Political polarisation

The European elections scheduled for 26 May will serve as an important test not only for the health of the European project but also to demonstrate the degree of political polarisation in the Old Continent. A source of concern is the possible rise of extremist parties – whether Eurosceptic, anti-establishment, or both – that question the very principles upon which the EU has been built.

The phenomenon of political polarisation, which we address in the Dossier of this *Monthly Report*, has spread across a large number of countries and represents a response to factors we could classify as relating to demand and supply. The demand factors would be those that have driven a portion of the electorate towards more extreme positions. Among others, these include the long economic crisis and its aftermath, the increase in inequality, the refugee crisis and the feeling of insecurity caused by technological and demographic changes (is my job at risk? What about my pension?). Dissatisfied with the status quo – «the system» – and the responses of the major political parties to these challenges, a portion of the electorate has identified with more extreme options that question the very political and economic system itself and seek to eclipse the more traditional parties.

By supply factors, we are referring to the emergence of new parties, or the re-emergence of old ones, which position themselves far from the political centre ground. In addition, the traditional parties, driven by changes in voters' preferences and the appearance of new competitors, are tempted to radicalise their discourse and move away from the centre. This is a path that entails risks since, in the end, the majority of voters remain in the centre ground.

Other changes in the environment have also facilitated the polarisation of demand (voters) and supply (parties). For instance, new communication technologies have cut the cost of entry for new parties on the supply side. Social networks, meanwhile, facilitate the dissemination of falsehoods that feed social polarisation. This is partly because the messages – by no coincidence – reach those who are not only more likely to consider them to be true (they validate their prejudices) but are also more likely to share them with others with a similar ideology. The echo effect and the comfort of feeling that one's convictions are shared by many others contribute to polarisation.

Polarisation entails significant costs. For example, it leads to a deterioration of social cohesion by decreasing the population with a minimally shared view on the major challenges facing the economy and society and the options available to respond to them. This fracturing of society makes it more difficult to achieve significant consensus in order to implement reforms that respond to the challenges we face – both because political fragmentation prevents it and because the centrist parties have less incentives to reach agreements amongst themselves for fear of losing ground to the extreme ends of the spectrum. The absence of consensus and reforms, in turn, ends up worsening the economic situation and leads to an increase in political instability, the very factors that stoke the more extreme options.

Therein lies the difficulty of halting and reversing political polarisation since, to do so, it is essential to carry out reforms that respond to the major challenges of our times. Building a broad consensus requires strong leadership, empathy with those who think differently, a connection with voters and, of course, a sense of responsibility. Perhaps this is a lot to ask, but it is what complex times like those we live in demand.

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