

Death wish politics

BY PIALUISA BIANCO

The political implosion of the Italian left is both the paradigm and the pathetic parody of contemporary European social democracy in crisis. Liberal financial capitalism has taken a beating since 2008. As a result, Western policy makers have felt authorized to remake the bargain between the state and markets. In most of the rich world the state's share of the economy has risen. Regulations – excessive though necessary – are tying up the private sector. Businesspeople are under scrutiny as they have not been for 30 years and bankers are everyone's favorite bugbear. Despite that, in Europe “it has not brought a decisive shift to the left,” according to Tony Blair. This apparent paradox is already at the center of political debate, but it usually produces heat rather than light. The risk, which was highly visible in Italy's post-electoral un-governability, is that – quoting Blair's disenchantment again – “the left believes such a drift has occurred and behaves accordingly.”

Italy has faced exactly such confusion since the day after the leftist alliance of Pier Luigi Bersani was deprived of a full parliamentary majority by the resurgence of Berlusconi's People of Liberty (PDL) and, above all, by the obscure populism of the 5 Star Movement (M5S). The disintegration of the Democratic Party (PD) – which culminated in its inability to choose a candidate to replace Giorgio Napolitano as president – was not only the byproduct of a misguided strategy, ill-defined tactical goals, and a lack of control over the PD's rank and file. It was a result of a nihilistic syndrome of *cupio dissolvi* – a self-righteous death wish.

It began with the left's mistaken analysis of their pseudo-victory in the elections, due to the majority premium. The popular vote was divided almost equally among three parties: the PD, Berlusconi's PDL and Beppe Grillo's M5S, a movement fueled by the former comic's exuberant demagoguery. If politics still matters, then left and right might have a chance to reform the 20-year-old political system condemned by voters. The PD and PDL had that chance before the elections, but squandered it, blaming each other for the country's state of disarray. An agreement between them was and still is the only way to prevent the risk of demo-

cratic legitimacy evaporating. But the Rome-based political class has lost credibility in voters' eyes; they are seen as the creators of the mess, along with the corruption that accompanied it. Unfortunately, writing off the political class is just a short step away from writing off the institutions of democracy. So far, most voters have not done this in Italy, but some have, and the temptation is there for more to do so, by drifting toward a kind of anarchic (if not tyrannical) alternative to party politics. Can the country's traditional parties – having grown up with a deep commitment, intellectually and emotionally, to the idea of a modern democracy – manage to harness the current turmoil?

Bersani's main fault lies in not accepting this real challenge. In a sense, he was sucked away from society's urgent needs by the centrifugal force of the populists and wound up aping them. Italy's PD, even though it never had any Bad Godesberg moment, is no longer a Communist party. But it is a dreamy one, inclined to favor the zeal of its electorate without the ability to channel it into an organized political framework. Such a drift undermined the Italian left's original vision, threatening the whole political system. For the first time since the eurozone crisis broke out three years ago, one of Europe's founding nations, Italy, is breeding radical parties deeply opposed to the political system and to the rescue policies currently in place. And Bersani's party saw itself torn between the temptation to accommodate Grillo's “comic fascism” and the PD's own reformist core. As such, it exposed traditional rifts within the left that may lead to a full-on schism. In Italy's precarious context, this has opened a Pandora's box of instability.



For now, though, the victim is the PD itself.

But there is a still deeper reason for pessimism: the very threats to the Italian system arise ineluctably from the inherent dysfunction of the political process. Restoring Italy to health will be long and hard, requiring the legitimacy of a proper government. In such a scenario, can the left even hope to effect the necessary measures without seeming to betray its constituency?

Likewise, Europe's rightist governments, which now dominate the political geography, are being challenged here and there more by populist insurgents than by the traditional Social Democrats. In the few places where the left holds sway it is in trouble. Elsewhere, in the habitual role of opposition, the left looks unconvincing. In France, François Hollande was in difficulty well before the tax evasion scandal now engulfing his administration. His election was essentially a rejection of Nicolas Sarkozy, and his economic policy has come to be defined by a frothy plan for a 75% tax rate on the rich. Ed Miliband's Labour party looks at first glance to be prospering as the opposition. Britain has a Tory prime minister with no discernible strategic ambition at the head of a coalition whose economic policies have run aground. For all that, Labour's lead in the polls is misleading. The risk is the illusion of having already won the 2015 elections, repeating one of Bersani's mistakes. Spanish voters may resent EU-imposed austerity, but Mariano Rajoy's government is more troubled by corruption than by the Socialists. As irritated as they are with austerity, voters throughout Europe have shown little real desire to swerve leftward. Meanwhile, no one in Berlin expects the Social Democrats to oust Angela

Merkel in this autumn's elections.

The European left preaches about poverty and justice, without understanding what they need to do to win back trust. Their mistake is to allow popular anger to dictate policies that have bankable electoral support. Much as they resent cuts, voters are deeply skeptical about a bigger state fed by more borrowing. As long as the question is about debt and deficits, the right holds an advantage. The beginning of wisdom is a readiness to recognize the post-crash limits on the size of government. Not all public spending is good and not all cuts are bad.

Europe's welfare state was built on growth. That is what the left should be talking about. The big challenges to the welfare state, such as global competition and ageing populations, are structural. So are the remedies. Angela Merkel is right about one thing: Europe will be able to pay for a civilized social model only if it restores its global competitiveness. Financial markets will accept the logic of more measured deficit cuts only if they are convinced that governments are committed to raising the growth potential of their economies.

The left's default position is to raise income-tax rates for the wealthy and to increase spending still further – unwise when sluggish economies need to attract entrepreneurs and when governments are overburdened with promises of future largesse. The right, for its part, is still convinced that inequality hardly matters.

The Italian crisis highlights the need for contemporary politics to reinvent itself and come up with ways of mitigating economic and social disparities without hurting economic growth. To do so it must steal ideas from both sides. Such cross-pollination will be a sign of change – perhaps the best way to contain the populist “insurgency” – but politicians have a long way to go. The right's instinct is all too often to make government smaller rather than better. The putatively egalitarian left's failure is more fundamental. In the rich world welfare states are running out of money, growth is slowing and inequality is rising. Yet the left's only answer is higher tax rates on wealth creators. The issue isn't whether the left believes in social justice. The issue is do their policies fulfill that mission? And if they don't, but merely pull everyone lower, then it is their death wish that will be fulfilled.