



Neo-nationalism in the EU – social and economic policy platforms and actions

Executive Summary: key points

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Neo-nationalism has experienced a resurgence in the EU in recent years, particularly since the global financial crisis of 2008 and the subsequent years. Neo-nationalist parties are at its core. They have gained increasing influence on public debate and have managed to expand their presence in parliament in many EU countries. They form part of a governing coalition in several EU countries (such as Italy, Finland, Austria and – until the end of 2018 – Belgium) and are even governing alone in some countries, such as Hungary and Poland. In cases where they have considerable influence on government policy, they have initiated changes to the political system of institutions, which also affects labour organisations. Neo-nationalist parties are benefiting from the erosion and crisis of representation of traditional Christian and Social democratic parties. Their rise should not therefore be seen as merely a cyclical phenomenon or short-term trend. Political leanings in Europe are shifting constantly today.

Public debate about neo-nationalist parties is strongly focused on the nationalist and sometimes xenophobic aspects of their programmes. However, neo-nationalist parties have far more extensive programmatic statements on economic and social issues that have already been implemented by governments in some cases. Neo-nationalist parties have considerable influence on the political environment in which labour organisations operate.

It is therefore important for labour organisations to address both the broader programmes of neo-nationalist parties and the policies that they implement in government. This study focuses on the following questions: Which actors are included by neo-nationalist parties in policy-making? Which role do they ascribe to labour organisations with respect to policy-making and law-making? What are their economic and social policy objectives? How do they intend to shape industrial relations? What labour law and wage policy initiatives are they developing?

The programmatic orientations of neo-nationalist parties differ considerably. Right-wing neo-nationalist forces can be divided into three strands – a neoliberal strand, a national conservative strand, and a (marginal) fascist strand. Those ideologies can be identified in the various policy fields. Social and economic policy platforms also depend on the role of the respective country within the European division of labour, the country's position in international production chains, and the importance of the country's financial sector and the problems faced by that sector. This study therefore deals with the links between the socio-economic programmatic statements, the country's role within the international division of labour, and the country's crisis and post-crisis situation. That aspect has played only a minor role in both the academic and political discussion to date.

This study begins by drawing up a **typology** of neo-nationalist parties. That forms the basis for analysis of the social and economic policy platforms of key neo-nationalist forces and case studies of actions taken in government. The **programmes** of the parties are analysed in the context of the roles of the respective countries within the European division of labour. This study deals mainly with significant parties from the neoliberal and national conservative spectrum. Parties that have only recently adopted more pronounced neo-nationalist positions, such as the Christian Social Union in Bavaria (CSU), are not included in the study. It therefore makes no claim to be exhaustive.

Actions taken in government demonstrate most clearly what policy objectives mean in practice. Issues that are highlighted in the programmes may, but do not necessarily, overlap with priorities in practice. For reasons of election tactics, some important social and economic questions and social policy issues are only briefly touched upon or ignored entirely in party programmes. Industrial relations are often one of the topics that are sidelined in the programmes. Once in government, neo-nationalist parties also address questions that were neglected in their programmes. Actions taken in government also show which players neo-nationalist parties involve in government policy-making and how they handle conflicts that are trig-

gered by their policies. The study therefore includes three **case studies of actions taken in government by neo-nationalist parties. Belgium, Hungary and Poland** have been selected for that purpose. Neo-nationalist parties play, or have played until recently, a significant role in government in all three countries. They are even governing alone in Hungary (since 2010) and Poland (since 2015). Hungary in particular serves as a model for many neo-nationalist parties. The three countries differ, however, with respect to their roles within the European division of labour. Belgium is a highly developed economy with a significant financial sector that was hit hard by the crisis of 2008 and the subsequent years. Belgium has strong social partnership structures. The growth model of Hungary and Poland relies heavily on exports to western Europe in particular. However, their pre-crisis economic growth was also driven to a considerable extent by private debt. Hungary was heavily impacted by the crisis of 2008 and the subsequent years due to the prevalence of foreign currency loans. Neo-nationalist parties in the three countries have responded to the economic, social and political situation in distinctive ways. Neo-nationalist parties follow different strands of neo-nationalism. Nieuw-Vlaamse Alliantie (N-VA) has a strong neoliberal stance, while Fidesz's policies are an amalgam of neoliberal and national conservative thought. Prawo i Sprawiedliwość (PiS) in Poland has a staunchly national conservative approach. This study analyses both similarities and differences with respect to actions taken in government in the three countries and places them in a broader political and economic context.

What are the main features of the three strands of neo-nationalism? The **neoliberal strand** pushes for technocratic state structures and aims to isolate state decision-making centres from interest groups, especially trade unions. It calls for rules-based economic policies, "independent" regulatory authorities without democratic accountability, and low and regressive taxes. In terms of social policy, it supports minimum state social security and otherwise aims for the commercialisation of social security systems. While it does not openly advocate protectionist economic nationalism, it does support a form of free trade nationalism in the EU's core economies. In addition, neoliberal nationalism opposes migration and supports exclusionary welfare state nationalism.

The **national conservative strand** engages in right-wing re-politicisation of issues, pushes for direct democracy to legitimise its policies, and tends to delegitimise "non-national" actors. It tends to be flexible in economic policy terms and subscribes to a pro-active economic policy. With regard to social policy, it advocates a conservative welfare state revolving around

social insurance institutions. It aims to preserve differences in status and traditional gender roles. Economic nationalism is of primary importance for national conservatives. The aim is to promote domestic capital and to pursue a policy of selective protectionism. Exclusionary welfare state nationalism only plays a role if there is a substantial population with a migration background. With respect to re-politicisation of issues and active economic policy in particular, national conservatism presents itself as a conservative alternative to neoliberalism.

The **fascist strand** sometimes seeks to conceal its authoritarian aims, at least at the level of the political programmes. It has a highly authoritarian concept of the state. It embraces a cult of violence, develops paramilitary structures, and is openly racist. This strand does not have any economic policy concepts on its own that would go beyond strong preference for national actors. In social policy terms, it generally supports a conservative welfare state model. However, it advocates strong nationalist exclusion. The fascist strand also supports economic nationalist positions that are aimed at boosting domestic capital.

This study is based on the above classification of the three strands. Not all parties can be neatly identified as coming under one of those categories. However, their approaches to state projects (for example, with respect to the separation of powers, the rule of law and neo-corporatism), economic and social policy can be categorised based on the above typology.

Neo-nationalist parties have the following **political features** in the various **countries and macro-regions of the EU**. Neoliberal elements predominate among the right-wing neo-nationalist forces in Germany, which is at the core of the EU and the euro area, as well as in the UK, which is preparing to leave the EU. The situation is similar in the core EU countries of Austria, the Benelux countries and Scandinavia, as well as in the Baltic countries. In all those countries, neo-nationalist parties have a strong neoliberal economic policy approach, while their social policies and state projects have national conservative elements. Their tax policies tend to favour businesses and high income groups. Neo-nationalist parties also call for the deregulation of labour markets and working hours, especially in countries with relatively high social standards. The argument for neoliberal economic policies is based on making the country more attractive as a business location and, especially in the peripheral economies of the EU, on the need to attract foreign capital.

The non-neoliberal elements of social policy are aimed at expanding the respective party's voter base. In the core countries, neoliberal economic policies are strategically combined with exclusionary welfare state nationalism. The campaigns of far-right neo-nationalist parties in the core countries of the EU, such as Alternative für Deutschland (AfD), Partij voor de Vrijheid (PVV), FPÖ and Vlaams Belang, tend to place particular emphasis on opposition to migration.

In the Visegrád countries which follow a model of dependent export industrialisation, neo-nationalist parties vary in approach. Some parties display a strong neoliberal profile, such as Občanská demokratická strana (ODS) in the Czech Republic and Sloboda a Solidarita (SaS) in Slovakia. They aim at deepening the growth model based on foreign capital and low wages by enacting low-tax policies and deregulation of the labour market. By contrast, Prawo i Sprawiedliwość (PiS) in Poland and – to a somewhat lesser extent – Fidesz in Hungary have policies with relatively more pronounced national conservative elements. In economic policy terms, in Hungary, the Fidesz government combines nurturing domestic business owners closely associated with Fidesz in protected sectors (banking, retail, construction) with promoting the export manufacturing, which is predominantly controlled by foreign capital, through more radical neoliberal policies, in particular tax cuts. In contrast, PiS in Poland is seeking to change the economic model towards more technologically advanced production.

Clear national conservative elements can be observed not only in the Visegrád countries, but also in two core countries of the EU that are suffering from de-industrialisation, namely Italy and France. National conservative elements of the policies of Lega Nord and Front National are chiefly aimed at overcoming certain development obstacles. Lega Nord in particular is committed to leaving the euro area, which would benefit export-focused small and medium-sized enterprises.

Fascist and fascistoid parties have mainly achieved parliamentary representation in Central and Eastern Europe and Southeast Europe (including Greece). In some cases they are relatively well established in former industrial regions. In Greece, they benefited politically from the severe economic crisis and the response to it.

Which **features of neo-nationalist policies** can be observed in the various **fields**? Neoliberal **economic policy** emphasises rules-based and low-tax policies, while the few national conservative economic policy programmes promote pro-active development policies and industrial policy measures.

Tax policy is a high priority both at the level of neoliberal economic policy programmes and their implementation. That involves reducing the tax burden and, further, lowering company taxes and easing the income tax burden on high incomes in particular. Parties in the peripheral countries are even more radical than parties in the core countries in this respect, both in their programmes and in practice. That is related to the weaker position of the peripheral economies, since they have been relegated to supplying to the core economies. Multinational corporations dominate in key sectors of the peripheral economies. In the peripheral countries, an economic strategy based on foreign investment has been pushed by the European Commission, especially in Central and Eastern Europe and Southeast Europe. Neoliberal forces in the peripheral countries see low taxes – especially corporation tax and income tax – as key factors for attracting foreign capital. That type of tax policy is regressive and disadvantageous for workers.

In line with the neoliberal focus on tax cuts, the emphasis is on reducing government spending, especially welfare spending. Some neo-nationalist parties also call for rules-based policies. Neo-nationalist parties in the core countries that claim to pursue a social agenda, such as AfD, Front National (now Rassemblement National) and FPÖ, combine that restrictive social policy approach with demands for a “national preference” in **social policy**. In addition, certain groups of the poor are often stigmatised and the idea is propagated that social benefits should only be for “the deserving”. Many parties with a broadly neoliberal approach have a social policy conception that contains national conservative elements, in particular family policies that are designed to restore traditional gender roles. That mainly involves emphasising the care-giving role of women in the family. The aim is for women to play a less prominent role in the labour market and to be relegated to an even greater extent to part-time employment.

Neo-nationalist parties with a prominent neoliberal approach, such as Nieuw-Vlaamse Alliantie (N-VA) in Belgium, ODS and SaS, have pushed for the deregulation of working hours and **industrial relations**. As part of the coalition government in Belgium, N-VA took clear steps in that direction. However, neo-nationalist parties that have a highly neoliberal economic policy programme, but also seek to present themselves as pursuing a social agenda – such as FPÖ and Front National/Rassemblement National – likewise push for weakening labour organisations institutionally and for the deregulation of industrial relations and working hours. However, those parties tend not to highlight industrial relation issues in their political programmes. Steps taken in government by neoliberal neo-nation-

alist parties in Belgium and, even more, in Hungary have weakened the tripartite consultation structures between the state, trade unions and employer associations, while in Poland the national conservative government has revived such an institutional structure, though the PiS government seeks to keep major issues of contention out of the debate. Trade unions in the three countries have sought to keep the institutional channels for dialogue open. In Hungary's case in particular, even trade unions with different ideological or political affiliations have sought to coordinate their work in the face of an active policy of co-option. Trade unions have engaged in industrial action in specific fields, especially in Belgium with its high level of unionisation.

Neo-nationalist **state projects** have authoritarian elements. Authoritarian tendencies manifest themselves in the neoliberal state projects of neo-nationalist forces in the reinforcement of technocratic structures and rules-based policies. National conservative state projects involve right-wing re-politicisation of issues both at the level of policy platforms and in practice. That is a response to neoliberal de-politicisation at the EU level and corresponding practices at the nation state level. However, national conservative state projects massively restrict the field of legitimate political actors and de-legitimise "non-national" actors. In practice, the separation of powers has been significantly undermined in both Hungary and Poland, and there is a tendency towards a national conservative policy of eroding the pluralism of the media, cultural institutions, and NGOs. They have replaced systematically officials in key sectors. The relevant changes were pushed through parliament without enable serious debate and broader consultations. Fidesz and PiS have displayed more authoritarian tendencies while in government in the period since the global crisis of 2008 et seqq. than in their earlier governments.

Which implications do the policy objectives and actions in government to date of neo-nationalist parties have for **workers**? It should be noted that the social and economic policy platforms and actions of right-wing neo-nationalist parties tend to be disadvantageous for workers. That is particularly true of neo-nationalist parties with a strong neoliberal stance. Many neo-nationalist parties have proposals aiming at weakening the institutional power of labour organisations. That may involve reducing the power of both social partnership bodies and works councils. Among the case studies, the Fidesz government in Hungary is a prime negative example here of actions taken in government by neo-nationalist parties, since it has significantly worsened the institutional environment for labour organisations. By contrast, social partnership institutions have chiefly been eroded in Belgium.

The national conservative PiS government tends to be more open towards trade unions than its liberal predecessor. It has revived consultation structures but uses them in a selective way.

Neo-nationalist parties with a neoliberal economic policy stance are pushing for the deregulation of industrial relations and working hours in particular. In some cases, their policies include lowering the level of protection against dismissal. There is also a tendency towards placing increased pressure on the unemployed and lowering the level of social security afforded to them. Steps taken by the government have resulted in a particularly marked deterioration in those fields in Hungary. However, deregulation of working hours was also one of the priorities of the right-wing Belgian government.

Mirroring restrictive budget policies and regressive tax policies that place a high burden on lower earners relative to their income, social policy tends to be restrictive, though the national conservative PiS government is an exception in that respect. In western European countries – where a substantial proportion of the population has a migrant background – neo-nationalist parties espouse exclusionary welfare state nationalism to varying degrees. Discriminatory proposals and policies are sometimes also directed against migrants who are long-term residents. Cuts to the welfare benefits of highly vulnerable groups, including refugees, partly pave the way for broader restrictions on social benefits.

Many neo-nationalist parties take a position on **gender roles**, sometimes even making them a relatively prominent part of their platform. National conservative positions in this field focus on restoring traditional gender roles, including greater emphasis on defining women by their roles as mothers and housewives. Many neo-nationalist parties that hold clear neoliberal positions on economic policy have a conservative approach to gender roles. That aim of restoring traditional gender roles is closely reflected in social policy. Strong emphasis is often placed on family policies in the field of social policy at the level of both party platforms and actions taken in government. Family benefits often create incentives for women to devote themselves to raising children, entailing lower participation of women in the labour market. Neo-nationalist parties do not treat expanding public childcare facilities or other care services as a priority. In some cases family care-giving – which is mainly performed by women – is openly given precedence over public-sector care services. Some neo-nationalist parties, especially those to the far right of the political spectrum, are highly sceptical of gender equality policies. Neo-nationalist policies may therefore be regarded as particularly disadvantageous for female workers.

Which **options for action do exist for labour organisations**? It should first be noted that the programmes and actions in government of neo-nationalist parties are a response to specific socio-economic issues. Those issues are shaped to a significant degree by the role of the respective country within the European division of labour and the EU's neoliberal mode of regulation. Neo-nationalist parties fall under different categories and have different programmatic orientations. Those specific features need to be taken into account when tackling neo-nationalist parties. The political and economic factors that are conducive to the rise of neo-nationalist parties need to be identified and addressed. Those factors include unequal development patterns within the EU and the almost exclusive focus on competition. The emphasis of the latter is heavily on price competition, with wages seen as the key variable. Labour organisations should push for economic policy changes. Irrespective of the differences between neo-nationalist positions, it makes sense for labour organisations in the EU to exchange experiences with respect to neo-nationalist parties and to learn from one another.

They should analyse the diagnoses of the problems provided by neo-nationalist parties and address and criticise inadequate and one-sided analyses and diagnoses. It is worth mentioning two such one-sided and inadequate diagnoses that are particularly common here. Neo-nationalist parties with a neoliberal ideology view the state as the root of the problems and entirely disregard businesses as a possible cause. Many neo-nationalist parties essentially scapegoat migrants and refugees by presenting them as the main cause of social and economic problems such as unemployment.

The response of neo-nationalist parties to social and economic issues often involves a policy of exclusion and marginalisation of the most vulnerable groups. Their social policies tend to be exclusionary in nature. Exclusionary policies are chiefly targeted against migrants and refugees. However, highly vulnerable groups, such as the long-term unemployed and homeless people, are also stigmatised. Cuts to the benefits of highly vulnerable and stigmatised groups pave the way for a broader-based policy of dismantling social security. Labour organisations should counteract that exclusionary approach with an inclusive policy based on uniform standards and broad-based protections. That inclusive policy should also be reflected in the organisational and representation policies of Labour organisations themselves.

The gender policies of neo-nationalist forces are problematic from the perspective of employee representation organisations. Employee representation organisations should make particular efforts to combat workplace discrimination, wage discrimination, and labour market discrimination. The expansion of a comprehensive public sector with well-paid jobs is pivotal from a gender perspective in particular.

The policies of strongly neoliberal neo-nationalist parties in particular are aimed at weakening labour organisations. Neo-nationalist forces particularly target the institutional power of labour organisations, for example by eroding social partnership arrangements. Labour organisations therefore need to actively emphasise the importance of the countervailing power of workers. In cases where neo-nationalist parties in government have attacked existing institutional arrangements, labour organisations have often sought to maintain institutional channels and to take industrial action in the case of specific conflicts.

Pluralistic media, in particular public media, are essential for labour organisations to put across their position effectively in the political debate. Legal action in the case of labour disputes is only effective if there is rule of law. Effective defence of workers' interests is dependent upon democratic plurality and the rule of law. Those factors therefore need have a high priority for labour organisations.

Possibilities for cooperation with other social forces in the aforementioned fields should be exploited. It is important for labour organisations to have a comprehensive understanding of the socio-economic policy ideas and practices of neo-nationalist parties and to also be pro-active agenda setters.

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