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Chapter 7

The Swift Unravelling:

Party System Change and Deinstitutionalization in Greece during the Crisis

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The chapter offers a detailed discussion of the radical transformation of the Greek party system since the beginning of the economic crisis in the country in early 2010. By comparing the Greek party system before and after the onset of the crisis, the argument is put forth that the Greek party system has transformed rapidly and profoundly on most meaningful dimensions: the number of parties and the overall fragmentation of the system, the degree of electoral volatility, the type of governments, the dimensions and logic of party competition, the degree of polarization, the reintroduction of centrifugal dynamics and, generally, the degree of institutionalization of the party system. On many of these dimensions, the economic crisis arguably acted as a catalyst, pushing the Greek party system to make a sudden leap towards the same direction that other Western party systems also move, albeit in more gradual, incremental steps.

7.1. Introduction

There is little doubt that in the years since the onset of the sovereign debt crisis in Europe, of which Greece has been the ground zero, there have been radical changes in the country's party system, more so than in any other country analyzed in this volume. The political consequences of the economic crisis became evident within a short time after the first bailout deal was signed between Greece and its international creditors (represented by the European Commission, the European Central Bank and the International Monetary Fund, the so-called "Troika") in May 2010. Even though there has been a lack of agreement in the political science literature on what types of observed variation between elections amount to party system change (Mair 2006), one could say that the types of political change that occurred in Greece during the crisis tick every relevant box. Electoral volatility skyrocketed; new parties emerged, including a new extreme anti-system party; fragmentation and polarization increased; patterns of government formation changed; a new dimension of conflict took shape which upended the conventional wisdom about the coalition potential of particular parties. Once the effects of the economic crisis became felt in Greece the party system entered a phase of rapid de-institutionalization and whichever classificatory approach one subscribes to, it would be impossible to deny that the system of political parties that had existed in the country up to 2009 no longer existed by 2012.

7.2. A primer on the Greek party system before the crisis: the institutionalization of two-partyism

In order to trace the evolution of the Greek party system after the start of the economic crisis, there is a need to clarify the type of party system the country had up to that point.

As Greece belongs to third wave democracies, its party system is new by west European standards. After a transitory period following the return to democracy in 1974, the

configuration of party forces that would shape politics for the next three decades was already in place by the late 1970s. The new party system had both elements of continuity as well as discontinuity with the past. Despite organizational ruptures and fluidity, the political system of Greece for much of the twentieth century had been characterized by a three-pronged (left-center-right) unidimensional structure and two major cleavages corresponding to two major conflicts of the twentieth century. The post-German occupation civil war (1946-49) created a schism between communists and anti-communists that overshadowed the dominant interwar division between republicans and royalists (or Venizelists vs. Anti-Venizelists), thus shifting the line of separation towards the left end of the left-right axis. The protracted monopolization and abuse of political power by conservative political forces in the early post-war period eventually shifted the line of separation back towards the right end of the political spectrum through the emergence of a right/anti-right cleavage in the 1960s, with the anti-right bloc encompassing both forces of the left and of the political center (Moschonas 1994, 167-170; Tsatsanis 2009b; Teperoglou and Tsatsanis 2011, 1219; Tsatsanis, Freire, and Tsirbas 2014). From the early 1950s to the early 1960s the Greek party system could best be described, following Sartori's (1976) classification, as a predominant party system dominated by the major party of the right; first former field marshal Alexander Papagos's Greek Rally (ES), then Konstantinos Karamanlis's National Radical Union (ERE). Between 1963 and the colonels' coup in 1967, the predominance of the right was challenged by a new party of the center and the party system adopted features of limited but polarized pluralism, which constitutes a kind of paradoxical class in Sartori's terms due to the fact that it combined low levels of fragmentation with high levels of polarization. By the beginning of the 1960s, a process of concentration of political forces meant that each political bloc (left, center, right) had been unified under a single party banner. In the 1960s there were just three significant political parties representing each of the political families: ERE, the Centre Union (EK), and

the United Democratic Left (EDA) on the left given that the Communist Party (KKE) had been outlawed in 1947 (Mavrogordatos 1984, 156).

After the end of the seven year dictatorship, intra-bloc struggles led to the demise of the old organizational entities (which were plagued by a lack of ideological cohesion even back in the pre-authoritarian period) and to the emergence of a new and more fragmented party system. Following a period of fluidity and volatility in the first post-transition years, the new system ultimately evolved into one of the most stable party systems in Europe (see Table 7.1 below). The meteoric rise and election of the Panhellenic Socialist Movement (PASOK) in government (from 13.6 percent in 1974 to 48.1 percent in the 1981 “earthquake election”) marked the first time a party of the left assumed power in the country. In addition, the election led to a peaceful alternation in government between a party of the right and a party of the left, thus signalling the consolidation of the young democratic regime and the graduation of the Greek political regime from a “democracy with adjectives” to an unqualified democratic regime (Pappas 2003, 91). It should be noted, however, that despite the initial volatility and the changes in party labels, the party system that consolidated during the 1980s maintained under the surface many elements of continuity with the pre-authoritarian system, reproducing the asymmetric tripolar structure with bipolar dynamics of the 1960s (Lyrantzis 2005, 244; Nicolacopoulos 2005). Indeed, the memories of the political divisions of the pre-authoritarian period continued to shape political identities long after the transition in 1974. The right in the post-1974 period has been represented by New Democracy, which was to a large extent the revival of ERE (National Radical Union) under the emblematic leadership of the Konstantinos Karamanlis who served as prime minister both before and after the seven-year dictatorship. Despite a brief interlude in the early 1990s due to the emergence and initial success of the nationalist POLAN (Political Spring) under the

leadership of former minister and future prime minister (with New Democracy) Antonis Samaras, New Democracy had been the only significant party on the right until the appearance of the populist far-right LAOS (Popular Orthodox Rally). This party was created in 2000 by the flamboyant former New Democracy MP George Karatzeferis but had not managed to elect representatives in the Greek parliament until the 2007 election.

[Figure 7.1 about here]

The classification of the party system after the 1981 election comes down to how the ways the relevant parties are counted. If one adopts a purely quantitative approach, using for example the Laakso and Taagepera (1979) formula for counting parties, the number of parties in Greece ranges from 2.6 to 3.2 based on votes, or 2.1 to 2.6 according to seats in parliament. However, the fact that until the first election (in 2012) since the start of the economic crisis only two parties alternated in office forming single-party governments (with the brief interlude of two short-lived coalition governments between June 1989 and April 1990, with the participation of the communist left) can lead to the identification of only two relevant parties, PASOK and New Democracy (ND). This perspective discounts the left component in the party system which has been inhabited by KKE and, intermittently, by the Eurocommunist and later New Left smaller parties; these were in chronological order: the Communist Party of the Interior (KKE-es), the Greek Left (EAR), Coalition of the Left and Progress (Synaspismos), and the Coalition of the Radical Left (SYRIZA).¹ However, an argument can be made that the high degree of polarization in the 1980s marked by very low inter-bloc volatility (Table 7.1; see also Gunther 2005, 270) and a centrifugal dynamic in patterns of interparty competition, make the party system more akin to what Mavrogordatos (1984) described as a system of limited but polarized pluralism. The full integration of the

communist Left in the party system after its short but symbolic participation in the two short-lived coalition government along with ND in 1989-90, as well as the later election of Kostas Simitis in the leadership of PASOK and the transformation of the latter into a more typical West European social democratic party, infused a more centripetal dynamic of interparty competition into the Greek party system, rendering it in the 1990s into one of the very few paradigmatic cases of two-partyism in Europe, along with the UK and Malta.

[Table 7.1 about here]

7.3. Political turmoil and party system deinstitutionalization during the crisis

Since 2010, Greece has endured an unprecedented peace-time economic crisis with far reaching social and political consequences. Even though other countries in the European periphery are still recovering from the economic slump of the post-2008 period, none have experienced the economic devastation that Greece experienced during the same period and none face the same bleak prospects for the future. The story of the outbreak of the sovereign debt crisis in Greece is by now very familiar, so not much space will be devoted to recounting the sequence of events. Following the economic crisis of 2008 and the global economic crunch that ensued, investors started to become more reluctant to buy Greek debt given the rising budget deficit of the Greek government. This created a dynamic of escalating borrowing costs, which in turn further reinforced investors' fears of whether the Greek government would be able to meet its debt payment obligations, quickly resulting in a vicious circle of self-fulfilling prophecy. The final blow came when the new PASOK government (elected with 44 percent of the vote in October 2009) claimed in early 2010 that the estimated deficit reported by the outgoing ND government (initially projected to 3.7 percent, then revised upwards to 6 to 8 percent of GDP) had to be revised again to almost 12.7 percent of

GDP. The final revision was at 15.2 percent but by that time borrowing costs had risen to forbidding levels, meaning that Greece had to seek alternate sources to finance its debt obligations if it wanted to avoid a default. The solution was provided by a joint collaboration between European Union governments and institutions together with the IMF, agreeing to provide Greece with a loan of 110 billion euros, conditional on the implementation of a series of structural reforms and austerity measures which were stipulated in a Memorandum of Understanding (MoU). The huge loans in combination with austerity policies that included salary and pension cuts, reduced social expenditures, privatizations, labor market deregulation, and hiring freezes and dismissals in the public sector created a downward spiral of lower demand, depressed economic activity, rising unemployment, further drops in income, an ever shrinking tax base, sustained deficits, GDP contraction and worsening of the debt to GDP ratio (Tsatsanis 2016). The political consequences of the crisis did not take long to surface.

Inside the political vortex: Delegitimation, dealignment, deinstitutionalization

The three processes outlined in the subtitle of this section can be seen as broader dynamics that capture both causes and consequences of the economic and political crisis that is unfolding in Greece since 2010. The process of delegitimation accelerated abruptly and became clearly visible after 2010, but its origins can be traced before the start of the crisis. Electoral dealignment and party system deinstitutionalization are developments that can be considered more direct political effects of the economic crisis. However, if one looks below the surface, cracks were starting to form here as well before the imposition of extreme austerity in the 2010s. In terms of how Greeks viewed politics, it becomes obvious that one of the most important effects of the economic crisis has been to expose and accelerate certain trends that were already under way at the level of Greek political culture. Greece is not

different than other Western democracies in the sense that it has long been affected by growing political disaffection, apathy and scepticism towards the world of politics. However, the economic crisis appears to have acted as a catalyst for the acceleration of these trends, bearing also in mind that in the case of Greece scepticism towards the political process has been traditionally infused with a high dose of conspiratorial thinking (Tsatsanis 2011).

[Figure 7.2 about here]

Between the late 1990s and early 2000s confidence in political institutions (both national and European) reached its peak, as Greece was achieving high rates of growth and convergence with the core European countries seemed within reach. However, the climate of euphoria proved to be short-lived. Trust in political institutions and satisfaction entered a downward trend again in the second half of the last decade (see Figure 7.2), arguably due to a new wave of corruption scandals that hit the ND government (mainly during its second term, from 2007 to 2009). After the explosion of the sovereign debt crisis in 2010 at the start of the term of the new PASOK government, we note a complete collapse in support for all political institutions –political parties (which always inspired low levels of popular trust anyway) for the main executive and representative institutions (government and parliament), as well as towards the European Union and its institutions, which generally had been enjoying a modicum of higher degree of trust in relation to national institutions. Trust towards national parliament and government displayed a surge during the first months of 2015 after the victory of SYRIZA and the beginning of the negotiations with the creditors for reforming the deal, which proved to be ephemeral and by the end of 2015 had evaporated, along with the hopes of the Greek electorate for an end to austerity. The question remains whether the erosion of trust towards political institutions harbours dangers for the legitimacy of the political system in general.

Some evidence points towards a decline not just in specific political support², which is undeniable, but also in diffuse political support (Teixera, Tsatsanis, and Belchior 2014). However, more data and a longer-term perspective can answer whether the crisis has contributed to a full blown political legitimization crisis in Greece.

[Figure 7.3 about here]

Loss of trust in political institutions was accompanied by a massive severing of the traditional linkages between the old political parties and voters, leading to an increase in electoral volatility and electoral dealignment (which will be discussed more fully below). As mentioned in the previous section, one of the characteristics of the Greek Third Republic had been the high level of party identification, which was unusual for a third-wave young democracy. The reason for this was that party identifications largely rested on pre-authoritarian political identities (in contrast to Spain and Portugal where the authoritarian period lasted much longer) and were sustained not only by early socialization and the act of voting, but also by the clientelistic relations of dependence operating at both individual and professional-group levels. So for most of the pre-crisis period party-identification levels were comparatively high and stable, but dropped precipitously after the beginning of the crisis (see Figure 7.3). The drop in the levels of party identification meant principally the erosion of identification with PASOK and ND, as voters who felt closely to one of the two parties traditionally accounted for most party identifiers in Greece in the post-authoritarian period. However, a closer look reveals that identification among younger cohorts was lower in the 2000s in relation to the 1980s and overall levels of strong party identification were in decline since the late 1990s (Teperoglou and Tsatsanis 2014b, 46-48). In other words, one can conclude that the seeds of dealignment existed in the electorate before the start of the crisis

but, undoubtedly, events related to the crisis speed things up considerably, removing the opportunity for the old major parties to gradually adapt to structural changes at the societal level.

Finally, in terms of the overall impact on the party system, the crisis manifestly set the latter on a trajectory of rapid deinstitutionalization, overturning every aspect of stability and predictability that had marked a wider process of normalization of patterns of party competition since the early 1980s. Party system institutionalization is a contested concept in political science as different conceptual approaches focus on different aspects of stability and patterned behavior. It can be conceptualized narrowly as something involving only steady patterns of interaction among political parties, regardless of the salient issues of the day (Casal Bértoa 2014, 17). Other conceptualizations are more inclusive and focus on additional dimensions, such as the anchoring of parties in society and the levels of partisan identification, the legitimacy of political parties as vital institutions in the democratic process, and their degree of depersonalization (Mainwaring and Torcal 2006, 206-207). The dimensions related to the declining levels of partisan identification and the erosion of trust towards representative institutions were already discussed above. As we shall see in more detail in the rest of the chapter, whether one employs a narrow or broader conceptualization of party system institutionalization, there is no denying that after a relatively long process of institutionalization since 1974, the Greek party system experienced a swift process of deinstitutionalization during the first half of the 2010s.

The earthquake elections of 2012 and the end of single-party governments

The election of May 2012, the first nation-wide election since the signing of the first bailout deal in 2010, was an unprecedented “earthquake election” after decades of relative electoral

stability. The economic crisis unleashed tensions inherent in the pre-existing political system (i.e. growing levels of political disaffection and anti-party sentiments), which transformed growing indifference into open hostility towards the political class, and specifically towards the two major parties (PASOK and New Democracy). This outrage was particularly strong among the younger generation which, largely unconstrained by the affective ties of their parents and grandparents to specific parties, gravitated to newer anti-system variants that were sceptical or even overtly hostile towards traditional parliamentary politics (Teperoglou and Tsatsanis 2014a, 223). As a result, a rapid dealignment process changed the old party system beyond recognition (Verney 2014). The old two-party system was replaced by a fluid political landscape where relatively strong party loyalties in the electorate gave way to low levels of party identification and rapidly declining levels of trust towards political institutions (Teperoglou and Tsatsanis 2014b; Teixeira, Tsatsanis, and Belchior 2014). The sudden rise of new or previously marginal anti-system political parties signalled the end of the old PASOK-ND duopoly, increased the degrees of fragmentation and polarization of the party system, and disrupted the familiar pattern of single-party governments.

[Table 7.2 about here]

It is worth noting however that the formation of the first coalition government in two decades that ended the long tradition of single-party governments in the country took place before the 2012 election. The comfortable PASOK majority of 160 seats in the Greek parliament after the 2009 election was gradually chipped away after votes on successive bills in parliament that introduced the austerity measures agreed with the countries' creditors. Within less than two years, PASOK's parliamentary group had been reduced to 129 seats in parliament. However, PASOK was not the only party that was hemorrhaging deputies. The 91 seats of

ND after the 2009 election were gradually reduced to a mere 72. If we include the PASOK and ND deputies who were not directly expelled or voluntarily broke away from their parliamentary group but chose to resign their seats altogether, the number of defections rises even higher.

Following the loss of parliamentary majority by PASOK and given the precarious position of the country, Antonis Samaras finally gave in to pressures and negotiated the participation of New Democracy as a minor partner in a coalition government – joined also by the right-wing populist Popular Orthodox Rally (LAOS) - that was formed in late 2011 under former European Central Bank Vice President Loukas Papademos.³ The latter would oversee the negotiation for the “private sector involvement” (PSI) plan to reduce the Greek debt and would also lead the Greek government until the early elections in May 2012 that were agreed between Samaras and Papandreou. The coalition between PASOK and ND undermined to a large extent the traditional image of the two parties as the main two governmental alternatives in the Greek political system, giving credence to critical voices from both the left and the right that argued that the two former major parties represented the old political establishment and offered no meaningful policy alternatives.

Many of the former deputies from the five parties that entered parliament in 2009 formed or joined new political parties. The most important new parties were the Democratic Left (DIMAR), formed by members of the pro-European moderate wing of SYN/SYRIZA, and the nationalist and stridently anti-bailout Independent Greeks (ANEL), formed by former New Democracy MP Panos Kammenos. In addition, support for neo-Nazi Golden Dawn (GD), hitherto an electorally marginal group, was steadily growing in public opinion polls and enjoyed some initial electoral success in the 2010 local elections (Tsatsanis 2016).

The election in May 2012 gathered unprecedented international attention as the stakes were perceived as very high, not just for the state of the Greek economy, but for the future of the Eurozone and the state of the global economy in general. The May election was followed by a second election in June, that jointly became known as the “double earthquake elections” (Voulgaris and Nicolacopoulos 2014) that forever upended the previous party system. In the first election, the two parties had their combined share of the vote drop by a staggering 45 percentage points (see Figure 7.1 and Table 7.2). The two parties that were normally able to divide between them four out of five valid votes failed this time to gather together even a third of the vote. No party managed to receive more than 19 percent so even though ND received the first party bonus of 50 seats (one-sixth of the total seats in parliament) it still failed to form a government given that the only willing coalition partner was PASOK. A new election was called and a little over a month later, ND and PASOK managed to capture together almost 42 percent of the vote. Even though this time the two parties had a majority of 162 seats they formed a coalition government along with DIMAR. The latter left the coalition a year later, after the decision of the ND-dominated government to abolish the Hellenic Broadcasting Corporation (ERT) against the wishes of the junior coalition partner and without seeking its consultation.

Apart from the success of new parties, the most striking results of the election related to the breakthrough performance of two older parties: SYRIZA, which catapulted into second place, and Golden Dawn, which managed to gain around seven percent in the elections of both May and June. In previous elections the former would typically struggle to pass the three percent threshold whereas the latter had never managed before to win more than a few thousand votes. Golden Dawn was able to increase its following before the 2012 elections in some lower middle-class areas of Athens with stronger presence of immigrants, pursuing an

“activist” agenda of providing “protection” to the residents of these areas against the supposed criminal behavior of immigrants. Since its initial success in the Athens municipal elections, the party acquired a national profile through media exposure and by adopting a polemical discourse which combined a rejection of the bailout deal with attacks against the “political establishment” and thus was able to replace LAOS as the main party of far right, taking advantage of the ambivalent strategy of the latter since the start of the crisis (Voulgaris and Nicolacopoulos 2014, 13). On the left, SYRIZA, and not KKE, was the party that primarily benefited from the collapse of PASOK. The KKE leadership’s standard hardline and maximalist strategy of calling for an exit of Greece from the EU and of rejecting repeated overtures by SYRIZA to establish a left-wing coalition did not pay off electorally. Instead, this programmatic inelasticity alienated left-wing voters that were not party of its core base and eventually led to a decrease of the electoral influence of the party during the period of the crisis.

After 2012: Partial stabilization and fragile realignment

Even though the fast process of dealignment and the declining levels of party identification created political opportunities for the success of new parties, no party that was created after the onset of the crisis managed to either surpass the three percent electoral threshold or to maintain momentum after a breakthrough electoral performance. This trend applied to yet another new party, To Potami (The River), created just before the May 2014 European election. Liberal and pro-European in its outlook, the party was described by its leader, journalist Stavros Theodorakis, as reformist and non-ideological, and emphasized a message of renewal similar to the one adopted by Albert Rivera’s Ciudadanos in Spain and Emmanuel Macron later in France. The party did well in the 2014 European election and in the January 2015 national election, when it entered parliament as the fourth largest party, only a few

thousand votes behind GD. By that time there were indications in opinion polls that the extreme fluidity and volatility that marked the 2012 elections were gradually subsiding, and the European election offered the first concrete signs of stabilization of the party system. Overall volatility appeared to decline, while SYRIZA and GD had managed to consolidate their respective electoral bases after their spectacular rise in 2012 (Teperoglou, Tsatsanis, and Nicolacopoulos 2015, 351). A realignment process was clearly under way but was far from complete, at least in comparison with the pattern of relatively stable alignments that existed before the crisis.

Even though the next parliamentary election was scheduled for 2016, the impending end of the term of the President of the Republic Karolos Papoulias contributed once again to rising political uncertainty. The presidential election due in February 2015 was moved up by the ND-PASOK coalition government to December 2014. The candidate nominated by the two governmental parties, Stavros Dimas, did not manage to secure the supermajority needed in parliament and, as stipulated by the Greek Constitution, the failure to elect a new president led to snap parliamentary elections held on 25 January 2015. SYRIZA won the election even more comfortably than predicted, gaining an additional ten percentage points relative to the European election in May 2014, but came two seats short of a parliamentary majority. Alexis Tsipras, the leader of SYRIZA, quickly reached an agreement with ANEL, in a move that surprised many outside Greece given the ideological distance of the two parties on the left-right dimension. The new government refused to comply with the demands of the creditors in order to receive the final instalment of the second bailout loan, resulting in a prolonged high-stakes negotiation process between the SYRIZA-led government and the country's creditors, with Greece recapturing global attention due to the new round of political uncertainty. The standoff between the Greek government and its creditors led Alexis Tsipras

to the controversial decision to hold a snap referendum on 26 June 2015, calling for the acceptance or rejection of a proposal by the EU/IMF lenders in the midst of ECB-imposed capital controls. In a surprise result of this highly divisive referendum, 61.3 percent of the voters sided with the government of Alexis Tsipras and not with the “Yes” camp (led by the old major parties and To Potami) by voting against the proposed deal. This move revived speculation concerning the departure of Greece from the Eurozone, the so-called “Grexit” scenario, causing the Greek government to cave in to the pressure of its lenders in the eleventh hour and accept all the conditions that the creditors (and especially other European heads of government) were demanding, even though the Greek electorate had rejected them in a referendum a week earlier. The near complete capitulation of the Greek government in order to prevent the departure of the country from the Eurozone via the signing of a third bailout loan and the acceptance of the conditions of its creditors (gaining only a vague promise to revisit the topic of debt restructuring in the future) led to the defection of about 30 SYRIZA MPs (mostly belonging to the Left Platform faction of SYRIZA) and the loss of parliamentary majority for the SYRIZA-ANEL coalition. The former “Left Platform” faction of SYRIZA under the leadership of veteran MP Panagiotis Lafazanis reconstituted itself as a new party named LAE (Popular Unity) and competed in the second snap election within 8 months in September 2015. LAE failed to get over the 3 percent threshold and stayed out of parliament. The rest of the results were largely a repeat of the January election (see Table 7.2), even if the SYRIZA victory was associated less with hope (as in January) and more with resignation on the part of the electorate (reflected in the record-high level of abstention) (Tsatsanis and Teperoglou 2016, 7-16; Tsatsanis 2016). Freed from the most vocal opposition within his own party, Alexis Tsipras was able to form a new coalition government with ANEL which had the difficult task of implementing a new round of austerity facing an already asphyxiated economy and a demoralized electorate.

7.4. The new party system: From a two-party system to polarized pluralism

The party system that emerged after the double elections of 2012 bore little resemblance to the one that existed in 2009. The stable and relatively moderate (especially since the mid-1990s) two-party system had been replaced by a volatile, fragmented and polarized multi-party system. For the first time since the return of democracy seven parties were able to send representatives to the Greek parliament. The number of parties stayed the same between the election of May and the election of June 2012 despite the staggering amount of vote switching that occurred between the two trips to the polls just six weeks apart. According to exit poll data about six out of ten voters chose a different party in May 2012 in relation to October 2009 and a month later four out of ten voters changed their vote yet again (Stathopoulos 2014). But even considering volatility at the aggregate level (Table 7.1), the value is one of the highest ever recorded in Europe. The electoral system which awards a bonus of 50-seats to the first party⁴ was designed to secure stable single-party governments, but the fragmentation of the current party system means that it is very difficult for a single party to capture a majority of seats even with the bonus. SYRIZA came very close in January 2015 but still had to rely on ANEL to form a government. This means that all elections since 2012 have been followed by negotiations in order to achieve workable governing coalitions, going against decades of political practice and an entrenched majoritarian political culture in the Greek party system. In this period, up to the two elections of 2015, the logic of coalition government formation has been dictated by stances towards the bailout deals and does not follow the logic of connected minimal winning coalitions (at least with regard to the left-right axis of competition). Nothing exemplifies this trend better than the two consecutive coalition governments formed by SYRIZA and ANEL. The two parties have vast programmatic differences on economic and, particularly, cultural and social issues but their shared rejection

of the bailout agreements, as well as their common critique of high level corruption and of vested interests connected to the two former major parties, had made them behave as potential coalition partners for months in advance (Tsatsanis and Teperoglou 2016, 7). However, the fact that the SYRIZA-ANEL government formed after the September 2015 election is forced to implement new austerity measures attached to a third bailout deal - negotiated and finally agreed during the eight months of the first SYRIZA-ANEL coalition government – brings into doubt for how long into the future previous stances towards the bailout deals will continue to dictate the logic of post-electoral coalition formation.

[Figure 7.4 about here]

On the other hand, increasing party-system polarization (see Table 7.1 for change in the 2009-2015 period using Dalton's polarization index) precludes, or at least renders extremely unlikely, certain coalition configurations. SYRIZA has replaced PASOK as the major party of the center-left and both parties have undertaken a right-ward trajectory during the years of the crisis in the eyes of the electorate. However, whereas SYRIZA continues to be considered a party of the left, PASOK is now placed on the center-right of the political spectrum by voters, along with To Potami which obtained the same mean score as PASOK (6.3) but is not included in Figure 7.4 for presentational purposes as well as reasons of irrelevance in the current party system. The centripetal tendencies that existed in the Greek party system since at least the mid-1990s have been replaced by powerful centrifugal forces, aided by the rise of GD, arguably the most extreme anti-system party that enjoys representation in the parliament of a European country. Even though polarization along the left-right axis has increased, this measure most probably still underestimates the overall increase in polarization in the Greek political system since 2009. The reason is that the ideological left-right dimension only

partially captures the dimensions of party competition in Greece since 2009. It fails to accurately represent the polarization on the new salient issue divides related to austerity and the bailout deals and, as an extension, attitudes towards the European Union and the euro (more on this point below). However, left-right polarization remains important as exemplified by the fact that even during the crisis, most of the aggregate electoral volatility continues to be intra-bloc volatility and not inter-bloc (Table 7.1).

The move towards a more proportional electoral system that will probably be introduced in the election after the next will make the formation of coalition governments even more of a puzzle given that – taking into account the current distribution of electoral strength among parties – even two parties will not be enough to achieve winning coalitions. Furthermore, a system of pure proportional representation will probably reinforce the dynamic of fragmentation within the party system, rendering government formation even more difficult. In a system characterized by growing polarization and a lingering political elite culture of majoritarianism, stability will most likely be unattainable without some degree of institutional reform and elite innovation.

The dimensions of party competition

The effects of the austerity measures prescribed by Greece's international lenders and implemented by consecutive Greek governments have overshadowed every other political issue since the signature of the first bailout deal. The interpretation of events and blame attribution for the economic depression that hit Greece has dominated political discourse from the spring of 2010 onwards, giving rise to the neologisms *mnemoniakoi* and *anti-mnemoniakoi* to distinguish between those who saw the “bailout” and the Memorandum of Understanding (MoU, *mnemonio* in Greek) as a lifeline for the Greek economy and those

who viewed them as the actual reason why the economic crisis has been so deep and protracted. As discussed above, the rapidly shifting socio-economic landscape coupled with the massive loss of confidence in the old major parties gave rise to a political environment where old party loyalties were being eradicated and new fault lines were forming in the electorate (Teperoglou, Tsatsanis, and Nicolacopoulos 2015, 336).

Analyzing data from the Hellenic National Election Study of January 2015 (CSES-ELNES 2015), factor analysis of issue position items returns a two-dimensional ideological space at the level of the electorate (Table 7.A1 in the Appendix). In accordance of previous analyses of 2012 data, the two dimensions correspond to an economic and a cultural dimension. The former combines classic items associated with statist vs. economic liberal issue positions, with, as in 2012, attitudes related to the MoU, the euro and the European Union at large (cf. Tsatsanis, Freire, and Tsirbas 2014, 529-531). These items jointly constitute a latent economic dimension, that runs from economically liberal, integrationist and pro-bailout attitudes, to statist, demarcationist and anti-bailout preferences. The second dimension combines (again as in 2012) positions on social issues (attitudes towards homosexuality, law and order, and immigration) to form a latent economic dimension, that runs from socially libertarian and progressive positions to socially conservative and authoritarian attitudes.

[Figure 7.5 about here]

Mapping the ideological orientations by vote choice confirms the mostly cross-cutting nature of the two ideological divides in the contemporary Greek party system (Figure 7.5) and the creation of a tripolar structure of the electoral demand-side. There are left-libertarian voters, who tend to be against the “neoliberal” orientation of EU institutions, centrist voters with

more market-friendly and pro-integration orientations, and right-wing nativist voters who align with leftists on criticisms of austerity and of the European Union but differ on social values and questions of immigration. In other words, whereas the vertical cultural dimension reproduces for the most part the distribution of the political parties along the left-right axis, the economic dimension reveals a polarization between the voters of the so-called “centrist bloc” (ND-PASOK-To Potami) and the voters of the left and extreme right parties (SYRIZA-KKE-ANEL-GD). As it happens, this divide also reproduces the positions adopted by the parties in the July 2015 referendum on the austerity measures proposed by the European Commission. The polarization between the “Yes” pro-euro camp and the “No” anti-austerity camp⁵ underlined the orthogonal relationship between left-right party identities and the emerging divide related to attitudes towards the European Union, economic globalization, and mainstream versus anti-establishment political forces.

The fact that the cultural dimension is better aligned with the left-right axis of competition in relation to these crisis-related issues is not surprising given what we know about the content of the Greek ideological space. Even though the left-right divide has forged in Greece resilient political identities, its meaning never quite corresponded to the classic class cleavage as in most West European party systems, due to the exceptionally weak structural anchoring of both political identities and voting choices. The absence of a sizeable industrial working class due to late industrialization, coupled with the post-war regime of quasi-authoritarianism, meant that the left–right axis was primarily understood in terms of a conflict over socio-political values and not as outright class conflict (Tsatsanis 2009, 39). The new socioeconomic realities brought about by the economic crisis and the imposition of extreme austerity has created a polarizing materialist dimension of competition which cross-cuts the traditional left-right axis of competition, mostly through the breaking up of the cross-class

coalitions that existed on the left under the umbrella of PASOK and on the right under the umbrella of New Democracy. The increasing salience of the issue of immigration has only exacerbated the divide on the right and has translated into the meteoric rise of arguably the most extremist party in the whole of Europe. Even if Golden Dawn does not manage to consolidate its presence in a post-crisis Greek party system (which is quite possible given the legal and organizational problems of the party), it seems quite unlikely that New Democracy will manage to become once again the big-tent party of the right that it was in the past.

7.5. Concluding remarks

The transformation of the Greek party system during the economic crisis of the 2010s has been one of these rare cases of radical party system change without wholesale regime change or electoral system reform. Even the paradigmatic case of party system change in Italy following the 1994 election was prefigured by the introduction of new electoral system that influenced the logic of interparty relations in the new party system. The Greek party system has rapidly transformed following the last pre-crisis election of 2009 on almost every meaningful dimension: the number of parties and the overall fragmentation of the system, the degree of electoral volatility, the type of governments, the dimensions and logic of party competition, the degree of polarization, the reintroduction of centrifugal dynamics and, generally, the degree of institutionalization of the party system. On many of these dimensions, the economic crisis arguably acted as a catalyst, pushing the Greek party system to make a sudden leap towards the same direction that other Western party also move, albeit in more gradual, incremental steps. After all, trends of increased electoral volatility, erosion of party attachments, electoral decline of mainstream parties, decreased participation, and the introduction of new dimensions of competition associated with the dilemmas of globalization

and European integration are phenomena that have become common far beyond the microcosm of Greek politics.

Notes

¹ Even though the organizational discontinuity of the historically smaller (until the onset of the crisis) component of the Greek left reflects a history of continuous factionalist struggles and ideological strife, all of these parties can be seen as institutional reinventions of the same political family in Greek politics.

² The distinction between specific and diffuse political support is based on David Easton's well known conceptualization (e.g. Easton 1975).

³ A central ND demand was that Papandreou would step down as prime minister.

⁴ The SYRIZA-ANEL government introduced a bill in 2016 to remove the 50-seat bonus and move the electoral system towards a more pure system of proportional representation. The bill was voted by a majority of deputies in parliament but failed to capture the required two-thirds supermajority (200 votes), so it will skip the immediately following national election (the one after September 2015) before coming into effect.

⁵ The different sides on the referendum question interpreted the significance of the referendum in different ways. For the "Yes" camp, a "No" vote would mean the expulsion of Greece from the Eurozone, whereas for the "No" camp, the rejection of the proposal meant a rejection of austerity but not of euro-membership necessarily (Tsatsanis and Teperoglou 2016, 8-9). The outcome of the referendum had no effect as Greece accepted the austerity measures and continued to be a member of the Eurozone even though its citizens voted "No" in the referendum.

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Tables

Table 8.1. Party system indicators, 1974-2015

Election	Electoral volatility ¹	Inter-bloc volatility ²	Effective Number of Parties ³	Disproportionality ⁴	Polarization ⁵
1974	-	-	2.8 (1.7)	15.4	NA
1977	16.4	13.7	3.7 (2.3)	13.6	NA
1981	26.3	23.5	2.7 (2.1)	8.2	NA
1985	6.4	3.4	2.6 (2.1)	7.1	NA
1989a	7.8	4.7	2.8 (2.4)	4.5	NA
1989b	5.0	0.5	2.6 (2.3)	3.9	NA
1990	3.5	2.1	2.6 (2.4)	4.0	NA
1993	8.9	3.7	2.6 (2.2)	7.3	NA
1996	5.7	1.8	3.1 (2.4)	9.2	NA
2000	5.5	1.6	2.6 (2.2)	6.5	NA
2004	5.7	4.3	2.7 (2.2)	7.4	3.8
2007	7.8	1.4	3.0 (2.6)	6.9	NA
2009	9.9	6.4	3.2 (2.6)	7.3	3.6
2012a	48.5	7.9	9.0 (4.8)	12.8	4.9
2012b	18.7	1.4	5.2 (3.8)	9.9	4.8
2015a	20.5	6.1	4.4 (3.1)	10.0	5.0
2015b	6.5	1.4	4.5 (3.2)	9.7	NA

¹Electoral volatility values are based on the Pedersen index (Pedersen, 1979) and are derived up to 2015a from the Dataset of Electoral Volatility (Emanuele, 2015). The rest are based on the author's own calculations using official electoral results.

²Inter-bloc volatility values are based on Gunther and Montero (2001: 90) up to 2000. The rest are based on the author's own calculations using official electoral results.

³The effective number of parties are calculated using the Laasko and Taagepera formula (1979) for effective number of electoral parties (parliamentary parties in parentheses)

⁴Disproportionality scores are calculated using the Gallagher Index formula (Gallagher, 1991)

⁵Polarization scores are calculated by applying the formula developed by R. J. Dalton (2008) on voters' party placement data from the 2004 Comparative National Elections Project (CNEP) and the Hellenic National Election Study (CSES-ELNES) studies of 2009, 2012 and 2015.

Table 8.2. Greek parliamentary elections, 2009-2015

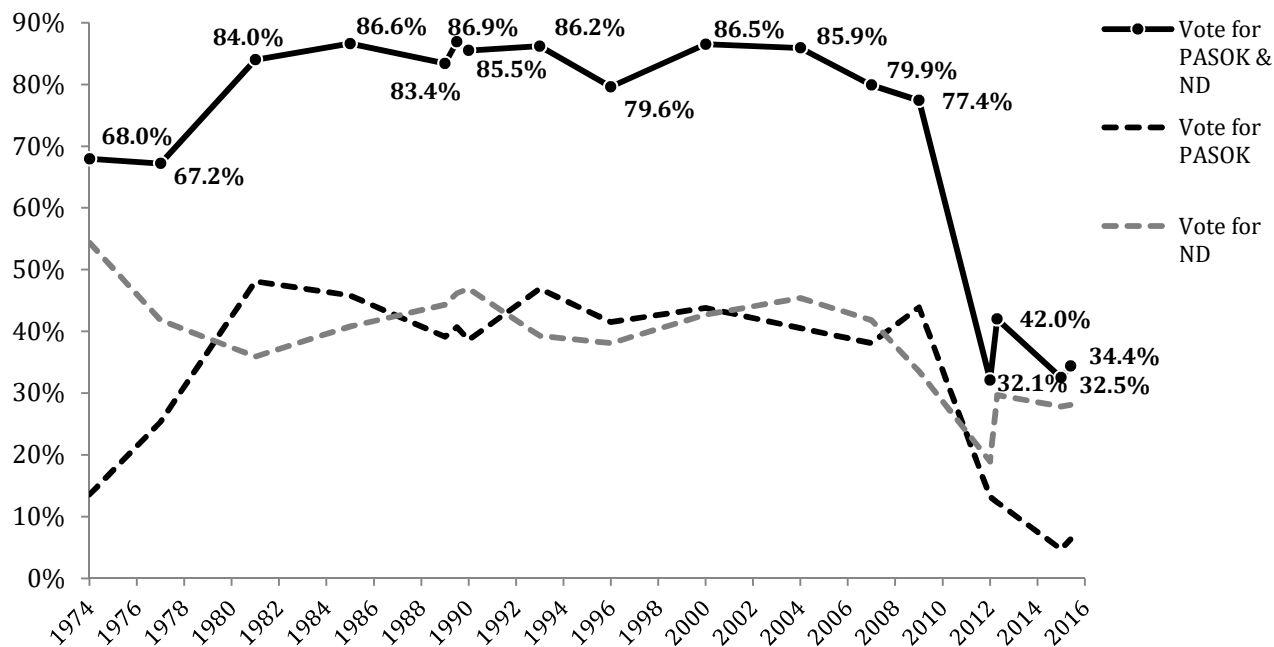
	September 2015		January 2015		June 2012		May 2012		October 2009	
	Votes (%)	Seats	Votes (%)	Seats	Votes (%)	Seats	Votes (%)	Seats	Votes (%)	Seats
SYRIZA	35.5	145	36.3	149	26.7	71	16.8	52	4.6	13
ND	28.1	75	27.8	76	29.7	129	18.9	108	33.5	91
Golden Dawn	7.0	18	6.3	17	6.9	18	7.0	21	0.3	-
PASOK	6.3	17	4.7	13	12.3	33	13.2	41	43.9	160
KKE	5.6	15	5.5	15	4.5	12	8.5	26	7.5	21
Potami	4.1	11	6.1	17	-	-	-	-	-	-
ANEL	3.7	10	4.8	13	7.5	20	10.6	33	-	-
EK	3.4	9	1.8	-	0.3	-	0.6	-	0.3	-
LAOS	-	-	1.0	-	1.6	-	2.9	-	5.6	15
DIMAR	-	-	0.5	-	6.3	17	6.1	19	-	-
Others	6.4	-	5.2	-	4.2	-	15.4	-	4.3	-
Total	100	300	100	300	100	300	100	300	100	300
Turnout	56.6		63.6		62.5		65.1		71.0	

Source: Hellenic Ministry of Interior and Administrative Reconstruction

Figures

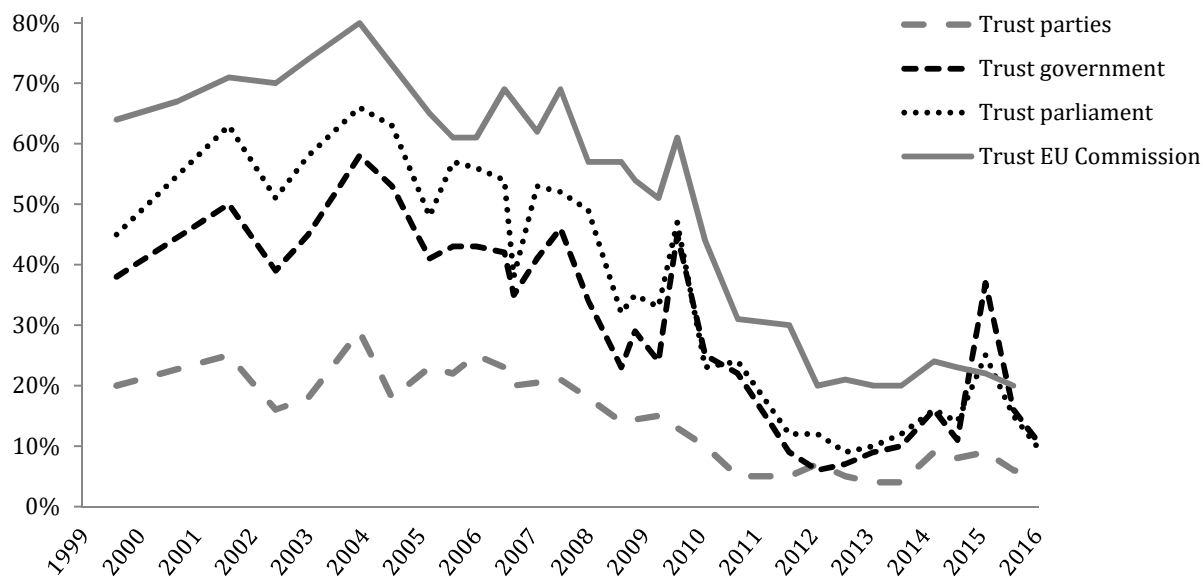
Figure 8.1. The Rise and Collapse of the Old Two-Party System: PASOK and New Democracy

percentages in national elections, 1974-2015



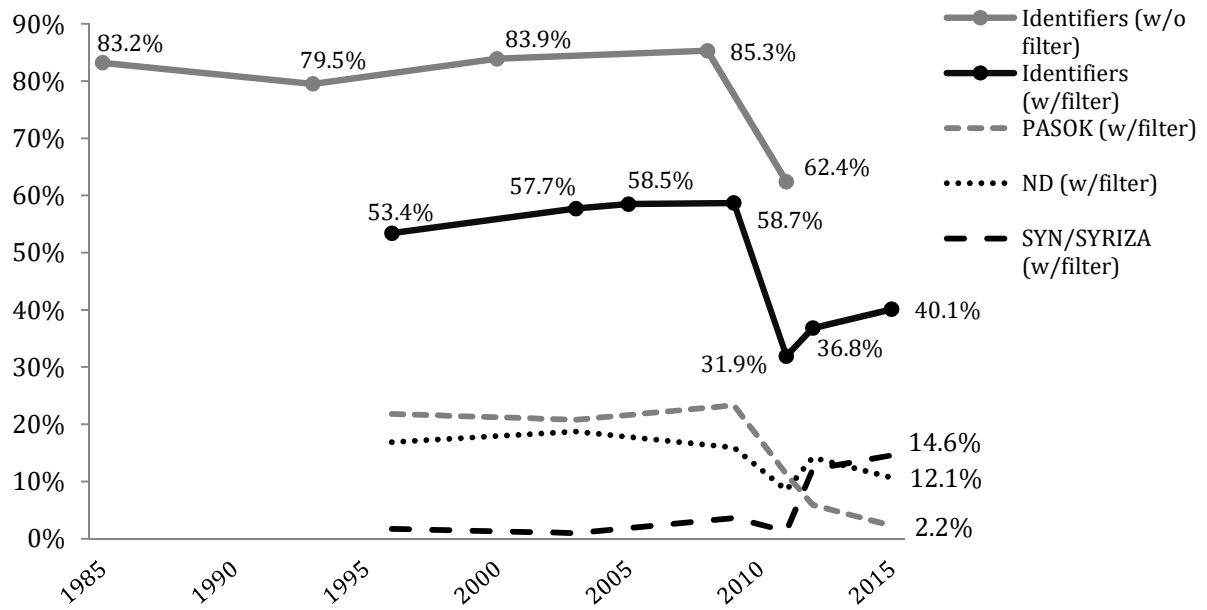
Data: Calculations based on data from Hellenic Ministry of Interior and Administrative Reconstruction

Figure 8.2. Trust in Political Institutions, 1999-2016



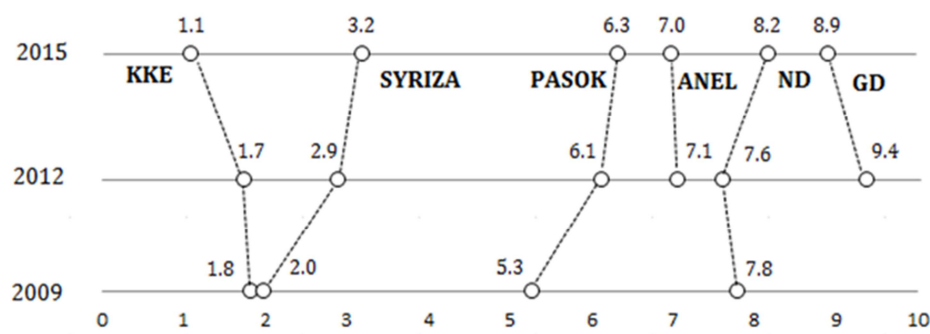
Data: Eurobarometer

Figure 8.3. Party identification, 1985-2015



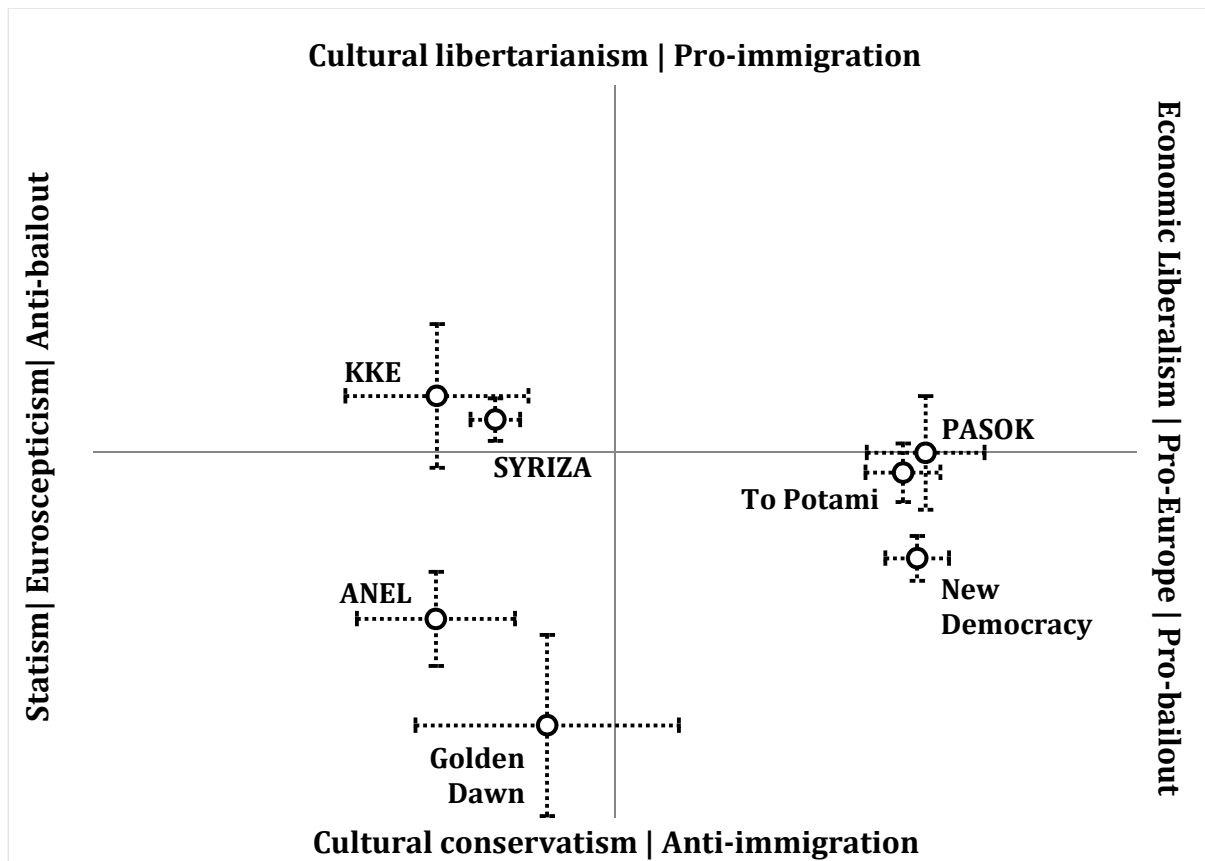
Data: Author's own elaboration based on data from the National Hellenic Center for Social Research (EKKE) 1985; OPINION 1993; Comparative National Elections Project (CNEP) 1996; MRB 2000, 2011; METRON 2008; European Social Survey (ESS) Rounds 1, 4, 5 and the Hellenic National Election Study (CSES-ELNES) 2015.

Figure 8.4. Party placement by voters on Left-Right axis, 2009-2015



Data: Hellenic National Election Studies (CSES-ELNES) 2009, 2012, 2015

Figure 8.5. Ideological orientations on two-dimensional space by vote choice, January 2015



Note: Point estimates and error bars represent mean values and 95% confidence intervals

Data: Hellenic National Election Study (CSES-ELNES) 2015

Appendix

Table 8.A1. Factor analysis of issue positions, January 2015

Item	Factor 1: Economic ideology/EU/Bailout	Factor 2: Cultural values/Law and order/Immigration
Memoranda of Understanding with the Troika were necessary to avoid the bankruptcy of Greece	0.797	
The economy of Greece would have been better if we had our own currency instead of Euro (reversed)	0.772	
We have every right to cancel the debt without consulting anyone else (reversed)	0.765	
Banks and utilities must be under public control (reversed)	0.753	
With the Memoranda we accumulate debts without any visible benefits (reversed)	0.746	
The probability of Grexit should not be considered as a disaster (reversed)	0.736	
It is better for Greece to be in the European Union rather than outside	0.735	
We ought to have done many of the changes provisioned in the Memoranda on our own long ago	0.697	
The Memorandum has not caused the economic crisis; the economic crisis has resulted in the Memorandum	0.611	
The national health system can become more efficient through partial privatization	0.565	
The requirements for asylum and citizenship must be tightened		0.777
The existence of multiculturalism in Greece is a positive phenomenon (reversed)		0.773
Same-sex marriages should be prohibited by law		0.702
Immigrants are good for Greece's economy (reversed)		0.680
The police should use stricter enforcement measures to protect the property of citizens		0.595
Defence spending should not be reduced to avoid becoming a vulnerable country		0.572
The church and the state should be completely separated (reversed)		0.561
The right for temporary leaves from prison is more important than the risk of escape		0.428
Eigenvalue	5.64	3.33
Variance (%)	31.3	18.5
N		850

Note: All items correspond to five-point scales of agreement-disagreement. Factor loadings were obtained after orthogonal rotation. Values below 0.4 are suppressed.

Data: Hellenic National Election Study (CSES-ELNES) 2015