

THE FUTURE OF EUROPEAN LIBERALISM

Multi-party European parliaments provide a place for distinctively liberal parties, writes **Charles Richardson**

The most fundamental feature of Australian politics is the two-party system. Almost a hundred years ago, in the Fusion of 1909, our different non-Labor parties merged to create a single party, of which today's Liberal Party is the direct descendant. It and the Labor Party have contended for power ever since.

Before Fusion, the party system was more flexible and different varieties of liberals had some scope to develop separate identities. At the federal level, there were Free Trade and Protectionist parties; in most of the states, there were Liberal and Conservative parties. Sometimes rival liberal groups were allied with each other or with conservatives, but sometimes they joined with Labor: George Reid, the Free Trade premier of New South Wales, for example, governed with Labor support for most of the 1890s. Queensland had a Labor-Liberal coalition government as late as 1907.

As the Labor Party became more powerful, however, this flexibility disappeared. Labor leaders wanted power in their own right, and were increasingly able to get it; middle-class parties, concerned about the growing threat from 'socialism', banded together. So for a century liberals have been stuck with conservatives, and for most of that time they have been marginalised accordingly.

With a two-party system, Australia also developed an electoral system that strongly favours its continuation and discriminates against minor parties, particularly those that are geographically dispersed. The National Party (formerly Country Party) is the only third party of modern times that has been able to win seats in the House of Representatives. The causal chain clearly runs both

ways: our parties support the electoral system that supports them.

But Australia is relatively unusual in these respects. In most European democracies, with different histories and different electoral systems, liberal parties survived through the twentieth century, and many of them are now enjoying something of a resurgence.

A brief digression here might clarify what I mean by 'liberal'. Philosophically, a liberal is one who believes in the tenets of the Enlightenment, a follower of Montesquieu, Smith and von Humboldt. Applying the word to political parties I am not using it as a philosophical term of art, but as a practical thing: the typical liberal parties are those that have a historical connection with the original liberal movements of the nineteenth century, with their programme of representative government, abolition of feudal privilege, freedom of speech and of religion, free trade and national self-determination.

Since 1947 they have been organised as a group called Liberal International (LI), which currently has member parties in 47 countries. As the LI website puts it, the 'common principles which unite all liberal parties' include 'human rights, free and fair elections and multiparty-democracy, social justice, tolerance, social market economy, free trade, environmental sustainability and a strong sense of international solidarity.' (See www.liberal-

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international.org/editorial.asp?ia_id=508.) It is the counterpart to the Socialist International on the left and the International Democrat Union for centre-right parties. (Australia's Liberal Party is the only one with 'Liberal' in its name to have joined the latter rather than LI.)

So European countries typically developed multi-party systems, with most parties readily classifiable under the headings right (conservative or fascist), socialist (communist or social-democratic), and liberal or centrist. The last century has not been a good time for liberalism, and for most of the time liberal parties were much smaller than their rivals to left or right. However, because they were seen as being in the 'centre', with some elements appealing to each of the other forces (social policies to the left, economic policies to the right), they often held the balance of power between them. In Germany, for example, the liberals (called the Free Democrats), although rarely winning more than about 10% of the vote, contrived to be in government as junior partner to either left or right for most of the 50 years to 1998.

Europe today

To give some idea of how liberal parties are placed in Europe today, I have picked out as examples four countries that I've spent some time in. Any selection involves some simplification, but I think they are fairly representative of the rather mixed picture in Europe as a whole, and they raise some interesting questions about the role liberal parties will play in the continent's future.

Hungary is the smallest of the four, but got some attention in the Australian media last year due to the (sometimes violent) demonstrations against the government of Ferenc Gyurcsany. After the fall of communism, Hungary, like several other central and eastern European countries, developed a three-party system: socialists (ex-communists), liberals and conservatives, with shifting alliances between them. But support for the liberal party, the Alliance of Free Democrats (SzDSz), has declined from a peak of 23.8% to just 6.5% at last year's elections, with 18 of the 386 seats.

Its vote now seems to have stabilised, and SzDSz retained the prestigious post of mayor of Budapest at the recent local government elections. It also seems to have become fixed in place as a junior partner to the Socialist Party, with three

ministries in the Gyurcsany government. Last year's crisis, instead of prising the liberals away from the socialists, has demonstrated that economic reform is the key national issue, and they are on the same side: pro-reform and pro-European integration, while the conservative opposition flirts with more populist nationalism.

Italy, like Hungary, seems to be groping its way towards a two-party system. The largest centrist party in Italy derives mostly from the left of the old Christian Democrats: called La Margherita (not a pizza, but Italian for 'the daisy')—Democracy is Liberty, it now forms part of l'Ulivo ('the Olive Tree'), the core of Romano Prodi's centre-left coalition government. (The other main party in l'Ulivo is the Democrats of the Left, formerly the reformist wing of the Communists.) l'Ulivo scored a combined vote of 31.6% in last year's Italian election; in the Senate, where the parties ran separately, La Margherita won 10.5% and 39 seats.

Italy has a number of smaller liberal parties, with such names as European Republican Movement, Rose in the Fist and Liberal Reformers. The majority are in Prodi's coalition, but some belong to the opposition centre-right grouping 'House of Liberties'. There they represent a small but important element of a coalition that also includes two neo-fascist parties.

As both coalitions reach out to the centre, liberals seem assured of a continued place, and are driving Italy towards much-needed economic and political reforms. It is almost the opposite of Australia's Fusion experience: just as the union of diverse elements on the right boosted conservatism, the corresponding process on the left boosts liberalism.

Whereas Italy is moving towards a two-party system, the United Kingdom appears to be moving away. Its liberal party, the Liberal Democrats, has the oldest continuous history of all, dating back to the Whigs of the early 1680s. In terms of votes it is one of the most successful liberal parties in the world, but the UK, like Australia and unlike most of continental Europe, has only single-member electorates. Britain as a result has been regarded as the very model of a two-party system: in 2001, for example, Labour and the Conservatives won 72.4% of the vote between them, and 87.8% of the seats.

But support for the Liberal Democrats has been growing, and at the last election, in May 2005, they

won 62 of the 646 seats in the House of Commons. That's still a poor return for their 22.1% of the vote, but in a close election it could easily be enough to win them the balance of power, with the leverage to secure a change in the electoral system.

The Liberal Democrats have been shifting position as well as growing; after a period when they were generally seen as closer to the Labour Party (including a brief spell of formal cooperation in the late 1970s), they seem to be reaching out more to the Conservatives, helped by the more progressive tone of the latter set by new leader David Cameron. Thanks to the reforms of Margaret Thatcher's government in the 1980s, Britain does not share the same economic problems as much of the rest of Europe, and economic issues are less a point of distinction. The Liberal Democrats instead are more noted for their strong stance on civil liberties and political reform, and if they come to participate in a coalition government they can expect to have a major influence in those areas.

In France the opposite is happening—a centre party moving away from the right. Its original liberal party, the Radicals, declined to irrelevance after the second world war, eventually splitting into two—one group absorbed by the centre-right, and the other, now called the Left Radical Party, becoming a more or less permanent (and very junior) partner of the Socialist Party. In its place has emerged the Union for French Democracy (UDF), founded in the 1970s by former president Valéry Giscard d'Estaing.

For most of its life, the UDF has been a junior partner to the major centre-right party, the Gaullists, now called the Union for a Popular Movement (UMP). In that capacity it won 29 seats in the last National Assembly elections (in 2002), with 4.9% of the vote. But in recent years it has been staking out a more independent line: last year its deputies supported an opposition motion of no confidence in the UMP government. As the French left grows more moderate, the UDF appears to be positioning itself as a possible coalition partner in a future centre-left government. (The UDF is not a member of LI but, like Italy's La Margherita, participates in the umbrella group Alliance of Liberals and Democrats for Europe.)

Despite the resistance of much of its political class, there is growing recognition that France's

economy is in need of serious reform. Both major parties have nominated candidates for this year's presidential election who are seen as pro-reform, and the UDF may yet play a crucial role in ensuring the adoption of more liberal policies.

Conclusion

Where does all this leave us? It seems to me there are two possibilities.

Maybe, as European observers mostly think, there are just naturally these days three mainstream political tendencies, and the ever-shifting balance among them is a normal and healthy state of affairs. If so, then Australia one day should return to that sort of system, either by our existing parties splitting and rearranging themselves, or some new party coming forward. Or at least it will become increasingly difficult for our electoral system to prevent such a change happening.

If that happens, it would certainly make Australian politics more interesting. But there is little evidence for it as yet. Our major parties both have some serious internal tensions between more and less liberal tendencies, but institutional inertia is very powerful and the chance of a split still seems remote. The only viable third party, the Greens, does have some liberal elements, but its philosophical lineage is quite different.

So I wonder—and this is admittedly very speculative—if maybe instead the two-party system is more natural, and that as traditional socialism continues to decline (and with it the class-based nature of our system), the differences between liberals and the social-democratic left will become less pronounced. If so, they might eventually feel at home together in the ALP or some successor to it, while the Liberal Party (or something like it) represents more exclusively the conservative view. Generalising over a very diverse picture, that seems to be the way things are moving in Europe.

When socialism was the big thing in public policy, Australia's party alignment made sense. Even the European situation of the time, although nominally different, worked to much the same effect, as liberal parties atrophied in most countries in the mid-twentieth century. If we are now returning to a more traditional liberal versus conservative paradigm, then we may again find that two parties are all our system will support.