Panhellenic Socialist Movement (PASOK) in Greece

have been instrumental in this historic shift by failing to defend the inequality-limiting achievements of the welfare state. Instead, establishment socialist parties were incorporated into a worldwide neoliberal trend where the policy focus lies on fiscal stability, growth through privatisation and the so-called 'trickle-down effect'. In this scenario, convenient terms for business are supposed to lead to a redistribution of wealth through the dynamism of the private sector and labour market, while governments' role is to keep deficits and debt low by cutting spending.

In the interest of this ideological plan, governing parties, including socialist ones, have promoted privatisation of industry and 'flexible' labour markets by, for example, the relaxation of employment protection legislation. During the Eurozone crisis, European governments have also embarked on steep and far-reaching spending cuts (on healthcare, education and social security) in order to bring their debt levels under control. As a result, the post-World War II social contract between labour, capital and government, under the understanding that the welfare state, collective bargaining rights and the goal of full employment would be maintained, is threatened. The threat to this political and socio-economic consensus is, arguably, one of the root-causes behind the menacing rise of the far-right in most European countries. Of course, these changes (marginalisation of labour, curtailing of the welfare state, etc.) have been taking place in the context of the tectonic shifts that occurred after the collapse of the Soviet Union as a viable economic model and the negative impact of an increasingly globalised economic system.

France is a prime example: in the recent French local elections, the nationalist and Eurosceptic Front National claimed the biggest victory in its history. The party has managed to give itself a PR makeover aimed at playing down its holocaust denialism and extreme anti-immigration stance in order to attain political credibility. Meanwhile, the country's socialist president Francois Hollande has given in to pressure from the markets and Brussels to reduce the budget deficit

by passing an austerity programme that includes social security and healthcare cuts. However, he has simultaneously limited the government's ability to deal with the budget deficit by committing to a reduction of taxes for business in an apparent bid to create jobs.

This state of affairs sums up the reason behind the electorate's bewilderment: the neoliberalism that has increasingly shaped policy in the continent has proven as adept at destroying the welfare state and social contract of societies as it has the idea of European solidarity amongst different nations or ethnic minorities within nations. The utter disregard for voters by establishment parties is witnessed at play in the rapid rise of a milieu of nationalist and far-right parties with worryingly xenophobic

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and misanthropic agendas that offer an easy way out of the political stalemate. It is to be expected then that the consensus surrounding the supranational institutions of the EU and the enshrining of anti-racism as an axiomatic value is stretched close to breaking point; such institutions were put in place to safeguard Europe after the bloodletting of two World Wars and the extermination of the Continent's Jews in the twentieth century.

The varieties of far-right discourses in different member states are complex and include perceived threats to national identities from immigration or ethnic minorities, fascist or Nazi political traditions, stretching back to the interwar period, fundamentalist-Christian or reactionary-conservative agendas and Islamophobia, which

provides a unifying mantra for all right-wingers much like anti-Semitism did in the early twentieth century.

The political establishment is attempting to counter the increasing influence of far-right parties by often appropriating covert versions of their extremist discourse. This was the case with the anti-multiculturalism speeches made by German Chancellor Angela Merkel and British Prime Minister David Cameron in a space of five months from each other at the beginning of the crisis. Both politicians argued for the stronger integration of immigrants into their respective countries' national cultures. Such tip-toeing on the tightrope by establishment politicians has been called dog-whistle politics by many commentators, and it comprises the use of coded language to signal specific meanings to a particular segment of the population while communicating something different that can still pass as moderate and inoffensive for the majority. The practice is increasingly being used by both centre-right and centre-left establishment parties, in a bid to thwart the encroachment of the far-right.

However, anti-immigration rhetoric used by politicians goes against the opinion of mainstream economists and a recent report by the OECD. This stated that Europe will need to absorb fifty million migrants by 2060 if it wants to offset the demographic problem of an aging population threatening to shrink the tax base and bankrupt whole nations. Racist political rhetoric also does not adequately explain the facts on the ground as unprecedented non-European immigration since the 1980s is changing the face of many cities. The 2011 UK census, for instance, shows that in London less than half of the population is classified as white British with mixed-race people currently the fastest growing ethnic group and emergent new, hybrid dialects, like Multicultural London English, displacing more traditional ways of speaking.

It is important to get the potent cocktail between issues of identity and economic disenfranchisement right; otherwise, as the unsettling gains made by Eurosceptic parties such as UKIP in the UK and Front National

in France suggest, the result might be opportunistic and ultimately sectarian types of politics. Moreover, without principled leadership, the European project could come under serious threat. It does not follow that nationalist parties or sentiment are always regressive though. In the case of the referendum on Scottish independence from the UK, the Scottish National Party (SNP), which has been leading the devolved regional parliament and lost the pro-independence bid, is thought by some to represent a social democratic agenda and the kind of political values that were embedded in the post-war British welfare state of the late 1940s and 1950s. Furthermore, the SNP appears to remain committed to the EU, unlike other nationalist parties in the Continent that have sought to use populist rhetoric to capitalise on public consternation with the Eurozone crisis. Indeed, Sir Tom Devine, a leading Scottish historian and academic, has recently commented that "it is the Scots who have succeeded most in preserving the British idea of fairness and compassion in terms of state support and intervention." And in reference to Margaret Thatcher who led the country, and especially the South East of England, down the path of neoliberalism "Ironically, it is England, since the 1980s, which has embarked on a separate journey."

The example of Greece, the EU member state that has been the hardest hit by the crisis, is also instructive. In that country, it was the establishment socialist party of PASOK that originally asked for assistance with the country's debts, leading to the arrival of the Troika, a tripartite authority comprised of the European Commission (EC), European Central Bank (ECB) and International Monetary Fund (IMF) that is in charge of lending and overseeing-dictating neoliberal structural adjustment programmes to reform the Greek economy.

The harsh austerity measures that have been imposed by the Troika with the acquiescence of the local establishment centre-right and centre-left parties have created extreme conditions in the country (wages and pensions have been halved, the national income has dropped by one

quarter, poverty is on the rise and six in ten young people are unemployed). Of course, the final recipients of loans to Greece are mostly the country's international creditors and local political and business elites, while weaker stakeholders have to endure years of painful cuts to pensions, unemployment benefits, healthcare and education.

This has prompted progressive critics, such as the anthropologist Michael Herzfeld, to entertain the thought that the country might be in a (crypto)-colonial relationship with the West (EU, USA). In this case though, Golden Dawn, an openly neo-Nazi party with no discernible plan to exit the crisis other than extreme violence against immigrants and all political opponents, has been reaping the nationalist backlash by winning 7% of the vote in the 2012 national elections and almost 10% in the 2014 European elections. Nevertheless, the main opposition party to the coalition government, implementing the austerity measures demanded by the Troika, is SYRIZA (Coalition of the Radical Left), whose programme consists of a 'New Deal' or Marshall plan for the European South, nationalisation of strategically important industries and an international conference for the cancellation of the odious debt of countries in Southern Europe. SYRIZA and other left-wing parties though, remain the exceptions in a Europe where the principal beneficiaries of the social disaffection generated by the Eurozone crisis are usually right-wing, populist and extremist parties.

The alarming rise of the far-right forebodes a long uphill struggle for European progressive politics. The conditions for this are further exacerbated, as the latest reports indicate that the meagre gains in growth achieved over the last year are evaporating and Europe's biggest economies, including Germany, are slipping back into recession. It is highly unlikely that a single political party or EU member state is going to succeed in standing up to the hegemony of austerity politics, implemented by EU institutions, such as the EC and the ECB, on its own. In the recent European Parliament elections it was decided

to fight voter apathy by letting the parliament, which is directly elected by the people in each EU member state, have a greater say in choosing the new president of the EC, the EU's executive branch. This was a small, albeit dubious, step towards democratising EU institutions. What's more, the election somewhat diminished the dominance of centre-right (conservatives), centre-left (socialists) and liberal establishment parties in the parliament that have been proponents for neoliberal policies over the last decades and are now in accord over austerity as a remedy to the crisis.

The new circumstances in the European Parliament as well as in the different member states' national political arenas can lead to a new discussion about what should be done differently in Europe. The building pressure from the far-right may force establishment parties to act or lead to future progressive coalitions in the European Parliament and political alliances between member states that will challenge the neoliberal consensus within Europe. For example, Ed Miliband, the leader of the Labour opposition in the UK parliament, has recently suggested that his party might consider re-nationalising parts of the railway system that have been mismanaged by the private sector; a proposition that would have been anathema only a few years ago. Michel Sapin, France's finance minister, has also rebelled against the doctrine of austerity recently, claiming that it is harming his country's recovery; while UK PM, David Cameron, has pledged to cut 'unacceptable' energy price hikes in the face of stagnant wages. Such statements and promises coming from the political establishment, though, may have a perfunctory function acting as window dressing. Moreover, it seems that they inspire more scepticism rather than trust, especially amongst Europe's so-called lost generation of youth who have to contend with a life where they will be worse off than their parents in almost all indices. In light of this, it is highly unlikely that this crisis and the various discourses and political parties of bigotry and hatred that it helps proliferate are anywhere close to being finished. ■