

A stylized world map composed of a grid of dots in various shades of gray, with several dots highlighted in red. The map is centered behind the title text.

The Greek Crisis and the Politics of Uncertainty

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- The overwhelming majority of Greeks are unhappy about the country's direction and feel insecure about their future.
- PASOK and New Democracy, which have dominated Greek politics since 1974, are struggling to find support.
- Smaller parties have been slow in capitalising on voter dissatisfaction, which has also led to the creation of new groups.
- The successful introduction into local government of non-partisan figures and a high abstention rate are two new factors in Greek politics.
- The fragmentation of the political system and voters' displeasure with the established political structure means that a general election could lead to the formation of a coalition government at least in the short term.

1. Introduction

Greece is threatened not only by its biggest economic crisis for decades but also by the most significant upheaval in its political system since the end of the military dictatorship in 1974. The deepening impact of the recession, now in its third year, and the austerity measures adopted as part of the emergency rescue packages Athens has agreed with its Eurozone partners and the International Monetary Fund have created an overwhelming feeling of dissatisfaction and concern among Greek voters.

A recent opinion poll indicated that eight out of 10 Greeks are unhappy and believe their country is heading in the wrong direction. The political impact of this frustration has been felt mainly by the two biggest parties: the centre-left PASOK government and the centre-right New Democracy (ND) opposition. Both parties have seen their approval ratings drop to levels inconceivable over the past three decades.

Despite this wave of dissatisfaction, Greece's smaller parties have been unable to make any significant gains. In fact, some have fragmented into even smaller groups. This has produced dislocation within the political system, with no party able to capture the imagination or support of the growing number of Greeks who have lost faith in the established political figures and their ability to get the country out of the crisis.

The gap between public sentiment and political representation was evident in this summer's *Aganaktismenoi*, or Indignant, movement. Several months have passed since the protests in central Athens against the austerity measures and the political system died down but the exasperation of those who took part in those demonstrations does not appear to have evolved into political expression.

With national elections not planned until October 2013 but with growing doubts about whether the current government will survive until then, the coming months promise to be vital for the Greek political system and the question of whether it will slowly evolve into a new shape or rather break abruptly into pieces.

2. The »Big Two« Suffer

The clearest political impact of Greece's economic crisis has been on the popularity of the two main parties, PASOK and New Democracy, which have governed the country almost exclusively since 1974, when the seven-year junta collapsed.

PASOK has suffered from its poor management of an unpopular austerity programme and ND has been burdened with the legacy of handing over the economy in a terrible state when it lost the October 2009 national election. An opinion poll conducted this October by Public Issue for the *Kathimerini* newspaper suggested that although the conservatives are far ahead of the centre-left government in terms of popularity, both parties find themselves below the levels of support they garnered two years ago. It should also be noted that the two big have tended to obtain around 40 per cent or more of the vote in every election since 1981.

Table 1: Percentage of the vote obtained by PASOK and New Democracy in the 2009 general election and in a recent poll (October 2011)

| | October 2009 election | October 2011 poll* |
|---------------|-----------------------|--------------------|
| PASOK | 43.9 % | 22.5 % |
| New Democracy | 33.4 % | 31.5 % |

Note: * Public Issue Political Barometer October 2011.

The dramatic decline in support for PASOK indicates the public's disapproval of the way the government has handled the crisis and particularly the measures it has adopted to reduce the public debt and deficit, which have had a severe impact on jobs, wages and standards of living. PASOK lost 5.5 percent of its support between September and October 2011 alone, following the introduction of an emergency property tax, job cuts in the public sector and several other austerity measures. Prime Minister George Papandreou's approval ratings have dropped from about 80 per cent when he took office to just 23 per cent.

Despite its big lead, ND is still polling below the share of the vote it received in October 2009, which itself was the party's worst showing at a general election since it was founded in 1974. Although the conservatives have

campaigns against many of the policies included in the EU-IMF loan agreement, arguing for lower taxes, more incentives for business and quicker privatisations, their message has failed to attract middle ground voters, who appear unconvinced that the conservatives can keep their pledge to »renegotiate« the terms of the loan memorandum with Greece's lenders. ND leader Antonis Samaras has an approval rating of only 35 percent and even ranks behind the leaders of two smaller parties.

Writing in May this year, political analyst and president of Public Issue, Yiannis Mavris, suggested that the political scene established in the post-junta years was unlikely to look the same again.

»The seizing up of the domestic two-party system has now surpassed all historical precedents«, he wrote. »The total lack of political leadership and the inherent inability to renew political personnel in turn exacerbates the problem. It is very likely that we have now reached the point of no return, if we have not already passed it.«

3. The Smaller Parties Look to Profit

The number of voters deserting PASOK and ND combined with the unpopularity of the austerity measures adopted since the start of 2010 should have provided Greece's smaller political parties with an opportunity to substantially increase their support. In reality, however, it is only in the past few months that they have built up a little momentum.

Table 2: Percentage of the vote obtained by smaller parties in the 2009 general election and in a recent poll (October 2011)

| | October 2009 election | October 2011 poll* |
|--|-----------------------|--------------------|
| Communist Party (KKE) | 7.5 % | 10.5 % |
| Popular Orthodox Rally (LAOS) | 5.6 % | 9 % |
| Coalition of the Radical Left (SYRIZA) | 4.6 % | 9.5 % |

Note: * Public Issue Political Barometer October 2011.

Opinion polls have shown a slow but steady rise in support for the Communist Party (KKE), which has taken up its customary stance of resistance to unpopular meas-

ures. At a time when labour legislation is being watered down and the country's unions have been largely ineffective in influencing government policy, the KKE-affiliated union, PAME, has maintained a high profile. Its presence at demonstrations and pickets, such as at the port of Piraeus and at Syntagma Square during clashes with rioters on October 20, have helped KKE project an image of being the party that is resisting the austerity measures most decisively. However, this is not reflected in the approval ratings of KKE leader Aleka Papariga, who received just 27 per cent support in October 2011.

The right-wing nationalist Popular Orthodox Rally (LAOS) has focused mostly on picking up disaffected conservative supporters. While it voted for the EU-IMF deal last year, it has since reverted to opposition of the austerity measures. LAOS, however, has attempted to capitalise on the growing sense of insecurity generated by rising crime and unemployment by following a strong anti-immigration line. Its president, Giorgos Karatzaferis, who is renowned for his populist rhetoric, was in October 2011 Greece's most popular party leader with an approval rating of 38 per cent.

The Coalition of the Radical Left (SYRIZA) appears to be gathering notable support after a troubled few years that culminated in some of its veteran members breaking away last year to form a new leftist party. SYRIZA has also maintained a vehement anti-austerity stance and has been very critical of the European Union. It has attempted in particular to gain support from young Greeks and the unemployed. Its 37-year-old leader Alexis Tsipras had an approval rating of 36 per cent in October.

4. New Parties Join the Fray

Four MPs left SYRIZA in June 2010 to create the Democratic Left with the aim of adopting a more moderate opposition to the government and a more pro-European stance than the coalition.

Last year also saw the creation of the liberal Democratic Alliance, led by the former foreign minister Dora Bakoyiannis who attracted four former deputies, most of them from ND, to her party. Although critical of the government, Democratic Alliance has not vociferously opposed the terms of Greece's loan agreement.

In April this year, another party, the People's Chariot (Arma Politon), was formed by two deputies that were ousted from PASOK last year when they voted against the EU-IMF memorandum. It has campaigned against the government's austerity measures but was set to be disbanded in October 2011.

Added to this is the continued presence on the political scene of the Environmentalist Greens, who narrowly missed the 3 per cent threshold needed to gain seats in Parliament at the last election.

As a result of the shake-up of the past two years, although only five parties were elected to Parliament in 2009, eight groups were represented in October 2011. However, the Public Issue poll indicates that support for the fledgling groups is fairly weak, demonstrating how fragmented the Greek political system is at the moment.

Table 3: Percentage of the vote obtained by other parties in the 2009 general election and in a recent poll (October 2011)

| | October 2009 election | October 2011 poll* |
|-------------------------|-----------------------|--------------------|
| Democratic Left | – | 5 % |
| Democratic Alliance | – | 2 % |
| People's Chariot | – | – |
| Environmentalist Greens | 2.5 % | 3 % |

Note: * Public Issue Political Barometer October 2011.

»During the past year, two trends have continued with undiminished intensity«, wrote Mavris in April. »The first trend is that of [abstention from voting], which now applies to over one-third of the [electorate]. ... The second is fostering the fragmentation, perhaps even the disintegration of the existing framework of party forces. A clear indication of this is provided by the impressive increase in newly-formed groupings of all kinds.«

The abstention rate may seem fairly low in comparison to other European countries but in Greece it is compulsory to vote by law and the turnout over the past decade has been between 70 per cent and 80 per cent.

5. The End of the Old Establishment?

One of the main reasons that the new political parties have been unable to have a discernable impact is that the mood among the electorate favours a break with the past. The new groups, however, are represented by established political figures.

The Democratic Left is led by veteran leftist politician Fotis Kouvelis, who has also served as justice minister. The Democratic Alliance's president is former foreign minister and Athens mayor Dora Bakoyannis. Neither is a fresh face and the MPs that have joined their parties are also established politicians. This makes it very difficult for either of these parties to argue that they represent the vanguard of a new political era.

Equally, the People's Chariot was co-founded by two experienced PASOK MPs, Yiannis Dimaras and Vassilis Economou, not by newcomers to politics.

However, Dimaras's course indicates a new trend in Greek politics. After being ousted from PASOK last year, he ran in the local elections as an independent candidate for governor of Attica. Campaigning on an ultimately unsuccessful anti-austerity platform, Dimaras gathered an impressive tally of almost 230,000 votes. On a national projection, this would have given any party led by Dimaras enough support to enter Parliament.

Dimaras was too much of a product of the existing political system, however, and lacked the political depth to attract enough support to transform the protest vote into a winning one. It was different in the elections for mayor in Athens and Thessaloniki, where candidates without a background in the established party system were able to secure victories.

The election of charismatic winemaker Yiannis Boutaris in Thessaloniki and former ombudsman Giorgos Kaminis in Athens could prove to be a watershed in modern Greek politics. Although both candidates were backed by PASOK and other leftist parties, they ran campaigns that focused on local issues rather than national political divisions. They could genuinely claim to be bringing something new to local politics and the public responded to this.

Their electoral victories suggested that Greeks are politically mature enough to accept candidates and ideas from outside the narrow confines of the established party structure, even though it is through this structure that political careers have been built, jobs in the public sector found and contracts for the private sector awarded.

6. Voters Losing Connection with Politics

The other notable feature of the local elections last November was the record low turnout. Only one in two voters cast their ballots in what was seen as a strong rejection of all political parties, particularly by younger voters. Since the start of this year, Public Issue polls have consistently shown that one in three voters say they have no intention of casting a vote in the next national elections.

This frustration with the political system later manifested itself in protests by the Indignants in front of Parliament in Athens. At their height in June and July this year, these gatherings drew up to 100,000 people and provided a platform for public discussion about Greece's economic and political problems. The Indignants were a loose, politically and socially diverse movement and their frustration with the country's problems has not been expressed through political channels. The protests were not followed by a significant rise in support for a specific party, nor do they appear to have sown the seeds of a new political group or groups.

Meanwhile, the concern among Greeks about their future prospects is rising rapidly. According to Public Issue, 85 per cent feel the country is heading in the wrong direction, 89 per cent feel insecure about their future, 84 per cent are dissatisfied with »how democracy functions« in Greece and 76 per cent believe their personal economic situation will worsen over the months to come. The European Commission's Eurobarometer survey published in August indicated that 78 per cent of Greeks were pessimistic about their prospects, second only to the Portuguese (80 per cent).

The concern for the future is exacerbated by the growing impression that members of the Greek political elite have become completely detached from the public.

In the October opinion poll, for the first time ever, voters ranked politicians and political parties as the country's third biggest problem after the economy and unemployment. There is also frustration that no politicians have faced proper investigation over corruption allegations or their management of the Greek economy. This anger has led to dozens of MPs and members of the government being verbally or physically attacked in public since last year by random individuals or groups that specifically target them. Many voters feel that politicians are not making sufficient financial sacrifices. Despite having two of their 14 monthly salaries cut and another reduction due this year, MPs still claim gross annual wages of some 70,000 euros as well as thousands more in expenses and pension payments. A handful of MPs have attempted to give up some of their bonuses and benefits but these have been regarded as token gestures.

7. Into Uncharted Political Waters

The overall result of recent developments means there is little appetite in Greece for more of the same. Public Issue poll indicates that seven out of 10 Greeks believe that neither a PASOK nor a New Democracy government would be capable of tackling Greece's problems but almost 50 per cent believe that a coalition government involving one of the two parties or both would be the best option for Greece.

The current opinion poll results indicate that if elections were held now, no single party would have a parliamentary majority. Greece employs an electoral law of »reinforced proportionality«, which means that the first party past the post gets an extra 40 seats in Parliament. In the past this meant that PASOK and New Democracy could form one-party governments. Although an outright victory by ND should not be discounted, given that it would probably need to gain more than 40 per cent of the vote it seems more likely the next government will be a coalition.

Greece has a brief and unproductive history of coalition governments, a legacy of its polarised political past, which produced a civil war and a military dictatorship during the twentieth century. But the next step in its political evolution could require parties to find a way to work together, at least in the short term.

»It is a fact that in Greece's political history, talk of coalition governments is associated with major political crises«, writes Yiannis Mavris. »It seems likely that something similar will now be repeated. Undoubtedly, the next national election, regardless of when it will be held, has already become a strong candidate for the title of the country's most crucial electoral showdown since democracy was restored in 1974.«

A grand coalition between PASOK and New Democracy seems unlikely at the moment. Prime Minister Papandreou made a failed attempt this summer to create a coalition with the conservatives but the deal foundered, partly because of Samaras' demand that the premier step down. Since then, the ND leader has rejected any suggestion of cooperation despite some calls for it from MPs in both parties. The conservatives believe that if they do not gain an outright majority in the first round of voting, they could gain the necessary support to form a government on their own if a second round is held.

New Democracy also has a fractious relationship with LAOS, so a coalition of the centre right would be difficult to pull off. The nationalist Karatzaferis, however, would find it difficult to turn down the call to serve in government should such a situation arise.

Similarly, PASOK would find it very difficult to convince the leftists of SYRIZA to join a coalition government due to their strong opposition to key reform policies, such as public sector sackings and privatisation of state assets. Democratic Left and Democratic Alliance would be more willing partners.

The only given is that the Communist Party would not take part in such a coalition, as it is ideologically opposed to working with other parties.

Another option that may be considered is forming a government of national unity that would include certain widely accepted technocrats, as well as representatives of the elected parties. A couple of the names that have been mentioned regularly as non-political appointees are former European Central Bank vice president Lucas Papademos and the head of the Foundation for Economic and Industrial Research (IOBE), an economic think tank, Yannis Stournas. Stournas was one of 44 personalities, including businessmen, economists, authors and journalists, who launched on October 25 a citizens' movement

aimed at "contributing to the debate on finding a creative way to tackle the crisis and move the country forward."

Although there appears to be a growing acceptance of candidates from non-partisan backgrounds, bringing together such a government would be a major challenge, especially as public support for such an administration still appears to be weak.


Then, there is the question of what direction the next government might follow. Although Greece is heading into political uncertainty, the one thing that seems certain is that any future administration wanting to maintain a strong base of support within Greek society will have to tread a fine line between improving the country's economic fortunes drastically and maintaining a working relationship with the Eurozone.

Despite the strains Greece has suffered over the past few years, many of which popular opinion has attributed to the country's membership of the euro and the unpopular measures demanded by its Eurozone partners, Greeks largely remain committed to the single currency.

A Public Issue survey in September indicated that 63 per cent of Greeks have a positive view of the euro, which is actually 6 per cent higher than a year earlier and 43 per cent higher than five years earlier. Two-thirds of those questioned said the country's prospects would probably be worse if it returned to the drachma and 52 per cent believe that Greece has a future in the Eurozone.

8. Conclusion

The first chance for voters to express their views could come before the end of 2011 as the government indicated on October 24 that it would ask for any new assistance package agreed with its eurozone partners to be approved by a qualified majority in Parliament. This means that 180 of the 300 MPs would have to vote for the new agreement, which is due to be submitted to Parliament towards the end of November. It is unlikely that PASOK, which saw its parliamentary seats reduced to 153 in October, would be able to convince enough opposition deputies to vote in favour of the deal.



Such an outcome would almost certainly trigger national elections. The Greek Constitution requires there to be an election campaign of at least one month before the vote takes place. The outcome of a general election at this stage is uncertain.

The combination of the economic crisis and austerity measures in Greece has led to the death knell being sounded for the two-party system that has dominated Greek politics since the mid-1970s. What will replace it is still unclear.

However, there is a desire among many Greek voters for parties to work together, at least in the short term. There also appears to be a greater acceptance of new political groups and candidates with non-partisan backgrounds. New Democracy has a clear lead in the opinion polls and may be able to transform this into a parliamentary majority but no single party or movement has yet been able to harness the disappointment and anger felt by many Greeks and transform itself into a dominant political force.

The indications are that a group or combination of groups that is able to maintain a pro-European stance while promising to tackle Greece's economic and structural problems in a manner that is less onerous for voters would be able to draw substantial support. Its creation could be the next step in the evolution of Greek politics.



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