<u>The collapse of traditional parties on</u> <u>the continent</u>

Mrs Merkel's bad loss of votes and seats in the 2017 German election was part of a continental pattern. In practically every Euro member state there has been a similar collapse in support for the two traditional parties of the centre left and centre right that alternated in government in the last century. Their vote has been lost to challenger parties of the right and the left. Some say the rise of the so called populist parties is the result of the financial crash and the poor economic performance since 2007.

This explanation does not seem to be correct, as the USA and the UK also suffered from a similar banking crash and recession in 2007-9. It is true that we have made a bit better recovery than many parts of the continent since then, but the similar problems with real income growth and productivity characterise most of the advanced world. In the USA the two main traditional parties continue to dominate US politics. In the UK following the Brexit vote there was a sharp improvement in the vote share going to both the Conservative and Labour parties in the 2017 UK election, giving the UK a very different political path to that on the continent. Between them Labour and Conservative commanded 83% of the vote.

The extent of the decline of the parties similar to Labour and Conservative in the rest of the EU is very marked. In Greece, Pasok (centre left) recorded just 6.3% of the vote in the last General election, and New Democracy (centre right) 28.1%. A left inclined Syriza has taken over as the main governing party.

In Belgium The Socialist party polled just 11.7% in the 2014 election, and The Christian Democrats 11.6%. The vote has splintered to a range of regionally based parties. In the Netherlands in the 2017 election the socialists claimed just 9.1% of the vote and the VVD (centre right) 21.3%.

In Spain the PP (centre right) managed 33% with PSOE (socialist) on 22.6%. The PP is in minority coalition government.

In France En Marche swept all aside in the legislative elections, leaving the Republican party (centre right) on 22% and the Socialists on 5.7%.

In Germany the CDU polled just 26.8% this autumn and the SPD 22.6%.

The challenger parties that have captured much of the support have several similar characteristics. They often campaign to relax the austerity controls of the Euro scheme on their economies, favouring higher levels of public spending and borrowing than is permitted. Some of them also campaign in favour of ending freedom of movement within the EU, wanting some controls on migrant numbers into their countries. Some of the parties are Eurosceptic, seeking exit from the Euro. Others merely campaign for a very different type of Euro with a subsidy union to back it up. Some of the successful challenger

parties are wanting regional independence or autonomy, as with the Catalan nationalists, the Belgian regional parties and the Lega Nord in Italy.

It looks as if the collapse of the old main parties on the continent is a Euro area phenomenon related to economic pressures within the zone, leading to identity issues affecting national and regional politics. It is curious how the grand old parties allow this decline to happen, and how none of them so far have found a way to recover. One of their main problems is they cannot offer much change in economic policy given the way the Euro scheme works. Locked into policies which electors do not like, voters turn instead to new parties and noisier parties in the hope they will break out of the EU consensus. Normally democratic parties change policies that make them unpopular and fight to keep their voting base. The EU has changed all that in the Euro area.