

## What's wrong with technocrats?

Marco Incerti

15 November 2011

Much has been made of the recent appointments of Lucas Papademos and Mario Monti as Prime Ministers *in pectore* of their respective countries. In particular, the public debate has focused on their status as unelected officials, which allegedly constitutes a break in the democratic continuum.

It can actually be argued however that, even though they are technocrats, their democratic credentials are even stronger than those of the politicians they have been called to replace, given that they are expected to lead governments of national unity. Indeed, in these countries today, only grand coalitions can provide the necessary legitimacy to push through the tough reforms that are on the agenda.

Both countries are in a very grave situation, requiring extremely determined action and hard measures, but both suffer from a highly fragmented and confrontational political system, where infighting between and within the main parties can and has led to paralysis.

Beyond these basic similarities, the situation of the two countries is rather different. Economic conditions in Greece, for example, are much worse than in Italy, and few believe that it can actually avoid default. The fundamentals of Italy, although worsening, are better, and so many of the problems of the last few weeks are attributable to political uncertainty. Given these different starting points, the two governments took opposite paths: Papandreu had not actually done too badly, and was in fact in the process of implementing the reforms that he had agreed to put in place. To bolster them in the face of growing social unrest, he sought cross-party support, but the opposition refused to provide this support. In Italy, it was the Berlusconi government that actually failed to deliver on the promises it made to its European partners, and, in spite of its majority in both houses of parliament, had only very slowly started to act on some of the measures that most considered unavoidable. This irresponsible behavior on the part of Italy is of course even more worrying, since the sheer size of the country's debt has the potential to bring down the whole eurozone.

The commonality between the two countries is that, given the level of political fighting, no representative of either political front (centre-left and centre-right) would have been able to rise above the fray and be accepted by the other. Papandreu could not have led a national unity government because *Néa Dimokratia* would not have supported him, and Berlusconi could certainly not have led a national unity government because the *Partito Democratico* would never have supported him. Hence, the need for technocrats to come to the rescue.

As for the citizens, who on this occasion were denied the right to don their voters' hat, one should not be too quick in assuming that they will take the appointments negatively. To begin with, the constant squabbling and inability to take decisive action have led in both countries to a disillusionment (if not outright disdain) with politicians, who are perceived as grossly overpaid, perks-seeking members of a privileged caste.

Marco Incerti is Head of Communications and Research Fellow at CEPS.

CEPS Commentaries offer concise, policy-oriented insights into topical issues in European affairs. The views expressed are attributable only to the author in a personal capacity and not to any institution with which she is associated.

Available for free downloading from the CEPS website ([www.ceps.eu](http://www.ceps.eu)) • © CEPS 2011

The answer to the question about the popular support for the governments that are being formed will thus depend on relative importance one attaches to the dichotomy between input-legitimacy/output legitimacy. That is, are citizens more interested in having a say about their government (and the actions that it should take) through elections, or are they more interested in having a government that actually delivers results (and improves the situation of their country)?

Seen through the latter prism, the previous experiences with technocratic governments in Italy in the 1990s are rather encouraging: in particular the Ciampi government (1993), by forging constructive cooperation between the social partners, was able to introduce important labour market reforms, and the Dini government (1994) managed to implement a radical and far-sighted reform of the pension system.

And indeed empirical evidence seems to point in the direction of a positive popular reaction to the appointments: the first snap-polls indicate that 50% of the Italians favour Monti, and 58% would support his government; Papademos does even better, with an approval rating of over 70%. In the eyes of many Greeks and Italians, the two soft-spoken professors are untainted by political affiliation and are perceived as competent individuals who will be guided in their actions by their respective country's interest, rather than that of their party.

Moreover, the deterioration of the two countries' economic situation has been so rapid (for Italy, a matter of two weeks), that most voters probably realise that, even though an election would have been desirable, it would have taken so long to organise that the countries would have defaulted twice over in the meantime. It takes months to organise an election, while in the current circumstances it only takes weeks (or a few days) for a country to go under.

Finally, a few eyebrows are raised because the nominations of Messrs Papademos and Monti seem to "let the markets decide instead of the people" and because of their (excessive) closeness to EU leaders.

With regard to the first argument, it is useful to bear in mind that the citizens and their elected representatives would have had more options to choose from had they started from a better socio-economic position. Greece and Italy must now accede to the dictates of their creditors because they have too large a debt in the first place. Had they respected (or adhered more closely to) the Maastricht criteria (that they voluntarily ratified), their position would not have been so close to the edge today. It was the Greeks and the Italians who rubberstamped, through their behaviour at the polls, the policies and practices that led them to the brink.

The fact that Monti and Papademos are close to EU circles is not of course a surprise or a coincidence; nevertheless, it is a sad reflection of the populist drift in these countries that some would think of holding this fact against them. Officials who have high-level European careers are normally the best of their crop: they typically are the ones that transcend the national borders to get involved in policy-making at the continental level. So it is only natural that their countries should turn to their talents, making the best use of the human capital represented by these highly qualified civil servants in a time of duress.

European technocrats are also an appropriate choice for these jobs because this is a European crisis that affects the entire eurozone, whose future rests on the re-establishment of a certain level of mutual trust. In the European economy as a whole, there is unquestionably enough money to survive the crisis, but the northern investors no longer believe that they can trust the potential borrowers from the south. Altering these perceptions requires appointing interlocutors who are credible in the eyes of their European partners, a credibility that to some extent depends on past records. Familiarity with fellow decision-makers is a definite plus. The choice of these personalities is thus in itself part of the measures, together with the reforms that they are called to implement.

And here we come to the heart of the problem. For all the injections of goodwill, honeymoon effects and glittery eyes that the sole mention of their two names will produce, the records of Profs Papademos and Monti will be measured by how much they will be able to deliver. It is not difficult to predict the solutions they are likely to propose; the key question is whether they will be able to put them into practice. This in turn will depend to a large extent on the room for manoeuvre that the political actors underpinning their legitimacy will extend to them. While this is further evidence that the developments in Greece and Italy are well within the boundaries of democracy, one only has to hope that the main parties in the two countries have learnt their lesson and are prepared to

put aside their mutual acrimony and rally behind the technocrats' flag to help put their states back on track. Restoring a sense of civic purpose (based on a core set of shared values), and shedding some of the more extreme political fringes along the way, would in itself be a huge achievement with momentous long-term consequences.