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United in Diversity: The Economic Policy Platforms of the EU's Far Right

Radical right parties are expected to be the big winners of the 2024 European Parliament election. According to a recent forecast by Cunningham et al. (2024), almost half of the seats may be held by MEPs outside the "super grand coalition" of the three centrist groups, whereas the two parliamentary groups with nationalist and far-right credentials – Identity and Democracy (ID) and the European Conservatives and Reformists (ECR) – are set to gain votes and seats across much of the continent. Against this backdrop, the far right may well be able to directly influence, for the first time, the EU's policy agenda.

The implications of such a sharp turn to the right will be most likely felt in immigration and environmental policies, involving demands for greater "securitisation" (defining migration as a security issue), "externalisation" (outsourcing asylum responsibilities to third countries) and vetoes to ambitious climate laws. Far-right parties are in a good position to influence these policy areas because of their strong unity on the issues. In fact, the influence of the far right may be aided by the centre-right European People's Party (EPP), which has adopted some of its rhetoric and policies on EU migration policy (Kundnani, 2023).

More challenging for the collaboration of far-right parties at the EU level may be the area of foreign policy in light of the Russia-Ukraine war. Whereas the ID parties used to be openly supportive of Putin (at least until Russia's war aggression), the ECR has been Atlanticist in orientation and supported NATO throughout. Taken together, it seems fair to say that the major influence of the far right will be on immigration and environmental policies, whereas foreign policy remains a point of contention.

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The eurozone as "Hotel California"

It is arguably more difficult to assess the positions of the far right on EU economic policy. On the one hand, the sovereigntist claim to "take back control" may well be the common denominator around which the far right can coalesce. Seen in this way, we may well expect greater calls for more domestic policymaking autonomy against interference from the EU's economic governance framework. On the other hand, the notion of a *Europe à la carte* is difficult to establish in a common currency union that created deep interdependencies across member states. Put differently, the eurozone bears resemblance to a supranational "Hotel California": you can check out any time, but you can never leave. That is arguably the lesson Greece and other periphery member states had to face during the sovereign debt crisis of the early 2010s. It is clear that the decision to leave the eurozone would have devastating economic consequences for any country. The currency union will therefore continue to shape the terrain in which the far right will have to operate in the years to come – even if its long-term viability remains uncertain.

In this contribution, I argue that the capacity of the ID and ECR to influence the EU's economic policymaking will be haunted by the diverse costs and benefits that the eurozone implies for its member states. More specifically, pressing questions of fiscal solidarity may well divide the far right at the EU level because the ID and ECR groups are unlikely to find common ground, both between and within their parliamentary groups. In doing so, I draw on recent research by Rathgeb and Hopkin (2023).

The north-south divide

Far-right parties are united in their quest for greater domestic economic sovereignty, but it is this nationalist outlook that creates disunity among them. In countries struggling most heavily with the economic fallout of Europe's polycrisis, greater fiscal leeway and common debt issuance may be instruments for restoring economic sovereignty, a position typically voiced in the debtor-deficit countries of southern Europe. By contrast, these measures may be considered an interference in national self-determination in the creditor-surplus countries of northern Europe. In the German-speaking countries, for example, far-right parties rejected issuing common debt

(Eurobonds and Coronabonds) or fiscal compensations to member states hit hard by the euro crisis (early 2010s) or the COVID-19 pandemic (early 2020s).

Whereas the German political mainstream shares the overriding objective of sustaining the eurozone in the interest of the country's export-led growth model, the Alternative for Germany (AfD) has retained its mantra to reserve "our tax money for our people". In fact, the AfD even filed an emergency appeal to the German Constitutional Court, in which it argued that the NextGenerationEU (NGEU) recovery fund was in breach of the EU treaties – without success, however. The NGEU thus added to the AfD's long-standing demand to leave the eurozone and return to the country's previous currency, the Deutschmark. According to its previous EU manifesto (AfD, 2019), the benefits of leaving the eurozone would be to withdraw from liabilities created in the course of the euro crisis and pandemic *(Euro-Rettungsmaßnahmen*) and restore interest rates for German savers; it would also mean (correctly) higher levels of purchasing power abroad thanks to the appreciation of the Deutschmark. In other words, the AfD's demands imply an abandonment of Germany's export-led growth model, which benefitted only "some export firms" (AfD, 2019). By implication, the countries struggling most with public debt should "tighten their belt" and accept austerity. The 2024 manifesto reaffirmed the party's position to leave the eurozone and reintroduce the Deutschmark while remaining critical of the NGEU and any form of debt mutualisation (AfD, 2024, 41). Perhaps unsurprisingly, the Freedom Party of Austria (FPÖ) has adopted a similar position of rejecting payments and liabilities associated with European monetary integration throughout the 2010s (Ausserladscheider, 2022).

In contrast, far-right parties in southern Europe and, notably, France do not consider debt mutualisation, but fiscal rules to be an external interference in their national self-determination. Whereas sovereignty means rejecting fiscal risk sharing in the eyes of far-right parties in Germany and Austria, it may be a recipe for restoring sovereignty for far-right parties in southern Europe. The Italian Lega is a case in point. Together with the AfD and the National Rally (RN), it represents one of the largest parties within the ID, but its economic policy preferences are difficult to reconcile. In response to the EU's fiscal rules, the Lega's party chair, Matteo Salvini, began to campaign under the slogan "*basta euro*" in the late 2010s, even promising that if the Lega won power, it would avoid austerity or ensure greater fiscal burden sharing – a position fundamentally at odds with the AfD.

The AfD and FPÖ's position may, however, come under pressure from the fact that a growing number of far-right parties took issue with the EU's fiscal rules. In France, for example, governments of the right and left followed EU demands by responding to the gradual deterioration of their economy's cost competitiveness vis-à-vis Germany with successive rounds of labour market liberalisation and social spending cuts (Amable, 2017; Amable and Palombarini, 2021). Finland also experienced such pressures in the aftermath of the euro crisis (Rathgeb and Tassinari, 2022). Perhaps unsurprisingly, radical right parties in France and Finland have thus become hostile to EU-level austerity, as they have experienced pressures similar to those observed in southern Europe during the euro crisis. In fact, the radical right Finns Party bore the electoral brunt of liberalisation and austerity because it held the Ministry of Employment when the so-called Competitiveness Pact was enacted to improve competitiveness within the eurozone, especially vis-à-vis Germany (Ahponen, 2019). At the same time, both the French radical right and left reacted strongly against the EU-conforming liberalisation path pursued by Hollande and Macron in the context of sluggish growth rates and fiscal strains (Amable and Palombarini, 2021).

The pro-eurozone mainstream

To be sure, the centrist parliamentary groups may be challenged by similar internal disagreements given the diverse economic circumstances of their member states. However, the parties of the political mainstream are more likely to compromise as a way of sustaining their countries' eurozone membership (Schmidt, 2020). First, mainstream parties in southern Europe conformed to the reform demands of the "troika" and other forms of "implicit conditionalities" that required the legislation of neoliberal reform in return for access to cheap money during the sovereign debt crisis (Sacchi, 2015). In response, populist challenger parties on both sides of the partisan divide mobilised against EU-induced neoliberal reforms, albeit with diverse electoral constituencies and economic policy priorities in mind (Afonso and Bulfone, 2019). In fact, the radical right and radical left even formed coalition governments in Italy (Lega and the Five Star Movement, M5S) and Greece (Syriza and ANEL) for the primary reason of resisting the eurozone's constraints on domestic economic adjustment.[1]

1 To be sure, the M5S lacks a clear left-wing ideology and may be best described as simply "populist", but it clearly espouses some typical left-wing positions such as opposition to austerity and structural reforms in the labour market, and hostility to banks and "big business". At the same time, it vocally demanded that Italy break free from the eurozone's constraints on economic adjustment, distinguishing the M5S from the mainstream parties such as the centre-left Partito Democratico, which has been the mainstay of the pro-Europe consensus since the crisis.

Table 1
Policy positions 2019: The EU should rigorously punish member states that violate the EU deficit rules

	Completely disagree	Tend to disagree	Neutral	Tend to agree	Completely agree	No opinion
European Conservatives and Reformists	FdI, PiS, PS	LLRA-KŠS, ODS, NA (VL-TB/LNNK)	SD	CU-SGP, HKS	Vox, SaS, OĽaNO, N-VA	
Identity and Democracy	VB, RN, Lega, EKRE, SPD	DF, PVV		FPÖ	AfD	

Note: Common statement S3_19. FdI: Brothers of Italy; PiS: Law and Justice; PS: Finns Party; LLRA-KŠS: Electoral Action of Poles in Lithuania – Christian Families Alliance; NA (VL-TB/LNNK: National Alliance All for Latvia! – For Fatherland and Freedom/LNNK; ODS: Civic Democratic Party; SD: Sweden Democrats; CU-SGP: Christian Union – Reformed Political Party; HKS: Croatian Conservative Party; SaS: Freedom and Solidarity; OĽaNO: Ordinary People and Independent Personalities; N-VA: New Flemish Alliance; VB: Flemish Interest; RN: National Rally; EKRE: Conservative People's Party of Estonia; SPD: Freedom and Direct Democracy; DF: Danish People's Party; PVV: Party for Freedom; FPÖ: Freedom Party of Austria; AfD: Alternative for Germany.

Source: euandi 2019 (Trechsel et al., 2019).

Although national power asymmetries overall benefit Germany and the smaller core countries, the introduction of the NGEU in response to the COVID-19 pandemic suggests that northern European mainstream parties are also willing to provide concessions to the south when the economic and political viability of the currency union is at stake. In essence, the NGEU removed austerity demands from southern European member states, while requiring the northern European countries to contribute a greater share of securities and grants for common bonds. Perhaps unsurprisingly, the introduction of the NGEU has stimulated opposition by northern European radical right parties against fiscal risk-sharing mechanisms that would benefit southern European countries (Rathgeb and Hopkin, 2023). Whereas centre-right and centre-left parties have been engaged in intergovernmental bargaining and technocratic crisis management (Schmidt, 2020), the rise of radical right and, at least in southern Europe, radical left parties has politicised the transformation of the euro regime and its distributive implications, bringing the politics of the euro to the heart of domestic political conflict and competition. Against this backdrop, the recently reformed EU fiscal rules may well regain salience and thereby confront the far right with difficult questions on its positioning.

United in diversity

To illustrate this diversity in EU-level fiscal policy positions among far-right parties, Table 1 provides a coded record of the ID and ECR parties' policy positions, based on the euandi dataset, on the question of whether EU member states should be punished for violating the EU's fiscal deficit rules from the 2019 EU parliament election campaign.[2] Among the ID parliamentary group, the AfD and FPÖ supported punishments for fiscal deficits, but this position clashes with the other ID group members. The opposition to EU-induced fiscal discipline among far-right parties in Belgium (VB), France (RN), and Italy (Lega) resonates with the heightened pressure these countries have faced to consolidate public budgets and pursue structural reforms in the mid-2010s (Rathgeb and Tassinari, 2022), a position shared by the Estonian EKRE and Czech SPD. Among the parties in the ECR parliamentary group, the data reveal even more disagreement. The Brothers of Italy (FdI) took the same position as the Lega against fiscal rules, supported by the Polish PiS and the Finns Party (PS). By contrast, the Belgian N-VA, the Spanish Vox, and the Slovakian SaS and OĽaNO (the latter no longer a member) supported punishments for member states violating fiscal rules. There are a number of ECR parties from Central and Eastern European countries in between these two positions.

It is interesting to observe that Vox favoured punishments for fiscal deficits, given Spain's experience of subscribing to a troika package with painful social spending cuts during the sovereign debt crisis. Unlike the more established radical right parties, Vox mobilises primarily high-income voters around territorial issues in Spain, i.e. the threat of separatism in Catalonia and elsewhere. Given its electoral support base among affluent voters, the neoliberal economic platform of Vox – including a commitment to "free markets", tax cuts and fiscal discipline – seems to complement the direct competition it exerts on the centre-right People's Party with regard to the constitutional question of Spanish unity (Hopkin, 2020, 211-214). That might explain why Vox deviates from the positions of Italian and French far-right parties.

Overall, the picture that emerges from this brief overview is that the influence of the far right on the EU's economic

2 Ideally, we would have data from the current campaign already, but the 2019 version is the most recent dataset currently available.

and fiscal policies may well be undermined by internal divisions. It became apparent that the economic dimension may drive a wedge between far-right parties when the ID formed their common party group for the EU Parliament elections in Milan in May 2019. While they could agree on returning power to EU member states, reducing immigration and preventing the spread of Islam, they could *not* overcome divergent views on fiscal discipline within the eurozone (Balmer, 2019). More recently, the ID group declared that it will not even have an EU election manifesto and instead relies on a vague two-page declaration, unlike all other parliamentary groups in the European Parliament (Michalopoulos, 2024). Of course, this is not to say that the far right does not matter in economic policy. In fact, at the domestic level, they have already left deep policy imprints on national economies and welfare states by contesting different features of globalisation, leading to welfare chauvinism in Western Europe, economic nationalism in Eastern Europe and trade protectionism in the USA under Trump (Rathgeb, 2024). But in the reality of EU-level bargaining, the spectre of "international nationalism" represents a *contradictio in adiecto* that may well haunt Europe's far right as soon as the electoral spectacle gives way to economic policymaking.

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