

February 28, 2013 6:24 pm

Italy exposes wider crisis of democracy

By Mark Mazower

Those preaching austerity are contributing to a political meltdown, says Mark Mazower

The turmoil produced by the Italian elections has directed attention back to where it should have been all along – to the politics of the eurozone crisis. We have had six months of complacency, rising stock markets and wishful thinking. The conventional wisdom was that the crisis had been contained, with Ireland recovering and the risk of a Greek exit from the eurozone reduced. But this view always ignored the politics.

Greece, in particular, showed that even if capital flows might be going in the right direction, the democratic deficit was widening. No one has much cared outside Greece that a neo-Nazi party could shoot to above 10 per cent in the polls. But it is a warning of what can happen to other eurozone members.

There is, fortunately, no parallel to the rise of Golden Dawn in Italy. But the crisis of democratic legitimacy has been shown to be equally deep there. As in Greece, the voters have a reasonably clear view: they want to remain in Europe and – knowing the defects of their own economic system – they may even accept some measure of austerity.

But the Rome-based political class has lost all credibility in their eyes – they were creators of the mess, and of the corruption that accompanied it. They cannot be trusted to clear it up. Those who have made no sacrifice themselves lack the moral credibility to ask them of others.

Technocrat prime ministers, such as Italy's Mario Monti or Greece's Lucas Papademos, are no alternative: they may have clean hands because they remained outside party politics. But they are creatures of banking and economics. While they may understand money, that no longer recommends them to the voters who would rather have someone who understands them.

The result is dangerous. It is but a short step from writing off the political class to writing off the institutions of democracy. So far most voters have not done this in either Italy or Greece. But some have and the temptation is there for more to do so, whether by drifting towards the far right, towards an anti-capitalism that is the prisoner of its own revolutionary rhetoric, or

towards a kind of anarchic alternative to party politics – the direct democracy espoused by Beppe Grillo's Five Star Movement in Italy.

The response from Brussels and the creditor north to all this has been robotically unimaginative – to insist that the debtors, like the little fish in *Finding Nemo*, must just keep on going. And so they may – for a while. It is possible that southern Europe will give the Germans until the autumn to come around to a new approach. But toleration for austerity is unlikely to last much beyond then.

A moment of truth is surely approaching. Joachim Gauck, the German president, has called for a new debate on Europe, and suggested that its future lies in reviving the idea of a commonwealth of nations. But if such a debate is to go anywhere, it will have to confront the question of monetary union. For Europe may be approaching a stark choice: giving up the euro; or keeping it and seeing the political crisis spin out of control.

As Mr Gauck noted, the original European idea saw supranational policy making not as something that would suffocate individual member nation-states but rather as a means to help them out of the existential crisis that had beset them during the second world war, to restore their prestige and their ability to govern.

European co-operation emerged alongside economic planning, exchange controls, Keynesianism and corporatist management of industrial relations. The whole approach was discredited by the stagflation of the 1970s. Under the leadership of Jacques Delors, European Commission president from 1985 to 1994, and his successors, the EU went in a different direction. It emphasised monetary co-ordination, free capital flows, privatisation and a soft touch in financial regulation.

The older vision was abandoned, but it produced higher growth rates than the model that succeeded it. It also nurtured domestic political institutions rather than undermining them: credibility was painstakingly restored to parliaments and parties.

So, from today's perspective, the 1950s and 1960s look like a golden age. Its achievement now looks in danger of being undone. For it is not written in stone that Europe will always be identified in the minds of its citizens with growth and democracy. A different future may lie ahead in which Europe is identified instead with stagnation, unemployment and tyranny.

Those preaching austerity probably do not see themselves as contributing to a crisis of democracy, but they are. The Italian elections should remind eurozone leaders to pay attention to their voters. Economic fixes have failed to staunch a political crisis that has the capacity to harm not only EU integration, but the legitimacy of the continent's democratic order itself.

The writer is a professor of history at Columbia university and author of 'Governing the World: The History of an Idea'

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