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EU CRISIS: DIVISION FEEDS POPULISM

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Frustration is growing in the Northern EU countries over the bailout of what is seen as irresponsible and overspending South, but similar signals are surfacing in the East of the European Union as well. In face of the rumours of a third Greek bailout, the Dutch parliament has only reluctantly thrown its weight behind the second Greek rescue package. The difficulties that the German Chancellor Angela Merkel has had to suffer to get her country's parliament behind both of these bailouts are well known, and it is unlikely that the German Bundestag will agree to another contribution.

This anger directed against the EU's South may well become the defining feature of the populism in the North. In the public and political discourse, the countries concerned by public deficit crises are often mixed and bundled together under the same identifier, notwithstanding from where their financial and economical woes stem from. Figure massaging and cheating, huge public deficits, corrupt politicians, and the general habit of living over ones' means as well as laziness are the labels eagerly stamped on a loose group of Portugal, Italy, Greece and Spain by the media, but more and more also by the political classes.

Against this background, populist extremist parties have found a new target with which to enlarge its narrative against distinctive features of a democratic political system such as multi-cultural society, equal treatment for immigrants, respect of the "other", etc. These parties have gathered ground all over Europe and on all levels on government, i.e. on local, national and European. As a result of the 2009 European elections, citizens of as many as 13 EU countries sent populist extremists to the European Parliament. Recently they have even enjoyed success in countries that are wealthy and largely homogenous, and were as such previously considered immune to the trend.

The recent such example is Finland, where the True Finns party took a landslide victory at the 2011 parliamentary elections. It is worth noting that unlike in the other recent elections, such as in Netherlands or Belgium where the extremists had managed to enter the mainstream, the Finnish elections were not won over anti-immigration argument. Timo Soini led his small political grouping to become the third largest faction in the Finnish parliament mainly by building on the grow-

ing anti-European sentiment among the population. The victory of the True Finns is a sign of the things to come and highlights the increasing mistrust of the North against the South, and indeed among all the participants of the European project.

Not surprisingly therefore, Finnish coalition government has been reluctant to provide the financial backing for the two stability funds - European Financial Stability Facility and the permanent European Stability Mechanism, the latter to be established on 1 July this year. But Finland is by no means alone in its reluctance. Estonia, its Southern neighbour and one of the few EU countries to remain until now untouched by popular extremism, may soon join the "other side" too, as anti-EU discourse is gathering ground around the bailouts debates and the vast majority of the population is against helping the Greeks whose general salary levels and social welfare an average Estonian can only dream of.

Estonians' and other Eastern Europeans, whose populations have had to endure dire economic situations and painful reforms until this day, have little patience for the entitlement for a certain welfare state lifestyle notwithstanding the state of the countries' public finances demanded by Greek, Spanish and Italian trade unions.

There are signs that the so-called South will radicalise too. The frustration has already found outlet in public protests in several countries, such as the recent massive general strike in Spain. There is a general popular feeling in the South that the "man in the street" is being made to pay for a crisis caused by others, adding to the fact that substantial parts of the Spanish population are highly indebted and trapped by cheap loans that led to foot loose consumerism and a huge real estate bubble, that is, along with skyrocketing unemployment, the main culprit and challenge of the Spanish crisis. As in the North, the "other" is resented and to be blamed here as well. Germany in general and its tough Chancellor take slack for sponsoring the painful reforms and harsh austerity measures implemented by the Rajoy center-right government that are perceived not compatible with urgent economic recovery and badly needed job creation.

Radical moods are particularly ripening in Greece. Opinion polling shows that in the upcoming Greek elections, up to one half of the votes may be gathered by radical parties. It is clear that an electoral victory of these parties would definitely bring a course change of current Greek policy of reform and austerity, threatening to further unbalance the Euro. In political terms, it would give strength to those voices in the North who are calling for the imminent departure of Greece from the Eurozone.

All over Europe, an understanding seems to be forming that the current mainstream politicians do not represent the interests of the people. The governments are perceived to be weak and failing to solve the national problems, the roots of which increasingly lie beyond their competences - on the global / on the markets level. Conversely, there seems to be less and less public yearning for European or international solutions, and nationalism is becoming increasingly popular. Quite worryingly, an EU of division and hostilities, of different cliques is materialising under our eyes, feeding radical populism and undermining both our democracies and the European project, as a whole.