

The New Right and its Economic Policy – not so Right After All

Published on 07. April 2016 by Lukas Spielberger

The success of the parties of the New Right all across Europe in recent years has largely been ascribed to their strong anti-immigrant and anti-EU rhetoric. With the current salience of immigration policy and the resulting momentum for inward-looking policies, this explanation certainly springs to mind. But the New Right challenges the political mainstream on more fronts than only immigration. Especially in the field of economic policy, where it has become clear that the New Right differs from traditional conservative parties in that it runs on a ticket that is far less free-market oriented. Dealing with this discrepancy poses a new challenge for established parties, but it is also an issue which makes populists vulnerable.

Traditionally, policies that favour liberal ideologies, the private sector and low taxes have dominated the political right. Established centre-right parties, such as the British Conservatives, the Austrian People's Party (ÖVP) and – to a certain extent – the German Christian Democrats (CDU) have always championed business-friendly economic policies and have stuck to austerity measures during the ongoing economic crisis. This political course is usually justified with a respectable conservative ideology which emphasises individual liberty and the right of people to be free from government interference.

If the New Right were to live up to its name in the field of economic policy as well, the obvious choice would be to go further down the road towards economic liberalism and to call vociferously for free trade and a lean government. However, leaving aside UKIP and the early Alternative für Deutschland, most of the parties of the New Right are pushing for policies that usually are associated with left(-of-centre) parties.

In the Nordic countries, for instance, the right-wing populists have vowed to preserve the social-democratic model, albeit only for those that are part of the national community. The latter is consistent with their anti-immigration positions as they claim that welfare state models would not be sustainable if people kept entering the country. Hence, the Danske Folkeparti calls for higher taxes to finance the public hospital system and the Finns Party is in favour of a wealth tax. Further south, the French Front National has changed its platform away from the radical capitalist positions it held 40 years ago to the other extreme. These days it is now sounding much more protectionist and calls for the nationalisation of certain sectors, such as transport and banking.

This combination of keeping foreigners out and promoting a state caring for 'its own people' certainly strikes a chord with the socially left-behind white population. After austerity measures have been enforced all across Europe due to the economic crisis, calls for a state that is more caring for its people sounds like an appropriate answer.

Interestingly, it was an economic programme aimed to bring an end to the austerity reforms that paralysed an economy and called for more state action for the native population that also brought the Nazi party into power in 1932. At that time, Germany had lived through almost ten years of economic stagnation with austerity being administered even by the social-democrats. The Nazis' *Wirtschaftliches Sofortprogramm* (Economic Emergency Programme), which was part of their 1932 campaign, emphasised job-creation and called upon the state to take a much more active role in the economy (Blyth, 2013)¹.

Of course, I don't want to imply that because of these parallels in economic policy the parties of the New Right will commit the same atrocities as the Nazis. In Finland, the Finns Party is currently playing an unassuming role in government and in the Netherlands and Denmark, Wilder's PVV and the Dansk Folkeparti have supported minority governments without displaying serious anti-democratic tendencies (Mudde, 2013)². Nonetheless, the case of Weimar Germany can help to understand the success of parties that call for a state that cares for its 'own people' and protects them against economic hardship and threats from the outside world.

Mainstream parties are still not sure how to respond to the challenge from the New Right in the realm of economic policy. So far, migration policy has attracted too much attention to make the economic crisis a salient topic. Still, in France, socialist President Hollande's most recent reforms to increase competitiveness

through weakening the 35-hour week are certainly playing into the hands of the Front National. If even the parties to the left abandon the unions and join the choir of neo-liberals calling for structural reform and privatisation at the expense of worker protection, a large hole on the economic left opens up which the populists of the New Right skilfully exploit.

But it does not have to be like this. In Italy the Movimento 5 Stelle, which demands higher unemployment benefits and stricter employment regulation has had a hard time holding on to last year's high levels of support since social democrat Prime Minister Matteo Renzi has upped his anti-austerity rhetoric against the EU. And in Finland, the Finns Party, currently in a coalition government with two economic-liberal parties, can only stand by and watch as their government is once again presenting austerity as the cure against the current economic slump in the country. Consequently, their polling numbers have been decreasing, since they had promoted a much more social and interventionist programme during last year's election and failed to keep their promise.

Recent laments about the downfall of established parties have mostly focused on their internal weakness and their weakness to connect with their voters. Without contesting those explanations, the previous discussion suggests an alternative reason for the success of the New Right. Many right-wing populists nowadays tap into the void on the economic left which is the result of the neo-liberal economic consensus that has been institutionalised in the past two decades, especially during the eurocrisis.

The combination of vehement nationalism and the promise to provide on an 'own people first' basis as a recipe for political success is by far nothing new, as historical experience shows. But there are ways for established parties to prevent that from happening again. Social democratic parties should be more confident in reclaiming positions on the economic left and challenge the current narrative of privatisation and cuts in social spending. Centre-right parties can use their political credibility to point at the economic weaknesses of protectionist policies. The current response by many governments, however, has been to ignore the Right's challenge to their economic programmes.

Meeting this challenge and making economic policy salient should be the first step. After all, a more open and diverse political debate can help bring politics closer to the people and increase the democratic legitimacy of economic decisions. And this in turn could be a first step towards containing xenophobic and Eurosceptic movements that are trying to capitalise on the current dissatisfaction with economic policy.

¹ Blyth, M. (2013). *Austerity - The History of a Dangerous Idea*. Oxford: Oxford University Press.

² Mudde, C. (2013). Three decades of populist radical right parties in Western Europe: So what? *European Journal of Political Research*, 52(1), 1–19.