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Europe's nightmare has just begun [1]

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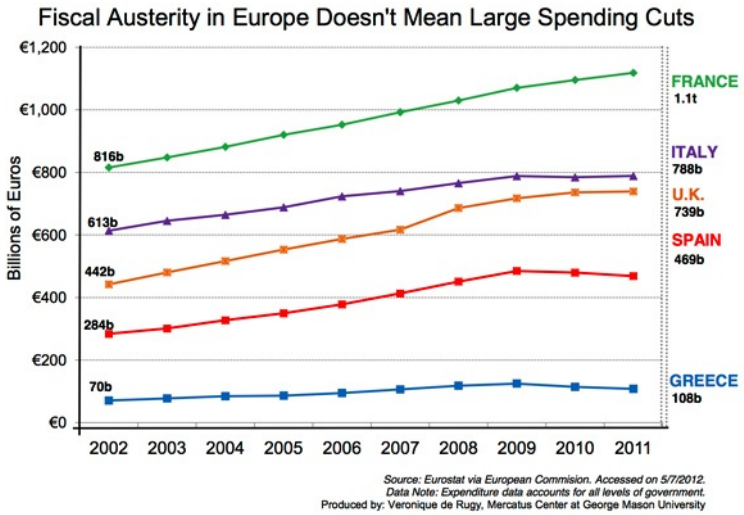

The chart above comes from Veronique de Rugy [3] of the Mercatus Centre. It tells a different story to the popular narrative that European voters have tried and rejected austerity. In fact, they have hardly tried it at all, returning generally to 2008 levels of government spending. France has not cut at all, yet it has just elected the patron saint of mediocrity, Francois Hollande. Not that Sarkozy was much better. De Rugy comments:

> *First, I wish we would stop being surprised by what?s happening in Europe right now. Second, I wish anti-austerity critics would start acknowledging that taxes have gone up too?in most cases more than the spending has been cut. third, I wish that we would stop assuming that gigantic ?savage? cuts are the source of the EU?s problems. Some spending cuts have been implemented in a few countries. Also, if this data were adjusted for inflation (which I would prefer but the data isn?t available) it would possibly show a slight decrease and certainly a flatter line for all countries. However, the overwhelming take away from the European experience is that a majority of governments haven?t really implemented spending cuts, large or small, and some have even continued to grow.*

What European voters have rejected is the*idea* of austerity. The very suggestion that their governments should live within their means is, apparently, unacceptable to the majority of voters in France, Greece and, as seems likely, the Netherlands. Hollande may be a nonentity, but the National Front candidate, Marine Le Pen, polled 18%, and the far-left Jean-Luc Melenchon 11%. Both seem likely to do well in next month's parliamentary elections. Golden Dawn, Greece's Nazi Party, has just polled 7%, the Communists 8.5%.

This is worrying stuff. No doubt an element of this is anti-bailout sentiment which, shamefully, has not been given a legitimate political voice in most European countries. But much of it must be down to the threat of austerity, as we're told. If these voters had been through years of hard cuts and belt-tightening, a backlash would be understandable. But these voters haven't lived through that yet. The worst economic misery is yet to come, sooner or (as people like Hollande would have it) later. If this is what things have come to *before*

the austerity, what's coming after?

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