The Greeks have voted. Now what?
A commentary on the Greek elections of 17 June 2012.¹

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The citizens of Hellas voted on the 17th of June for the second time. The first round of national elections on the 6th of May revealed a fragmented party scene and a reluctance to form a coalition government. One might think that the Greek politicians behaved irrationally then by risking to leave the country headless in the middle of the crisis. However, quite the opposite is true. The party leaders weighed primarily their short-term gains and losses from consenting to a coalition government. Neither PASOK (until recently a major force) nor DIMAR (a breakaway fraction of SYRIZA) wanted to form a government with the conservative Nea Dimokratia (ND) without the participation of the main winner of the elections, SYRIZA. Both of them argued that a parliamentary majority would not guarantee much and a government without SYRIZA would be short-lived. Their estimation was not wrong, and it applies as much then as it does now. What they forgot to say publicly, though, is that if PASOK and DIMAR agreed to a government intending to continue the austerity programme while SYRIZA continued to play Mr. Niceguy, their parties would probably vanish in the next elections whereas SYRIZA would triumph.

Nevertheless, PASOK and DIMAR changed their minds after the June elections, even though SYRIZA gained 10 additional percentage units of the vote. Is it because they suddenly decided to behave responsibly realizing that the graveness of the situation demands a government at all costs? One would like to think so, but it is not the only reason and probably not the main one either. Once more all the parties behaved rationally and took the decisions that benefitted them electorally the most or harmed them the least. Having gained 29.66% of the vote (+10), ND realised that it would be impossible to fare any better in a third round and it was “now or never” if they wanted to rule. SYRIZA too benefitted from the polarisation of the vote and with 26.89% it is only a breath away from the first party. Subsequently, the only thing they have to do is to wait for ND to lose its popularity, which is bound to happen if the economic and social situation in Greece does not improve. In the next elections, and they may not be too far away, they are likely to come first and then they will seriously consider forming a government of their own. PASOK with 12.28% (down from 43.92% in 2009) had little to lose, and DIMAR needed to prove that unlike their main competitors, SYRIZA, they are a “responsible” force and not power-shy. This is a risky strategy for DIMAR. They are a new party, and new parties in Greece can disappear as quickly as they appeared. The risk notwithstanding, the choice was rational. Had they refused to back the new government, it would have been difficult, firstly, to argue convincingly that DIMAR differs from the other parties of the left and, secondly, to capitalise on the centre-left voters who used to vote for PASOK.

So now what? PASOK and DIMAR may presently have no ministers in the government, but together with ND they collectively have 179 of the 300 seats in the Hellenic Parliament. They can easily pass any legislation they deem necessary, but for how long? Perhaps it is surprising to read that this depends more on factors residing outside Greece than inside. After the second bailout agreement the centrifugal forces in the Greek political landscape intensified leading to the result of 6 May: the collapse of PASOK, the inability of ND to benefit from it, the rise of SYRIZA, the birth and

¹ The views represented in this article are the author’s alone.
strengthening of a number of small parties (some of which almost reached the 3% entry threshold), the rise of extremism (Chryssi Avgi – the neo-fascists) and populism (Anexartiti Ellines). The scary and almost blackmailing dilemmas “Euro or Drachma”, “inside or outside the EU”, “bailout or default” partly restored the political fragmentation. The smaller parties lost their momentum and much of the vote was divided between ND and SYRIZA.² However, this does not signify a return to political bipolarism, let alone to political stability or normality. Neither does it imply that Greece has avoided the worst.

If Greece’s lenders persist on the same austerity formula it will be a matter of time before another reshuffling of its party system takes place and its political foundations start to tremble again. I include Greece’s political institutions, because the national elections took place in the shadow of ascending scepticism if not outright hostility towards parliamentarism. Mass demonstrations and strikes, violent clashes with the police in front of the parliament, repeated threats (and attempts) to storm the building, verbal and physical attacks against MPs and journalists were on the daily agenda before the first elections were called. While social unrest has subsided for the time being, the explosive mixture that made it possible in the first place is still intact. Household incomes continue to drop, unemployment keeps on rising and violent crime persistently erodes citizens’ feeling of security.

In such unfavourable background demagoguery, populism and extremism are bound to flourish, as they did before the May elections. Then all the parties that increased their vote share, irrespective of the political spectrum they represented, had one thing in common: the promise that painful sacrifices are avoidable. Vague scenarios, unrealistic proposals and conspiracy theories did the trick, but the dazed and confused electorate did not give a clear mandate to any party.

In the June elections the balance shifted temporarily in favour of the parties that supported, or at least did not fully reject, the bailout agreements and fought to keep Greece within the Eurozone. This may not be sustainable. Indeed both ND and PASOK have every reason to keep their government in place until things start getting better. Quite simply it is against their electoral interests to lead the country in elections any time soon. The position of DIMAR is more precarious, because they were initially openly against the bailout terms and the accompanying austerity measures. Therefore, dissent within the party may arise which may eventually lead to withdrawing their support from the coalition. In such a case ND and PASOK will still enjoy a majority in the parliament, but any hopes for some consensus between the right-wing and left-wing political forces in Greece will probably evaporate. SYRIZA may or may not benefit from DIMAR’s participation in the government, but they are likely to win the next parliamentary elections in any case. Unless the present government can become the bearer of some good news, even more Greek voters will be tempted to entrust a party that promises a better solution and has good prospects of gaining enough seats in the parliament to form a government.

SYRIZA, therefore, will continue to attract everybody’s attention in the immediate future. Not only because of the open question where it will steer the country should the electoral outcome allow it, but also because it is difficult to predict their behaviour as opposition party. Having gradually but

² Two disconcerting features persisted and they demand separate treatment: Chryssi Avgi kept its 7% and turnout was the lowest ever since the restoration of democracy in 1974 (37.5%).
steadily shifted their position to the left ever since the mid-2000s, they recently moved to the opposite direction. Between the two elections SYRIZA toned down its anti-capitalist rhetoric and made it explicit that it is not against the Euro. Effectively SYRIZA moved to the centre within a very short period of time, in order to attract voters from a much larger pool. It is anybody’s guess now if they will revert to their previous strategy to polarise public opinion, or if they will opt for a more centrist, government-in-waiting profile. In either case it is wrong to assume that a SYRIZA-led government will choose to abandon the Euro. This is extremely risky for any party to realise, regardless of what they may have campaigned for before the elections. In politics taking one’s word back is a rational option too.

To conclude, Greek political parties behaved rationally before and after the latest elections, albeit from an electoral interest perspective that some might call narrow and short-sighted. They are likely to do so again in the future. That means the Greek political parties will continue to react to domestic and international developments to make inroads to the electorate. Therefore, precisely because reforms are necessary and the best way to implement them has to be found, the policy mix proposed to Greece should take into account not only the economic repercussions for the country but the socio-political too. It is of little use to demand measures from any Greek government when no government can be formed or when its lifespan is likely to be limited. Likewise, measures that may radicalise or divide the population stand little chance of being implemented. What Greece needs is support and advice based on a sound and non-prejudiced understanding of the economic, social and political reality of the country. The electoral sensibility of the Greek parties is an integral element of this reality.

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