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How Have European National Party Systems Responded to the Eurozone Crisis? A Comparison Between Germany, the UK, Ireland, and Greece

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Summary

European national party systems have reflected in different ways the major influence of the Eurozone crisis on individual countries. The focus of my project concerns this exact diversity and the main research question is formed as follows: How have European national party systems responded to the Eurozone crisis? In particular, I looked at the degree of party system fragmentation and polarisation, the degree of salience of the EU issue, and government composition in four European countries: Germany, the UK, Ireland, and Greece, during the years 2008-early 2016. Although the main causal condition of the project is the Eurozone crisis (economic conditions), several cross-case and country-specific intervening factors were examined in order to identify possible reasons behind the responses of national party systems to the crisis. Data were gathered through expert surveys and interviews with experts and political actors.

The results showed the new era of the national party systems in Europe, which started in 2008 and transformed massively national politics by revealing the power of combined long-term trends and a sudden turmoil. The changes were of different degrees at the various systems depending on their structural characteristics. Old and new minor parties gained ground in all the four cases by promoting their anti-mainstream profile and by activating a pro-/anti-establishment divide. The results revealed some intriguing patterns in the party system response, among mostly diverse cases and confirmed how domestic conditions and issues had the lead over international events, even if the latter are as significant as the Eurozone crisis. The Eurozone crisis played a massive role in party system structures. Although that was the case mainly with the countries with poor economic performance during the recession years, the crisis had a significant impact on the way parties related and competed in all of the cases, as it exposed underlying transformations and simmering issues in the national party systems. This showed that we need to link short- and long-term transitions with national political structures and international events in order to understand party system change. An underlying establishment/anti-establishment cleavage, which found a channel of expression during the crisis, cut across traditional lines of competition and appeared likely to determine future developments in the national party systems. Finally, the EU issue was operationalised in different ways in each system and by each party, but in any case it needed to be highlighted through the discussions over salient domestic issues.
I hereby declare that this thesis has not been and will not be, submitted in whole or in part to another University for the award of any other degree.

Signature:..................................................
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1. Introduction

The global economic crisis of 2007 triggered a chain of economic events in the European Union (EU). The recession that started in Europe in 2008 included banking crises, large sovereign debts and high unemployment rates. Real GDP growth rate in the EU decreased from 0.3% in 2008 to -4.3% in 2009, while unemployment rates increased 3.5% between 2008 and 2009 and reached 10.7% in 2012 (Eurostat). The first signs appeared in 2008 in Ireland which entered a recession period. Nevertheless, it was not until late in 2009 when the EU started having serious concerns regarding sovereign debt in some European countries. As the recession was heading towards its third year, it was revealed that Greece was struggling with a major budget deficit, followed by serious economic troubles in other Southern European countries, namely: Spain, Portugal and, subsequently Cyprus. Meanwhile, German Chancellor Angela Merkel was pushing for more austerity in the states facing these problems. The EU, the European Central Bank (ECB) and the International Monetary Fund (IMF), which were the three institutions that formed the so-called ‘Troika’, decided on bailouts packages and financial assistance accompanied by harsh austerity measures for the countries which were experiencing economic difficulties.

At the same time, major political changes have occurred during the crisis at the national level, such as the fall of governments and massive votes against mainstream parties. Parliaments collapsed bringing early elections in Ireland, Portugal, Slovenia, Italy, Spain, Greece and the Netherlands. Huge protests and strikes were organised by workers and unions in the shadow of the rise of unemployment and implementation of further austerity measures. The focus of this project is political and concerns the diversity in the responses of European countries at the party system level during the Eurozone crisis. In particular, I am looking at: the degree of fragmentation and polarisation of national party systems, the degree of salience of the EU issue in elections, and government composition in four European countries: Germany, the UK, Ireland, and Greece. Several factors may have influenced these party system properties. For the purposes of this research I have chosen the following as the most significant: economic performance; the electoral system; popular trust in national political institutions; and national economic perceptions. The rationale for these choices (case selection and explanatory factors) is outlined in the next section of this chapter.
Based on the above, the research questions are formed as follows: (1) How have the national party systems of different European political systems responded to the Eurozone crisis? (2) Why have national party systems responded in different ways during the Eurozone crisis? (3) What causal conditions explain these differentiated responses? By ‘responses’, I mean the reactions of national party systems to the changes of their environment during the Eurozone crisis with regard to fragmentation and polarisation, the salience of the EU in elections, and government composition, in the cases of the German, British, Irish and Greek party systems in particular. By the ‘Eurozone crisis’, I set out the time frame of my research, which covers the years 2008-early 2016, the eight years from the beginning of the global economic crisis. The end date, early 2016, was chosen for practical reasons; namely, in order to include the 2016 Irish election but not the UK EU membership referendum, as the latter would need further empirical research and analysis that could not be done within the timeframe of this project. Since I am looking at the properties of the party systems, the units of analysis are national general elections. In order to extend the time frame, and allow a comparison across time, together with the elections that occurred in each country during the crisis, two more elections which took place before the crisis will be examined for each case. Therefore, the units of analysis are 17 elections in total: three in Germany (2005; 2009; 2013); four in the UK (2001; 2005; 2010; 2015); four in Ireland (2002; 2007; 2011; 2016); and six in Greece (2007; 2009; May 2012; June 2012; January 2015; September 2015).

In the following sections I elaborate the rationale behind my project, the aims of my research and the strategies that I have adopted to meet them. First, I set the theoretical background and point out where my focus stands in relation to the existing literature. Second, I argue for the importance of my topic and the contribution that the thesis makes to enhance our understanding of this topic. Third, I talk about the analytical framework used in my research; I explain the use of my independent, intervening and dependent variables in detail, as well as the hypotheses, methods and case selection strategy I employ. Fourth, I outline the structure of the thesis.

1.1 Theoretical Framework and Contribution

As my research questions indicate, I aim to explore the diversity in the responses of individual member states towards the Eurozone crisis in terms of party systems. Thus, my questions lie in the research area that examines the link between politics at the domestic and European levels.
Scholars in this field seek to explain why certain states respond the way that they do towards the EU and how domestic politics are influenced by European integration. Therefore, two main bodies of literature have been developed aiming to cover these two topics and are relevant to this thesis: first, theories of European integration that study the way nation states impact on the EU and argue for the significance of the national structures; and second, studies of Europeanisation and Euroscepticism that examine the way the EU impacts on national politics. My project is located within this second body of literature and aims to enhance our understanding of the little searched area of the impact of the Eurozone crisis on national party systems and the way they have responded to this major supranational event, but it also builds on the first area that argues for the centrality of nation states and domestic structures in the European integration process. In this part of the thesis, I first look at the first area of literature: the different, state-centred approaches in European integration scholarship (intergovernmentalism, domestic politics approach, and liberal intergovernmentalism). I then discuss the second area of literature: the analytical frameworks and empirical studies that examine the impact of European integration on national party systems (Europeanisation and Euroscepticism). After setting out my theoretical framework, I illustrate the relevance of my own project and the contribution that I make to the field.

1.1.1 European Integration and the Role of the Nation State

Since the formation of the EU, scholars have been developing theories of European integration. These theories attempt to explain the process of European integration, define the relationship between supranational and national institutions, and even predict how the EU will develop in the future. Some approaches are focused on the role of institutions, such as the several theories of institutionalism (Pollack 2009), while other theories are concerned with the multiple levels of governance, such as Multi-level Governance theory (Hooghe and Marks 2001). Nevertheless, as the scope of this project is the role of national rather than supranational actors and particularly in the context of the Eurozone crisis, I will focus on theories which put the nation state and national governments at the centre of the European integration process.

The first, dominant theory which argued for nation state primacy was intergovernmentalism in the 1960s. Stanley Hoffman (1966) who first developed the idea, and intergovernmentalists in general, believed in the centrality of national governments in integration and argued that European
institutions had little impact on domestic politics. This is not to say that they do not recognize the importance of supranational actors in bringing individual states together and enforcing common laws through international bodies, such as banks and courts. However, it is the national initiatives and interests of individual countries that underlie and push forward all of these actions. As Puchala (1999, p. 319) explains, intergovernmentalists ‘see the movement toward, and the timing of, closer international co-operation in Europe as resulting from the converging national interests of states (economic interests in particular) emerging out of the currents and pressures of national politics’. The central role of the member state was also developed in the classic works of Milward (1984; 1992), who argued that European integration actually strengthened national governments. According to Milward, post-war Western European governments agreed on the creation of a supranational coalition in order to support their own survival, so that governmental elites remained the main actors and ‘the motivation for integration is the preservation of executive capacity at the national level, not its erosion’ (Rosamond 2000, p. 139).

The significance of domestic factors in European integration was also stressed by Bulmer (1983). Bulmer was the first to adequately develop a *domestic politics approach*, which underlines the importance of *structures* and policy-making *attitudes* at the domestic level in examining the response of individual member states within and towards the EU. These features are described as ‘policy style’ and it is the individual state’s style that results in differentiated behaviour among cases. As Bulmer (1983, p. 354) explains:

> Each national polity has a different set of social and economic conditions that shapes its national interests and policy content. Each state has different ideological cleavages which determine the extent of consensus. In more structural terms, policy instruments differ as does the extent of centralization in the state. Finally, each state’s relationship to the outside world differs.

However, this does not mean that national governments hold absolute power. Unlike intergovernmentalists, Bulmer argues that this is something to be examined with regard to each particular case since governments can be influenced by both domestic and external forces within the interdependent international environment. This is exactly why it is essential to examine the national policy style; to see why certain states respond the way they do while others behave in a
different way and why particular states have the power to use or decide to use the EU level as their action field while others do not.

The relative power of individual states in supranational bargaining was also examined by the well-known scholar of European integration Andrew Moravcsik. Moravcsik, like Bulmer and the intergovernmentalists, developed a framework of European integration, called *liberal intergovernmentalism*, according to which the state is central. This time, though, the member states that are involved in international bargaining are led by their rational preferences, which differ among cases. As Rosamond (2000, p. 136) clarifies, Moravcsik combined ‘a liberal theory of national preference formation and an intergovernmentalist account of strategic bargaining between states’. This rational behaviour of states is formed through dynamic relationships between national actors that take part in the integration process. Moreover, Moravcsik, like Milward, argues that intergovernmental bargaining between national governments in the EU context results in the strengthening of the sovereignty of individual nation states. In his own words (Moravcsik 1993, p. 515):

> National governments are able to take initiatives and reach bargains in Council negotiations with relatively little constraint [...] Greater domestic agenda-setting power in the hands of national political leaders increases the ability of governments to reach agreements by strengthening the ability of governments to gain domestic ratification for compromises or tactical issue linkages.

This also explains why states are in favour of participating in international organisations, which one might expect would make them less independent. It is the very membership in supranational bodies such as the EU that increases the autonomy of national governments and shows the importance of the national context in international bargaining. The importance of national context is also in the centre of the analysis of this thesis, which is located within this broad intellectual tradition.

### 1.1.2 Europeanisation and National Political Systems

During the last decade significant research has been conducted around the impacts of the EU on domestic politics. Several papers have been written on the Europeanisation issue and the impact of European integration on national party politics. Authors have attempted to extensively define
Europeanisation, but no consensus has been achieved to date (see for example Borzel 1999; Hix and Goetz 2000; Olsen 2002; Featherstone 2003; Radaelli 2004). However, Europeanisation has been most sufficiently defined by Ladrech (2002, p. 395) as a procedure of ‘adaptation and policy change’ at the domestic level, rather than a procedure of ‘convergence and harmonization’. It is, therefore, the impact of European integration on national political systems. Several scholars have also pointed out methodological problems in searching for the impacts of Europeanisation on domestic politics; how can one identify that domestic changes have taken place because of the EU effect and not because of other domestic factors? How can one sufficiently measure the EU impacts? (Lewis 2006; Szczerbiak and Bil 2008). Nonetheless, as Lewis (2006) claims, the fact that it is rather difficult to investigate specific EU impacts does not mean that they do not exist.

Putting conceptual and methodological problems aside, students of Europeanisation have developed some useful tools in studying the degree of the EU influence on domestic party systems and several interesting results have come up in comparative studies. Mair’s work in 2000 was the first and most influential attempt to address the issue of direct and indirect effects of the EU on national party systems. He aimed to assess the direct impact of Europeanisation on national party systems and particularly the impact on their format and mechanisms. In terms of the degree of direct influence of European integration on the format of national party systems, Mair (2000, pp. 30-31) finds it very limited since only a few new parties clearly linked to Europeanisation have emerged. The same observation is made about the direct effect of European integration on national party system mechanisms (Mair 2000, pp. 31-37). His results concerning all the EU member states until 2000 have been the point of reference for subsequent research on West European member states (see for example Ladrech 2002) and most scholars agree on the conclusion that there is a limited EU direct impact on national party systems. Also, his findings have been used for comparison with evidence from the new East European EU member states (Lewis and Mansfeldova 2006; Enyedi 2007; Haughton 2009; Lewis and Markowski 2011). Nevertheless, since Mair’s study focused only on direct impacts (the emergence of new parties because of European integration and the formation of a pro-/anti-European divide in national party systems), indirect effects which, as Mair himself argued, seem to be more significant, remain in need of investigation.
A single basic framework for the analysis of the impact of the EU on national political parties in the context of national party systems is developed for the first time by Ladrech (2002). According to Ladrech’s analysis, there are five research fields when examining party responses to the EU: party programmes; party organisation; structures of party competition; party-government relations; and transnational party coordination. Moreover, he successfully demonstrates ways of measurement for each one of these research areas and provides specific examples taken from the national political realm. Enyedi (2007) attempted to enrich Ladrech’s analytical framework by adding more fields of research regarding the EU impact on national political systems with a special focus on the new member states of Central and Eastern Europe (CEE). He identifies eleven possible areas which the EU might prove to be influential. These indicators are: the status of parties within the political system, the salience of the EU issue, the parties’ position vis-à-vis European integration, the structure of mass attitudes, the pattern of party competition, fragmentation and polarisation of the party system, the relative strength of party families, transnational cooperation, party organisation, and, political representation.

Since Mair, Ladrech (and partly Enyedi) identified their useful frameworks, their analytical tools have been adapted widely by scholars of Europeanisation to reach interesting conclusions about EU impacts on national political parties and party systems. One of the most important contributions was that of Lewis and Mansfeldova (2006). In this work, several authors examine the direct and indirect EU impacts on the party systems of ten CEE countries immediately after their accession to the Union. Using Mair’s and Ladrech’s instruments, and taking into consideration the differences and similarities between Western and CEE member states, Lewis posed the question: To what degree will EU influence on the Western cases differ from the EU influence on the CEE ones? The authors found that EU impact on both Western European and CEE party systems were limited. Yet, unlike Mair’s (2000) conclusion about the ‘hollowing out’ of competition in the West, there was not much proof of this in CEE. The authors also found some differences between old and new European democracies particularly with regard to: ideological change in political parties, the salience of the EU issue across parties and EU impact on political representation in the EU.

1 It is important to differentiate between the terms ‘Europe’, ‘EU’, and ‘Eurozone’. Although some scholars have used these terms interchangeably, particularly with regard to ‘Europe’ and ‘EU’, in this thesis these terms are not used as synonyms. ‘Europe’ refers to the European continent, ‘EU’ refers to the political and economic union of 28 member states, and ‘Eurozone’ refers to the monetary union of 19 EU member states that have adopted the euro as their common currency.
Since the book was written only two years after the 2004 enlargement, no reliable answer was given at that point about the degree of EU impact on the stability of the political system of CEE countries and many other areas of possible EU impacts have to be identified and examined. Nevertheless, Lewis and Mansfeldova managed to provide us with the first large-scale contribution about EU impacts on CEE member states and set the basis for further comparative research.

Poguntke et al. (2007) attempted to answer Mair’s call for more comparative studies on the EU impacts on national politics. Influenced by Ladrech (2002), they particularly look at how the EU has affected parties in terms of internal organisation and distribution of power by examining both formal and informal transformations which have occurred within parties. Poguntke et al.’s contribution is useful for drawing some conclusions about the organisational change of national parties in some Western democracies. Yet, since it is focused basically on this particular narrow area of domestic party systems, it is difficult to use it for more general conclusions. The special issue of the Journal of Communist Studies and Transition Politics edited by Tim Haughton (2009) also contributed to the growing literature on the influence of the EU on the national political systems of CEE countries by giving a broader perspective through a wider time frame. In particular, it examines the cases of six post-communist member states through in-depth case studies and qualitative methods along with a quantitative expert survey. Similar to Mair (2000) and Poguntke et al.’s (2007) findings, the EU impact on national party systems and competition structures, as well as the impact on national parties, has been limited. Neither party organisation nor party programmes have been much influenced and, finally, parties do not consider the EU issue as an important one. Yet, the EU has somehow made itself visible by acting as a ‘constraint, a source of spillover and a point of reference’ (Haughton 2009, p. 422) at the domestic level. Haughton, who wrote the concluding remarks of the issue, takes a bigger step; since works on the EU impacts on old member states of Western Europe and new member states of CEE keep providing us with similar results, it should be reasonable to study all the EU member states in a single framework without examining the CEE countries separately.

Lewis and Markowski (2011) take the understanding of the EU impacts on CEE national politics a bit further. Ladrech’s framework (2002) is applied and therefore, party-state relations, the role of transnational party cooperation and patterns of party competition are the areas examined extensively by authors. In addition, the indicators posited by Enyedi (2007) are used in order to
show the quality of political representation. Hence, interesting conclusions are provided with regard to the patterns of participation, voter turnout and general party system institutionalisation and the results can be compared constructively with previous studies on the CEE countries. In the same book, Lewis disagrees with Haughton (2009), and argues that the differences between Western European and CEE countries cause different degrees of EU influence on their party systems. Old member states, unlike most CEE countries, are characterised by relevant party system stability and party system institutionalisation. Therefore, the degree and form of EU impact varies in the new EU member states.

1.1.3 Euroscepticism

Euroscepticism is another growing area of research in the field of the EU impact on national politics. This area, just like Europeanisation, faces conceptual and measurement issues. The term has changed definitions across cases and authors. Taggart (1998, p. 366) adequately put a label on the opposition to the EU by stating that it is ‘the idea of contingent, or qualified opposition, as well as incorporating outright and unqualified opposition to the process of European integration’. Taggart and Szczerbiak (2001a; 2001b; 2002) offered an influential distinction between the different levels of Euroscepticism for clearer conceptualisation purposes; ‘hard’ Euroscepticism refers to the absolute rejection of the project of European integration, while ‘soft’ Euroscepticism is a ‘qualified’ opposition to one or more aspects of the project of European integration. Kopecky and Mudde (2002) proposed another useful typology. By combining features of ‘EU-optimism’, ‘EU-pessimism’, ‘Europhilia’, and ‘Europhobia’, they concluded in developing the following categories: Euroenthusiasts; Eurosceptics; Eurorejects; Europragmatists. Flood (2002) took the conceptualisation of Euroscepticism even further by proposing a typology of six categories: Rejectionist; Revisionist; Minimalist; Gradualist; Reformist; Maximalist.

As far as measurement issues are concerned, these relate to problems in measuring party positions on the several aspects of the European integration issue and the salience of the EU issue at the party level (for a detailed discussion see Szczerbiak and Taggart 2008b, pp. 238-260). Challenging the EU is a dynamic phenomenon where multiple features are involved, and, therefore, all the different elements should be considered (Usherwood 2013, p. 290). Specific indicators have been developed by several authors (see for example Taggart 1998; Ray 1999; Taggart and
Szczepanik 2002; Flood 2002) and they can be used in comparative studies. Indeed, scholars have applied these measures to empirically compare Eurosceptic tendencies among the party systems of Europe. Taggart’s (1998, p. 363) study was the first to argue that Euroscepticism is ‘mainly limited to parties on the periphery of their party system and is often there used as an issue that differentiates those parties from the more established parties which are only likely to express Euroscepticism through factions’. Large cross-country comparative studies (Marks and Hooghe 1999; Mair 2000; Marks and Wilson 2000; Ray 2004; Szczepanik and Taggart 2008a; Szczepanik and Taggart 2008b) as well as interesting case studies (Evans 1998; Szczepanik 2001; Forster 2002) on Western European countries, post-communist European countries and candidate states have examined party-based Euroscepticism showing the diversity between cases.

1.1.4 Relevance and Contribution

My research questions are located within the second realm of literature discussed above: Europeanisation and Euroscepticism studies that look at the impact of the EU on national political systems. In particular, I examine how national party systems reacted to the impact of an international event and why they reacted in different ways. The originality of this thesis stems from two main inputs: first, its contribution to the little examined field of national party system responses towards the impact of the Eurozone crisis and how this can be linked to the general literature of the centrality of domestic structures in the European integration process; second, its contribution to the way national party system responses to international events are studied, namely by providing an innovative analytical framework studying transformations of the European national party systems. In this section, I provide a series of arguments on how the thesis contributes in a theoretical and methodological way to the field.

Theoretical Contribution

This project’s contribution to the current state of our knowledge is related to the little searched field of the impact of the Eurozone crisis on national party politics. A number of studies have examined the various political aspects of the Eurozone crisis and its political consequences. Several scholars looked at the political-economic side of the crisis (Katsimi and Moutos 2010; Armingeon and Baccaro 2012; Monastiriotis et al. 2013; Otjes 2015), while others examined the
impact of European integration on national institutions and political representation (De Wilde and Zurn 2012; Dinan 2012; Schmidt 2013; Schimmelfennig 2014). However, not many works attempted to investigate the impact of the Eurozone crisis on European national party politics. Only a few scholars studied the impact of the crisis on party politics in single case-studies (Marsh 2012; Verney 2014a; Katsanidou 2015), while even fewer examined this issue from a comparative perspective: for instance, Bosco and Verney (2012) on the political impact of Eurozone crisis in Southern Europe, Maatsch (2014) on parties’ positions towards austerity in the Eurozone, Kriesi and Pappas (2015) on populism during the Eurozone crisis, and Bermeo and Pontusson (2012) on how national governments reacted to the 2008 global economic recession. Therefore, this project contributes to the significantly less explored research area of the impact of the Eurozone crisis on national party systems by providing comparative cross-country results on the basis of which broader conclusions can be drawn.

My project also takes into account the theoretical approaches that belong to the first body of literature, that is European integration theories that argue for the centrality of domestic structures in the European integration process. Bulmer’s (1983) study is very helpful to build on. As mentioned, he looked at how national characteristics are significant when examining the processes that national political systems go through in the European integration process. Similarly, I examine several key structural characteristics of each member state and how they played a role in the way the Eurozone crisis affected national party systems. The examination of national party system responses towards this contemporary event is a significant contribution to the up to date literature on the linkage between national and supranational actors within the EU in more general terms. In fact, Bulmer remains the most influential enthusiast of the ‘domestic structures approach’. In his most recent study he examined how Germany’s political structures played the most significant role in the way the country behaved during the Eurozone crisis (Bulmer 2014). This thesis builds on this tradition; it is the first study to argue for the relevance of domestic structures in the way the Eurozone crisis affected national party systems - taken from a comparative perspective.
Methodological Contribution

The thesis also employs an innovative research design. I seek to explore some of the factors that scholars of Europeanisation and Euroscepticism have been concerned with by using research tools which are widely used among students of the field. However, the quantity and combination of explanatory factors considered as well as the variety in the dependent variable and selection of cases under examination provides a holistic approach. In particular, this thesis not only examines some areas of party systems that have been examined by other scholars, such as the salience of the EU issue in elections (Enyedi 2007) and the structure of party competition (Ladrech 2002), but also employs a more comprehensive framework by investigating additional research areas, namely: fragmentation, polarisation, government formation patterns, and EU’s salience in national elections (see detailed analysis of the methodology later in the chapter). These areas along with a number of explanatory factors that emerge as significant determinants of party system transformation during the Eurozone crisis, create a wide-ranging analytical agenda. Moreover, although I use expert surveys to examine party positioning - as, for instance, Mair did (2000) - I combine this technique with over 50 in-depth expert interviews that I conducted during my fieldwork. The research design is enriched with an effective mixed methods approach which provides valuable quantitative and qualitative data. Thus, a comprehensive methodological framework is adapted, consisting of a wide range of explanatory factors and research areas of the dependent variable, as well as both quantitative and qualitative methodological techniques. This design can be adapted by researchers in order to produce single-case or comparative results in the field.

1.2 Analytical Framework

The main causal condition (that is, an independent factor that causes direct effects) of the project is the Eurozone crisis. Yet, several intervening factors are examined in order to identify possible reasons for the responses of national party systems to the crisis, namely; the electoral system, popular trust in national political institutions, and national economic perception (NEP). The electoral system is a systemic feature of a country and key structural characteristic of a political system, while popular trust in institutions and NEP concern the level of the electorate and cover the voter perspective. The dependent variable is the response of domestic party systems. I
operationalize this by examining the following research areas: party system fragmentation and polarisation, the salience of the EU issue in elections, and government composition. While each one of these factors alone has been examined separately before, it is the very combination used in this project that determines the originality of my approach. The study is a focused comparison between the diverse cases of Germany, the UK, Ireland, and Greece. In order to measure the responses of these party systems, I used the technique of expert surveys. In addition, in-depth interviews were also used to gather qualitative data and explore these reactions in more depth.

The theoretical context discussed above helped me construct the analytical framework including some of the variables examined. As mentioned in the previous section, theories of European integration, such as the domestic politics approach by Bulmer (1983) and liberal intergovernmentalism by Moravcsik (1993), informed the way I framed my research questions around the degree of importance of domestic structures in the way national party systems reacted during the Eurozone crisis. Even more, I shaped the independent variable - the Eurozone crisis - and dependent variable of this project - the response of national party systems towards the crisis - around the work of Europeanisation and Euroscepticism scholars, such as Taggart and Szczerbiak (2001a; 2001b), Ladrech (2002), Poguntke et al. (2007), Lewis and Markowski (2011), who also assessed the impact of the EU on national politics. Mair’s (2000) study on the impact of the EU on national party systems was particularly relevant. Mair examined the impact of the EU in more general terms, while I am looking at the Eurozone crisis in particular.

However, I also introduced variables that have been linked to the study of party systems per se as well as variables that I have found relevant in the context of the Eurozone crisis. As my dependent variable is the response of the national party systems during the crisis, the specific areas of the dependent variable are well-known party system properties: party system fragmentation, polarisation, government composition. I also included the salience of the EU issue as an area of the dependent variable as it has been widely used by scholars of Europeanisation (see for example, Ladrech 2002; Steenbergen and Scott 2004; Netjes and Binnema 2007; Szczerbiak and Taggart 2008). The intervening variables - electoral system, NEP, and popular trust in national political institutions - are again factors related to party system scholarship but also the Eurozone crisis. As shown below, the electoral system is a commonly examined variable affecting party systems and
the NEP and popular trust in political institutions are particularly associated with the circumstances of the crisis.

In the following sections of this chapter I first present in detail and justify the use of the causal conditions and the dependent variable followed by my hypotheses. I then provide an analysis of the techniques of expert surveys and interviews. Lastly, I discuss the method of focused comparison that I employed in my research and justify the selection of my cases.

1.2.1 Independent and Intervening Variables

The Eurozone crisis is the primary causal condition examined. In order to identify the impact of the crisis on each case, national economic performance will be measured. The measurement of economic performance includes a large number of both economic and non-economic indicators, including: GDP, the balance of payments, the exchange rate, quality of life, health, education etc. (Nordhaus and Tobin 1972). For the purpose of this project, two economic indicators will be used: real GDP growth and unemployment rates. These two indicators are two of the most important values that the state and people experience particularly during tough economic times. The economic crisis has been linked to high unemployment rates and long duration of joblessness which particularly affects young people (Verick 2009), while changes in GDP growth and economic collapse have correlated with higher mental health problems in the population (Gili et al. 2013). It is essential to compare the scores of GDP growth and unemployment rates before and during the crisis. This difference in the economic performance is more important during the crisis than a stable poor economy. Therefore, the average scores of the GDP growth rates (% difference from previous year) and unemployment rates in the four cases from the beginning of the Eurozone crisis (2008) until late 2015 were compared to the average scores of the same economic features during the last seven years before the crisis started (2001-2007). Eurostat data was used for this purpose. As we shall see, the values varied from poor to strong economic performance.

The Eurozone crisis, however, needs further conceptualisation that goes beyond the economic measures. First, the temporal dimensions of the Eurozone crisis should be considered as it developed at different points in time and for different reasons in the various countries involved. For instance, in Ireland the starting point of the crisis was in 2008 when a series of banking crises
and property bubbles occurred, as explained in pp. 131-132 of this thesis. On the other hand, the crisis hit Greece much later in 2010 when the country’s trade and government deficit grew significantly. The finishing point of the crisis is also fluid; as each country experienced the crisis in different ways and any consequences became interrelated, there is no definite ending. In early 2016 - the temporal border of this project - the EU member states were still living through the effects of the Eurozone crisis. Germany and Ireland, for instance, showed signs of recovery much earlier than countries such as Greece or Spain, which were still struggling to make progress. In addition to the temporal dimension, the economic crisis also involves a strong political element. Quickly after the economic figures started dropping, the economic effects of the crisis split over the political sphere and interconnected with political developments in the national political systems. Public dissatisfaction with the national economy was linked to anger towards the national governments and disillusionment with mainstream parties and national political institutions in general, as well as concerns about the legitimacy of the European integration project and the democratic deficit of the EU. Therefore, while the economic figures of GDP growth and unemployment rates were used in this project for operationalisation purposes, these multiple dimensions of the Eurozone crisis (economic, political, temporal) become evident throughout the research.

The economic crisis alone, even one as significant as the Eurozone crisis, might not be enough to cause impacts on national party systems. Other systemic factors intervene in a political system which either push or prevent responses of the party system from occurring. The first intervening variable is the electoral system. Political outcomes and party system transformations have been widely examined in relation to types of electoral systems, as the latter are seen as a vital factor in the way parties interact and compete (Duverger 1986; Lijphart 1994, Sartori 1997). The electoral system of a country encompasses a number of key characteristics, such as district magnitude, ballot structures, electoral thresholds, open and closed lists (Lijphart 1994). Nevertheless, scholars have focused mainly on the electoral formula; that is the transformation of votes into seats in parliament, in order to classify electoral systems. In particular, research has mainly been concerned with the degree of proportionality stemming from the country’s electoral rules (see for example Lijphart 1986; Gallagher 1992; Benoit 2000). Therefore, the electoral system in this study is defined as the degree of proportionality in a country’s election. Proportionality can be measured by many indicators. Yet, the most common one has been the closeness between the seats share in
parliament and vote share. The latter has been measured in several ways (for a detailed analysis see Gallagher 1991). This project will use the standard measure of the Least Squares Index (or Gallagher’s Index), which was proposed by Gallagher in 1991 and since then it has been the most popular operational measure of proportionality of electoral systems. The index is constructed by the square root of half the sum of the squares of the difference between votes and seats in parliament for each one of the political parties. Electoral data will be used in order to indicate the type of each electoral system in this project and values will vary from non-proportional to fully proportional.

The second intervening variable is popular trust in national political institutions. Popular trust is particularly important as it demonstrates public engagement or disengagement with political elites and the political system overall. Low levels of voter confidence in national political institutions can lead to public dissatisfaction with the political regime, and, therefore, challenge the political system altogether (Lühiste 2006, p. 476). Scholars have used this indicator in comparative studies in established and new democracies when examining how public trust is linked to the credibility and legitimisation of governments (Mishler and Rose 1997; Newton 1999; Ulram and Plasser 2003; Catterberg and Moreno 2006). In times of crisis in particular, popular trust in the national government and parties is an important factor that influences party system response to changes and, as it is the case here, supranational changes such as the Eurozone crisis, in order to examine how the national context can affect political outcomes. Trust has been widely measured through opinion polls on a scale scoring from low to high. In this project I use the Eurobarometer data which shows the degree of popular confidence in the national government, parliament, and political parties overall on a 0% (lowest levels of trust)-100% (maximum levels of trust) scale.

The third intervening variable is ‘NEP’, that is the subjective perceptions of the electorate with regard to national economic performance. NEP, just like objective economic performance, is connected indirectly to the Eurozone crisis itself. For instance, in searching for why the Greek party system experienced more turbulence during the crisis than the German one (if so), the answer may include systemic characteristics, such as the type of electoral system and the degree of electoral volatility. Yet, it is also known that Greece has faced much greater economic problems during the crisis than Germany and voters may have been affected by their national economic situation: Thus, when evaluating how economic performance influences voters, in addition to the
measurement of the economic performance objectives one has to examine the subjective perception of the electorate with regard to the national economy and its features. NEP is therefore the most appropriate way to see how the crisis has had an impact on national party systems. NEP is connected to the concept of economic voting. Economic voting is based on the simple so-called ‘responsibility hypothesis’, which claims that ‘voters hold the government responsible for economic events’ (Lewis-Beck and Paldam 2000, p. 114). Several significant studies have examined the issue of how economic conditions affect voting behaviour (see for example Lewis-Beck 1986; Van der Brug et al. 2007; Duch and Stevenson 2008; Nadeau et al. 2013). It is also important to mention that voters seem to care more about the national economy than their personal economic situation when they decide to support a particular party (Duch et al. 2000, p. 638). It is, therefore, essential to measure NEP when studying national party systems during the Eurozone crisis. Data for NEP will be taken from opinion polls (Eurobarometer) and values will vary from 0% to 100% (the percentage of respondents that believe the national economy is good and very good). Table 1 below shows all the causal conditions of the study, their definition, indicators, and type of data.

The independent variable, that is the Eurozone crisis, is examined as the factor that could affect the response of the national party systems even if the intervening variables did not interfere. The three cross-case intervening variables discussed above - the electoral system, popular trust in national political institutions and NEP - were chosen carefully in order to explain the causal links between the independent and dependent variables and fill the gaps in the relationships described in the results of this project. Therefore, their explanatory role is essential in the research design. As it will be evident in the individual case chapters, during the fieldwork and research a few additional country-specific intervening variables, that were relevant to the particular cases, were revealed. These supplementary variables provided added context and sensitivity in the process of explaining the causal relationships. Their analytical weight in the design might be limited but they help capture the complete picture. Nevertheless, the research design described in this section is considered a robust model that can stand alone despite of the additional intervening variables and can be used as an analytical framework which scholars could build upon in order to produce rigorous conclusions.
Table 1. Causal Conditions.

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Operational Definition</th>
<th>Measurable Indicators</th>
<th>Type of Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eurozone Crisis</td>
<td>National economic performance</td>
<td>GDP growth, unemployment</td>
<td>Statistics: Eurostat data on real GDP growth (% change from previous year) and general population unemployment rates</td>
</tr>
</tbody>
</table>

Intervening Variables

1. Electoral System | Degree of electoral system proportionality | Closeness between seats in parliament and vote share (‘Least Squares Index’) | Electoral data: % of votes and seats of all parties that received more than 0.5% vote share in national elections |

2. Popular Trust in National Political Institutions | Perceptions of the electorate with regard to the credibility of national political institutions | Voter degree of confidence in the national parliament, government, and political parties | Opinion polls: Eurobarometer poll questions: ‘For each of the following institutions, please tell me if you tend to trust it or tend not to trust it? National parliament, national government, national political parties’ |


Source: Author’s design

1.2.2 Dependent Variable

The dependent variable is the response of national party systems to the Eurozone crisis. Before I set out my analysis of the dependent variable, and since the paper examines properties of party systems, a clear definition of party system is necessary. Although party systems may consist of both political parties and other bodies, such as the electorate and social movements, it is now widely agreed that party systems should be examined only at the party level (Mair 1997, p. 206). Thus, the components of a party system are political parties and the party system itself is defined
by the interaction between the parties that compose it. Sartori (1976, p. 44) provides the most appropriate and clear definition:

The concept of parties is meaningless - for purposes of scientific inquiry - unless (i) the system displays properties that do not belong to a separate consideration of its component elements and (ii) the system results from, and consists of, the patterned interactions of its component parts [...] a party system is precisely the system of interactions resulting from inter-party competition.

The interactions that Sartori talks about concern the patterns of competition (and co-operation) among parties, and particularly the competition for government (Mair 1997). These exact patterns of competition I aim to study through the examination of four research areas; party system fragmentation and polarisation, the salience of the EU issue in elections and, government composition.

At this point, I should also clarify why I use the rather unusual term ‘response’ of the party systems. The other two options of describing the behaviour of national party systems during the crisis, ‘change’ of party systems and ‘impact’ on party systems, were not appropriate in this case for several reasons. The first term has been related to the concept of ‘party system change’, which refers to the transformation of one party system type to another (Mair 1997, pp. 51-52). However, in this project I look at any transformations that took place in domestic party competition from 2008 onwards and I do not focus only on party systems classifications. This is not to say that certain cases in the thesis did not end up transforming from one type of party system to another during the crisis. However, the term ‘response’ captures any alterations in party competition and governing formulae while at the same time refers to the systemic character of the party system structures, rather than individual parties. The second term that could be relevant here, the ‘impact’ on the party system, is similarly misleading. My project does not seek to solely measure the impact of the crisis on the national party systems; rather, I look at the party system as a dynamic structure that reacts to internal and external stimuli and, therefore, is capable of shaping its own behaviour under different conditions. In other words, the term ‘impact’ applies to a somewhat one-way relationship between the Eurozone crisis and the national party systems. On the other hand, the term ‘response’ incorporates any changes in party competition but also represents an active
relationship between the causal conditions and the party systems, as the latter perform, adjust, or transform dynamically throughout the process.

Having defined the main terms, I now go on to explain the operationalisation of the dependent variable; the response of national party systems. Four elements of the dependent variable are examined: party system fragmentation and polarisation, the salience of the EU issue in national elections, and government composition. Party system fragmentation and polarisation and government composition are systemic, structural characteristics of party systems. These party system properties are interconnected as they naturally interact in the process of party competition. On the other hand, the EU salience is not directly linked to the other three areas of the dependent variable, although it is involved in the way parties compete. The EU salience is a dynamic and fluid feature compared to the static party system characteristics and concerns the establishment of a pro-/anti-EU divide in the party system and the way parties compete over the issue of European integration. Therefore, this constitutes another feature in the way national party systems responded to the Eurozone crisis (dependent variable); however, it does not have the institutional status of the other three elements that represent fundamental party system properties.

The first measures of the dependent variable are *party system fragmentation* and *polarisation*. These two properties have been seen as the most useful tools in classifying party system types, and, therefore, examining party system stability and change. Consequently, the most influential party system typologies were based on these two measures (Blondel 1968; Rokkan 1970; Sartori 1976; Ware 1996; Siaroff 2000). Party system fragmentation is the number of parties that interact in a party system. Along with polarisation it is the most important party system property as it shows the way political power is distributed in a system. As Sartori (2005, pp. 106) argues, it is essential to know the number of parties as it indicates the extent of concentration of power in a party system, outlines the possible interactions between the parties, and also relates to the way governments are composed and coalitions are formed. Fragmentation has also been linked to political destabilization and government stability (Duverger 1954; Lijphart 1968). However, not all parties should be counted when measuring fragmentation as only the relevant ones play a role in party competition and scholars have attempted to establish effective ways of identifying the parties that should be counted. In his influential study, Sartori (1979, pp. 107-110) analysed a
number of rules for counting relevant parties by examining their coalition or blackmail potential. Other scholars, such as Wildgen (1971) and Molinar (2011), developed ways to study fragmentation by measuring the relative strength of large or small parties. In this study, I use the Index of the effective number of parties developed by Laakso and Taagepera (1979) because of its high effectiveness and easy operationalization in comparative studies. Laakso and Taagepera’s Index has been the most common indicator of party system fragmentation as it combines the number of parties and their ‘political weight’ by measuring their electoral performance. In particular, the Index measures each party’s proportion of the total of votes or seats. This way it counts the number of parties as well as weights their ‘weight’ and concludes in the relative strength of each party in a party system. Electoral data from the national general elections is used for the measurement of the effective number of parties.

Polarisation is defined as the degree of ideological distance separating relevant parties\(^2\) in a party system along a left-right scale. Downs (1957) introduced the left-right continuum in which political parties can be positioned and form the type of competition. This model set the basis for Sartori’s (1976) influential analysis on polarisation. Sartori developed a spatial model of party system polarisation where parties’ positions along the Left-Right scale create centripetal or centrifugal competition forces, which are important to identify types of party systems (see the analysis of party systems above). Moreover, polarisation has been regarded as a significant determinant of democratic representation and stability in a political system. It has been linked to the concepts of political participation and representation, voting behaviour, and levels of political consensus and conflict (Sartori 1976; Powell 1982; Norris 2004; Kim et al. 2006; Dalton 2008). It is therefore essential to study the degree of polarisation particularly in times of economic crisis. As for the measurement of polarisation, researchers have used several indicators such as the number of parties in a party system, the size of extremist parties, the vote share for governing parties, the position of parties in a left-right scale by using party-family categories, and the perceptions of the electorate of the ideological position of parties (Sartori 1976; Sigelman and Yough 1978; Powell 1982; Pennings 1998; Dalton 2008). The indicator used in this project will be the Polarisation Index proposed by Taylor and Herman (1971). Many authors have found Taylor and Herman’s Polarisation Index the most appropriate measurement because of its accuracy and effectiveness when applied to comparative studies (Sigelman and Yough 1978; Ersson and Lane 1982; Hazan

\(^2\) For the definition of a relevant political party and relevance criteria, see Sartori 2005, pp. 107-109.
According to this Index ‘each party’s percentage of seats is multiplied by the square of its left-right position which has the weighted system mean deducted from it, and summed to produce the polarisation score for a specific election’ (Hazan 1995, p. 427). In order to locate parties along the left-right scale, I used the findings from the expert survey that I conducted for this study as well as other expert surveys (Benoit and Laver 2006; Bakker et al. 2015, analysed by Döring and Manow 2016).

The third measure of the dependent variable is the salience of the EU issue, which shows the importance of the EU issue in elections at the party system level. Salience of particular issues at the party system level is of great importance for two main reasons; it can be used first for the study of party competition and, second, for the study of the link between party positions and voters’ preferences (Netjes and Binnema 2007, p. 40). The first concept is related to ‘salience theory’ (Budge and Farlie 1983; Budge et al. 2001), which claims that parties compete by positioning themselves on salient issues and they aim to manipulate issue salience according to their strategic interests (Steenbergen and Scott 2004, p. 167). In addition, issue salience is linked to the concept of political representation. Political parties try to increase the salience of particular issues in order to influence voters’ positions on these matters (Riker 1982). In the European context, authors have attempted to measure the salience of the EU issue in national elections in order to test whether political parties actually compete over European integration. In his sophisticated study, Mair (2000, p. 35) shows that the EU does not seem to be ‘neither a necessary nor sufficient condition’ to affect political competition structures of a domestic party system. Thus, the salience of the EU issue was found to be very low. Moreover, the salience of the EU issue seemed to be particularly low among mainstream parties, whereas higher politicisation of European integration was found among parties at the extremes of the Left-Right dimension (see Taggart 1998). The salience of the EU issue has been examined through several types of data, such as expert surveys, the Comparative Manifesto Project, and the European Election Study (Marks and Steenbergen 1999; Van der Eijk et al. 2002; Kriesi 2005; for an analysis of all these studies see Netjes and Binnema 2007). In this project, data from my expert surveys and interviews will be used, since it is essential to measure the scores of salience of the EU issue of both policy positions and the actual behaviour of parties as discussed below. The scale of salience varies from no importance to the most important issue.
The fourth measure of the response of national party systems is *government composition*, which means the patterns of government composition and coalition formation in a party system. Alternations in government composition patterns have been connected to the concept of democratic competition, electoral stability and party system change. As Ieraci (2012, p. 532) argues ‘government alternation can be seen as a property of democracy because as long as it is possible to contest and openly challenge the political authorities the democratic process may generate a dynamic of alternation in power’. At the same time, the degree of predictability of government formation patterns indicates the degree of stability of party systems (Toole 2000, p. 442). It is, therefore, important to examine whether, under which conditions, and in what ways the structures of government composition change. In spite of the significance of the issue, there had been few attempts to provide rigorous answers to this key question until Mair’s contribution in 1997 (see also Mair 2008; Bertoa and Mair 2012).

Mair stressed three clear indicators of government alternation and proposed three Indices in order to measure these standards. First, the form of alternation (wholesome/none or partial) shows ‘the degree to which the party composition of successive governing coalitions changes at each new period of government’ (Bertoa and Mair 2012, p. 88) and is measured by the ‘Index of Government Alternation’. Second, the governing formulae (innovative or familiar) relates to whether the party or combination of parties in government have governed before in the same format (see also Franklin and Mackie 1983), and is measured by the ‘Index of Innovative Alternation’. Third, the indicator of access to government (closed or open) attempts to identify whether all political parties have the opportunity to be in government or this is a privilege of only few parties. Access to government is measured by the ‘Index of Openness’. Several authors have been inspired by Mair’s approach and studied government composition by employing a comparative perspective or by introducing new measures (see for example Horowitz et al. 2009; Ieraci 2012). Mair’s model will be used in this project because of the clear operationalisation and the high level of applicability to cross-national comparisons. Data was mainly gathered from electoral databases. Interviews were also conducted for more in-depth analysis. Table 2 below shows the different areas of the dependent variable as well as definitions, indicators, and type of data.
Table 2. Research Areas of the Dependent Variable.

<table>
<thead>
<tr>
<th>Research Areas of the Dependent Variable</th>
<th>Operational Definition</th>
<th>Measurable Indicators</th>
<th>Type of Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Party system Fragmentation</td>
<td>The effective number of relevant parties in a party system</td>
<td>The vote and seat share of each party and its proportion of the total of votes and seats (Laasko and Taagepera’s Index)</td>
<td>Electoral Data: % of votes and seats of all parties that received more than 1% vote share in national elections Interviews: see Appendix II</td>
</tr>
<tr>
<td>2. Party System Polarisation</td>
<td>The degree of ideological distance separating relevant parties in a party system</td>
<td>The position of the relevant parties in a party system along the left-right scale and the percentage of each party’s seats in parliament (‘Taylor and Herman Polarisation Index’)</td>
<td>Electoral data: % of seats of all parties that received more than 1% vote share in national elections Expert Surveys: see Appendix I Interviews: see Appendix II</td>
</tr>
<tr>
<td>3. Salience of the EU issue in Elections</td>
<td>The importance of the EU issue in elections at the party level</td>
<td>The scores of salience of the EU issue of both the policy pledges made by parties and the extent to which they are translated in actual behaviour</td>
<td>Expert Surveys: see Appendix I Interviews: see Appendix II</td>
</tr>
</tbody>
</table>

Source: Author’s design

1.2.3 Hypotheses

Taking into account the analysis of both the causal conditions and the dependent variable above, four main hypotheses are derived. The four hypotheses are formed on the basis that each explanatory factor is linked to the dependent variable; in what way possible values of economic
performance, electoral system, popular trust in institutions, and NEP are linked to possible values of national party system response? By ‘greater’ or ‘lesser’ response, I mean greater or smaller changes in the following research areas of the dependent variable, as discussed in the previous section: fragmentation, polarisation, salience of the EU issue, and structure of party competition (government composition and coalition formation patterns), as they happened in the years 2008-early 2016.

Therefore, the following hypotheses are formed:

1. The poorer the economic performance of a country during the Eurozone crisis, the greater the response of a country's party system and vice versa.

Fluctuations in the economy have been linked to political instability and change. The issue of regime breakdown, high electoral volatility, and party system change during economic crises has been studied extensively for cases in developing countries (Gasiorowski 1995), Latin America (Remmer 2008; Roberts and Wibbels 1999; Heath 2009), Asia (Pempel 1999), and Europe (Lyrintzis 2011), and results have shown that some correlation exists between economic recession and political transformation. Similarly, it is assumed that during the Eurozone crisis, sudden and fierce changes in economic figures (for example, real GDP growth and unemployment) are connected to changes in the way national party systems performed before the crisis began.

2. The more proportional the electoral system of a country, the greater the response of a country's party system during the Eurozone crisis and vice versa.

Numerous studies have looked at the connection between electoral laws and political outcomes (Duverger 1986; Lijphart 1994, Sartori 1997), while more recent research has focused on the effects of distinct electoral system features in party competition and voting behaviour (Birch 2003; Fisher 2004; Lindberg 2005). Remmer (2008, p. 24), looked at whether highly proportional electoral systems can lead to party system change in Latin American countries and concluded that electoral laws are not a determining factor of party system structure. Following the same research question, the hypothesis formed above will be the starting point of research on the degree of impact of electoral systems on national party systems during the Eurozone crisis. It is assumed
that more proportional systems allow for more parties to secure seats in parliament and, therefore, for a more fragmented party system and open structure of party competition.

3. The higher the popular trust in national political institutions of a country, the lesser the response of a country’s party system during the Eurozone crisis and vice versa.

Popular trust in national political institutions is a central concept in the studies of voter satisfaction with political regime and democracy (Mishler and Rose 2001, p. 30). Scholars that have investigated the issue, have found a variety of critical attitudes towards the way national political actors, institutions, and political elites perform (Dogan 1997; Klingemann 1999; Pharr and Putnam 2000; Dalton 2005). ‘Disaffected voters’ that mistrust national political institutions can be found in both established and emerging democracies (Torcall and Montero 2006, pp. 3-4). Research in the field for the case of Greece concluded that extremely low levels of voter confidence in national political institutions were linked to the collapse of the Greek party system during the Eurozone crisis (Verney 2014a). It is, therefore, assumed that this will be the case with all four cases investigated in this thesis. Poor economic performance is likely to lead to higher popular dissatisfaction with national government and political parties, and, therefore, lead to changes in voting behaviour and party system structures.

4. The higher the NEP of the electorate of a country, the greater the response of a country’s party system during the Eurozone crisis and vice versa.

The linkage between economic performance and voting behaviour is a very old concept (Tufte 1978, p. 65). This question investigates whether voters dissatisfied with national economy punish the government and vice versa (Key 1964). The ‘economic voter’ hypothesis, in particular, has been widely examined in the literature (Price and Sanders 1995; Powers and Cox 1997; Lewis-Beck and Stegmaier 2000; Evans and Andersen 2005), and recently in the context of the Eurozone crisis (Nezi 2012). At the same time, subjective measures of national economic performance have been extensively employed in order to show how the public perceives the national economy (Diener and Suh 1997; Fahey and Smyth 2004) and how these perceptions are linked to voting behaviour (Matthews 2010). During the Eurozone crisis, it is hypothesised that the way voters experience the economy correlates with the way they vote: the less satisfied they are with national economic
performance, the more likely it is that they punish the government parties, and, therefore, lead to greater party system transformations.

1.2.4 Methods

As stated above, the methods of expert surveys and interviews will be used for the measurement of the dependent variable. Thus, in this section I will present and justify the use of these techniques. While government composition has been exclusively measured by the use of electoral data, several techniques have been proposed for the study of party system polarisation and salience of Europe. The most popular strategies have been the following: expert surveys, opinion polls, and content analysis of party manifestos. There has as well been an on-going debate on the advantages and limitations of each method (Harmel et al. 1995; Gabel and Huber 2000; Mair 2001; Volkens 2007). First, although widely used among scholars because of the work produced by the Comparative Manifestos Project (CMP) (see for example Budge et al. 2001; Klingemann et al. 2007), party manifestos analysis faces many obstacles. CMP is focused on the salience of issues that parties show in their programmes in order to gain power in elections, rather than on the actual party positions. It is, thus, more about what parties say. On the other hand, opinion polls which have been mainly used by authors through the Comparative Study of Electoral Systems (CSES) and the European Election Study (see for example Van der Eijk et al. 2002; Dalton 2008), represent how the actions of parties are perceived by the electorate. Voter surveys show the perceptions of people about the actual behaviour of political parties in Parliament and the media. Hence, they are related to what parties do. As a result, both methods cover only part of the picture.

On the other hand, expert surveys offer a combination of the two perspectives; of what parties say and what parties do. Netjes and Benimma (2007, p. 42) convincingly argue in favour of this strategy when talking about expert surveys on the salience of the European integration issue for political parties:

If an expert is asked whether a particular issue is salient for a party, she [or he] will tap various sources of information. It is likely that the expert will have more detailed and accurate knowledge of a party program than the average voter. In addition, the expert will also have a good view of how parties behave in government and opposition. Thus, salience
scores take into account both the policy pledges made by parties and the extent to which they are translated in actual behaviour.

Many major studies have used expert judgments in order to classify the positions of political parties (see for example Castles and Mair 1984; Huber and Inglehart 1995; Ray 1997). However, this technique also has limitations. Questions of who are the ‘true’ experts to judge ‘a particular country at a particular time’ raise issues of validity and reliability (Mudde 2011, pp. 13-14). It is therefore well known that clear definitions and criteria along with a clear context of the study are necessary conditions for a valid expert survey (see also Budge 2000). For the purposes of this project, I used both existing surveys (Benoit and Laver 2006; Bakker et al. 2015, analysed by Döring and Manow 2016) and expert surveys I conducted myself. In the expert surveys, the respondents were asked to locate the relevant political parties of each case according to their ideological position on the left-right scale and their position towards European integration. They were also asked to evaluate the salience of the EU issue in national elections and to comment on the changes in the national party system during the crisis in an open-ended question. The European Parties Elections and Referendums Network (EPERN) at the Sussex European Institute at the University of Sussex was the primary source of academic contacts for this purpose.

As part of my mixed methods approach, I conducted supplementary in-depth interviews in an attempt to further examine the relationship between the independent/intervening conditions and the dependent variable. Interviews are one of the most popular qualitative research techniques among social scientists and are useful, when conducted effectively, for obtaining thoroughly primary data. They are used to ‘test hypotheses’ and ‘evaluate’ information as well as understand the meaning that people give to facts and experiences (Seidman 2013, p. 9). Expert interviews have been used extensively in political science comparative studies (Marks and Hooghe 1999,

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3 Low means of standard deviation of expert estimates for each country showed that the degree of uncertainty was considerably low in all cases and this allowed for valid and reliable results. Some variation applied as Ireland showed the least degree of uncertainty in all areas, while experts on Greece had somewhat more disagreement compared to the rest of the cases. In general, more agreement was met with regard to the element of salience of the EU issue in elections, and less agreement was found in the left-right placement. However, in any case, degree of reliability remained significantly high. See Appendix I for detailed figures of standard deviation, the expert survey design, and list of respondents for each case.

4 The European Parties Elections & Referendums Network (EPERN) is a network of scholars researching the impact of European integration on parties, elections and public opinion. It is jointly convened by Prof. Aleks Szczerbiak and Prof. Paul Taggart from the Sussex European Institute:  
http://www.sussex.ac.uk/sei/research/europeanpartieselectionsreferendumsnetwork
Bailer 2004), and EU comparative research in particular (Moravcsik 1998; Dyson and Featherstone 1999), as they are an effective way to link different case studies and examine specific factors that are relevant to particular cases (Dorussen et al. 2005, p. 317). In this thesis, the use of expert interviews is instrumental in bridging the divides between the four cases and collecting ‘inside’ information for the national political context. The interviews were semi-structured and included a number of open-ended questions regarding changes in national party systems during the crisis, factors that led to these transformations, and case-specific conditions that affected the outcomes. Interviews were conducted with political actors, party officials, experts, academics, and commentators.

1.2.5 Comparison and Case Selection

Focused comparison (or small-N comparison) will be employed in this project in order to uncover empirical relationships between variables (Lijphart 1971, p. 683) and study in a deep and systematic way a small number of cases. Since the main goal of this project is to explore diversity the comparative method is the most suitable tool. Comparative research typically aims to uncover patterns of diversity among a standard set of cases by studying how different causal conditions relate to different results (Ragin 1994, p. 108). In the same vein, my analysis seeks to determine which combinations of independent variables lead to different outcomes among the cases selected. Moreover, comparative inquiry is also connected to the second goal of my project: advancing theory. Several features make focused comparison an appropriate strategy for generating hypotheses and building theories. As Ragin (1994, p. 111) claims when stating the goals and strategies of social inquiry, ‘these features include its use of flexible frames, its explicit focus on the causes of diversity, and its emphasis on the systematic analysis of similarities and differences in the effort to specify how diversity is patterned.’ The patterns that will be specified by a comparative project are ‘flexible’ and available for further use and comparison in order to gradually establish more general patterns in the social world. Similarly, my project aims to deductively uncover these complex patterns of similarities and differences across the cases in order to set a basis upon which other comparative researchers could build.

5 See Appendix II for the detailed interview design and list of interviewees for each case.
The importance and strengths of the comparative method in social sciences in general and political studies in particular have been widely recognized, but so are the weaknesses (Lijphart 1971; Oyen 1990; Peters 1998; Pennings 1998; Landman 2000). The most important ones can be listed as follows: too many variables and too few cases, establishing equivalence and ‘travelling’ problem, and selection bias. In order to address the problem of ‘too many variables, too few instances’, I have already selected the variables illustrated above as the most significant ones in order to decrease the number of explanatory factors and make the project feasible. Moreover, since the countries examined are limited (Germany, the UK, Ireland, and Greece), I apply a comparison across time in order to increase the number of cases. Thus, the units of analysis will be general elections that took place in the countries not only during the Eurozone crisis, but also two general elections before the Eurozone crisis started for each case. As mentioned earlier in this chapter, there are 17 units of analysis (national elections in the four cases) in total. In this way, results from the time before and during the crisis can be compared. As for establishing equivalence of meanings and concepts across multiple contexts, necessary care was taken in clearly defining the concepts involved (see the detailed analysis of variables above).

With regard to the last potential shortcoming of the comparative method, the countries were selected following the technique of diverse cases, because of the great variance in terms of both the independent and dependent variable. The most similar/most different systems designs, in which cases are chosen depending on differences only in the dependent and the independent variables respectively, have been the milestones of designing comparative research (Mill 1843). However, these designs can restrict researchers in choosing only particular cases and, therefore, more flexible and innovative methodologies were developed (Collier 1993, pp. 108-113). The diverse cases technique is the most appropriate to use for this project. As Gerring (2007, p. 98) explains, the diverse case strategy ‘requires the selection of a set of cases [...] that are intended to represent the full range of values characterizing X₁, Y or some particular X₁/Y relationship’ [where X₁= Independent variable and Y= Dependent variable]. This way, I aim to illuminate the various different explanatory factors which are found in each one of the above political systems and result in several different outcomes with regard to their party system. Patton (2002) also developed a similar concept called ‘maximum variation sampling’, which is found extremely useful when one seeks to overcome the difficulty of high heterogeneity across a small number of cases. In addition, since the sample encompasses a high range of variation from very high to very low scores in the
key variables, its representativeness is high. That is why the strategy of diverse cases is considered as the strongest among all other small-N case selection techniques (Gerring 2007, p. 100-101).

The four cases chosen in my project take advantage of this case selection technique. For instance, in terms of the first two explanatory factors for each country, Germany has had moderate pluralism at the party system and an electoral system that encourages coalition governments since unification (Saalfeld 2002; Lees 2011). On the contrary, Greece has experienced a two-party system and has adopted electoral laws that help the formation of a strong single-party government since 1981 (Pappas 2001; Spyropoulos et al. 2009). Further, Ireland has faced high electoral volatility particularly since the 1970s (Farrell 1999; Murphy and Farrell 2002), while Germany has experienced a great political stability (Edinger 1968; Smith 2003). In addition, Greece and the UK underwent alterations in their government formation patterns that followed national elections during the crisis, unlike Germany and Ireland that experienced well-known models of coalition formation. Even more, we found a wholesale alteration in government and open structure of party competition in Greece where new parties took office for the first time in 2012, and an innovative coalition formation pattern in the UK when the Conservatives formed a coalition government with the Liberal Democrats in 2010. On the other hand, Germany and Ireland had no obvious changes in their government formation designs and familiar old parties took office after the elections that occurred during the crisis. It is also assumed that features, such as NEP and linkage between voters and political parties, have had very different scores among the cases particularly during the Eurozone crisis. As shown in the case-specific chapters later in the thesis, this was particularly the case with Germany and Greece, where popular trust in national political institutions was much higher in the former than in the latter during the crisis. Similarly, levels of NEP proved higher in Germany and the UK than in Ireland and Greece. These examples show that the sample includes a wide range of low and high values of the explanatory factors. Higher variation leads to higher representativeness and, consequently, to higher validity and reliability in the research results.

1.3 Thesis Outline

The structure of the thesis is as follows: after analysing the scope of my thesis, the theoretical framework, and the methodology (Introduction/chapter 1), I go on to present and analyse the
empirical evidence for each case. Therefore, chapters 2, 3, 4, and 5 are the case-specific chapters in which I discuss the results for Germany, the UK, Ireland, and Greece respectively. In chapter 6 (the comparative chapter) I evaluate the results from a comparative perspective and explore differences and common grounds among the four countries. Finally, in chapter 7 (Conclusion) I argue for the contribution of my study to the current state of knowledge in the field and discuss options for further research.

In particular, in each empirical chapter I first give an outline of the Eurozone crisis in the country pointing out the most significant economic and socio-political events from 2008 until early 2016. I then present the election and referendum results that occurred in the country during these years. In the next section of the each empirical chapter I talk about the dependent variable, that is the response of the national party systems during the crisis, by providing the results in the areas of fragmentation, polarisation, salience of the EU issue, and government composition. I also discuss these findings along with the empirical evidence I gathered through the qualitative interviews which complete the picture of the response of the party system during the crisis. I continue by providing the figures on the independent and intervening variables (GDP growth and unemployment rates, electoral system disproportionality, popular trust in institutions, and NEP) and the country-specific factors as revealed in the interviews, expert surveys, and secondary data. I examine the relative weight of each one of these factors on the dependent variable and conclude on the causes that played a crucial role in any party system transformations. I also explore the long and short-term dynamics of party competition at the national level and consider future prospects in the political developments of each country. In the comparative chapter, which follows the individual-case chapters, I summarise the case-specific findings and reveal the bigger picture about how European national party systems reacted to the economic crisis and about ways to analyse party system response to significant international events.
2. The German Case: Covering the Right Gaps

2.1 Introduction

Although the Eurozone crisis affected Germany’s economy the least compared to the rest of the euro states, this did not happen with its party system; the crisis became both a case for major parties to retain their position - although their dominance was challenged - and an opportunity for anti-mainstream movements to fill in long-existing gaps in German politics. This combination took place in one of the economically strongest European countries and in one of the traditionally most stable party systems of Europe. Despite many discontinuities, the main features of the German party system throughout the post-war era are: a long-standing tradition of consensus politics; limited extremism; and centripetal party competition, all of which have been examined by scholars in the field (Klatt 1992; Merkl 1999; Padgett and Poguntke 2002; Smith 2003; Decker and Hartleb 2007). Nevertheless, the Eurozone crisis found Germany with a slightly different political landscape. Underlying processes of the previous years became evident through the emergence of a new party, the Alternative for Germany (AfD), while one of the most popular coalition partners, the Free Democratic Party (FDP), did not even manage to be in the Bundestag. A new space for a strong Eurosceptic party with nationalistic views in the German party system became available and no mainstream party seemed well prepared for such a development. To be sure, the major parties continued enjoying a wide popular support and despite the challenges, the Christian Democratic Union (CDU) along with its sister party in Bavaria, the Christian Social Union (CSU), achieved a great victory in 2013. Although at first the AfD was considered just ‘a flash in the pan’, its development during the crisis showed that it is worth exploring how and why such a stable consensus-based pro-European party system created this kind of representation gap in the electorate during the Eurozone crisis, particularly under such strong economic conditions.

Although very stable, the German party system has been through several crises, which did not however manage to shake its ground. This puzzle has extensively concerned scholars of German party politics, who have been studying the challenges that the national party system has faced since 1949. From the once ideologically-driven large parties that have become catch-all actors in the 1960s, and the ‘one-party state’ concern because of the dominance of the Social Democratic Party (SPD) in the 1970s, to the emergence and relevance of the Greens in the 1980s, the German
party system has been all about ‘internal emergencies’ (Poguntke 2001, p. 37). New issues during these years included: division and unification; globalisation; and European integration processes. Nevertheless, the system managed not only to survive but also to adapt well to the new conditions due to its strong democratic institutions and long-established political consensus. In addition to that, the three main axes of the German party system persisted: Liberalism, Conservatism, and Social Democracy (Loesche 2003, p. 67).

There are a number of factors that contributed to this stability. First, the importance of the political parties in more general terms gave Germany the name ‘party state’, where the mainstream parties have managed to provide high levels of popular representation and, therefore, accountability for their actions when in government and opposition (Conradt 2009). Also, the broad party consensus on vital issues, such as the unification and federal state, helped the system to deal with the new challenges (Klatt 1992). The ‘politics of centrality’ played a significant role as the main parties collaborated closely in a bargaining style of governance. It is in the German party system where a centre-oriented sentiment offers the ground for pragmatic political debate and realistic solutions (Smith 1976; Padgett and Poguntke 2002). These advanced conflict management functions had to do with the high level of adaptability of the two major parties, the CDU/CSU and the SPD, which collaborate closely (Saalfeld 2002). At the same time, the parties managed to produce a democratic consciousness among both the electorate and the political institutions. The suppression of extremist forces was achieved through strong democratic institutions and a transparent political system (Merkel 1999). In the same vein, controversial issues, such as anti-immigration and radical right-wing discourse, were never salient as established parties cover a large scale of opinions and do not allow much space for ‘challenger parties’. Germany’s National Socialist past also pushed towards this direction as there were lessons learnt from the experience of authoritarianism. As a result, a radical left-wing party was more accepted than a right-wing one (Decker and Hartleb 2007).

As mentioned, the major German parties have been the main political actors in the modern German state. The two dominant parties, the CDU/CSU and the SPD, have shown impressive levels of adaptability throughout the decades from the end of the Second World War until present, despite all the transformations through which the German society has been since the 1940s. First, the CDU/CSU, has been the most successful party in Germany since 1949 by gaining the plurality of
votes in 15 out of the 17 elections (Lees 2013, p. 64). The political alliance of the CDU and the CSU or so-called ‘Union parties’, have followed a Christian democratic stance in the political spectrum. On the other hand, the Social Democratic SPD has been the second biggest party in Germany with its roots being back in 1875. Both parties started moving towards the centre particularly since the 1980s when new parties - the Greens and the Party of Democratic Socialism (PDS) - introduced new challenges for the established parties. Although their voter support has been declined since 1949, the CDU/CSU and the SPD still remain the two largest parties in the Bundestag.

As far as smaller parties are concerned, they have also shaped the developments in the German party system in their own way. First, the Alliance 90/Green party, which was established in 1980, introduced a new line of competition in the 1980s and transformed the German party system by bringing into the debate a ‘post-materialistic ecological orientation’ (Loesche 2003, p. 68). The party even managed to get into a coalition government with the SPD in the period 1998-2005. Its time in government resulted in a political discourse which lay closer to social liberalism than traditional left-wing arguments (Blühdorn 2009). In that sense, it could be argued that the Green party found a common ground with the FDP. The FDP is a centrist party formed in 1948. The party moved from a more centrist approach towards an economic liberal approach and was excluded from the Bundestag for the first time in the 2013 federal election (Jachtenfuchs 2014; Rappold 2014; Hoff 2014; interviews). Before that, it was the typical coalition partner of both major parties. Finally, the PDS, or the Left Party (Die Linke) as it is called now, which gained power after the unification of Germany, offered an alternative on the radical left of the political spectrum without ever managing to join a coalition government.

In terms of party system typologies, the post-war German party system can be divided into three main periods. First, from 1945 to 1983 Germany experienced a two-and-a-half party system (Siaroff 2003, pp.273-276). Voters showed massive support for the two major parties, the CDU/CSU and the SPD, which were in alternation in government either with FDP or together in a grand coalition. There was a broad sentiment of consensus politics and the two major parties achieved a most high score of a combined vote (Edinger 1968). Second, from 1983 until 2013, Germany faced more fragmentation because of the reunification in 1990 and newly emerged parties, such as the Greens in the early 1990s and the Left in 2007, which became politically relevant. During this period, the Green party also became a coalition partner of the federal
government along with the SPD in the 1998 and 2002 elections. Stemming from these long periods in the German party system, scholars concluded that its main lasting features are regular alternation of the established parties in government, stable long-lasting governing coalitions, and no radical right-wing parties gaining seats in the Bundestag (Smith 2003), mainly due to the historical past of the German state, which led to a stable democracy based on political consensus. The third period in the German party system began in 2013. In 2013 we find the FDP vanishing completely from the political scene, and the AfD, which was created in the same year, growing in terms of electoral support. After the 2013 national election took place, German politics were more in flux with new patterns appearing in party competition and hidden issues, such as anti-European and radical right-wing sentiment, gaining ground.

This chapter discusses these developments and changes that the German party system experienced since 2013 in particular and during the Eurozone crisis in general, following the methodology that was presented in the Introduction of the thesis. The rest of the chapter is structured as follows: First, I talk about the results of the elections that took place in Germany during the crisis. Then, I study the response of the German party system during the crisis. In particular, I look at fragmentation, polarisation, the EU issue, and government formation patterns. In the next section, I examine the reasons of these developments: first, by studying the independent variable (economic performance) and intervening variables, that is the electoral system, the popular trust in national political institutions and NEP, and second, by analysing other structural conditions that affected the German party system during the crisis and were particularly relevant to the German case.

### 2.1.1 Elections during the Crisis

The 2013 general election revealed some interesting transformations in the German party system. Figure 2.1 shows the results of the 2005, 2009, and 2013 federal elections in Germany for the main parties. We see that in 2013, the CDU/CSU remained the most powerful party in parliament with 41.5% of the popular vote; 7.7% higher than in the 2009 federal election. Angela Merkel was therefore supported by the majority of German voters for her way of managing both domestic and the EU politics during the crisis. The SPD also raised its support slightly from 23% in 2009 to 25.7% in 2013 and became the second largest party in the Bundestag. On the contrary, the CDU/CSU’s
traditional coalition partner, the FDP, experienced a massive loss of electoral power and did not manage to gain any seats in the Bundestag as it fell short of the 5% threshold with 4.8% of the vote. That was a radical change for German politics as the FDP could no longer play its traditional role of a centrist coalition partner of one of the major parties. Under these conditions, the Christian Democrats formed a grand coalition with the Social Democrats, which was a familiar governing formula despite the FDP’s electoral meltdown. At the same time, both the Left and the Green parties lost electoral strength compared to the previous election, but secured their positions in the parliament with 8.6% and 8.4% of the vote. The performance of the new party, the AfD, was one of the most significant outcomes of this election. The party achieved 4.7% of the popular vote and almost managed to secure a place in Bundestag. Its anti-euro discourse somewhat shook the general pro-European consensus in the German party system (Von Lucke 2014; interview).

Figure 2.1. Results of the 2005, 2009, and 2013 Federal Elections in Germany (% vote share).

A look at the second-order elections during the crisis is also useful. Their results may not be as significant as the first-order elections but in this case they still reveal several interesting trends. In terms of the 2014 European election in Germany, an important change occurred regarding the
electoral process; it was the first time that the threshold went down to 3% instead of 5% in order for Germany to comply with the EU regulations (Poptcheva 2014). Under these new conditions, the AfD managed to secure seven seats in the European Parliament (EP). This was the first time that a new German party received enough votes to secure European seats after 1984 when the Green party gained its first seats in the EP. At the same time, the other small parties decreased their power. The Greens gained 9 seats compared to 14 in the previous European election in 2009 and the Left lost one seat ending up with 7 seats. The FDP continued its meltdown after the disappointing results in the Federal election and gained only 3 seats in the EP. As for the two major parties, the CDU/CSU was again the biggest party but decreased its power from 34 to 29 seats, while the SPD grew by gaining 4 more seats (27 in total). The AfD had a strong performance in the German state elections that followed the 2013 federal election too. The party had gains in the 2014 and 2015 local elections and increased its electoral support significantly in the 2016 state elections. The latter local elections in particular showed another dimension of the post-2013 German politics. The CDU decreased its support in Baden-Wuerttemberg and Rhineland Palatinate and remained the biggest party in Saxony-Anhalt, while the AfD increased its support in all the three states and the Greens retained their electoral strength in Baden-Wuerttemberg.

2.2 How did the German Party System Respond to the Crisis?

2.2.1 Fragmentation and Polarisation

Some Very Centrist Politics


<table>
<thead>
<tr>
<th>Federal elections</th>
<th>2005</th>
<th>2009</th>
<th>2013</th>
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<tr>
<td>Fragmentation (votes)</td>
<td>4.5</td>
<td>5.6</td>
<td>4.8</td>
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<tr>
<td>Fragmentation (seats)</td>
<td>4.1</td>
<td>4.8</td>
<td>3.5</td>
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<tr>
<td>Polarisation</td>
<td>0.2</td>
<td>0.3</td>
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Source: Electoral data and author’s calculations using Laasko and Taagepera’s index for Fragmentation and Taylor and Herman’s index for Polarisation.
Table 3 shows the fragmentation and polarisation figures in the 2005, 2009, and 2013 German federal elections. Fragmentation and polarisation are the main features of a party system and they represent some of the most important transformations in party competition. In this work, fragmentation is measured with the Laasko and Taagepera’s Fragmentation Index (1979) which concerns the effective number of parties in a party system depending on the parties’ relative strength in terms of votes and seats. Polarisation is defined as the degree of ideological distance separating relevant parties in a party system along a left-right scale and was measured through the Taylor and Herman’s Polarisation Index (Taylor and Herman 1971).

As we can see in Table 3, the German party system did not experience massive transformations in either fragmentation or polarisation during the crisis but rather slight changes. According to Laasko and Taagepera’s Fragmentation Index (1979), a trend towards higher fragmentation started before the Eurozone crisis began. As Table 4 illustrates, fragmentation in votes and seats was higher in the 2009 federal election than in the 2005 election. In particular, fragmentation score was 4.5 in votes and 4.1 in seats in 2005, while 5.6 and 4.8 respectively in 2009. This was mainly because of the fall of support of the SPD and the rise of popular support for smaller parties (Hough 2011). The fall of the SPD combined with the Greens and the Left party gaining more power was associated with more fragmentation to the left. The FDP also gained electoral support in the 2009 election. However, its meltdown in the 2013 election led to a lower fragmentation score (4.8 fragmentation in votes and 3.5 fragmentation in seats), as the party did not even make it to the Bundestag.

As for polarisation, the figures did not show much of a change. Calculations according to the Taylor and Herman polarisation Index (1971) showed that polarisation scores remained almost the same in the last three federal elections in Germany; 0.2 in 2005 and 2013 and 0.3 in 2009. The collapse of the FDP, although the most right-wing party in the Bundestag in terms of economic issues, did not alter the polarisation of the system on the whole, as it was combined with the rise of the popular support for the two major parties, the CDU and the SPD, which stand closer to the centre of the ideological spectrum. At the same time, the parties did not experience any major ideological shift. This is confirmed by my expert survey results, which are shown in Figure 2.2. We see that the CDU/CSU moved slightly to the centre, while the SPD moved slightly to the left. The Left party
remained in the position it had before the Eurozone crisis began and the FDP moved slightly to the right.

**Figure 2.2. Ideological Party Position in Germany before (2005 and 2009 elections) and after the Eurozone Crisis began (2013 election).**

Although my expert survey did not reveal much ideological shift in the German party system, more in-depth qualitative research brought to light some interesting findings: the further concentration of the German parties in the centre and a vacuum in the right space of the ideological spectrum, which started well before the crisis began. As for the centre-right parties, there are two main features that contributed to these developments: a shift of the CDU to the centre in some policy areas and the collapse of the FDP. Although some scholars of German politics have tried to explain the ability of a conservative party to dominate a centrist political system (see Lees 2013), interviewees argued that the CDU has been slightly far from representing the classic Christian democratic values in its latest years in government (Brueckner 2014; Diederich 2014; Jachtenfuchs 2014; interviews). During Angela Merkel’s governance, some of the CDU’s policies have turned
into more centrist and even social democratic at times (Poguntke 2014, p. 960). Several examples indicate the CDU’s shift to the centre: the party’s stance on the atomic waste of nuclear plants in Germany, the abolition of conscription, and the implementation of a minimum wage (Barchmann 2014; interview). Further, the collapse of the FDP also played a significant role in creating a gap in the right-wing space of the German party system. As we see in Figure 2.2, the FDP was the only party to lie so close to the right end on the left-right scale. The FDP represented a liberal economic type of politics and this discourse vanished with the party’s disappointing performance in the 2013 federal election. With the outbreak of the Eurozone crisis in 2008 and the migration crisis that followed in 2015, voters with more conservative views opted for alternative right-wing options, such as the CDU/CSU and the AfD (Krouwel et al. 2013).

On the left, the SPD had also started moving to more centrist views well before the crisis began. Having started as one of strongest parties in Europe to deliver the social-democratic ideas, the SPD has changed extensively in the late 1990s and early 2000s (Allen 2009; Karreth et al. 2013, pp. 805-806). The success of the PDS/Left party lying on the left of the ideological spectrum as well as the centrist attitude of the Green party left the SPD in an awkward position. The latter ended up not only moving from centre-left to centre, but also in favour of centre-right and liberal economic policies particularly when in government in the years 1998-2005 (Paterson and Sloan 2006; Hoff 2014; interview). The Green party was also influenced by ‘third way politics’ from joining in the same coalition government. From a classic left-wing environmentally conscious movement, it came to have ‘given in too easily to the forces of centrality’ (Poguntke 2001, p. 46). In spite of the Greens’ recent attempts during the pre-election period of 2013 to move back to a more social-democratic position, the party did not manage to make such an appeal (Rüdig 2014, p. 159). After reaching its highest number of votes in the 2009 election (10.7% of the vote share), it was relatively damaged in the 2013 election (8.4%). The Left party, although the only party to remain at an ideological position far from the centre and traditionally the most left-wing party in the Bundestag (Braunthal 1995), did not remain without problems. The Left party (initially PDS) was advantaged when the centrist coalition government of the SPD and the Greens left them with no real competition on the left (Von Lucke 2014; Rappold 2014; interviews). However, its time in office with the SPD at the Berlin government after the state elections in 2006, cost the Left a number of loyal voters. The state coalition government was considered much less social-democratic than expected (Patton 2011, p. 131).
**Covering the Right Gap**

These developments created a significant space in the right of the German party system during the Eurozone crisis. The shift of the two major parties to the centre, the collapse of the economic liberal FDP, and the fragmentation to the left resulted in a vacuum in the right space of the ideological spectrum. The AfD was the party to cover that gap and it had been the only Eurosceptic party in the German history to gain significant electoral support at both local and national level. Having been founded only in 2013, the party did particularly well in the 2013 federal election; by gaining 4.7% of the popular vote it nearly made it into the Bundestag. The party continued its upward performance in the second-order elections that followed. In the European elections in 2014 it achieved 7 seats, while it had a great success in the most recent state elections in 2016 too by gaining 24.2% of the vote in Saxony, 15.1% in Baden-Württemberg and 12.6% in Rhineland-Palatinate. Despite its successful electoral performance, the mainstream parties did not engage much with the AfD in the political debate (Diederich 2014; Von Lucke 2014; interviews).

The AfD’s ideological orientation is quite complicated and it attracted voters from all different backgrounds. The party started as single-issue political movement created by a number of academics in order to oppose the establishment of the common currency among European states (Von Lucke 2014; interview). Although Euroscepticism in the country existed well before the economic crisis began it was never really active as an issue because of Germany’s unified pro-European parliament (Grimm 2015, p. 267). The AfD, however, did not come against European integration per se but rather against the common monetary policy of the EU and the throughout pro-euro stance of the German mainstream parties. Despite the fact that the German economy thrived during the Eurozone sovereign debt crisis the idea that the euro showed its limited potential and German institutions were even more at risk became increasingly salient. Germany’s high involvement in and responsibility for tackling the Eurozone crisis along with the sentiment that German taxpayers were paying for the faults of the poor economies, such as Greece, weakened some of the German voters’ ‘appetite for solidarity’ (Scicluna 2014, p. 288). At the same time, the main opposition parties did not show similar concerns but rather approved of the

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6 The AfD’s ‘ordoliberalism’, an economic ideology that lies between interventionist and neoliberalist ideas, has its roots in Germany’s experiences of hyperinflation during the Weimar Republic. Being ‘ordoliberalist’, the AfD argues that the EMU does not have the political foundations for a common economy and currency to be established among the European states (Grimm 2015, p. 266).
government's policy-making, leaving the AfD the only serious critic of Angela Markel's and the EMU's decision making.

The party has also been widely connected with right-wing attitudes. The AfD members have been reluctant in expressing radical right-wing views openly in the sense that they did not go so as far as being against immigration or social rights and democratic values as extreme right-wing parties in Europe have done during the crisis - for example, Front National in France and Golden Dawn in Greece. However, German voters that leaned towards the AfD tended to have mostly authoritarian views in terms of immigration, human liberties, and social policies (Berbuir et al. 2015, pp. 171-173). This became even more the case since the outbreak of the migrant crisis in 2015. However, the main focus of the AfD’s right-wing ideology lay in the support for German traditional values and institutions, such as the German history, national identity, and national currency (Hoff 2014; interview). For the AfD, it was German values that led to the country’s outstanding democratic performance and economic growth which were at risk during the Eurozone crisis and even the migrant crisis thereafter. With the major Christian Democratic party, the CDU, having moved in certain cases towards the centre and with the economically right-wing FDP having collapsed, the AfD exploited the lack of a right-wing representative in German politics.

The AfD did not attract only the right-wing part of the electorate; in fact, it was popular among a wide range of voters, with many of its supporters having been self-placed at the moderate centre of the political spectrum (Berbuir et al. 2015, p. 169). This shows the protest party potential of the AfD. The party attracted voters who were dissatisfied not only with the conservative parties in particular, but also with the mainstream parties in general. Lower party alignment and high volatility along with less ideology-driven arguments were some of the underlying features of the German party system before the crisis began (Lange 2014; interview). Therefore, the potential for an anti-mainstream party was already there and became active only under the tough conditions of the Eurozone crisis and through the Eurosceptic and anti-political elite discourse of the AfD. The part of the electorate that felt that their personal interests and ideological perspectives were not represented by the mainstream parties as the latter were concentrating to the centre in a pro-European appeal, had now the opportunity to protest (Brueckner 2014; Rappold 2014; interviews). It was the AfD’s anti-establishment and pro-sovereignty position that made it so successful during the crisis.
2.2.2 The EU issue

*High EU Salience but no Real Divide*

Figure 2.3. Two-Dimensional View of Party Position in Germany before (2005 and 2009 elections) and after the Eurozone Crisis began (2013 election).

As far as party positions towards European integration are concerned, the expert survey results showed that all parties maintained almost the same scores in the elections before and after the Eurozone crisis began (Figure 2.3). The CDU/CSU, the SPD, and the Greens remained quite positive throughout the elections covered in the survey. The FDP remained somewhat in favour of European integration, while the PDS/the Left was neutral. In all elections, parties that lay closer to the left extreme of the ideological scale (PDS/the Left) were more Eurosceptic compared to centre-located parties (CDU/CSU, SPD, Greens) and the right-wing FDP, which had a more pro-European attitude. However, even the Left party was neutral rather than opposed to the EU before and during the crisis. In terms of the government/opposition divide, the Left party - the
only party that had not been in a coalition federal government so far - was found to be more Eurosceptic than traditional government coalition partners.

Figure 2.4. Importance of the EU issue for parties in Germany before (2005 and 2009 elections) and after the Eurozone crisis occurred (2013 election).

On the other hand, the salience of the EU went through some significant change between elections. Figure 2.4 shows the degree of importance of the EU issue in the German federal elections before and after the outbreak of the Eurozone crisis. In the 2013 election, the EU became a more important issue especially for the two major parties, the CDU/CSU and the SPD. On the other hand, all parties considered the EU issue as an issue of very little and little importance before the crisis began. For the Left and the FDP, the issue was much less important than for the CDU/CSU, the SPD, and the Greens. During the crisis, we found the two major parties being more concerned with the EU. Particularly for the CDU/CSU the issue was of high importance. The Greens and the SPD also moved in the same direction. The Left party treated the issue as
more important, but its score was still low compared to the major and coalition government parties.

We saw earlier than the pro-European attitude of the German parties has traditionally been one of the main features of the German party system; however, more in-depth qualitative research showed significant intra-party confusion as well as a Eurosceptic potential (through the AfD) that became relevant because of the economic crisis combined with a long-term pro-European party consensus in Germany. Indeed, the pro-European stance among the mainstream German parties remained, to a great extent, during the Eurozone crisis particularly regarding the parties’ discourse and their policy decisions in the Bundestag. All parties, apart from the Left, supported Angela Merkel’s policy decisions in the EU regarding the crisis and the rescue packages to Southern European countries facing financial problems. The Left was the only party that adopted a somewhat different discourse concerning the measures implemented in the euro-states with financial issues during the crisis (Hoff 2014; Von Lucke 2014; interviews). In any case, the party has always been an exception to some extent to the general pro-European consensus at the party level in Germany (see Wimmel and Edwards 2011). However, the opinions on the EU differed more in intra-party discussions and had a great impact on party competition in general. In one of the most important crisis-related votes in the German Bundestag - the approval of the second bailout package to Greece in 2012 - all parties, apart from the Left, voted in favour of the CDU/SCU and the FDP government propositions. However, apart from the Left MPs, 17 more MPs from the mainstream parties expressed their opposition and voted against Merkel’s decision leading Merkel having to rely on opposition parties’ support (Spiegel Online International 2012).

These votes that appeared as a result of the Eurozone crisis had an impact on party competition. First, the FDP experienced important divisions because of the differentiated opinions on the EU within the party during the crisis. It developed a particular anti-euro wing which resulted in an intra-party referendum on ESM in 2010. As Dr Simon Frantzmann (2014; expert survey) from the Heinrich-Heine University in Düsseldorf, said ‘the FDP was internally torn between supports and opponents of the EMU. After all, this was one of the reasons of its very bad performance in the 2013 federal election’. After those election results, the party made serious attempts to differentiate itself from the anti-EU views expressed by marginal parties, such as the AfD (Jachtenfuchs 2014; interview). The SPD and the Greens retained a rather unified Europhile
attitude throughout the crisis as well as the CDU which remained the most dominant pro-EU figure. Angela Merkel did face certain criticism from more conservative groups within the party, which doubted her policy of financial assistance to countries struggling with the crisis (Moroska-Bonkiewicz and Pytlas 2013, pp. 14-15), but this did not result in any anti-EU discourse overall.

Despite these developments, the German party system consensus on the EU remained one of the strongest in Europe during the Eurozone crisis and no pro-/anti-European divide was established in Germany during the crisis. In fact, the particularly strong electoral performance of the CDU in the 2013 federal election and the strong pro-European grand coalition that was created confirmed that Euroscepticism was not as strong at the party level in Germany despite the outbreak of the sovereign debt crisis. However, this trend did not go hand in hand with the German public’s preferences over the EU. As Figure 2.5 shows, the percentage of German people that had positive view towards the EU was at a relatively high level from 2003 to 2009, slightly lower than the European average from 2003 to 2006. Then, this percentage was just above the EU average before the crisis began, during the years 2007-2008, until it experienced a huge drop in the following years. Two years later the percentage of German people favouring the EU moved from 46.5% in 2009 to 34% in 2010 and 32% in 2012 - despite the generally strong economic performance of their country - until it rose again to 45% in 2015. In an attempt to keep the broad pro-EU sentiment at the party level, the German parties did not pay much attention either to the public’s preoccupations or to the promising performance of the AfD. This strategy was employed by the CDU in particular; Chancellor Merkel avoided even mentioning the name of the new party in her public appearances in an attempt to eliminate its impact (Von Lucke 2014; interview).
Figure 2.5. The percentage of German and European (total of all EU countries) people that have a very positive and fairly positive view of the EU (years 2003-2015).

Source: Eurobarometer, European Commission 2003-2015

**Touching on Europe, Pointing out Germany**

Even more interesting is the way that the EU issue was operationalised in the German national political context as for each party the high EU salience during the Eurozone crisis meant something different. At the same time, however, these various approaches had something in common; the translation of the EU issue into salient domestic issues. To begin with, the CDU kept talking positively about the EU as a way of promoting itself. Chancellor Merkel's policy-making during the crisis made some parts of the German electorate concerned particularly with regard to the rescue packages offered to other countries with serious financial problems (Bennett 2015). This was the time when the CDU concentrated its pro-European argument on Merkel's good crisis-management. The party promoted the idea of the German economy being under control under Merkel's government, a fact that was connected to the general pro-European party consensus in Germany. The argument was that the euro worked because Merkel was able to make it work and the same applied to the German economy too. This argument was even more obvious during the 2013 pre-election period when the CDU's campaign put all its focus on Merkel's achievements during the crisis (Poss 2014; interview). In fact, Merkel came out so strong that the party did not even have to make a significant effort talking about the EU in its campaign. As Albrecht von Lucke (2014; interview), political scientist and editor of the Blätter für Deutsche und Internationale Politik, argued, 'Merkel was so strong during the crisis that she did not even need to play the European
Taking for granted that the EU is a good thing, it was mainly about the fact that she could make things work in Germany'.

When looking at the rest of the mainstream parties, we found a few sporadic, but not serious attempts to raise questions or doubts about the direction of the EU during the crisis. On the right-wing side, the FDP seemed slightly confused regarding the EU issue. As mentioned earlier, the party’s internal problems did not allow it to have a solid position on the issue and so, it did not manage to influence the question. On the centre and centre-left, the SPD and Die Linke attempted to start a left-wing critique about the euro but without major success (Hoff 2014; interview). This was particularly relevant during the crisis, when opposition left-wing parties did not really address the issue in relation to the EU, but rather in relation to Angela Merkel’s governance. Just like the CDU’s campaign was focused on Angela Merkel’s successful crisis-management, opposition parties focused on the Chancellor’s policies. That is, for both government and opposition parties talking about the EU meant talking about Merkel’s way of handling of the crisis. This EU-related argumentation combined with the support that all opposition parties, except for the Left, showed for Merkel’s decisions throughout the crisis, resulted in no particular differentiation of the German parties towards the EU issue (Rappold 2014; interview).

When no party was able to offer an alternative, the AfD took the opportunity to talk about the EU. The party was the only political actor to talk substantially about the EU during the crisis. In fact, it started its political career as a single-issue party that was all about the EU and the euro (Brack and Startin 2015, p. 245). The starting point of the AfD was the failure of the euro currency and how an alternative to the monetary union is possible. Since no other party expressed a solid anti-EU alternative in the German party system, this seemed the perfect timing to offer different economic arguments to that under-represented part of the electorate, which was not satisfied with the way the EU was operating during the crisis (Grimm 2015, pp. 266-268). In other words, the EU issue was the anchor to which the party was primarily attached. Nevertheless, although its initial anti-euro discourse was strong, it was not strong enough to initiate an extended debate on the EU since the mainstream parties did not seem to follow this initiative.

After its initial success, however, the AfD found other ways to take the argument on the EU even further and make it relevant to the German national context in particular. We saw earlier that
although the AfD started as a single-issue movement, it quickly transformed itself into an opposition to the mainstream German parties. The main argument of the party regarding the supremacy of the German currency was turned into a discussion about the importance of the German institutions in more general terms (Hoff 2014; interview). Taking into account that Germany’s economic performance during the crisis was rather good compared to other EU countries, the AfD used this opportunity to ask the question that part of the German public had in mind: why pay for the South? That way, the AfD built on the fear of the economic crisis, rather than the economic crisis itself. That is, the Eurozone crisis was not a real problem for Germany; rather, it was the crisis as a symbol of insecurity and injustice among some of the German voters (Hoff 2014; interview). Von Lucke (2014; interview), called this argument ‘national egoism’ as the AfD problematised issues of national mentality that mainstream parties have always been afraid to talk about in Germany. For the AfD, it was time to start talking about how to secure the German money and institutions rather than protect the European project.

At the same time, since no serious alternative was offered on the right of the ideological spectrum, this was the time for the AfD to move the discussion even further to other domestic-related questions which remained ‘low-profile’ for many years in Germany. Issues such as immigration, multiculturalism, and the German leitkultur were only marginally discussed in the country by radical right-wing regional parties, which never really made their voice broadly heard. However, a nationalistic element has always existed among the German public (Chapin 1997; Lubbers and Scheepers 2001; Backes 2006). Not surprisingly, this discussion was never really brought to life after the Second World War due to the German historic experience of National Socialism. In the AfD, this part of the electorate found a representative that could talk about these issues by offering ‘a logical argumentation’ (Von Lucke 2014; interview). With interest turning towards issues long-hidden from the public domain, the AfD managed to use the EU issue and the crisis in a quite subtle way by moving the discussion from the national currency to the national identity. The Eurozone crisis was a symbol for the threat under which traditional German institutions were. By using this symbol, the AfD managed to capture a part of the electorate that was feeling unrepresented in terms of its ideological orientation and nationalistic sentiment.

Based on the analysis above, we could argue that the several German parties used the EU issue in various ways in order to promote their own interests and a debate on the European integration
project per se was not really created during the Eurozone crisis. The fact that the EU issue was articulated this way in the political discussion in Germany was also proved by the fact that there were mainly domestic issues maintaining parties’ and voters’ interest. Apart from the sovereignty issues raised by the AfD, parties showed some concern with social inequality and social justice matters as well. This discussion started in the early 2000s with Gerhard Schröder’s labour market and welfare reforms towards a more social-democratic policy-making (see for example Seeleib-Kaiser and Fleckenstein 2007). In times of crisis, those reforms were considered by some as inappropriate and caused insecurity among German voters (Rappold 2014; interview). The Left party exploited the issue particularly during the crisis by talking about minimum wages, pension reforms, and social welfare reforms. The major parties were also much concerned with the issue of the national economy. In particular, issues such as the rise of taxes, private and state investments, and wage policies were salient in the 2013 federal election (Poss 2014; Barchmann 2014; Von Lucke 2014; interviews). Social security was another issue discussed during the crisis, mainly by the margins of the party system, such as the regional Bavarian party which talked about putting taxes on foreigners that use their regional roads (Spiegel Online International 2013). Of course social security became even more important when connected with the highly salient immigration issue along with the migration crisis that started in late 2015.

2.2.3 Government Composition and Future Developments

Government composition is the third party system property examined in this thesis. I use Mair’s (1997) Indices on the structure of party competition in order to measure any changes in the government composition and coalition formation patterns in the German case during the crisis. In particular, I use Mair’s three indicators of government formation: the form of alternation in government (wholesale/none or partial), the governing formulae (innovative or familiar), and the access to government (closed or open). In the 2013 federal election, we found that the German party system had a closed structure of competition. In terms of the first criterion, the form of alternation of government, there was partial alternation in government in 2013 compared to the previous election in 2009, since the CDU/CSU continued as a partner of a coalition government with a different partner, the SPD, resulting into a grand coalition. Second, the governing formula was familiar since there were three more grand coalitions of the two major German parties in the Bundestag in the past. Third, the access to government was closed; no new party joined the
coalition government. Although government alternation was partial, the fact that the German parliament experienced a familiar government pattern with no new entries in the coalition government led to a closed structure of party competition.

In that sense, during the Eurozone crisis the German party system remained quite stable at the surface, that is the government formation pattern. However, party competition lines were in a process of transformation even if this was not visible in the election results. These transformations had mainly to do with the collapse of the FDP and the performance of the AfD. The meltdown of such a long-standing party and traditional coalition partner, the FDP, was a significant factor in the 2013 federal election as it could potentially alter the fragmentation and polarisation patterns in the German party system. At the same time, the rise of the AfD somewhat shook party competition. As the AfD was the only serious attempt to oppose Merkel’s policies in Germany at the time, this could result in new competition lines, where parties would have to find ways to oppose themselves to the AfD and to others. The EU issue along with the growing migration issue appeared likely to continue directing the political discussion. As anti-establishment parties, such as the AfD, posed a strong alternative option to establishment politics, mainstream parties’ electoral performance could be challenged. Although many of the above were to be seen, it was likely that more coalition formation options were feasible now than ever before (Lees 2012, pp. 555-556).

2.3 Why did the German Party System Respond this Way?

2.3.1 The Independent Variable: The Impact of the Crisis

Germany was one of the leading actors in the Eurozone crisis. Having been the most powerful economy in Europe and the biggest supporter of the vision for European integration, its decisions and actions played a significant role in all the developments of the crisis (Bulmer 2014). Among other actions, the approval of the rescue packages for Greece challenged Chancellor Merkel’s leadership, since some members of her party seemed to disagree while, on the other hand, many members of the allied parties Greens and Social Democrats voted for the agreement (Spiegel Online International 2012). In September 2012, Angela Merkel achieved a great victory in her political career during the crisis. The Constitutional Court in Germany approved government’s decision on the establishment of the European Stability Mechanism (ESM), which would be used
by the Eurozone member states in order to co-operate with the ECB in buying bonds of countries with high interest rates (Peel 2012).

On top of the leading role of Germany during the crisis, the country’s economy was exceptionally good too compared not only to countries that were hit badly by the crisis but also to member states that performed well. In spite of a decrease in its trade balance (The New York Times 2012), Germany remained in a strong economic condition with relatively high rates of GDP growth and low unemployment rates throughout the crisis. As Figure 2.6 shows, GDP growth and unemployment rates were on the rise before the crisis began. 2009 was a significant year especially regarding GDP growth. The rate went down from 1.1 in 2008 to -5.1 in the following year. Nevertheless, GDP growth rose extremely quickly in 2010 going up to 4.0, although it went down again in the following years reaching 0.4 in 2013 and up again in 2015 at 1.9. At the same time, unemployment rates were quite satisfactory; they actually decreased from 2008 onwards. For example, while unemployment was 7.8% in 2009, the rate decreased to 5.3% in 2013 and 4.3% in 2015. It is then clear that the Eurozone crisis showed Germany’s strong economic potential compared to the rest of Europe.

Figure 2.6. Real GDP growth (% change compared to the previous year) and unemployment rates in Germany during the years 2003-2015.

Although the crisis had less of an impact on Germany’s economy, it did affect the German party system; however, as we saw earlier, it was the crisis as a symbol rather than a real problem that was associated with changes in party competition. Starting with the newly established AfD, the crisis contributed significantly to its rise. The insecurity that the crisis caused regarding national sovereignty issues helped the AfD develop its discourse and win over part of the German electorate. The crisis gave the new party the space to talk negatively about the euro and bring the German mark back to the discussion as a realistic option (Diederich 2014; Hoff 2014; interviews). In the same vein, it was the crisis that allowed the party to develop the argument that the German people should not pay for the EU countries fighting the crisis and that the German government was responsible for this. The party’s discourse about German national institutions was all about what Germany could have lost because of the crisis. Joachim Poss (2014; interview), SPD MP, explained that ‘it was the fear of the failure of the euro rather than the actual failure of the German economy’. The representation gap that existed in Germany before the crisis began, when a limited number of political actors would talk about an alternative to Merkel’s approach towards the European integration project, found a way forward during the crisis through the AfD.

In the cases of the dominance of the CDU and the collapse of the FDP, the crisis had a different degree of importance in each circumstance. The CDU/CSU benefitted particularly because of the crisis. The strong performance of the country during the tough years of the economic recession in the rest of the EU was widely attributed to Merkel’s handling of the crisis and strong leadership abilities. The dominance of the party was secured in the 2013 election and this shows partly why a large number of German voters supported Merkel’s decisions on the management of the crisis (Lang 2013, p. 3). On the other hand, the FDP’s meltdown was not as relevant to the Eurozone crisis. The party had to face significant problems of leadership and personnel which were evident in voters’ preferences for the other German party leaders (Krouwel et al. 2013). It also experienced policy orientation problems which resulted in its distance from its electoral base. The FDP used to speak the language of the higher business class and a strong economic oriented liberalism, which failed during the crisis for two main reasons; this discourse did not fit anymore in the tough economic times of the crisis and the promises that the party made accordingly seemed unrealistic and impossible to fulfil (Moroska-Bonkiewicz and Pytlas 2013, pp. 6-7). This resulted in its huge defeat in the 2013 federal election, when the party lost all its seats in the Bundestag.
2.3.2 The Intervening Variables

The German Electoral System and Electoral System Proportionality during the Crisis

Germany has a complex electoral system due to the nature of the federal state. Each voter has two votes; the first vote is for a constituency candidate who applies to a direct mandate in the Parliament, and the second vote is for a party\(^7\). The second vote is considered more important when it comes to the final outcome in the Bundestag, because depending on the proportion of the second votes, the seats are then distributed to the parties that gained a minimum of 5% of the total amount of the valid second votes. A party that has not managed to reach the 5% threshold, but won a minimum of three constituencies, can still enter the Bundestag with a number of seats allocated by proportional representation according to the number of second votes it received. This happened in the past with the PDS, when in 1994 the party did not reach the 5% needed, but won four mandates in the city of Berlin. Therefore, this enabled it to allocate 30 MPs in the Bundestag.

The high 5% threshold in the German electoral system has been debated. However, after the experience of the Weimer Republic, due to reasons of stability of the party system and capacity of the government and the Bundestag, the clause has been broadly accepted (Amann et al. 2013).

In terms of electoral system disproportionality, which is the first intervening variable of the project, the German electoral system has managed to retain low levels of electoral disproportionality before the crisis began, despite the high 5% threshold. This was mainly because the mainstream parties secured the majority of votes, which were, therefore, represented in the Bundestag to a great extent. Nevertheless, this changed in the last federal election when the disproportionality score rose significantly. In particular, as Table 4 shows, disproportionality was at a low level in the 2005 election (2.1), and slightly higher in the 2009 election (3.3). In the 2013 election the score was much higher at 7.8. This is translated into a greater difference between the percentage of votes received, and the percentage of seats that the German parties gained in the Bundestag. This is explained mainly because of the non-mainstream vote increased (AfD), while the voters’ support for the FDP decreased. These parties received 4.7% and 4.8% of the popular vote respectively; a relatively significant combined number of votes, which, however, were not represented in the Bundestag. In that sense, the German electoral system and the 5% threshold in

\(^7\) For a detailed analysis of the German electoral system, see Capoccia (2002).
particular proved highly important in retaining familiar trends in the Bundestag and preventing bigger changes from happening (Faas 2014, p. 244).

Table 4. Disproportionality of the German electoral system in the 2005, 2009, and 2013 Federal Elections (Gallagher Index).

<table>
<thead>
<tr>
<th>Year</th>
<th>Electoral System</th>
<th>Disproportionality</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
<td>2.1</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>3.3</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>7.8</td>
</tr>
</tbody>
</table>

Source: Author’s calculations

Popular Trust in Political Institutions

Voters’ degree of confidence in national parties and government is the second intervening variable and shows the levels of popular trust in the national political institutions. In times of crisis, popular trust in the national government and parties is an important factor that influences party system response and is linked to credibility and legitimisation of government. In Germany, although the levels of popular trust in the national political institutions have been quite high in the last decade, the numbers were rather low before 2007. As Figure 2.7 indicates, in 2003 only 12% of German people trusted the national political parties in general and only 23% trusted the national government. This figure was lower than the EU average in 2003, when the average of the EU respondents trusted their national governments at 35.5%. Trust in the German government and parliament increased in the next few years reaching 45% and 46% respectively. Since 2007 in particular, German voters have shown high levels of trust in their national government and parliament. While after 2007 the average figure in the EU started decreasing until it reached very low levels during the crisis, the majority of the German respondents showed high levels of trust especially during the crisis, despite some fluctuations in the scores. After a decrease in 2010, levels of trust in the national government and parliament kept increasing during the crisis, until they reached 51% in 2014 compared to the European average 28%. However, popular trust in political parties was overall relatively low compared to trust in the national government and parliament ranging from 12%-22% throughout the years 2003-2013. Yet, it started rising after 2011 and reached 30% in 2014, before decreasing slightly in 2015 (28%).
Figure 2.7. The percentage of German and European (total of all EU countries) people that tend to trust their national political institutions (years 2003-2015).

Source: Eurobarometer, European Commission 2003-2015
Note: Data starts from 2003, as Eurostat did not include this question in the previous years.

These scores are particularly important for any developments that took place in the German political arena during the crisis. High levels of popular trust in national government and the Bundestag during the years 2009-2014 goes hand in hand with the dominance of the CDU/CSU in the German party system. After the party formed the coalition governments in 2005, levels of trust in all the political institutions included in the survey kept rising. After a few years in government, Angela Markel became a well-established figure for German voters, who appeared to trust her policy-making decisions in handling the euro crisis (Schönenborn 2012). The exception year 2010 when trust in national government decreased sharply did not seem to influence the rising levels of trust on the whole. Therefore, after the first tough years of the Eurozone crisis and the difficult decisions of Angela Merkel passed, a big part of the German electorate kept trusting the government and that partly explains that the changes in the German party system during the crisis were somewhat marginal. Nevertheless, the very low levels of popular confidence in the institution of political parties in more general terms show that part of the German electorate has been distant from the mainstream political scene. This figure ranked at 12% only in 2003 and 15% in 2011, although it rose relatively during the following years peaking at 27% in 2014. It could be argued that these low numbers illustrate a level of disengagement of part of the German
electorate with the political establishment and a tendency towards anti-mainstream political solutions, such as the AfD. At the same time, popular trust decreased in all figures in 2015, which could be associated with the migrant crisis that started in late-2015.

**National Economic Perception**

NEP is another useful indicator of how a national political system could function and how concepts of economic voting are linked to the developments in the national party system during times of crisis. In Germany, the percentage of respondents that have been considering their economy as good from 2005 until 2015 has been particularly high compared to the average of the European voters (Figure 2.8). In particular, the score started increasing after the CDU/CSU formed the coalition government in 2005 and Chancellor Merkel was in power. In 2007, the percentage of German voters considering the national economic situation as good reached a peak of 70.5%. However, this score went down in the following years (for example 27% in 2009) until it started rising again after the 2009 federal election took place.

**Figure 2.8. The percentage of German and European (total of all EU countries) people that consider their national economy as ‘good’ (years 2005-2015).**

Source: Eurobarometer, European Commission 2005-2015

Note: Data starts from 2005, as Eurostat did not include this question in the previous years.

Interestingly, many German voters not only kept considering the national economic performance as good, but as the Eurozone crisis was proceeding, this number was increasing more and more.
To indicate this, as Figure 2.8 shows, the score reached 83% and 86% in 2014 and 2015 respectively. Throughout these years, the percentage of German people that considered their national economy as good had never fallen below the European average. For example, in 2011 the German score was 47% higher than the European average. Along with high levels of popular trust in the German political institutions and particularly in the German government, high levels of good national economic perception is another indicator that could be linked to the dominance of the CDU and especially Merkel’s governance during the crisis. A large part of the German electorate trusted the Chancellor's crisis management and policy making and believed that this was reflected in the actual performance of the German economy.

### 2.3.3 Other Factors Relevant to the German Case

**The Limited Appeal of Catch-all Parties and a Growing Appetite for Anti-mainstream Voices**

Apart from the independent and intervening variables, there were additional factors that played a role in the developments in the German party system during the crisis; a limited range of topics in the political debate and the underlying long-term appetite from a part of the German electorate for more right-wing nationalistic policies which was combined with historically limited political options. This last development in particular was already there well before the crisis began but it only found the opportunity to emerge with the outbreak of the post-2008 recession. First, the relatively limited range of issues being raised in the pre-election campaigns is a factor that could be associated with the mainstream parties gaining fewer votes in the 2013 federal election (Von Lucke 2014; Hoff 2014; interviews). As mentioned earlier, in the pre-crisis era the German political system was known for its ‘politics of centrality’. The mainstream political parties have been so well established that they provided a great ground for a search for pragmatic arguments and consensual solutions (Padgett and Poguntke 2002). In the same vein, German voters were used to a political debate where strong democratic political institutions took part in a joint attempt for a transparent political system (Merkl 1999).

This consensus-based pattern appeared to be less relevant during the crisis. The euro-crisis revealed a certain degree of public scepticism towards the common currency that had never been expressed by the mainstream political system. While all the mainstream parties had praised the
euro in the past, they had to face a collapsing currency which they needed to defend during the crisis. The AfD became then the only party not only to raise a voice against the euro but also to remain stable to its initial position throughout the years (Arzheimer 2015). In the past, while all the established parties were pro-euro, founding members from the AfD expressed certain doubts about the common currency. Although they were considered out of the picture back then, these points became more relevant during the crisis. Therefore, no anti-euro arguments or alternative solutions were left for the mainstream parties to supply (Grimm 2015, pp. 266-268). Their historical commitment to the euro, as well as the AfD taking advantage of the scepticism towards the common currency, left the mainstream parties in an awkward position in the euro-related discussion.

The limited range of issues to discuss was also particularly evident in the campaigns of the mainstream parties during the pre-election period in 2013. As Von Lucke (2014; interview) described it, ‘the 2013 election was the most apolitical electoral period ever in Germany’. Since the biggest question was about Chancellor Merkel maintaining power or not, the political debate was mainly concentrated on personalities; the CDU/CSU focused mainly on Merkel’s successful policy making and how she should stay in power, while the SPD concentrated in the poor leadership of the FDP. In addition, the two major parties were particularly close in supporting the Chancellor’s governance in the past years and joined forces to generate this image (Zimmermann 2014). With the major parties focusing on personalities and the mainstream parties being largely united in the euro-related debate, part of the German electorate sought for alternatives in the margins of the German political system (Hoff 2014; interview). In that sense, the only ‘disturbing’ thing was the AfD.

A narrow political scope was accompanied with a decrease in the ‘catch-all ability’ of the core German parties that had already started before the crisis began. The ‘catch-all ability’ of both the CDU and the SPD - that is the ability to represent and attract voters from all social classes - has been discussed in the literature since the 1970s, when new challenges appeared not only in the German political system, but also in many other European countries (Padgett and Poguntke 2002; Duncan 2006). New issues such as immigration, European integration, and post-materialistic values, such as environmentalism, boosted new movements and parties from both the left and the right extreme. At the same time, organisational problems of the European national catch-all
parties made it difficult for them to keep their broad appeal (Meyer et al. 2012). The catch-all parties in Germany were no exception to that; they managed well enough throughout the 1970s, but started losing their wide appeal in the late 1980s when the Greens started getting more power.

This was also associated with some change in the parties’ ideological orientation. The minor German parties also lost some of their anti-mainstream appeal and ideological character when they joined the coalition governments with the dominant parties; such as the FDP with the CDU/CSU and SPD, the Greens with the SPD, and even the Left party with the SPD at the 2006 Berlin government. We also saw earlier that both major parties of Germany, the CDU and the SPD, had started in some cases challenging their Christian democratic and social democratic positioning respectively and concentrated in the political centre in an attempt to attract the median voter while trying to make a grand coalition feasible when in government. More recently these parties seemed to have put their dominant position at some risk and the stability of the German party system became questionable (Poguntke 2014, pp. 960-961). In the 2009 election, the CDU/CSU had its second lowest vote share since 1949, while the SPD suffered its worst result since its formation, and, therefore, political realignment was already under way. The Eurozone crisis brought about issues that along with the other conditions discussed above, challenged the CDU/CSU and the SPD’s catch-all appeal even more.

These developments appeared to have led some German voters to support not just minor parties but even movements at the extremes of the political spectrum. The AfD was the perfect example of the lack of representation of part of the German electorate in the Bundestag because of its distinct anti-mainstream as well as nationalistic character. As for the latter feature, evidence showed that a radical right-wing sentiment existed in the German electorate well before the Eurozone crisis began and the AfD was created. The performance of minor radical right-wing parties that experienced increasing support before the crisis began reflected the lack of representation of these ideological views in the Bundestag. The relative success of extreme right-wing parties - such as Deutsche Volks Union (DVU), Republikane, and Nationaldemokratische Partei Deutschland (NPD) in the 1990s regional elections in general, and the victory of NPD in the 2004 Saxony state election in particular - showed that a certain part of the German voters, who were concerned with issues like immigration and the economy, felt the need to support more extreme right-wing political actors at least at the regional level (Chapin 1997; Lubbers and
Scheepers 2001; Backes 2006). This voter trend was also linked to a general dissatisfaction with the mainstream parties and a growing anti-establishment sentiment which came as a result of the mainstream parties’ ideological shift (Poguntke 2014, p. 956). During the Eurozone crisis the need of part of the German electorate to register their disapproval of the political establishment became even stronger and a new right-wing party, the AfD, was the one to cover it.

2.4 Conclusion

During the massive economic crisis of the Eurozone, poor economies were not the only ones to have been shaken. One of the most stable party systems and strongest economies in Europe, Germany, underwent significant transformations in many aspects of its political world in the post-2008 era. Table 5 below shows the changes in the dependent, independent, and intervening variables in the German case during the crisis. As Table 5 shows, fragmentation and polarisation scores during the Eurozone crisis did not change much compared to the period before the crisis began. However, more in-depth research revealed that fragmentation existed at the left of the party system well before the crisis, after the separation of the PDS and the creation of die Linke. After the crisis began, fragmentation also rose in the right extreme because of the promising performance of the AfD. However, the meltdown of the FDP brought fragmentation scores back to what we knew before. At the same time, polarisation remained at the same levels. In particular, the relative shift of the CDU towards the centre and the collapse of the FDP led to a significant gap on the right of the German party system. It was this gap which the AfD took advantage of. Dissatisfied voters from all parties turned to this new alternative that expressed the views of an underrepresented part of the electorate.

The EU issue was another topic that the AfD took advantage of during the crisis. The mainstream German parties remained pro-European throughout the crisis, with the AfD being the only Eurosceptic voice in the 2013 election. The mainstream parties not only followed a pro-European attitude, but they also did not address much the issue during the pre-election period in 2013. Although the expert survey showed a higher EU salience during the crisis, this was translated into a more ‘personalised’ debate about whether Angela Merkel was capable of dealing with the crisis. These personality-based issues as well as other domestic issues, such as economic development and social welfare, were particularly salient during the crisis, while the EU issue was much neglected. However, the AfD used the EU issue as well as the fact that the rest of the parties did not, in an efficient way. The party started gaining power
by adopting an anti-euro profile, followed by positions in a broader range of high profile policy areas, such as economy and immigration. Later on, the AfD posed the issue of the German national identity; an issue somewhat hidden from the public debate until then. However, a part of the electorate with nationalistic and Eurosceptic views followed the party. Nevertheless, structure of competition, following Mair’s approach, did not experience new patterns during the crisis. Partial government alternation, familiar governing formula, and closed access to government resulted in a well-known coalition formation pattern and a closed structure of competition.

Table 5. The German party system before and during the Eurozone crisis: Independent, Intervening and Dependent variables.

<table>
<thead>
<tr>
<th></th>
<th>Scores before the crisis</th>
<th>Scores during the crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic performance:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real GDP growth</td>
<td>1.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>9.7%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Disproportionality</td>
<td>2.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Popular trust</td>
<td>37.1%</td>
<td>44.8%</td>
</tr>
<tr>
<td>NEP</td>
<td>44.4%</td>
<td>66.4%</td>
</tr>
<tr>
<td><strong>Polarisation</strong></td>
<td>0.25</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Fragmentation</strong></td>
<td>5.05</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Pro-/Anti-European divide</strong></td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Structure of competition</strong></td>
<td>Closed</td>
<td>Closed</td>
</tr>
</tbody>
</table>

Note:

In terms of factors that were linked to the party system response during the crisis, Germany experienced a relatively strong economic performance, particularly compared to countries of the European South. To begin with, as Table 6 shows, unemployment rates were significantly low during the crisis; the score went down to 5.8% during the crisis from 9.7% before the crisis. The real GDP growth
rate was also in a good condition with a decrease of only 0.8% during the crisis. On the contrary, electoral disproportionality changed much in the 2013 election with a score of 7.8 in 2013 compared to 2.7 before the crisis. However, the German electoral system which includes a high 5% threshold prevented big changes from happening in the allocation of the parties in the Bundestag. Popular trust in the national political institutions and NEP had particularly good scores during the crisis, which explains partly why, despite the challenges, the major parties remained electorally powerful. In fact, both factors increased during the crisis; 44.8% of the German people trusted the Bundestag during the crisis (37.1% before the crisis), and 66.4% of the German people considered their national economy as good during the crisis (44.4% before the crisis).

Additional factors linked to the German case in particular also played an important role. Some of these conditions pre-existed in the German society and politics before the Eurozone crisis and found a way to be relevant with the outburst of such a big economic recession, while some others were traced only since the crisis began. First, the rise of the anti-establishment vote during the crisis could be associated with the relatively limited range of issues raised in the campaigns of the mainstream parties in the 2013 pre-election period. Established parties were mainly concerned with whether Chancellor Merkel was capable of dealing with the crisis. All mainstream parties also formed similar positions on the European integration issue. As almost all parties in the Bundestag, apart from the Left, mostly supported Angela Merkel’s policy-making in the EU arena, they did not manage to differentiate themselves on this issue. This was when the AfD stood out with distinct views on the EU and the common currency.

Going a bit back in time, the decreasing appeal of catch-all major parties in Europe in general and Germany in particular that started before the crisis began also explain why a part of the electorate turned to less mainstream alternatives. We found the two major parties shifting to the centre and the minor mainstream parties failing to differentiate themselves from the establishment as they joined forces with the major parties in coalition governments at the national and local level. This way, radical political voices were eliminated and no extreme parties appeared in Germany. However, a right-wing appetite among parts of the German electorate along with an anti-mainstream sentiment resulting from a centre-positioned political system prepared the ground for a radical right-wing party to arise and gain support during an economic and migration turmoil. The pro-consensus pattern and the lack of political diversity seemed to be working for the
establishment of a stable democratic party system in Germany in the post-war era despite the several crises that it underwent. However, the Eurozone crisis was such a massive ‘shock’ for both the poor and rich European economies that not even a mostly stable system like Germany survived without losses. With the major parties scoring a low combined vote and the anti-mainstream vote on the rise in the previous federal election we found the German party system during the crisis transforming like never before.
3. The British Case: Even Closer to Multi-Party Politics

3.1 Introduction

The British party system went through radical transformations during the Eurozone crisis. Higher levels of fragmentation, an increase of popular support for non-mainstream parties, a low record in the support for the two major parties, the Liberal Democrats’ meltdown, and the first coalition government in the post-war Britain were some of the main features in the elections that took place during the years 2010-2015. The troubled relationship between the UK and the EU was naturally reflected in these changes. However, although the crisis re-opened the strategic question about the EU, the parties did not seem to define themselves accordingly. Rather, they used the EU issue and the crisis as a vehicle to promote other more salient issues, such as immigration and the economy. The Eurozone crisis and the debate on salient national issues pushed forward the long-term systemic transformations that the national party system has been going through since the 1960s and showed how the British electorate has transformed.

The British party system has been anything but stable during the post-war era. Although things are less clear after the 1970s (Webb 2000, p. 4), scholars have mainly identified two large periods of time when the British party system had distinctive characteristics. From 1945 until 1974, it can be characterised as a typical two-party system (Duverger 1954; Sartori 1976). During that time, the two dominant parties, the Conservatives and Labour, gathered the vast majority of votes reaching a combined vote share as high as 96.1% in 1955. The Conservative party is a centre-right party, founded in 1834, that adopted social conservative and economic liberal values. Labour, the other dominant political actor, is a centre-left party formed in 1900. When it first appeared, Labour was close to the trade union movement and followed traditional socialist principles of the 19th century. However, in the period after the end of the Second World War both parties can be classified as ideologically convergent as they both adopted moderate positions in order to attract the median voter. In this centripetal competition model, the two parties were able to govern alone and alternation in government was regular. The period was also characterised by a class cleavage upon which social base was strongly divided (Denver 2007, pp. 48-65; Ingle 2000, pp. 16-21). High levels of party identification and party loyalties, often developed in the family were also important in shaping vote preference (Clark 2012, p. 7).
The second period of the British party system, starting in 1974 until the present day, is much more complex and difficult to define. The post-1974 era has been described as a period of ‘latent moderate pluralism’ (Webb 2000), a ‘multiparty system’ (Dunleavy 2005), a ‘two-and-a-half-party system’ (Siaroff 2003), and ‘alternating-predominant party system’ (Quinn 2011; Mair 2009, p. 288). First, from 1979 until 1997, we find the Conservatives in government in four consecutive elections. Due to the dominance of the Conservative party, this period was identified as a ‘predominant party system’ - one party was able to govern alone with over three consecutive victories (Heywood 1994; King 1993). At the same time, party alignment started decreasing and people became more willing to vote for non-mainstream parties, mainly the Liberal Democrats and regional parties, such as the Scottish National Party (SNP) and Plaid Cymru. The Liberal Democratic party was founded in 1988 as a merger of the Liberal Party and the Social Democratic Party (SDP). Liberal Democrats became highly relevant from the 1990s onwards, although it never managed to be in office until the 2010 coalition government with the Conservatives. Therefore, higher fragmentation was combined with a decline in the vote for the two major parties; their average combined vote in 1979-1997 was 74.8%, compared to 90.3% in the years 1945-1970.

However, the model of a predominant party system became less valid when the dominance of the Conservatives in government ended in 1997 and the Labour party took office. Since Labour also won three consecutive elections, ‘alternating predominance’ seemed to apply much better to the British party system from 1974 onwards. Fragmentation continued at high levels. According to Laasko and Taagepera’s Fragmentation Index (1979), the average effective number of parties in votes from 1950 to 1974 was 2.3 while it increased to 3.3 during the years 1974-2010. However, although polarisation grew during Margaret Thatcher’s governments because Labour was strongly opposing many of her policies, this was not the case when the latter was in office. Tony Blair’s ‘Third Way’ appeared to leave many of Labour’s ideological principles on the side and focus on ‘what works’ (Mair 2008, pp. 215-216). This political consensus pushed all parties to the centre in an attempt to maximise their voter potential.

In addition to any party system developments throughout the years, the EU/UK relationship has also been a point of reference for British politics. This element is naturally embedded in the analysis of the response of the British party system towards the Eurozone crisis, as it goes through
any form of interaction between the UK and the EU. The fact that the UK is not a member of the Eurozone and has kept its own currency as well as other certain independencies compared to the rest of the EU and euro members states, makes the case for more complex interactions. Although not a euro member and with looser ties with the EU, the Union has traditionally managed to influence British politics. The Eurozone crisis, although not as directly linked to the British economy as to other EU countries, did massively affect the political system of Britain in an unexpectedly similar way it did other countries, such as Greece and Ireland. Therefore, the evaluation of the British case against the other three cases analysed in this thesis proves particularly useful for comparative purposes.

This chapter discusses the developments and changes in the British party system during the Eurozone crisis following the methodology that was presented in the Introduction of the thesis. The rest of the chapter is structured as follows: First, I talk about the results of the elections that took place in the UK during the Eurozone crisis. Then, I study the response of the British party system towards the crisis. In particular, I look at fragmentation and polarisation, the EU issue, and government formation patterns. In the next section, I examine the reasons of these developments: first, by studying the independent and intervening variables and second, by analysing other structural conditions that affected the British party system during the crisis and were particularly relevant to the British case.

3.1.1 Elections during the Crisis

The elections that took place during the years 2010-2015 resulted in many changes in the vote share of the mainstream and minor parties. As Figure 3.1 shows, the general elections of 2010 and 2015 revealed a further transformation in British politics. In both elections the combined vote of the two major parties was below 70%, a trend that was also evident in 2005. Thus, minor parties became stronger in terms of votes and seats. To begin with, the 2010 general election resulted in the first coalition government since 1945 and the first hung parliament since 1974. The Conservatives with David Cameron as their leader received 36.1% of the vote and proceeded to form a coalition with the third party - Liberal Democrats - straight after the election result. The Liberal Democratic party gained 23% of the vote similarly to the previous national election, but reduced its seats. Labour led by Gordon Brown was the second party with 29% and 258 seats. The
decline in support for the major parties resulted in an 11.9% vote for ‘Other’ parties. This was the highest combined vote share for parties others than the Conservatives, Labour, and Liberal Democrats in British history (Denver 2010, p. 590). The UK Independence Party (UKIP) raised its share from 2.2% in 2005 to 3.1% in 2010; the British National Party (BNP) from 0.7% in 2005 to 1.9% in 2010; and the Greens kept their vote share at the same level (0.9% in 2010) but gained their first seat in the Westminster. Meanwhile, support for regional parties such as the SNP and Plaid Cymru decreased slightly.

The 2015 general election exposed an even more radical change particularly in terms of seat allocation in the parliament. First, the Conservatives gained a small but clear plurality of votes (36.9%) and managed to form a single-party government with 306 seats against all pre-election poll predictions of a hung parliament (Cowling 2015). Labour, with their new leader Ed Miliband, came second with 30.4% of the vote share and lost nearly all of its seats in Scotland to the SNP. The SNP was clearly one of the biggest winners of this election raising its profile after the Scottish referendum in 2014. Although in terms of votes it came fifth after UKIP and the Liberal Democrats, it secured 56 out of 59 seats in Scotland. UKIP’s performance was also successful. The party, with Nigel Farage as its leader, gained only one seat, but came third in votes by dramatically surging its vote share from 3.1% in 2010 to 12.7% in 2015. The Green party also performed well by winning the biggest vote share in its history (3.8%). In contrast, the Liberal Democrats were severely damaged falling from 23% in 2010 to 7.9% in 2015 experiencing their worst defeat since 1970. The victory of the Conservatives led almost all opposition leaders to resign; Ed Miliband from Labour, Nick Clegg from the Liberal Democrats, Nigel Farage from UKIP (although he afterwards returned to his initial position), and even Jim Murphy, the Scottish Labour Party leader, due to the SNP’s success in the Scottish constituencies.
Results from the second-order elections during the Eurozone crisis were also interesting. The 2014 EP elections in particular showed a big surge of support for UKIP, which came first with 26.6% of the popular vote and 24 seats. This was the first time that a party other than the Conservatives and Labour came first in a UK election since 1906 (Wintour and Watt 2014). The two major parties came very close in votes with Labour performing slightly better because of its electoral success in London. The Liberal Democrats’ meltdown was evident one year later in the 2015 general election, but traces of it were also found in the results of the EP elections. The party gained 6.61% of the popular vote and secured 10 seats less than it did in the previous EP election in 2009. Regional parties remained steady with the SNP gaining two seats and Welsh and Northern Irish parties gaining one seat each. The Greens won one more seat than the previous EP election. The performance of Independence from Europe, a new Eurosceptic party formed in 2012 by a former UKIP MEP, came seventh with 1.43% of the vote. Minor parties’ performance in 2009 EP election is also worth noticing. UKIP came second with 16.5% vote and 13 seats, and the Greens and BNP gained 8.1% and 6.3% of the vote respectively and secured two seats each.
3.2 How did the British Party System Respond to the Crisis?

3.2.1 Fragmentation and Polarisation

A More Fragmented and Polarised System

According to Laasko and Taagepera’s Fragmentation Index (1979), fragmentation increased significantly during the crisis in terms of both votes and seats (see Table 6). However, similar figures were identified in the 2005 general election. In particular, fragmentation in votes increased from 3.3 in 2001 to 3.6 in 2005 and 3.7 in 2010. In the 2015 general election, fragmentation in votes (3.9) reached its highest score in the post-war era. Fragmentation in terms of seats also increased. Again, we find a similar trend in the elections that took place during the crisis and the 2005 election; fragmentation of seats was 2.2 in 2001, but this figure rose in the next three elections with an average of 2.5. Although seat distribution among regional parties changed slightly in 2005, the more fragmented parliament was mainly due to the strong performance of the Liberal Democratic party, which secured 11 more MP seats than in 2001. The 2010 election resulted in similar fragmentation figures since no new parties had significant gains. On the contrary, seats were distributed differently among the established parties. However, both the Conservatives and Labour were badly damaged with a combined vote of 65.1%. This was the lowest combined vote for the two major parties since 1945.


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Source: Electoral data and author’s calculations using Laasko and Taagepera’s index for Fragmentation and Taylor and Herman’s index for Polarisation.

The high record in fragmentation in votes in 2015 can be explained by the rise of non-mainstream parties, which managed to gain one of the highest number of seats in peacetime Britain (Green and Prosser 2016, pp. 1303-1304). The number of seats that ‘other’ parties - that is parties other
than the Conservatives, Labour, and the Liberal Democrats - secured increased from 31 in 2005 to 79 in 2015 (The Electoral Commission). The parties that broke through were old well-established parties that were weaker in the past. First, the SNP, which won 56 MP seats in 2015, is a pro-Independence Scottish nationalist social democratic party founded in 1934. After the devolution of powers in 1999, the SNP was the opposition party in the Scottish Parliament for two terms until the 2007 Scottish general election, when it formed a minority government. In 2011, the party succeeded in forming the first majority government in Scotland. The Greens, whose history can be tracked back in 1970, were another party that increased its electoral power during the crisis by gaining its first Westminster seat in the 2010 election. In 2015, the Green Party reached its highest vote percentage at 3.8% and also managed to raise its membership to more than double from the previous year; the party had 30,900 registered members in 2014 increased to 67,000 in 2015 (Carter 2015, p. 1057). Finally, UKIP, another minor old party, was also particularly successful in 2015 by attracting 12.6% of the popular vote; four times higher than the vote share it received in 2010. UKIP, created in 1993, is a right-wing party with a strong anti-immigration and Eurosceptic rhetoric (Goodwin and Milazzo 2015, pp. 2-3).

As Table 6 shows, polarisation also grew during these years. Figure 3.2 illustrates the relevant British parties positioned on a left-right scale before and after the Eurozone crisis occurred. Before the crisis (2001 and 2005 general elections), we find only the three mainstream parties as relevant political actors - The Conservative party, Labour, and the Liberal Democrats. The Liberal Democrats were close to the centre although to the left of Labour. The former, created in 1988, has been considered rather centrist supporting social and economic liberties. On the other hand, Labour, which has been through major transformations since the 1980s, moved by then towards the centre-left and established its position as a centre party (Heath et al. 2001; Hindmoor 2004). Naturally, the Conservatives were on the right side of the ideological spectrum, although not far from the centre either. Interestingly, during the crisis we found the two major parties, Labour and the Conservatives, with unchanged positions but, at the same time, more parties became relevant; apart from raising fragmentation, they also pulled the party system to the two extremes. First, the party system was pulled to the left by the Greens and the SNP, which were positioned at 2.6 and 3.6 respectively on the 0-10 left-right ideological spectrum. The two parties were clearly on the left side of Labour and the Liberal Democratic party. Furthermore, polarisation was also pulled to
the right by UKIP. The party was located on the right of the Conservatives at 7.8 on the left-right scale.

Figure 3.2. Party Position in the UK on the Left-Right scale before (2005 Elections) and after the Eurozone Crisis occurred (2010 Elections).

![Diagram showing party positions before and after the crisis.]

Source: Author’s expert survey

*The Mainstream is Challenged by the Minor*

Higher levels of fragmentation and polarisation resulted in a more unstable party system where minor parties with increasing electoral power were able to challenge the establishment. This could mainly be associated with the following factors; the limited ideological differences between the two major parties and the growing competence of the minor political players, who capitalised effectively on the most salient issues. Although they are shown as far apart on the ideological spectrum in the figures above, the relative convergence of both the Labour and Conservative parties’ policy-making to the centre was evident throughout the years by both scholars and voters (Green and Hobolt 2008; Adams et al. 2012; Evans and Tilley 2012; Green 2015). Although the two parties had distinct and opposite political stances in the 1980s, this polarisation started decreasing from the beginning of the 1990s when New Labour and the Conservatives moved towards the
centre. Perceived party differences appeared more and more limited during the three last decades with a small change only in the 2010 election when the two major parties showed some differences in their stances towards the management of the financial crisis (Green 2015, pp. 81-82).

At the same time, Labour and the Conservatives saw their mass appeal decreasing slowly, particularly in the last decade. The Labour party found it difficult to cope with its post-Blair problem (Usherwood 2015; interview). Blair and Brown’s consecutive victories might have been the most electorally successful period for Labour, but they also left the party with an organisational and ideological problem to solve. While New Labour, although it had moved away from its original socialist legacy, had a relatively more concrete political stance, in the post-Blair era, the party seemed to have a somewhat less distinct strategy. At the same time, Gordon Brown did not shift the party to a more left-wing ideological position once in office. On the contrary, it could be argued that Brown’s weak leadership combined with ideological and programmatic vagueness led the party to a long-term organisational crisis (Beech 2009). Being in opposition from 2010 to 2015, Labour seemed to have kept its relatively unclear ideological narrative and lost a big part of its traditional electoral base. As Ipsos MORI (2010) surveys showed, in 2010 Labour lost voters from all social class backgrounds, but its biggest loss was among lower middle and skilled working class voters. If one adds to that the outbreak of the sovereign debt crisis during Labour’s governments, the case for the party’s competence becomes even bigger (Heffernan 2011, p. 164). The party suffered from a big defeat in 2010, from which it did not manage to recover throughout the years of the Eurozone crisis.

In a way, Labour’s issues seemed to have helped the Conservatives come forward, but the latter was not without problems either. Although they secured the victory in both elections, this was not enough for the Conservatives to form a majority government - in contrast, we found a coalition government in 2010 and a ‘wafer-thin’ majority government in 2015. The Conservative party, similarly to Labour, inherited a difficult legacy after the consecutive electoral victories of Margaret Thatcher and John Major; under William Hague’s leadership from 1997 until 2001, the party found it difficult to adapt its traditional values to a changing environment (Garnett 2003). Transformations in the public attitudes of the British society were ahead of the Conservatives’ core beliefs and when Tony Blair took office in 1997, the Conservative party suffered a big defeat.
Nevertheless, it was an opportunity for it to re-define itself. Thus, during New Labour’s governments and under David Cameron’s leadership, the Conservative party attempted to use its time in opposition effectively in order to pursue a clearer strategy and direction.

Indeed, the primary goal of David Cameron’s leadership was to modernise the party in order to attract the median voter. At the beginning of his term in office, Cameron showed his willingness to change by emphasizing a new issue agenda for the Conservative party (Cameron 2005). Whether he achieved that, it was still doubtful, as change was considered rather superficial and not massively perceived by the public (Dorey 2007; Bale 2008). Nonetheless, since Labour was much damaged due to, among other reasons, its involvement with the Iraq war, David Cameron’s discourse seemed to still appeal to the majority of British voters. Nevertheless, party data showed that the size of the Conservative base did not increase; almost the same number of people identified with the Conservatives in 2010 did so in 1997 and evaluations of the party’s capabilities were not distinctly positive (Green 2010). Despite their electoral victories in both elections, the Conservatives’ recovery during the Eurozone crisis was far from established.

As for the third mainstream party in the British party system, the Liberal Democrats, they experienced the worst defeat of all. Although they had retained a stable vote share throughout their political life, the Liberal Democrats saw a significant loss of votes in the 2015 general election. From 22% in 2005 and 23% in 2010, the party managed to gather only 7.8% of the vote in 2015. The coalition government that emerged in 2010 resulted in the Liberal Democrats being negatively affected. Soon after they joined the coalition government, the Liberal Democrats and their leader Nick Clegg saw their levels of popular trust fall (YouGov 2012). Several factors were involved in these low levels of trust, which resulted in the party’s meltdown in 2015. The party’s pre-election promises and post-election behaviour revealed significant differences between their rhetoric and actual practices, which left their voters dissatisfied (Dommett 2013). The minor coalition partner proceeded in implementing many of the policies that it had previously disapproved in key policy areas, such as health, education, economy, and taxation (Smith 2015; interview). This was combined with people’s beliefs that the Liberal Democrats’ had limited impact on the coalition government’s decisions (YouGov 2011). Overall, not only did the party not manage to influence the government’s decision-making, but also damaged its own reputation.
While the two major parties started losing their mass appeal and the Liberal Democrats seemed unable to catch the protest vote, political opportunities for the minor parties appeared. The SNP’s and UKIP’s breakthroughs were the most representative examples of this new configuration of party competition and further development towards a multi-party system in Britain. On the left, we find the SNP, which managed to move from the margins of the Scottish party system in 1934-1999 to taking office in the Scottish parliament in 2007-2015 and then to being the third largest power in terms of seats in the Westminster. The devolution of power in 1999 certainly helped the party develop from the fringe to the mainstream of the party system. However, the SNP’s internal transformation from an amateur activist party to a substantial electoral power with a pragmatic membership and programmatic strategy, focused on but not limited to the Scottish question, made the SNP successful during the crisis (Mitchell et al. 2012). By moving the agenda to broader left-wing policies, which had an appeal to a wider electoral base, the SNP somewhat covered a gap that Labour left on the left of the party system (Fowler 2014; interview). In 2015, the party did not only represent those concerned with Scottish identity and independence, but it also developed a consistent socialist vision and left-wing critique that Labour seemed to have lost a long time ago (Smith 2015; interview).

On the right, UKIP’s electoral performance looked rather promising. Initiating its rise due to its consistent Eurosceptic rhetoric the party achieved particularly successful results in both EP elections during the crisis; it came second in 2009 and first in 2015 with 16.5% and 26.6% of the popular vote respectively. UKIP’s success, however, went beyond second-order elections due to factors that were not strictly related to its anti-European stance. The party was efficient in using other salient issues, such as discontent towards the mainstream parties and immigration (Ford et al. 2012; Clarke et al. 2016). Immigration, in particular, had a significant impact on UKIP’s growth since it was a problematic issue by the major parties, and mainly the Conservatives, despite the fact that a large part of the latter’s supporters were expecting the party to deal with it (Webb and Bale 2014). Dissatisfaction with mainstream parties also played a major role. As mentioned earlier, during their modernisation stage both major parties shaped their discourse and agenda in a way to attract the median voter and their ideological differences became limited. This attempt led to a part of the British electorate being unrepresented. These were mostly older, working-class, less well educated, white voters that remained loyal to the old values and were ‘left behind’ by both the on-going changes in the British society and the major parties’ efforts to gain support from the
middle-class voters (Ford and Goodwin 2014). UKIP spoke their language and also created strong local connections in rural areas that the mainstream parties had neglected (Smith 2015; interview). As John Redwood (2014; interview), Conservative MP, confirmed, dissatisfaction with the mainstream parties, disillusionment with the Liberal Democrats, and overall hostility towards the political elites further assisted UKIP in retaining the protest vote.

The performance of the Green party is also worth noticing when discussing minor parties that moved to the mainstream of the political sphere. Although less influential than the SNP and UKIP, the Green party experienced a sharp rise in its membership in recent years; from having just over 7,000 members in 2005-2008, party membership increased to 31,000 in 2014 and 61,000 in 2015 (Keen 2015, p. 9). The opening up of political opportunities because of the increasing party politicisation of the environment (Carter 2008, pp. 231-232) strengthened the Greens even more. More importantly, after joining the coalition government, the Liberal Democrats did not attract as much of the protest vote since they were considered part of the political establishment (Webb 2015; interview). Combined with the already existing trend of the popular vote punishing the mainstream parties at European and local elections (Rallings and Thrasher 2009), the SNP, UKIP, and the Greens enjoyed an even more meaningful rise in their support at first-order elections too.

### 3.2.2 The EU issue

**Some Salience and No Real Debate**

When examining the EU issue in UK politics, it is interesting to see how the British political parties dealt with the awkward partnership between Britain and the EU during the Eurozone crisis. According to my expert survey (Figure 3.3), which was conducted before the 2015 national election and included party attitudes in the 2005 and 2010 elections, mainstream parties maintained their position towards European integration in both elections. The Labour party kept its pro-EU position, the Liberal Democrats remained more pro-European, while the Conservative party remained Eurosceptic. Both parties that lay closer to the centre position on the ideological scale (Labour and Liberal Democrats) were more pro-European than the Conservative party, which was closer to the right extreme and particularly Eurosceptic. However, the government/opposition divide did not seem to play a significant role since, although all parties were potential governing partners, they shared different views on European integration.
Figure 3.3. Two-Dimensional View of Party Position in the UK before (2005 Elections) and after the Eurozone Crisis occurred (2010 Elections).

Source: Author’s expert survey

Rather interesting findings occurred with regard to the importance of the EU issue. While mainstream parties seemed to focus less on the EU during the crisis, the issue gained attention because of the behaviour of the minor parties. Figure 3.4 shows EU salience for the three mainstream parties before and during the Eurozone crisis based on my expert survey data. We see that while the issue was of some importance for the Conservative party before the crisis, it became of much less significance in the elections of 2010. On the other hand, we see no difference in the degree of salience of the EU issue for Labour and the Liberal Democratic party. The Labour party continued considering the issue as of low importance and Liberal Democrats as a matter of some importance. Evidence from the Comparative Manifesto Project confirms that the two major parties attributed much less space to the EU in their manifestos in 2010 than they did in 2005 (Volkens et al. 2015). Evidently, the Liberal Democrats were the only party of mainstream politics to have a stable pro-EU stance throughout the years and during the Eurozone crisis. On the other hand, although both major parties initiated a discussion over Europe, this did not turn out to
be a debate about the European integration project. Not only did Labour and the Conservatives not seem to define themselves accordingly, but they also faced internal divisions on the issue. There were a few of the Labour’s MPs who expressed less Europhile opinions while the Conservatives were mostly divided (Driver 2014; Booth 2014; interviews).

Figure 3.4. Importance of the EU issue for parties in the UK before (2005 Elections) and after the Eurozone crisis occurred (2010 Elections).

On the other hand, minor parties’ rhetoric raised the importance of the EU issue during the crisis. In fact, incoherent and contradictory messages about the EU from the major parties led to a significant gap in the British party system for populist Eurosceptic voices to arise (Driver 2014; interview). Thus, UKIP was naturally the party that assigned to the EU the highest salience. Having been one of the most successful single-issue parties in modern Britain (Usherwood 2008), UKIP strategically raised the importance of the EU issue during the crisis by criticizing the EU elites and UK membership. This way, it managed to underline its radical stance compared to other parties, which did not adopt an equally consistent position towards European integration. Indeed, studies
revealed that UKIP’s position towards the EU was a fundamental reason why British people voted for UKIP in the elections that took place during the Eurozone crisis (Lynch and Whitaker 2013; Treib 2014; Webb and Bale 2014). Although less powerful, the BNP, and even the newly formed Independence from Europe, also talked extensively about the EU advocating their pro-Brexit position particularly during the 2009 and 2014 EP elections. Similarly, the SNP and the Green party played a role in bringing the EU issue forward mainly by connecting it with other national issues, such as the economy (Fowler 2014; Spelman 2015; interviews).

However, in spite of the attempt of the minor parties, and primarily UKIP, to address the EU issue during the crisis, the EU did not form a divide over which British parties competed. First, the EU issue suffered from the limited effort of the major parties to initiate a concrete debate over European integration and their internal divisions over the issue. As Iain Dale (2015; interview), commentator and Conservative party politician, argued, all mainstream parties were in a mostly awkward position regarding the EU issue; for the Conservatives the EU was a splitting issue so they tried to avoid it, the Labour party was in an unstable position and chose not to address it, and the Liberal Democrats seemed to ignore it completely. The latter was also suffering from a big defeat which was initiated when the party was forced to compromise as a partner of the coalition 2010-2015 coalition government (Baker 2015, Smith 2015; interviews). Therefore, the EU issue was ranking rather low in the Liberal Democrats’ list of priorities. Within the Labour party, some moderate members understood the Eurosceptic position and a few Eurosceptics spoke out mainly about the austerity that linked to the EU membership and the crisis (Diamond 2015; interview). Nevertheless, none of the major parties tackled the issue in a consistent manner. Second, although UKIP had a consistent stance on the EU throughout the crisis, this was not enough for an EU debate to be formed. This was linked not only to the unwillingness of the mainstream parties, but also to UKIP’s own strategy to attach the EU to other more salient issues which were related to politics at the national rather than European level. What UKIP and other Eurosceptics’ rhetoric achieved was to reinforce existing perceptions in the UK that the EU does not work and that not joining the euro was the right decision in the first place (Cash 2015; interview). Thus, the abstract debate over the EU issue that took place during the crisis was more of a confirmation of British beliefs than a constructive discussion.
Euroscepticism at the party level went hand in hand with increased Euroscepticism at the voter level. Figure 3.5 shows the perceptions of British people towards the EU from 2003 until 2015. The number of British people considering the EU as a good thing decreased significantly during the toughest years of the Eurozone crisis, 2010-2012. In 2010, only 21% of the British had a very positive and fairly positive stance on the EU, and this fell to 17.5% in 2011 and 16.5% in 2012. The EU conjured up a more positive image from 2012 onwards; 21.5% in 2013 reaching 31% in 2015. Nevertheless, evidence shows that the average figure of UK positive attitudes towards the EU has always been much lower than the EU average. For example, in 2004 only 31% of the British people had a positive opinion about the EU compared to 50% in other EU states. However, similarly to the party level, although increasingly Euro-critical, the British public did not consider the EU as an issue of great importance. Poll surveys have found that only a small amount of people treated the EU as important, trailing well behind national issues such as immigration, economy, and health (Wells 2011).

**Figure 3.5.** The percentage of British and European people (total EU countries) that had a very positive and fairly positive image about the EU, 2003-2015.

![Chart showing the percentage of British and European people with a positive image of the EU from 2003 to 2015.]

Source: Eurobarometer, European Commission 2003-2015

**Immigration, Economy and Other National Political Issues**

The EU issue might have not been as salient as other national political issues, but it certainly helped in developing an intensive debate around them. In particular, although the importance of immigration and the national economy during the Eurozone crisis was clearly very high, the discussion on these topics was much driven by arguments about the UK’s EU membership. UKIP in
particular used the EU issue to promote its anti-immigration stance and tap into public concerns about immigration in the UK (Baker 2015; Dale 2015; Diamond 2015; Spelman 2015; interviews). Polls revealed that British voters considered immigration as one of the most important issues in the UK during the crisis (Ipsos MORI 2014a; YouGov 2015) and a vast majority were in favour of reducing it substantially (The Migration Observatory 2014; Ford and Heath 2014). UKIP focused on the dangers of high levels of immigration and asylum seekers by addressing the risks that were involved due to the UK’s EU membership. In Nigel Farage’s (2015) words, ‘it is perfectly clear that the only way for the UK to be able to control those who cross the drawbridge is to leave the EU’. This discourse was also combined with a discussion about the lack of sovereignty that the EU membership causes to the country. For UKIP, the EU membership and limited control over the country’s borders was not only an inevitable combination, but also a suitable discourse to mobilise the British masses that were troubled by both issues. High levels of immigration, open borders, and the EU’s intervention in the way the British economy works created a successful mixture for UKIP’s campaign. As Steve Crowther (2015; interview), UKIP Chairman, explained, the EU questions is about professional political elites at both the national and the European level against ‘self-determination’, ‘representation’, and a ‘sovereignty that is dear to the voters’ heart’. Therefore, the EU issue became a useful weapon in UKIP’s promotion strategy of the immigration issue.

As concerned voices about immigration increased at both the party and public level, the mainstream parties were also intrigued to address the issue. However, they did so with much less confidence (Dale 2015; interview). In fact, the high salience of immigration came partly because of the major parties’ behaviour towards immigration during the previous decade. New Labour’s immigration policy practices constructed a ‘problematic’ discourse around asylum seekers, who started being treated also by the British public as a threat (Mulvey 2010). When in government, New Labour was much concerned with immigration and introduced several measures, but the party’s policy-making was generally perceived as failing (Carrey and Geddes 2010, pp. 857-858), particularly with regard to the country’s open-borders policy towards migrants from the post-Communist states during the 2004 EU enlargement. The Conservatives also put immigration at the top of their agenda when in office since 2010. The party adopted tough policies, yet it did not manage to fulfil its promises, such as reducing net immigration below 100,000 (Grice 2015). As a result, the public saw the Conservatives as less capable of handling the issue than before (Partos
Although the Conservative party seemed tougher in their immigration policies than Labour, both parties implemented similar policies while in government (Smith 2008). Failure to deal with high levels of immigration and little difference in their practices led to the public’s perception of limited competence of both major parties to deal with the issue. As Figure 3.6 illustrates, although the Conservatives were considered most capable of handling immigration followed by Labour from 2010 until 2013, the preference for ‘other’ parties, including mainly UKIP, had a sharp rise from 2014 onwards. In 2015, 26% of the British people believed that ‘other’ parties could deal with immigration more effectively than major parties, in particular compared to 23% for the Conservatives and 17% for Labour.

**Figure 3.6. British people’s views on which party could handle immigration best, 2010-2015.**

The economy also ranked high in the list of the most important policy issues from 2010 until 2015. The issue was linked to the EU as well, although to a lesser extent than immigration. The banking crisis of 2008 and UK governments’ economic policies were involved in the discussions about the increased deficit during the crisis (Usherwood 2015; interview). However, one of the main aspects addressed by opposition parties in 2010 was the deficit that the Conservative party inherited from Labour due to the latter’s public spending policies when in office in the previous years (Riley-Smith et al. 2015). On top of that, the MPs spending scandal, which was exposed in 2009 and affected Labour in particular, damaged the party even further (Quinn 2011, p. 406). Until 2015, the economy kept forming a major issue as parties focused much of their discourse on national economic performance, living standards, and taxation (Dorey 2014; Driver 2014; Fassoulas 2014; interviews).
In both elections of 2010 and 2015, the EU was involved in the high salience of the issue of the economy. The EU issue was used by Eurosceptics or minor parties to promote the major parties’ incompetence in dealing effectively with the tough economic situation (Dorey 2014; interview). As the EU appeared to be less capable of solving its financial problems, British parties were tempted to think twice before they committed further to European integration. The more the EU lost its appeal during the crisis, the more Euro-critical opinions became credible. Left-wing minor parties added another dimension to this discussion by using the EU in an attempt to play their cards on the austerity issue (Webb 2014; interview). The SNP was the most representative of this strategy. The party raised the EU issue by presenting an anti-austerity stance, particularly during its pro-Scottish Independence campaign but also in the 2015 pre-election period and succeeded in leading an anti-austerity discussion in Scotland since the Scottish referendum took place in 2014. In the same vein, the Greens also promoted an anti-austerity agenda. Although less dominant, the party probably had the clearest anti-austerity position in England during the last national election (Carter 2015). Interestingly, the Greek referendum on the new bailout terms for the country found the SNP, the Greens, and UKIP united against austerity in Greece and in favour of a ‘No’ vote against the new measures that were proposed by the IMF, the ECB, and the European Commission.

Discussion in the UK during the crisis was dominated not only by traditionally central issues, such as immigration and the economy, but also by two highly salient topics particularly connected to British politics; the fear of a hung parliament and the Scottish question. First, the much-anticipated failure of the Conservatives and Labour to form an overall majority government in the 2010 national election, led to a debate over coalition formation well before the election result. The SNP was involved in the discussion about joining a coalition government with Labour and the Liberal Democrats already in 2010, but the Scottish Independence referendum of 2014 made the party a stronger actor. In the 2015 election, the issue of coalition formation became again salient involving SNP in conversations about a wide left-wing coalition in case the Conservatives did not manage to form a government (Wilkinson 2015). Moreover, the Scottish referendum naturally raised the importance of the Scottish as well as Welsh question in British politics. David Cameron attempted to reassert that after the victory of ‘No’ vote in 2014 the Scottish question was over (BBC 2015a). Yet, this did not seem to be the case particularly after the biggest pro-Independence party SNP gained more power in the 2015 Westminster election. Interestingly, with a strong SNP,
the Scottish question was another topic related to the EU issue. Discussions over Scottish Independence introduced arguments over Scotland’s EU membership in case of Independence but also since British voters opted for a Leave vote in the 2015 EU referendum, which David Cameron committed to in 2013 in case the Conservative party won the 2015 national election (Webb 2015; interview). Politicians and commentators who claimed that Cameron’s decision over the EU vote had caused economic uncertainty had already addressed the topic (BBC 2015b; Allen 2015).

One would expect that David Cameron’s announcement of the EU referendum would result in the EU issue gaining a lot of attention in the 2015 pre-election campaigns as the main political parties would have to shape a consistent position towards the EU and communicate their arguments with the public. However, during the 2015 pre-election campaigns the EU membership referendum did not come up as a salient issue. Although the impact of the crisis on the UK was important, the Conservative government was not clear on what the EU meant for Britain and what was the impact of it on British politics (Cash 2015; interview). For the Conservative party, this was a strategic plan; as the party had not formed a consistent position itself, David Cameron’s announcement of the upcoming EU vote was an attempt to leave the issue on the side until they would have to face it nearer the time (Smith 2015; interview). Since the EU was a remote issue for most of the British voters, the future referendum was an opportunity to leave it on the side for now. Labour seemed to have followed a similar approach as the divisions within the party with regard to the EU issue proved too problematic to present a stable stance towards the EU referendum openly at the time. As Patrick Diamond (2015; interview), Policy Advisor for Labour, said ‘not addressing the EU issue meant not exposing internal divisions at the time’. UKIP was the only party to address the issue of the EU more openly, but it still mixed it with other more salient issues mentioned above, such as the economy and immigration. Its anti-immigration and anti-establishment profile was the point of reference for most of its supporters (Liddle 2015; interview). Under these circumstances, the EU did not form a new divide in the British party system. On the contrary, it managed to gain additional salience through debates on other highly important issues such as migration, the economy, and the Scottish Independence. British parties capitalised on the EU in different ways in order to address questions that mattered more to the public without missing the opportunity to attract the Eurosceptic part of the electorate.
3.2.3 Government Composition and Future Developments

Changes in the British party system during the crisis were also apparent in government formation patterns. The decline in power of the two major parties started well before the 2010 election and multi-party politics appeared stronger as the crisis approached. However, coalition governments were not necessary due to the capability of either the Conservatives or Labour to form majority governments. The 1974 election was the only post-war election in which no party managed to receive the overall majority of seats leading to a hung parliament and a second election later in the same year. Therefore, no coalition government was necessary that time either. In the 2010 general election, innovative patterns in government formation due to the Conservative/Liberal Democrats coalition were evident for the first time since 1945.

According to Mair’s (1997) Indices on the change in government formation, we found new government composition and coalition formation patterns in the UK during the crisis. Especially in the 2010 general election, all indicators showed a big change in this aspect. First, we saw wholesale alternation in government since the parties in office - the Conservative party and the Liberal Democrats - were not in government in the previous election. Second, the governing formula was innovative since this was the first time for a coalition government in the UK in the post-war era. Finally, access to government was open as a party, which was never in government before, the Liberal Democrats, joined the coalition government. On the contrary, in the 2015 general election patterns of government composition were rather representative of the typical British party system of the past, therefore not innovative. We saw partial alternation in government, as the Conservatives remained in office, with a familiar governing formula (single-party government) and closed access to government.

Although familiar government patterns returned after the 2010 coalition formation, the transformation of the British party system would seem likely to continue. The combined vote of the two major parties has been declining significantly for over a decade particularly as they appeared to have a degree of similarity in their policy-making approach. The Liberal Democrats’ participation in the coalition government resulted in its limited credibility and the party had difficulties in drawing the protest vote. On the other hand, the popular support for the minor parties grew in the past years and these parties appeared to have great chances in achieving top
positions in the second-order elections, as it happened with UKIP in the 2014 EP election. As the immigration issue, the economy, and the UK’s EU membership would be among the most significant issues over which British parties would compete in the following years, one could argue that minor parties’ role might continue to be crucial. It might not be surprising to find them succeed in first-order elections and be relevant in coalition formation discussions, as it already happened with the SNP as a potential coalition partner of a left-wing Labour-led government in 2010 and 2015.

3.3 Why did Britain Respond this Way?

3.3.1 Independent and Intervening Variables

_The Independent Variable: The Impact of the Crisis_

In spite of the fact that the UK has always been less tied with the EU than the other member states, the country has been affected significantly by the crisis mostly because of its economic bonds with the Eurozone. The UK has had a different to the other big member states position on some of the EU measures taken for the crisis. While, Britain along with all the other EU members agreed on the European Financial Stability Facility (EFSF) and European Financial Stabilisation Mechanism (EFSM), in 2011 David Cameron vetoed the new EU Treaty change proposed to tackle the Eurozone crisis saying that the interests of his country were not protected (BBC 2011c). The new European Fiscal Compact agreement was eventually signed by all the other member states. As the European Stability Mechanism (ESM) proposal involved again a Treaty change, Cameron opposed actions that would have an impact on the UK. Finally, the ESM was signed by all member states except the Czech Republic after agreements on only a few amendments in the previous Treaty. In February 2013, Cameron threatened to block again the EU budget because of the ‘high numbers’ mentioned in the deal with regard to member states spending (Kirkup and Waterfield 2013). In spite of these actions, the country’s ties with the EU member states still played a significant role in the UK market and economy. Many economic areas were affected, including trade, loans, and mortgages. Over 50% of the UK’s trade is done with the EU states, so the economic recession in the Eurozone directly affected the country’s trade deals. Moreover, government spending was also reduced significantly due to the Eurozone crisis. Figures showed that the UK government’s deficit reduction
programme was one of the harshest among the EU member states during the crisis (Giugliano 2015).

GDP growth and unemployment were also poor during the Eurozone crisis. Figure 3.7 illustrates the change in real GDP growth and unemployment rates in the UK from 2002 until 2014. While unemployment was around 5% from 2002 until 2008, the number increased significantly in 2009 and remained high until 2013. In 2011, the UK had its highest unemployment rate during the last decade with 8.1%. After 2013, unemployment started decreasing and fell from 7.6% in 2013 to 6.1% in 2014. There was a sharp fall in GDR growth during the crisis. The country had positive GDP growth before the crisis began. In 2003, change from the previous year in real GDP growth was 4.3%. The number decreased to 2.5% in 2004 but rose again in the next years reaching 2.8% and 3% in 2005 and 2006 respectively. The figure started decreasing significantly in 2008. In 2009, the country experienced the most negative change in real GDP growth (-4.3%). Right after 2009, the figure became positive again but remained at low levels. In 2014, the figure reached 2.8% showing the first evidence of recovery since the Eurozone crisis occurred.

Figure 3.7. Real GDP growth (% change from previous year) and unemployment rates in the UK from 2003 until 2015.


Under these economic conditions, party competition was also affected by the crisis but in a rather indirect way. First, although these poor economic figures were partly due to the Eurozone crisis, British political parties, and particularly the Conservatives, used the national economic recession in
order to attack the previous government. One of the main arguments posed by the Conservative party against Labour implied that the latter was largely responsible for the economic recession (Swaine 2008). However, the global financial crisis along with the Eurozone crisis that followed played a great role in the weakening of the British economy in terms of trade figures, GDP growth, and unemployment rates. Based on this argument, the Conservative party not only attacked Labour in the pre-election period but also justified its own policy of a limited government budget when in office. Indeed, although the Conservatives hardened their line in public spending since 2010, their strategy of blaming Labour for the recession proved successful. A significant proportion of British voters seemed to be convinced that the Conservative party was better than Labour at ‘tackling government’s deficit’ and ‘managing the economy’ (Dahlgreen 2013). Even more, research concluded that Conservative party supporters were more likely to attribute the outbreak of the crisis to the British government than the British banks (Hellwig and Coffey 2011).

Another way in which the Eurozone crisis affected British politics was the credibility it offered to the Eurosceptic argument (Cash 2015; Crowther 2015; Dale 2015; Liddle 2015; interviews). One dimension of the EU debate during the crisis was that the EU’s incapability of dealing with the tough economic situation reinforced the view that the UK should not be a member of the EU. As Roger Liddle (2015; interview), Labour party MP, pointed out ‘the country does not avoid the problems of the euro by not being a euro-member’ and British voters became well aware of that because of the crisis of the common currency. In other words, since the Union appeared powerless in solving the financial problems, the UK had no reason to be a part of it. The Euro-critical wing within the Conservative and Labour parties also used the financial situation to support their position against the UK’s EU and euro membership (Dale 2015; interview). The Eurozone crisis exposed the EU’s biggest weaknesses and this gave the opportunity to the Eurosceptic party to strengthen its position. UKIP’s anti-European stance from 2010 until 2015 was naturally connected to the Eurozone crisis and what was happening to Southern European states with big financial issues, such as Greece and Portugal. The party talked excessively about the impact of the crisis on the national economy and the working class voters as well as ‘the EU bureaucratisation of politics’ that implies how doing politics became an elitist profession (Crowther 2015; interview). The more the crisis revealed the EU’s flaws the more it became a symbol of the UK’s independence in the hands of the Eurosceptic camp.
3.3.2 The Intervening Variables

The British Electoral System and Electoral System Proportionality during the Crisis

Because of the distinct nature of the devolved powers in the UK, different voting systems are used in the country for the election of the various authorities. The First-past-the-post (FPTP) or Single-member Plurality (SMP) system are used for the House of Commons and local elections in England and Wales. Committees and other powers within the House of Commons are elected with the Alternative Vote system and mayors in England and Wales, including the Mayor of London, are elected with the Supplementary Vote system. The Northern Ireland Assembly, European Parliament (EP), and local elections in Scotland used the Single Transferrable Vote system, and the Scottish Parliament, Wales Assembly, and London Assembly use the Additional Member System. Finally, the Closed Party List system was used for the EP elections in England, Wales, and Scotland.

Since the FPTP system is used for UK national elections, this electoral system is the main focus here. Under this system, voters put their first preference for their constituency on the ballot paper and the candidate that receives the majority of votes in that area is elected. Due to the fact that under FPTP system constituencies elect the single MP who gain the most votes, electoral system disproportionality is traditionally rather high. The large parties benefit and a two-party system is generally supported by such a voting system. On the other hand, minor parties secure disproportionally fewer seats no matter how many votes they receive. Such a voting procedure helps to create a stable, less fragmented party system as the major parties are often able to form majority governments (Norris and Crewe 1994). However, a large number of votes are ‘wasted’ since the difference of votes between the first and the second candidate does not matter. The feature has been widely discussed in the UK and campaigners have debated for an electoral reform that would result in a more proportional election outcome (see for example the Electoral Reform Society).

Electoral system disproportionality, which is the first intervening variable of this study, decreased in the UK during the economic crisis. Table 7 shows the degree of disproportionality according to Gallagher’s Index (1971) in UK national elections from 2001 until 2015. Naturally, levels of

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8 For a detailed account of the different voting systems in the UK, see here: www.parliament.uk/about/how/elections-and-voting/voting-systems/
disproportionality remained high in all elections particularly when compared with other European
countries where proportional representation (PR) systems are used. We see that in 2001
disproportionality was 17.8, meaning that non-mainstream parties were only slightly represented
in the parliament. In 2005 the figure decreased to 16.6 as Liberal Democrats gained 16 more seats
than 2001 along with regional parties that were somewhat more empowered. In 2010 and 2015
disproportionality decreased even more scoring 15.1 and 15 respectively because of the
performance of minor parties and the empowerment of the Conservatives. Particularly the fact
that the SNP won most of the Scottish constituencies and, therefore, secured 50 more seats in the
parliament in 2015, resulted in more proportionality. Even UKIP, which managed to secure one
seat in 2015, contributed to less electoral system disproportionality despite its much better
performance in terms of votes.

<table>
<thead>
<tr>
<th>Election Year</th>
<th>Electoral System Disproportionality</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>17.8</td>
</tr>
<tr>
<td>2005</td>
<td>16.6</td>
</tr>
<tr>
<td>2010</td>
<td>15.1</td>
</tr>
<tr>
<td>2015</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Author’s calculations

Overall, the electoral system played a crucial role in the developments of the British party system
during the Eurozone crisis. The FPTP voting system showed it can affect a British society of fast
evolving voting patterns and prevent radical party system change from happening. Figure 3.8
illustrates the allocation of seats in the 2015 election as it actually took place under the FPTP
voting system and as it would have been under the D’Hondt system, a PR system that secures high
levels of proportionality between seats and votes for each party and is used in the EP elections of
England, Wales, and Scotland. We see that under a PR electoral process, the British party system
would have been far more fragmented and polarised because UKIP would have been the third
biggest party in parliament followed by the Liberal Democrats, the SNP, and the Greens. The two
major parties would have gained even fewer seats, which would have led to another coalition
government. In reality, although fifth in terms of votes, the SNP came third in the Westminster and the Conservatives formed a thin majority single-party government. This illustration shows that, had it not been for the FPTP voting system, the British party system might have undergone through fundamental changes. The power of the FPTP system to block changes in the British party system has therefore proven strong.

Figure 3.8. Allocation of seats in the Westminster in the 2015 national election under the FPTP and PR systems.

![Diagram showing allocation of seats in the Westminster in the 2015 national election under the FPTP and PR systems.]

Source: Electoral Reform Society in BBC, 2015c.

**Popular Trust in Political Institutions**

Popular trust in political institutions is the first intervening variable of this project and shows the degree in which people consider their national government, parliament, and political parties on the whole credible. In the UK, trust in political institutions has always been rather low. As Figure 3.9 shows, trust in the national parliament has been steadily below the European average from 2003 until 2013 with only exception in 2005 when it was slightly higher. However, levels of trust in both the national parliament and the national government were higher before the crisis began. In particular, 33.5% of the British people tended to trust their national government in 2005 with the score decreasing from 2008 onwards reaching 20% in 2009 and 23% in 2012 and 2013. Trust in the national parliament had higher scores than trust in the national government but these figures again decreased during the crisis. While 36.5% of the British people trusted their national government.
parliament in 2005, only 18% and 24.5% felt the same in 2009 and 2013 respectively. Levels of trust in the British political parties overall have been quite stable yet significantly low throughout the decade. For example, 12% of British people tended to trust their national parties in 2003 and while this number rose only temporarily in 2005 with 18% score, it fell again to 10.5% in 2009 and 12% in 2013.

Figure 3.9. The percentage of British and European (total of all EU countries) people that tend to trust their national political institutions (years 2003-2015).

Source: Eurobarometer, European Commission 2003-2015

Low levels of trust in the national political institutions were a significant factor associated with the changes that took place in the British party system during but also before the Eurozone crisis began. Mistrust in the two major parties and disillusionment with the political system overall benefitted the minor right-wing party UKIP. UKIP took advantage of the anti-politics sentiment and presented itself as a non-mainstream party that had never been in power. Because of this anti-establishment profile, UKIP’s political scandals affected its popularity less than other parties (Goodwin 2014). The SNP and the Greens also got stronger due to the protest vote and public sentiment of punishing the government parties. The meltdown of the Liberal Democratic party after joining the coalition government with the Conservatives was another indicator of the fact that part of the British electorate felt the need to punish the government parties through their votes (Fassoulas 2014; interview). Even though the Liberal Democrats had been the first party to receive the protest vote in the past, voters punished it once in office.
**National Economic Perception**

NEP is another important intervening variable in exploring the reasons behind voting behaviour and party system change during the crisis. Figure 3.10 shows the number of British and EU respondents that considered their economy as good in the years 2005-2015. We see that the British figure was above the EU average in the years before the crisis began. While 69% of the British respondents thought of their national economy as good in 2005, only 36% of the European people did so. However, this perception changed sharply in 2008 when the global financial crisis began and Ireland started facing serious economic problems. Compared to 24.5% of the EU citizens that found their economy good, only 18% of the British people believed the same. The British average continued featuring lower than the European; this was until 2013 when it was the first time it featured over the European average. For example, in 2011 while 17% of the British respondents considered their national economy as good, 29% of the European thought so of their national economy. In 2013, however, this trend changed and in 2015 the British average was 14.5% above the European.

**Figure 3.10. The percentage of British and European (total of all EU countries) people that consider their national economy as ‘good’ (years 2005-2015).**

![Graph showing the percentage of British and European people considering their national economy as good between 2005 and 2015.](image)

Source: Eurobarometer, European Commission 2005-2015

These results are particularly interesting for the British case when taking into account the fact that the UK’s economy was not as poor as in other countries, such as Greece or Ireland, during the
crisis. Polls illustrated the high concerns of British citizens regarding the economic situation in the UK throughout the crisis. In 2009, 70% of the British people ranked the economy as the most important issue that Britain was facing (Ipsos MORI 2009). The economy kept dominating public concerns in the next years. In 2014, when asked what they thought would be very important in helping them decide which party to vote in the 2015 general election, 31% of the British respondents picked the economy with all other issues, such as immigration, health, and education, following (Ipsos MORI 2015). Under these circumstances, NEP seemed to be a decisive factor in British people’s voting choices in the 2010 and 2015 general elections.

### 3.3.3 Other Factors Specifically Related to the British Case

#### The Route to Multi-Party Politics

Multi-party politics has been strengthened during the financial crisis that started in 2008, but signs of a more fragmented British party system can be traced to well before the crisis began. We saw earlier how the two major parties faced several challenges during their modernisation period in the 1990s. In the same vein, although the effective number of parties, increased significantly in the last three national elections, high levels of fragmentation were evident since the weakening of the two-party system that started as early as the 1970s. It was then that the stable two-party system of Britain developed into a latent moderate pluralist model. Table 8 shows polarisation and fragmentation levels in votes in all UK general elections from 1945 until 2015. During the years of two-party system stability (1945-1974), the average fragmentation was 2.38. This started increasing in the two consecutive general elections in 1974 and continued being around 3.1 until 2001. After the 2001 election, new opportunities opened up for minor parties. Higher fragmentation was a result of: a sharp fall in the vote share of the two major parties; Liberal Democrats’ failing performance; and old minor parties becoming much stronger. Nevertheless, these trends were evident before the crisis began. The new patterns added to the fluidity that has been characterising the British party system for more than 40 years.
Table 8. Fragmentation and polarisation in the British party system in all national elections from 1945-2015.

<table>
<thead>
<tr>
<th>General elections</th>
<th>Fragmentation (votes)</th>
<th>Polarisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>2.7</td>
<td>0.40</td>
</tr>
<tr>
<td>1950</td>
<td>2.4</td>
<td>0.35</td>
</tr>
<tr>
<td>1951</td>
<td>2.1</td>
<td>0.36</td>
</tr>
<tr>
<td>1955</td>
<td>2.2</td>
<td>0.37</td>
</tr>
<tr>
<td>1959</td>
<td>2.3</td>
<td>0.32</td>
</tr>
<tr>
<td>1964</td>
<td>2.5</td>
<td>0.31</td>
</tr>
<tr>
<td>1966</td>
<td>2.4</td>
<td>0.30</td>
</tr>
<tr>
<td>1970</td>
<td>2.5</td>
<td>0.42</td>
</tr>
<tr>
<td>1974a</td>
<td>3.1</td>
<td>0.31</td>
</tr>
<tr>
<td>1974b</td>
<td>3.2</td>
<td>0.32</td>
</tr>
<tr>
<td>1979</td>
<td>2.9</td>
<td>0.32</td>
</tr>
<tr>
<td>1983</td>
<td>3.1</td>
<td>0.42</td>
</tr>
<tr>
<td>1987</td>
<td>3.1</td>
<td>0.43</td>
</tr>
<tr>
<td>1992</td>
<td>3.0</td>
<td>0.38</td>
</tr>
<tr>
<td>1997</td>
<td>3.2</td>
<td>0.30</td>
</tr>
<tr>
<td>2001</td>
<td>3.3</td>
<td>0.29</td>
</tr>
<tr>
<td>2005</td>
<td>3.6</td>
<td>0.31</td>
</tr>
<tr>
<td>2010</td>
<td>3.7</td>
<td>0.37</td>
</tr>
<tr>
<td>2015</td>
<td>3.9</td>
<td>0.38</td>
</tr>
</tbody>
</table>

Source: Parliaments and Governments Database, parlgov.org

However, fluctuations in party system polarisation were regular features in post-war Britain. Table 8 also shows polarisation patterns in the British party system across the post-war years. We see that - unlike fragmentation, which has been steadily rising since 1974 - polarisation was increasing and decreasing from time to time in an unstable manner. In the post-1970 area, that is since the two-party system has been diluted, the main pattern was that polarisation was lower when Labour was in government (1974-1979, 1997-2010), and higher when is in opposition (1979-1997, 2010-2015). Long before the crisis began, this trend could be primarily attributed to Labour’s left-wing
positions, opposed to Thatcher’s right-wing policies. This strong opposition used to stretch the party system to the extremes. However, Tony Blair’s ‘New Labour’ abandoned the party’s original stances and adopted ‘Third Way’ policies in vital policy areas, such as the economy and international relations. With no significant gains for non-mainstream extreme parties, the party system was consolidated to the centre. On the contrary, as we saw earlier, in the post-2010 years, increased polarisation could be associated not only with the behaviour of the two major parties, which was the case in previous elections. This time, the loss of a significant part of popular support for the mainstream parties was the growing electoral power of minor parties, which occupied more radical positions than Labour, the Conservatives, and the Liberal Democrats, and, therefore, pulled the system again further to the extremes.

At the same time big changes took place both at the social and institutional level which affected the British party system. One of the most important transformations was that class alignment weakened extensively since the 1960s and the British social base became more pluralist (Butler and Stokes 1969; Denver 2007). British people were not identified primarily by their class anymore and a whole new range of new social identities related to their region, job sector, environmental and other interests mattered (Webb 2000, pp. 10-15). The political system responded to the increasing heterogeneity of the British society and new cleavages affected party competition. The centre-periphery divide played a crucial role particularly with regard to the institutional change that led to the devolution of powers in the late 1990s. Although the single-member plurality electoral system prevented big transformations from happening, the devolution of power to the Scottish Parliament and Welsh Assembly weakened the representativeness potential of Westminster. A decentralised British state of devolved powers and de-aligned voters resulted in a complex environment of multi-party politics (Dunleavy 2005). Therefore, although the trend of multi-party politics in Britain was particularly accelerated during the Eurozone crisis, appropriate conditions were developed well before the crisis began.

**UK and the EU: A Troubled Affair**

The UK’s awkward partnership with the EU is another distinct feature of the British case. The UK has a well-known history of reluctance towards the EU membership as the latter has been claimed to endanger Britain’s state sovereignty and national identity along with a theme of old-fashioned
antagonism with the continental Europe (George 1998). This goes back to 1951 when Britain did not join the European Coal and Steel Community, although it did become a member of the European Community (EC) in 1973. In the Maastricht and the Lisbon Treaties, the country negotiated extensively the conditions of its membership. The UK pressed hard for opt-outs from several policy areas that could affect home affairs and the implementation of the British law. Despite the opt-outs that the UK secured in both Treaties, this did not eliminate the controversy that these negotiations produced at both the public and party levels; national powers were still considered surrendered by some (see for example BBC 2007).

Britain’s exceptional relationship with the EU meant it never joined the common currency either. Since relevant discussions started in the 1990s, not a single opinion poll showed the public favouring the euro (Bogdanor 2012). The country was slightly more involved when it took the Presidency of the European Council in 2005 and discussions on the EU budget. However, it became isolated again during the Eurozone crisis. David Cameron vetoed the Treaty amendment discussed by the other member states in 2011 in order to tackle the recession (BBC 2011c). However, the EU members proceeded with the amendment without the agreement of the UK, and numerous meetings with the Eurozone institutions took place in the following years without the presence of British representation. In the meantime, the growing electoral power of the hard Eurosceptic UKIP partly indicated that British traditional hostility towards the EU remained, if not increased even more, during the crisis.

The varied position of the mainstream parties towards European integration throughout the years is another element in the puzzled relationship with the EU. As far as the Conservatives are concerned, under Margaret Thatcher, the party simmered down its tensions over the EU issue but friction came back to stay under John Major’s governance. John Major promised to keep the country ‘at the heart of Europe’ and favoured the Maastricht Treaty while negotiating several opt-outs (Major 1991). This action led to a rebellion from the hard Eurosceptic wing within the party, known as the Maastricht Rebels. Eventually, John Mayor managed to pass the Treaty in the Westminster in 1993 but in a way the damage had already been done (Cash 2015; interview). Under David Cameron, tension within the party continued as the Prime Minister committed to an EU membership referendum in which the government itself was divided over what to vote for. Yet, the deep divisions within the Conservatives often monopolised the interest in intra-party tensions,
although they existed in the other British parties too (Oliver 2015, p. 414). The Labour party, although it began as a Eurosceptic force during Thatcher’s governments, it reversed its position when Tony Blair committed to embracing the EU (Blair 2005). New Labour appeared confident in fighting for a more ‘European’ Britain, but at the same time was tied to the public’s Euroscepticism and the country’s bonds with the US. The Liberal Democrats remained dedicated to their pro-European stance since their formation. This stable position, however, was a problem even for the party’s own most committed voters as they often considered it as an unconditional surrender to the EU (Curtice and Clarke 1998). At the same time, all these insecurities and frictions regarding parties’ position towards European integration - both between and within the parties - had led to the ‘externalization of the tensions’ to radical groups (Usherwood 2002, pp. 229-230). In the recent years and particularly during the crisis, we found these fringe groups becoming large and effective political formations, as it happened with UKIP.

Among British parties, one could argue that pro-European views sound more like a necessary evil in an increasingly international world, rather than a consciously ‘positive endorsement of all things European’ (Heffernan 2001, p. 188). Inconsistency and intra-party divisions on the EU issue along with a limited debate over European integration during the crisis helped minor parties with coherent attitudes towards the EU, such as UKIP and SNP. As mentioned earlier, the EU did not manage a breakthrough above other important issues, such as the economy and immigration; yet, combined with these salient issues, proved rather powerful.

3.4 Conclusion

During the Eurozone crisis British politics experienced big changes that were evident in most of its party system properties. As Table 9 shows, both fragmentation and polarisation increased. Although fragmentation in votes increased only slightly in 2010 compared to the 2005 national election, in 2015 it reached its highest level in the post-war period. This was mainly associated with the growth in support for non-mainstream parties which managed to secure seats in the Westminster. In the same 2015 election, the vote for parties other than the Conservatives, Labour, and Liberal Democrats, was the highest since 1945. The rise of the SNP and UKIP played an important role since the parties raised their profile in terms of seats for the former and votes for the latter, while the Greens also performed well. At the same time, the combined vote for the two
major parties decreased during the crisis and the Liberal Democrats experienced a serious meltdown. Polarisation grew along with the rise of minor parties, which occupied the available space on the left and the right of the ideological scale. With Labour in the centre and Liberal Democrats collapsing, the SNP and the Greens seemed to fill the gap on the left, while UKIP positioned itself in the far right of the party system. These political actors made use of the somewhat decreasing appeal of the major parties - particularly Labour, and the limited ability of the Liberal Democrats to attract the protest vote after joining the coalition government in 2010. A large part of the electorate, either middle class voters disappointed with the mainstream political system or neglected voters who were ‘left behind’ in the fast-changing British society, opted for alternative political choices. All these changes resulted in an open structure of party competition in the 2010 election. While the two major parties were able to form single-party governments before the crisis, in 2010 a coalition government was formed and Liberal Democrats came in office for the first time. In 2015, government patterns returned to the single-party government model, but only with a ‘wafer-thin’ majority for the Conservatives.

Regarding Eurosceptic trends, these did not change much for the mainstream parties but were more evident in UKIP which grew during the crisis. We saw all mainstream parties retain their previous positions towards Europe. However, the hard Eurosceptic UKIP that came first in the 2014 EP election and third in votes in the 2015 general election, raised the anti-EU argument. Unlike mainstream parties, which faced intra-party confusion on their stance towards the EU and paid little attention to the EU issue, UKIP raised the salience of the EU during the crisis and promoted its consistent position. Although UKIP’s anti-EU rhetoric did not manage to create an actual pro-/anti-European divide in the British party system, it did succeed in reinforcing existing Eurosceptic beliefs and making the anti-euro argument more credible. Moreover, minor parties handled the EU issue quite effectively by linking it to the most salient issues in the British society - immigration and the economy - in their attempt to attack the mainstream parties. UKIP connected the EU with the immigration issue and took advantage of some voters’ unease regarding high levels of immigration in the country. The SNP and the Greens along with UKIP used the EU in order to capitalise on the great concern of a significant proportion of the British electorate about the national economy. In this way, the parties accused the mainstream political actors of being unable to tackle the crisis and blamed national governments for causing the recession. In addition, the fear of a hung parliament in both 2010 and 2015 elections along with the Scottish question, which
gained attention due to the Scottish Independence referendum in 2014, dominated political discussion. Scottish independence was also related to the EU because a negative vote in the upcoming EU membership referendum in 2017 against a pro-European Scottish sentiment was seen as potentially problematic.

Table 9. The British party system before and during the Eurozone crisis: Independent, intervening and dependent variables.

<table>
<thead>
<tr>
<th>Economic performance:</th>
<th>Scores before the crisis</th>
<th>Scores during the crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth</td>
<td>2.5%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>5.1%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Disproportionality</td>
<td>17.2</td>
<td>15</td>
</tr>
<tr>
<td>Popular trust</td>
<td>32.1%</td>
<td>22.3%</td>
</tr>
<tr>
<td>NEP</td>
<td>55.6%</td>
<td>30%</td>
</tr>
<tr>
<td>Polarisation</td>
<td>0.30</td>
<td>0.37</td>
</tr>
<tr>
<td>Fragmentation</td>
<td>3.45</td>
<td>3.80</td>
</tr>
<tr>
<td>Pro-/Anti-European divide</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Structure of competition</td>
<td>Closed</td>
<td>Open/Closed</td>
</tr>
</tbody>
</table>

Note:

The reasons behind the transformation of the British party system during the crisis are multiple. First, the impact of the crisis itself was indirect, but rather significant. Interestingly, the recession affected the British party system not only in terms of the actual economic figures but mainly as a symbol of a mainstream political system in decline. As Table 9 illustrates, real GDP growth and employment suffered during the crisis, but low levels of NEP seem to have had a bigger influence in the political developments. As mentioned above, opposition parties attacked the government because of the mis-management of the economy during the crisis. However, the high public deficit
and government spending that was created during Labour’s previous years in office gave the Conservatives the opportunity to accuse the previous government of the poor economic performance of the country by deliberately neglecting the impact of the Eurozone crisis. Anti-austerity minor parties, such as the SNP, the Greens, and even UKIP, also benefited from low levels of NEP and the relevant political debate. Moreover, the electoral system played a crucial role in any party system change, or more accurately non-change. UKIP gained significant amounts of votes but still remained in the margins of the Westminster. The SNP became the third power in terms of seats by winning most of the Scottish constituencies, and the two major parties remained strong in the parliament despite the decline in their combined vote. The FPTP system proved an effective tool in maintaining the old patterns and preventing even more radical transformations from happening. Furthermore, low levels of trust in political institutions further encouraged the rise of minor parties, which might have looked less ‘corrupted and elitist’. However, low levels of trust could be traced well before the crisis began showing a general public disillusionment towards the British political system overall regardless of the significant economic crisis.

Although during the Eurozone crisis transformations in the British party system were accelerated, most trends were evident before the crisis began. The two-party stability that the British party system experienced in the first 30 years after the end of the Second World War was becoming steadily weaker since the 1970s. Higher levels of fragmentation were first found in 1974, while the combined vote of the two major parties started declining significantly since the early 1980s. Fragmentation reached its peak in the 2015 general election but a big rise was noticed back in 2005. In the meantime, polarisation went through several fluctuations throughout the years. Since 2010, polarisation increased mainly because of the rise of minor parties, which occupied more extreme positions on the ideological spectrum. However, the way to multi-party politics was opened much before 2010 when higher fragmentation was combined with rising plurality in the British society. New social cleavages, such as region and occupation, have weakened the class alignment since the 1960s, while a devolved British state resulted in even further voter dealignment in the 1990s. On top of these new issues, the EU gave an additional dimension in the political competition. A long-term troubled affair between the UK and the EU created on-going friction within the mainstream parties along with the opportunity for minor parties with more coherent stances towards the EU to arise. Overall, multi-party politics in Britain has been on the rise and the ability of the major parties to decelerate this process seems more and more limited.
4. The Irish Case: A Mandate for Change

4.1 Introduction

The fierce economic crisis that hit Ireland in 2008 provided the perfect condition for a fundamental change in the Irish party system. The transformation was radical; the massive fall of one of the most dominant national parties in Europe and the significant rise of a number of minor political forces were the main features in the most volatile national election in the post-war Europe. The collapse of Fianna Fail as well as the increased representation of Sinn Fein and the Independents resulted in new patterns in party competition. Although no new significant party had a breakthrough in the parliament, the change in the distribution of seats was radical and combined with increased support for small new and old parties as well as Independent candidates. Moreover, government formation patterns were in flux and coalition formation discussions involved possibilities that no one had ever thought about before. In all these developments, the crisis opened up opportunities that would have been difficult to arise without it. However, long-term developments in the Irish party system, which were linked to domestic issues, and the structural characteristics of the Irish society and politics also played a crucial role.

It has commonly been assumed that it is not easy to explain the Irish party system in typical classification terms or categorise it among the party systems of the rest of the advanced democracies of Western Europe. Either it has escaped the attention of scholars because Ireland is a small peripheral state or it has been overlooked because of its exceptional nature (Mair 1999, pp. 127-128). A main feature of the Irish party system is that the left-right ideological spectrum has not been a distinctive line of party competition because of the lack of social class-based voting (Sinnott 1984; Weeks 2010, pp. 140-146; Courtney and Gallagher 2012, p. 3). The main Irish parties originated in the civil war period, when Treaty and anti-Treaty forces negotiated their positions on the 1921 Anglo-Irish Treaty and their way to their establishment of the Free Irish State, and formed the political parties that we know today. Having said that, the biggest Irish parties, Fianna Fail and Fine Gael, which reached extremely high rates of voter support throughout the history of the Irish state (Figure 4.1), cannot be easily compared with other major political parties in Western Europe. Their attitudes were shaped according to the national issue of the civil war, and more specifically, their view of the 1921 Anglo-Irish Treaty, rather than economic
ideologies. Fianna Fáil was the descendant of the anti-Treaty forces forming the Republican side, while Fine Gael was created from the pro-Treaty Free State supporters. Thus, their centre-right positioning did not follow the typical left-right ideological pattern of other European parties (Mair 1979). Nevertheless, throughout the years both parties developed a catch-all character with very few significant ideological or policy differences between them (Benoit and Laver 2006).

Figure 4.1. Party support for the main Irish parties, 1932-2011 (% vote share).


The left has also been traditionally weak in Irish politics (Farrell 1970; Mair 1992). The Irish Labour party has been one of the weakest social democratic parties in Europe and a traditional Fine Gael coalition partner. That performance made the party relevant as well as mainstream (McDaid and Rekawek 2010, p. 630). The Greens gained their first seats in the Irish parliament (so-called Dail) in 1989 and joined a coalition government in 2007 with Fianna Fail and the Progressive Democrats. Although a protest movement in the beginning, the Green party became a ‘conventional established force’ in the following years (Bolleyer 2010, p. 603). Sinn Fein, a small left-wing republican party which has been more powerful in Northern Ireland, gained its first seats in 2007. The party has experienced a slow but steady growth after attempting to shake off its IRA-linked past as until then connections existed between Sinn Fein and the Irish Republican Army’s violent actions against the pro-Treaty Irish forces and the English political actors. Ireland’s long tradition
of Independent candidates is another distinct aspect of the Irish party system. While in most Western European political systems Independents play a minor role, in Ireland they have always been not only present in the Dail and but also played an important role in government formation (Coakley 2005; Weeks 2009; Weeks 2011).

Table 10. Elections and government formation in Ireland, 1937-2016.

<table>
<thead>
<tr>
<th>Year of election</th>
<th>Dail</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937</td>
<td>9th</td>
<td>FF</td>
</tr>
<tr>
<td>1938</td>
<td>10th</td>
<td>FF</td>
</tr>
<tr>
<td>1943</td>
<td>11th</td>
<td>FF</td>
</tr>
<tr>
<td>1944</td>
<td>12th</td>
<td>FF</td>
</tr>
<tr>
<td>1948</td>
<td>13th</td>
<td>FG/LAB/CP/CT</td>
</tr>
<tr>
<td>1951</td>
<td>14th</td>
<td>FF</td>
</tr>
<tr>
<td>1954</td>
<td>15th</td>
<td>FG/LAB/CT</td>
</tr>
<tr>
<td>1957</td>
<td>16th</td>
<td>FF</td>
</tr>
<tr>
<td>1961</td>
<td>17th</td>
<td>FF</td>
</tr>
<tr>
<td>1965</td>
<td>18th</td>
<td>FF</td>
</tr>
<tr>
<td>1969</td>
<td>19th</td>
<td>FF</td>
</tr>
<tr>
<td>1973</td>
<td>20th</td>
<td>FG/LAB</td>
</tr>
<tr>
<td>1977</td>
<td>21st</td>
<td>FF</td>
</tr>
<tr>
<td>1981</td>
<td>22nd</td>
<td>FG/LAB</td>
</tr>
<tr>
<td>1982 (Feb)</td>
<td>23th</td>
<td>FF</td>
</tr>
<tr>
<td>1982 (Nov)</td>
<td>24th</td>
<td>FG/LAB</td>
</tr>
<tr>
<td>1987</td>
<td>25th</td>
<td>FF</td>
</tr>
<tr>
<td>1989</td>
<td>26th</td>
<td>FF/PD</td>
</tr>
<tr>
<td>1992</td>
<td>27th</td>
<td>FF/LAB</td>
</tr>
<tr>
<td>1997</td>
<td>28th</td>
<td>FF/PD</td>
</tr>
<tr>
<td>2002</td>
<td>29th</td>
<td>FF/PD</td>
</tr>
<tr>
<td>2007</td>
<td>30th</td>
<td>FF/PD/GREEN</td>
</tr>
<tr>
<td>2011</td>
<td>31st</td>
<td>FG/LAB</td>
</tr>
<tr>
<td>2016</td>
<td>32nd</td>
<td>FG/Ind</td>
</tr>
</tbody>
</table>


Source: Government of Ireland, www.gov.ie

Overall, the Irish party system has been quite stable. As seen in Table 11, from 1937 when the new constitution was passed, until 2014, the party system can be divided into three main periods (Mair
1999): a) 1937-1948: The first period after Independence was characterised by the absolute dominance of Fianna Fail. Fianna Fail was able to form powerful single-party governments and nothing seemed to be able to move it from power until 1948. b) 1948-1989: During this period, party competition applied to a two-party system with one party being Fianna Fail and the other being all the opposition parties together. Thus, in 1948, Fine Gael formed the first non-Fianna Fail coalition government with Labour, and two other minor parties. After that election, we find either Fianna Fail single-party governments or Fine Gael being the main partner of a non-Fianna Fail coalition government. c) 1989-2014: During the last period of the Irish party system we find Fianna Fail unable to form a single-party government. Therefore, we see only coalition governments formed by either Fianna Fail, Progressive Democrats (a new minor neo-liberal party) and the Greens or by Fine Gael and Labour. However, as Mair (1999) predicted these patterns appeared unlikely to persist in the future.

This chapter discusses the developments and changes in the Irish party system during the Eurozone crisis following the methodology that was presented in the Introduction of the thesis. The rest of the chapter is structured as follows: First, I discuss the results of the elections that took place in Ireland during the Eurozone crisis. Then, I study the response of the Irish party system during the crisis. In particular, I look at fragmentation and polarisation, the EU issue, and government formation patterns. In the next section, I examine the reasons for these developments: first, by studying the independent and intervening variables; and second, by analysing other structural conditions that affected the party system during the crisis and were particularly relevant to the Irish case.

4.1.1 Elections during the Crisis

The 2011 and 2016 Irish general elections indicated the changing voting behaviour of the Irish electorate and shaped a mostly fragmented national parliament with weaker major and stronger minor parties and Independent candidates (Figure 4.2). The Irish general election in 2011 was widely characterised as the third most volatile election in post-war European history (Mair 2011). The most striking outcome of this election was the radical loss of votes by Fianna Fail. As we can see in Figure 4.2, the party received only 17.4% (it received 41.6% in the previous elections in 2007) and lost 51 seats. This was the lowest number of votes Fianna Fail received since its creation
in 1926 and the first time that it was not the largest party in the Dail. On the other hand, Fine Gael became the largest party for the first time in its history and formed a coalition government with Labour. The Labour party increased its vote share and became the second largest party, while Sinn Fein also raised its vote share. The Green party experienced a great defeat; although it was a member of the coalition government in the previous elections, in 2011 it did not manage to gain any seats. At the same time, the United Left Alliance (ULA), a coalition of minor left-wing parties (Socialist Party, People before Profit, Workers and Unemployed Action Group/WUAG) managed to receive 2.6% of the popular vote and gained five seats in the parliament.

Figure 4.2. Results (% vote share) in the 2002, 2007, 2011, and 2016 Irish general elections for the parties in parliament.

Source: Government of Ireland, www.gov.ie

The general election that followed in 2016, found the Irish party system even more fragmented with a large number of votes going to minor old and new political parties and alliances. Fine Gael remained the largest party in the parliament but experienced a drop of 26 seats compared to the 2011 election. Despite the decrease in support, though, this was a massive achievement for Fine
Gael as since 1932 only Fianna Fail had managed to win consecutive national elections (McBride 2016). Fianna Fail came second with 24.6% of the vote share. This was a relatively successful outcome for Fianna Fail after its massive collapse in the previous election, which had left the party with only 20 seats in the Dail. Despite most of the opinion polls predicting Sinn Fein would come second, public opinion altered slightly a few months before the election and the party came third with 13.8% of the vote and 23 seats (Collins 2016). However, Sinn Fein had still a significant increase in its vote by 3.9% which built upon its on-going steady performance in years. On the other hand, Labour suffered a massive decline in its vote share from 19.5% in 2011 to only 6.6% in 2016 paying a high price for being in the 2011 coalition government. Nevertheless, the most striking feature of this election was the outstanding performance of the minor parties and the non-party candidates. Independent candidates secured 13 seats in parliament, just one seat less than in 2011. In addition, two minor alliances of Independent candidates, called ‘Independents 4 Change’ and the ‘Independent Alliance’, founded in 2014 and 2015 respectively, won 10 seats in total. Two other new political parties, the Anti-Austerity Alliance–People Before Profit (AAA-PBP) and the Social Democrats, both founded in 2015 by former members of the Dail, managed to attract 3.9% and 3% of the popular vote respectively. These results led to the formation of the first minority government in Ireland since 1989 created by Fine Gael and a number of Independents and supported by Fianna Fail.

### 4.2 How did the Irish Party System Respond to the Crisis?

#### 4.2.1 Fragmentation and Polarisation

**Fragmentation and the Left-Right Debate**


<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Fragmentation (votes)</strong></td>
<td>4.0</td>
<td>3.7</td>
<td>4.5</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Fragmentation (seats)</strong></td>
<td>3.3</td>
<td>3.0</td>
<td>3.5</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Polarisation</strong></td>
<td>0.06</td>
<td>0.12</td>
<td>0.09</td>
<td>0.07</td>
</tr>
</tbody>
</table>

Source: Electoral data and author’s calculations using Laasko and Taagepera’s index for Fragmentation and Taylor and Herman’s index for Polarisation.
Table 11 shows the effective number of parties in votes and seats and polarisation figures in the 2002, 2007, 2011, and 2016 national elections of Ireland. Fragmentation and polarisation are two fundamental properties that help us identify the status and changes of a party system. As explained in the Introduction, for the sake of this project, fragmentation is measured using the Laasko and Taagepera’s Fragmentation Index (1979) which concerns the effective number of parties in a party system depending on the parties’ relative strength in terms of votes and seats. Polarisation is defined as the degree of ideological distance separating relevant parties in a party system along a left-right scale and was measured through the Taylor and Herman’s Polarisation Index (1971).

In terms of fragmentation, we see that both the effective number of parties in votes and seats increased in the 2011 election (Table 11). Fragmentation was higher particularly on the left because of the new minor left-wing parties, such as ULA, AAA-PBP, and the Socialist party, which won seats in the Dail, and the meltdown of the Progressive Democrats, which created a gap at the right end of the ideological scale. At the same time, the rise of Independents as well as the new party alliances formed by independent candidates made the system more fragmented. However, polarisation decreased slightly from 0.12 in the 2007 election to 0.09 in the 2011 election, mainly because mostly the same parties remained in the Dail. Apart from ULA, which was a new actor in 2011, the rest of the vote share was distributed among the unchanged main parties. Since Fine Gael and Labour gained most of Fianna Fail’s seats, power was still focused on the centre of the left-right ideological spectrum. The disappearance of the Progressive Democrats and the Greens also contributed to a consolidation of the centre camp of political parties when combined with the increased support for Sinn Fein and small parties that lay closer to the left extreme, which kept polarisation scores quite close to the previous elections.
A closer look at the author’s expert survey shows the ideological position of each party on the left-right spectrum in the elections before and after the crisis began (Figure 4.3). The results showed that only a few changes could be traced in parties’ ideology as such. Most parties kept a similar ideological position on the left-right scale in all the elections. However, we found Fianna Fail moving towards the centre, Fine Gael moving slightly towards the right, and Sinn Fein shifting to the left. Sinn Fein’s growth along with the several new left-wing parties and alliances that were formed during the crisis pulled the party system to the left. On top of that, the meltdown of the Progressive Democrats and the move of Fianna Fail towards the centre made the right much weaker. However, the centre still remained quite strong as Fianna Fail, Fine Gael, and Labour were located around that space. Having also in mind that a left-right divide has never been strong in the Irish politics, and even traditionally left-wing parties, such as Labour and the Greens, have been quite centrist, the rise of the radical left could help a left-right debate to arise in Ireland for the
first time. Indeed, we saw Sinn Fein, the radical small left-wing parties, and a number of Independents gathering to the left. In fact, in 2011 Ireland saw the largest number of left MPs ever elected in the history of the state (Hearne 2014; interview). Therefore, a stronger push to the left, as well as a clearer picture of the left-right axis, was now visible (Fabozzi 2014; interview) and a discussion about left-wing politics was now present in the Irish political scene, particularly since the left-wing parties expressed a somewhat clearer socialist ideology (Broughan 2014; interview).

Nevertheless, the stronger presence of an ideology-based discussion did not really lead to an active left-right divide in the Irish party system. Rather, it was the establishment/anti-establishment debate that played the central role in party competition. First, the tradition of limited ideological arguments in Irish politics continued as it was once again centrist parties that received the largest amount of votes in both elections while Sinn Fein and the minor left-wing parties that rose did not develop a consistent radical left stance (Little 2014; interview). This was also combined with the limited power of the radical left movement during the crisis in general. For instance, ULA expressed a more socialist view only compared to what Irish parties and voters have been used to; yet, their attitude was inconsistent taking into account their contradictory policy preferences when not opposing the property tax (O’Malley 2014; interview). At the same time, these movements were more centrist and nationalist than ideology-driven and their personality-oriented character and niche nature did not allow them to set the basis for a real left-right debate in the Irish party system (Suiter 2014; O’Malley 2014; interviews). In the same vein, the loose ideological basis on which Irish parties competed persisted and political debate was not carried out in more ideological terms during the crisis.

**The Rise of the Non-mainstream**

Although the rise of these political forces, including Sinn Fein, the minor new parties, and the Independent/non-party candidates, did not add much to the political debate in terms of ideology, their contribution was vital for another reason: the stimulation of an establishment/anti-establishment divide among the well-known political actors in the Irish party system. In the 2016 general election, the total vote share attributed to non-mainstream parties and candidates was unprecedented; Sinn Fein, AAA–PBP, Independents 4 Change, Social Democrats, Independent Alliance, and non-party candidates received a total of 38.1% of the popular vote. At the same time,
this transformation did not come from a new significant political force. On the contrary, the rise of the non-mainstream vote during the crisis was also combined with a specific non-change; the non-existence of a new party. Not only were Sinn Fein and the Independents well-known actors in Irish politics, but the newly-formed left-wing parties and alliances were all created by either former Independent candidates or former MPs of larger parties. The conditions created in the Irish political and social spectrum during the crisis seemed ideal for a new party to gain power in the Dail. In addition, the collapse of the Progressive Democrats created a generous space in the right space (Flynn 2013; expert survey). Nevertheless, nothing of the sort emerged.

This lack of a new political movement and the growing popular support for the non-mainstream was closely associated with two main developments in the Irish party system during the crisis: the rise of Sinn Fein, and the increased power of Independents. Sinn Fein played an important role in not ‘allowing’ a new extreme right-wing party to arise. This ‘non-change’ in supply was partly because Sinn Fein took a lot of oxygen out of it (Farrell 2014; interview). The party had a strong, yet complicated appeal during the crisis. First, it attracted the protest vote. The fact that Sinn Fein was previously a minor party which was never involved in a coalition government allowed it to capture anti-government and anti-establishment votes (Suiter 2014; interview). Second, although it had a left-wing profile and a wide working-class electoral base (Walsh and O’Malley 2012), some of its policies covered right-wing preferences that existed among the electorate. Eoin O’Broin (2014; interview), political theorist, writer and Sinn Fein councillor argued that ‘the party is a left-wing, Eurocritical party, which offers an opposition to the elitist professionalised technocratic politics. It supports the democratic and progressive “populism”, a populism that recognises the legitimacy of the populist demands, a populism that is rooted in democracy and progression’. Indeed, unlike UKIP and Golden Dawn, the party did not promote a typical anti-immigration agenda. Nevertheless, it adopted a strong nationalist policy towards the issues of Northern Ireland and Great Britain and this is why scholars have argued it can then be best classified as a populist nationalist party (O’Malley 2008; Walsh and O’Malley 2012). It was exactly this mixture of protest, anti-government, and nationalist votes attracted by Sinn Fein that made the party so popular during the crisis (Collins 2014; interview).

The major surge of the Independents and alliances of non-party candidates in the Dail is another factor that prevented the emergence of a new powerful political party and surged the anti-
mainstream vote in the Irish party system. In fact, anti-party sentiment has traditionally been stronger in Ireland than other long-established democracies. As Weeks (2011, p. 34) noted, the Independents in the Irish party system are much more popular compared with non-party candidates in most of the other countries. During the crisis, this became even more obvious and Irish voters who would not vote for Fianna Fail or Fine Gael used Independents as an easy choice against the government parties (Fabozzi 2014; interview). During the economic recession that started in 2008, voters that were dissatisfied with the way that mainstream political parties managed the crisis opted for the Independents as they expressed their interests from a non-mainstream party side. Therefore, the 31st Dail formed in 2011 experienced one of the highest numbers of Independents ever in the state (the highest since 1951) with an increased vote share of 6.9% compared to the previous election in 2007. Even more, in 2016 Independents were essentially the third biggest political force in the parliament after Fine Gael and Fianna Fail gathering 17.4% of the vote among themselves, the Independents 4 Change, and the Independent Alliance. These candidates were of different backgrounds; ex MPs, social left-wing, right-wing, and catch-all Independents that talked about economic and local issues. In any case, they were able to position themselves against the establishment and receive the anti-party vote. In that way, Independents prevented the outlet of a new party and, like Sinn Fein, took a lot of that energy (Suiter 2014; interview).

4.2.2 The EU issue

High EU Salience but no Real Divide

The results of the expert survey indicated that Ireland experienced some change in party positions towards the EU after the crisis began (Figure 4.4). We saw all parties becoming slightly more Eurosceptic. Somewhat bigger change was found in Fianna Fail’s and Labour’s positions; both parties moved from being ‘in favour’ of European integration to ‘somewhat in favour’. Sinn Fein retained its Eurosceptic position, but the collapse of the pro-European parties Progressive Democrats and the Greens made the Europhile movement only slightly weaker. Clearly, the left-wing ULA had a rather anti-European position. However, the biggest parties remained quite pro-European and Eurosceptic sentiment was rather on the fringes of the Irish party system. It is also clear that the pro-European sentiment was more popular among parties that were located closer to the centre on the left-right scale. Sinn Fein and the ULA, which lay closer to the left extreme,
had a more Eurosceptic attitude. Also, the three largest parties and potential or actual partners in the coalition government (Fine Gael, Labour, and Fianna Fail) were more pro-European than the minor opposition parties.

**Figure 4.4. Two-Dimensional View of Party Position in Ireland before (2002, and 2007 Elections) and after the Eurozone Crisis occurred (2011 Elections).**

According to my expert survey, a much bigger change in the Irish parties occurred in the degree of salience of the EU issue during the crisis (Figure 4.5). The EU issue was not very important before the crisis. For the big parties, it was an issue of ‘little importance’, while for minor coalition partners such as the Green party and the Progressive Democrats the EU issue was even less important. Sinn Fein was the only party that was concerned with the EU issue. A massive shift in the degree of salience of the EU issue occurred after the crisis began. In the 2011 election, all parties treated the EU as an issue of much greater importance. For the mainstream parties Fine Gael, Fianna Fail, and Labour the scores of salience of the EU issue were significantly higher.
Interestingly, the major parties were much more concerned with the EU issue than the minor parties. Thus, although ULA and Sinn Fein considered the issue more important than before, both parties fell behind Fianna Fail and Labour, and much behind Fine Gael for which the EU became a major issue. The Irish referendum on the Fiscal Compact Treaty in May 2012 is another interesting indicator of division. The largest parties Fine Gael, Labour, and Fianna Fail were in favour of the Treaty, while Sinn Fein and ULA were against it. The result was 60.3% in favour and 39.7% against the Treaty. During this campaign, the Irish parties largely addressed the EU issue. As (FitzGibbon 2013, p. 3) argues, ‘despite the presence of strong „second“ order (domestic focused) issues, „first“ order (related to European integration) issues were just as important in the referendum debate’.

Figure 4.5. Importance of the EU issue for parties in Ireland before (2002, and 2007 Elections) and after the Eurozone crisis occurred (2011 Elections).

Source: Author’s expert survey

Note: FF and Green have the same score in the upper figure with the dot showing being for Green. Green does not exist in the bottom figure and this is why FF’s dot changes colour.
However, high EU salience did not result in any strong anti-European movement in Ireland. Taking into account the poor economic conditions during the Eurozone crisis, one would have expected an anti-European party or strong political discourse against the EU elites that posed austerity in the country. In fact, the only parties that showed the strongest Eurosceptic attitude during the crisis, ULA and Sinn Fein, were not only the smallest parties in the Dail, but also the parties that paid the least attention to the EU issue during the crisis (Figure 4.5). During the debate around the Fiscal Compact Treaty there might have been raised arguments for and against the EU by the political actors, but none of the main political parties claimed withdrawal from the euro or the EU altogether. On the contrary, the pro-European consensus remained at least at the party level. This pro-European sentiment did not exactly reflect popular demand. As Eurobarometer data shows (Figure 4.6), the Irish people had a drop in their positive opinion towards the EU after the crisis began. For example, although 73% of the Irish respondents thought positively of the EU in 2006, only 36% did so in 2012. However, Irish parties did not capitalise on this divide in the electorate in order to attack the EU.

Figure 4.6. The percentage of Irish and European (total of all EU countries) people that have a very positive and fairly positive view of the EU (years 2003-2015).

Source: Eurobarometer, European Commission 2003-2015

It is interesting that these minor parties, Sinn Fein and ULA, took only some advantage of the issue during the crisis. Sinn Fein, which was one of the parties that grew during the crisis, addressed a
Eurosceptic agenda in order to position itself against the mainstream Europhile parties. Yet, that was rather weak and did not manage to alter the lines of competition. In fact, as Dr O’Malley (2014; interview) put it, ‘Sinn Fein can be seen as a measure of how pro-European Irish still are’. While the party used to reject the European project overall until the 1990s, it has been engaging more and more with the EU in a critical way since then (Maillot 2009). The party was against the EU/IMF deals and austerity programme as well as the Lisbon Treaties. Nevertheless, Sinn Fein remained in its initial position and kept calling itself Eurocritical, rather than anti-European (Little 2014; interview). O’Broin (2014; interview) also confirmed that Sinn Fein was ‘a Eurocritical party that argues for a different direction of the European project and opposes itself to that elitist professionalised technocratic EU politics’. In this way, the party followed popular demand not only in relation to Europe, but also regarding the British issue since Euroscepticism in Ireland was related to the UK and UKIP (O’Malley 2014; interview). Therefore, Sinn Fein did not wish to be connected with issues that were unpopular. Regarding ULA, the party alliance had a tough discourse against the austerity measures and the alleged neo-liberal face of the EU. However, it did not really capitalise on the issue successfully enough and did not manage to break through (Allen 2013; expert survey).

Overall, the high salience of the EU issue during the crisis did not affect party competition. Although parties addressed the issue (particularly during the Fiscal Compact referendum campaign), this was no clear basis of competition and parties did not really bring Europe into it (Mc Menamin 2014; interview). Although we saw some Eurocritical stances, the EU issue did not mean a pro-/anti-European divide in the Irish party system and did not alter the lines among which Irish parties compete. A clearer Eurocritical view shaped by minor parties did not result in a clear divide. The anti-EU forces may have seemed slightly stronger but the EU did not become a cleavage in the Irish party system and no critical discussion was raised (Reagan 2014; Pringle 2014; interviews); on the contrary, even the Fiscal treaty passed despite formalising tough rules (RTE 2012). In fact, not only did Europhile sentiment remain at the party level but also other significant issues capable of affecting party competition, were raised (Farrell 2014; interview).
Europe as such might have not managed to alter party competition in the Irish party system, but the condition of the Eurozone crisis gave a unique opportunity to the Irish parties to raise other salient national issues in order to compete with each other on a different basis. The most salient issues during the crisis were: the national economy and the anti-government/anti-establishment argument or as Dr O’Malley (2014; interview) put it, ‘essentially it was all about the Irish economy and how the government handled it’. Not surprisingly, the national economy was extremely salient at the party level during the crisis. In fact, the discussion around the economy was so strong that interviewees talked about an ‘austerity/anti-austerity divide being the real dynamic’ (O’Broin 2014; Collins, J. 2014; interviews). The mainstream Irish parties (Fianna Fail, Fine Gael, and Labour) stood for the bailout, while the opposition parties did not support the austerity programme. Economic issues, such as the employment, the housing crisis, and the debt were particularly salient and this is the debate on which party competition was based.

The pro-/anti-austerity dimension and the salience of the economic issue were very much connected with the anti-government and anti-establishment argument. Irish opposition parties used the issue of the crisis in order to attack the government of Fianna Fail, the Green party, and the Progressive Democrats. To be sure, it was no accident that both minor coalition partners vanished during the crisis and lost their seats in the 2011 election. The alleged mis-management of the crisis had been one of the most widely used arguments against the government parties in Ireland since the crisis first began. It was the anti-government argument that led the discussion, rather than arguments about policies and solutions (Cuffe 2014; interview). As Stephen Collins (2014) clarified, ‘it was the time when the majority did not trust their own government to tackle the crisis. Everyone was talking about how Fianna Fail crashed the economy as well as Fianna Fail’s corruption as a result of being in government for too long. However, although people voted for Fine Gael and Labour in order to punish Fianna Fail and have a stable government, there was not much difference between the policies of those parties’. Discussions were also raised about anti-party, anti-politics, and anti-system arguments in more general terms (Reagan 2014; interview). This explains the fact that people voted for minor parties that lay closer to the extremes as well as non-party candidates and Independents.
We saw earlier that the EU was salient during the crisis, but did not have as significant an impact on party competition as the economy or the anti-government sentiment. However, high EU salience was there for a reason. Opposition parties used it as a key ‘weapon’ in addressing issues that could really shape competition lines. In particular, parties capitalised on the EU issue and the crisis in order to attack Fianna Fail’s government and promote its mis-management and failure towards the Eurozone crisis. In that way, the EU, the economy, and anti-government/anti-establishment issues became interrelated. As O’Malley (2014; interview) put it:

European and national issues were so bound up; it is hard to differentiate between the two. Even more, the economy and the EU were both part of the same train going to the same direction. Taking into account the decline in the popular support for the EU, most people actually blamed domestic parties. They did not want Merkel to take the blame, but the national government. They were annoyed with the ECB, but not to a huge extent. Opposition parties did nothing but pushing towards that direction. They tried to put the emphasis on the Irish government, rather than the EU.

Apart from the main issues discussed above, there was a second level of discussion that mattered much during the crisis; local issues. Local issues have always been an important source of interest in Ireland for both parties and the electorate particularly during electoral campaigns (Gallagher 1980). However, this was even more visible during the crisis and the 2011 national election and 2014 EP election, when local or localised national issues such as hospitals, taxes, housing, and wind farms played a key role. Additionally, the same trend was found even in the 2014 European election (Reagan 2014; Suiter 2014; interviews). Consequently, as these issues were particularly connected with local non-party candidates, we found again the main parties struggling to compete with the rising power of the Independents.

4.2.3 Government Composition and Discussion on Future Developments

Government composition is the final stage of any processes that have been going on in a party system before an election. Following Mair’s typology on the structure of competition according to changes in the government formation patterns in national elections, we found that Ireland had a closed structure of competition in the 2011 election and an open structure in 2016. In 2011 the Irish party system fulfilled all the criteria for a closed competition. First, the form of alternation in government was wholesale, as the previous ‘set of incumbents was wholly displaced by a former
opposition’ (Mair 1998, p. 207); Fianna Fail, Green, and Progressive Democrats’ coalition government was replaced by the Fine Gael/Labour coalition. Second, the governing formula was familiar, as the Irish party system experienced a Fine Gael and Labour’s coalition a number of times in the past. Accordingly, access to government was closed, since no new party entered the coalition government; government was once more the privilege of the well-known mainstream parties. In the 2016 election, however, things were much more in flux. Fine Gael, being the first party, was unable to form a majority government with Labour, as the latter was mostly damaged in the election. With the third party, Sinn Fein, unwilling to join a coalition government with any of the two major parties, a grand coalition between Fine Gael and Fianna Fail seemed possible. The two parties had never been in government together before meaning that the Irish party system went through a radical change during the Eurozone crisis. However, what actually happened was the first minority government in Ireland since 1989 which was formed by Fine Gael and nine independent TDs; with Fianna Fail’s committed to support the administration in votes of confidence and supply. This unfamiliar pattern formed an open structure of competition as, although alternation in government was partial, we found an innovative governing formula and an open access to government.

The structure of competition coming up as a snapshot after a general election can sometimes mirror underlying, yet significant, processes in a party system. The closed structure of competition, which was the result of the 2011 Irish election, showed that there was a change in demand, but not in supply in the Irish party system, as no new significant party made a breakthrough. Nevertheless, developments which started taking place well before the crisis began flourished during the crisis and managed to alter party competition patterns. These underlying processes can prove useful in understanding the evolving, yet vital, transformations of the Irish party system during the crisis. The decline in support of the mainstream parties was not evident in terms of votes in the national elections before the Eurozone crisis. However, decline in popular trust in national political institutions in Ireland started before the crisis with the first big decline traced back to 2005 (European Commission; see also popular trust in institutions below). This trend was accelerated with the outburst of the crisis and minor political movements of the left, as well as non-party candidates, seized the opportunity of collecting anti-government, anti-mainstream, and protest votes (Suiter 2014; Pringle 2014; O’Broin 2014; O’Malley 2014; interviews). Sinn Fein also behaved rather strategically in this process and built on its steady growth throughout the years.
The party would not go into coalition with one of the major parties as this would damage its reputation as it happened to Labour with the 2011-2016 coalition government with Fine Gael. Rather, Sinn Fein would opt for becoming the largest opposition party so that a new divide would appear in the Irish party system (O’Broin 2014; interview).

The historic opportunity for a change in the configuration of the Irish party system that emerged during the Eurozone crisis appeared likely to continue influencing political developments in future years. First, the Irish economy started recovering even from 2013 onwards when GDP growth and unemployment scored better figures (Eurostat). However, changes in Irish politics continued despite the improvements in the economic conditions and left-wing anti-austerity parties secured seats in the Dail and made the Irish parliament much more fragmented. Furthermore, regardless of whether the alliances of Independents would be likely to retain their power, the non-party vote has been a stable pattern in Irish politics which would be stronger as anti-mainstream sentiment persisted. Fianna Fail was no longer the anchor in the government and, as Fine Gael did not seem capable of forming a coalition government with just one more party, numerous possibilities were there for the post-2016 era. As Sein Fein was not likely to co-operate with the major parties a new Fine Gael versus Sinn Fein division could define Irish politics (O’Malley 2014; interview). At the same time, a coalition government comprising many minor parties and Independent candidates also came up as a potential (Broughan 2014; interview). The 2011 and 2016 general elections were the earthquakes that shook Irish politics and altered its static nature. The on-going processes, that started before the crisis, found a way out during the crisis and all the coalition scenarios showed the vulnerable stage of the Irish party system as transformations were likely to continue.

4.3 Why did Ireland Respond this Way?

4.3.1 Independent and Intervening Variables

The Independent Variable: The Crisis Effect

Ireland was the first country in Europe to be hit by the global financial crisis in 2008. Although for the rest of the cases examined in this thesis the economic crisis starts in late 2009/early 2010 with the sovereign debt problems emerging in Greece and other countries, the timeframe for Ireland begins earlier. In the Irish case the global financial crisis of 2008 was combined with domestic
economic problems: a number of banking scandals due to insolvency and bank over-sending in the previous years, and a property bubble that consisted of rapidly increasing prices in real estate, which resulted in immense economic competitiveness and a financial and fiscal crisis later on (Donovan and Murphy 2013, p. 2). A rapid economic boom that preceded the economic recession occurred during the so-called Celtic Tiger in the years 1995-2008. During this period Ireland experienced massive economic growth triggered by foreign direct investment and was transformed from one of the poorest Western European countries to one of the fastest growing economies of Europe.

After the country’s strong economic performance during the Celtic Tiger era, recession begun with the exposure of huge bank debts and ‘a mismanaged financial sector which, by over-lending to property developers and house-purchases, contributed to a classic property bubble’ (Dellepiane and Hardiman 2011, p. 1). Ireland then started suffering from a triple crisis: economic, fiscal, and banking (see Dellepiane and Hardiman 2011; Lane 2011). Standard and Poor’s downgraded Ireland’s sovereign credit rating twice in only three months. In August 2009, the unemployment rate was 12.5% leading to the first protests against the Irish government. In the same year, Irish people voted in favour of the EU Lisbon Treaty after rejecting it in a referendum one year ago. Meanwhile, the government deficit was 14.5% of GDP in 2009 and 32% of GDP in 2010 and the cost of bailing out of the banking system was 45bn euros creating significant problems for the national economy.

The Eurozone crisis (Independent variable) is operationalised as the measurement of real GDP growth and unemployment rates during the crisis. Figures 4.7 shows the real GDP growth and unemployment rates in Ireland during the years 2003-2015. We see that Ireland’s economy reached high standards particularly from 2004-2007; during those years, GDP growth rate reached its highest score in ten years (in 2005), while the unemployment rate was stable at around 4%. From 2008 onwards, the financial situation changed radically. GDP growth slowed substantially in 2009 and the unemployment rate increased to 12% in the same year. GDP growth rate rose in the following years, but it was nowhere near the high levels of economic growth that Ireland reached before the crisis. At the same time, unemployment continued rising; from 2010-2012 Ireland experienced its highest levels of unemployment in 10 years (14.7% in 2011-2012). However, from
2013 onwards Ireland experienced a clearly better economic performance with GDP growth rising from -0.3 in 2012 to 0.2 in 2013 and 4.8 in 2014, and unemployment falling to 8.6% in 2015.

Figure 4.7. Real GDP growth (% change compared to the previous year) and unemployment rates in Ireland during the years 2003-2015.


The main question here is whether the Eurozone crisis could be associated with the developments in the national party systems. In the Irish case, more than any other in this project, the crisis was a catalyst for political developments. Not only did it bring to the centre of the political scene long-term trends, but it also pushed towards radical instant transformations. First, the dramatic fall of Fianna Fail was initially seen as a direct result of the Eurozone crisis (Little 2014; interview). The crisis and the way Fianna Fail dealt with the financial situation played a significant role in its meltdown in the 2011 election. The fact that the party partially recovered in 2016 also showed that Fianna Fail has been very strong and deeply rooted within the Irish society and had not it been for the crisis, it might have still been the main component of the Irish party system. A look at the vote share of the party throughout the years confirms the party’s dominance in Irish politics (Table 12). As Table 12 illustrates, Fianna Fail had never had less than 39.1% of the vote share and 66 seats in the parliament from 1937 until 2011, when this changed radically.

It is true that the long-term dominance of Fianna Fail in power had made it a highly adaptable party, which had been changing according to the needs of the electorate. However, under such extreme conditions, as the Eurozone crisis, not even such a strong party could prevail. Its long-
term corruption and elitism issues were brought to the surface and were now difficult to be unnoticed by the Irish voters. Fianna Fail’s adaptable nature made it a well-established catch-all party, which was able to respond to any changes in Irish society (Gallagher 1981; Laver 1986). It continued being strong because it was a catch-all party that changed depending on what people needed and on the economic situation at the time (Hearne 2014; interview). Even more, its non-ideological stance allowed it to ‘go wherever the centre ground was’ (Fabozzi 2014; interview). Nevertheless, the historic corruption of Fianna Fail (Pringle 2014; interview) and its linkage to numerous political and economic scandals (O’Leary 1993; O’Duffy 1998; Murphy 2006) also contributed towards its collapse after the outbreak of the crisis. In other words, the economic recession did play an instrumental role in Fianna Fail’s disaster, but it would have experienced less harm had it not been associated with a long-term tradition of exploitation of government power.

The Eurozone crisis, along with the long-standing underlying issues of Fianna’s Fail dominance, went hand in hand with the rise of Independent candidates, small left-wing parties in general, and Sinn Fein in particular. Just like the case of Fianna Fail, Sinn Fein, minor political actors, non-party candidates, and alliances of Independents raised their vote share after 2008 not only because of the poor national economic performance. Rather, it was the Irish voters’ willingness to both punish Fianna Fail for the mis-management of the crisis and long-term corruption but also oppose mainstream parties more generally. Fine Gael became the largest party right after Fianna Fail’s collapse but it did not reach the same levels of electoral support as non-mainstream actors occupied a space in the Irish party system. On the other hand, Sinn Fein was one of the big winners of the crisis as it became the third largest political party in the parliament in the 2011 and 2016 elections. Its slow but steady growth since 1997, when it was first elected to the Dail, showed its long-term high potential which found a way of expression under tough economic conditions. At the same time, the party’s ability to work at the local level by taking advantage of the exceptional character of the electoral process in Ireland (see following section), as well as its commitment to a ‘strategy of slow growth’ (Walsh and O’Malley 2012), helped Sinn Fein make the most out of the circumstances. In the same vein, Independent candidates gathered their highest number of votes in the elections that took place after the crisis hit Ireland. However, they have always been popular among Irish voters. In other words, the crisis was the catalyst but not the only reason for the radical changes in the Irish party system. Fianna Fail’s representation crisis,
Ireland’s long-term tradition of non-party voting, and Sinn Fein’s gradual building on the ground also contributed to the fundamental alterations in the Irish party system since 2008.

Table 12. Fianna Fail’s electoral performance in the Irish General Elections, years 1937-2011.

<table>
<thead>
<tr>
<th>Year of Election</th>
<th>Dail</th>
<th>Vote share (%)</th>
<th>Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937</td>
<td>9th</td>
<td>45.2</td>
<td>68</td>
</tr>
<tr>
<td>1938</td>
<td>10th</td>
<td>51.9</td>
<td>76</td>
</tr>
<tr>
<td>1943</td>
<td>11th</td>
<td>41.8</td>
<td>66</td>
</tr>
<tr>
<td>1944</td>
<td>12th</td>
<td>48.9</td>
<td>75</td>
</tr>
<tr>
<td>1948</td>
<td>13th</td>
<td>41.9</td>
<td>67</td>
</tr>
<tr>
<td>1951</td>
<td>14th</td>
<td>46.3</td>
<td>68</td>
</tr>
<tr>
<td>1954</td>
<td>15th</td>
<td>43.4</td>
<td>65</td>
</tr>
<tr>
<td>1957</td>
<td>16th</td>
<td>48.3</td>
<td>78</td>
</tr>
<tr>
<td>1961</td>
<td>17th</td>
<td>43.8</td>
<td>70</td>
</tr>
<tr>
<td>1965</td>
<td>18th</td>
<td>47.7</td>
<td>72</td>
</tr>
<tr>
<td>1969</td>
<td>19th</td>
<td>44.6</td>
<td>74</td>
</tr>
<tr>
<td>1973</td>
<td>20th</td>
<td>46.2</td>
<td>68</td>
</tr>
<tr>
<td>1977</td>
<td>21st</td>
<td>50.6</td>
<td>84</td>
</tr>
<tr>
<td>1981</td>
<td>22nd</td>
<td>45.3</td>
<td>77</td>
</tr>
<tr>
<td>1982 (Feb)</td>
<td>23rd</td>
<td>47.3</td>
<td>81</td>
</tr>
<tr>
<td>1982 (Nov)</td>
<td>24th</td>
<td>45.2</td>
<td>75</td>
</tr>
<tr>
<td>1987</td>
<td>25th</td>
<td>44.2</td>
<td>81</td>
</tr>
<tr>
<td>1989</td>
<td>26th</td>
<td>44.2</td>
<td>77</td>
</tr>
<tr>
<td>1992</td>
<td>27th</td>
<td>39.1</td>
<td>68</td>
</tr>
<tr>
<td>1997</td>
<td>28th</td>
<td>39.3</td>
<td>77</td>
</tr>
<tr>
<td>2002</td>
<td>29th</td>
<td>41.5</td>
<td>81</td>
</tr>
<tr>
<td>2007</td>
<td>30th</td>
<td>41.6</td>
<td>77</td>
</tr>
<tr>
<td>2011</td>
<td>31st</td>
<td>17.4</td>
<td>20</td>
</tr>
<tr>
<td>2016</td>
<td>32nd</td>
<td>24.3</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: Government of Ireland, www.gov.ie

4.3.2 The Intervening Variables

The Irish Electoral System and Electoral System Proportionality during the Crisis

Since the Independence of the Irish state in 1922, Irish people have been voting according to the proportional representation by the single transferable vote (PR-STV). The PR-STV system favours both inter-party and intra-party competition, because the voters can rank order all the candidates.
listed in the ballot (Blower and Farrell 1991, pp. 304-305). Under these circumstances, one would expect an unstable system, but until now in Ireland this has not been the case. Deeply rooted party loyalties and constituency service have prevented large changes to the Irish party system (McGraw 2010; for a detailed analysis of the Irish electoral system see: Gallagher 1980; Gallagher 1986; Sinnott 2010). Regarding electoral system disproportionality, which is the first intervening variable of the project, the STV system has provided relatively high levels of proportionality between voters and seats in Ireland. However, some degree of disproportionality, which is beneficial for the large parties, has also been evident (Gallagher 1986, p. 256).


<table>
<thead>
<tr>
<th>Year</th>
<th>Electoral System</th>
<th>Disproportionality</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>6.6</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>8.6</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>6.5</td>
<td></td>
</tr>
</tbody>
</table>

Note: Author’s calculations

For this project, I measure electoral disproportionality using Gallagher’s Index, which shows the degree of proportionality between votes and seats for the party system. Table 13 shows the degree of electoral system disproportionality in the national elections of Ireland from 2002 until 2016. In the 2002 and 2007 elections, the Irish party system had a disproportionality score of 6.6 and 6.0, while in the 2011 general election Ireland experienced more disproportionality at a score of 8.6. This was translated into a greater difference between the percentage of votes received and the percentage of seats secured by the Irish parties in the parliament during the Eurozone crisis. The score fell back to 6.5 in the 2016 election. Minor political parties and Independent candidates that gained some more electoral support in the 2011 and 2016 elections did not make it to the Dail. However, the protest and anti-mainstream vote did make a difference during the crisis because of the proportional character of the Irish electoral system. Although deeply rooted links between the electorate and the dominant parties have favoured the status of mainstream parties in the past, the Irish PR system helped minor political actors to secure seats in the Dail. As
dissatisfaction with the mainstream parties was rising since the crisis began, the proportional nature of the Irish PR system allowed more minor parties and alliances of Independent candidates to secure a place in the parliament. In that sense, the Irish electoral system did play an important role in permitting more radical changes to take place in the Irish party system.

**Popular Trust in Political Institutions**

Popular trust in national political institutions is a significant factor that illustrates the degree of representation of the national government, parliament, and parties. Even more during the Eurozone crisis, it is important to see whether political institutions were still being trusted by voters and how this relationship affected party competition. Figure 4.8 illustrates the percentage of Irish people tending to trust their national political institutions from 2003 until 2016 compared with the European average. We see that trust in the national government and parliament has always been much higher than trust in political parties in Ireland. In 2003, for example 45% of the Irish people tended to trust their national government and parliament in particular and about 26% tended to trust political parties in general. One year before the Eurozone crisis showed its consequences, in 2008 popular trust was still high at 40% for that national government and parliament and 25% for political parties. A dramatic fall occurred in 2009 when popular trust in the national government decreased to 17%. However, after the 2011 election, 30% of the Irish people trusted their national government and parliament, while the levels of trust in political parties remained low. The trust in national government and parliament returned to its low levels in 2012 (17%) and it only came up to 22% in 2014 and 25% in 2015. However, before the crisis hit Ireland in 2008 we can trace a slight yet continuous fall of the popular trust in the national parliament as well as national government from 2004 onwards with the only exception being in 2007 when trust in government and parties increased especially after the national election of the same year.
Low levels of trust in the Irish political institutions were one of the main factors of party system transformations during the Eurozone crisis. In fact, the trend started before the crisis began and the slight rise of voter satisfaction in the 2007 election was not able to bring high levels of trust back in Irish politics. Discontent with national institutions and the mainstream parties in particular was a feature that appeared earlier in this chapter in the discussion about the fall of Fianna Fail and the fact that a significant number of Irish voters turned to minor left-wing parties and Independent candidates as alternatives to the previously dominant parties. Dissatisfaction with government has been considered a core element in the outcome of the 2011 Irish election in the relevant literature as well (O’Malley 2012; Kriesi 2012). The factor of mistrust paired with anger against the government parties a huge amount of dissolution and anger across the electorate led to such big political transformations since 2008 (Pringle 2014; Reagan 2014; interviews). However, public dissolution with the mainstream political scene that started before the financial situation was worsened along with a long-term Irish tradition of supporting non-party candidates also pushed towards this direction.

**National Economic Perception**

NEP is another important factor when looking at the Irish party system during the Eurozone crisis. Figure 4.9 illustrates the percentage of Irish and European (total of all EU countries) people that considered their national economy as ‘fairly good’ and ‘very good’ in the years 2005-2015. From
2005 until 2008, the number of Irish people who thought that the national economic situation, as good was extremely high (91% in 2006) and certainly much higher than the European average, which was 43.5% in 2006. Naturally, these numbers changed radically during the crisis. There was an extremely sharp fall in the NEP of the Irish people from 80% in 2007 to 2% in 2010, which was much lower than the average score of all the EU countries. In the case of Ireland, this feature was linked to both the independent variable (economic condition) and the factor of popular trust in national political institutions. Irish voters’ disappointment with, and anger towards, Fianna Fail’s coalition government was much connected to their perception of the economic situation of the country during the crisis and especially the mis-management of the crisis by the government parties.

Figure 4.9. The percentage of Irish and European (total of all EU countries) people that consider their national economy as ‘good’ (years 2005-2015).

Thus, the electorate felt the consequences of the crisis in their everyday life and put the blame on their national government rather than the European elites. The focus of the 2011 election in particular was to punish the government parties, while the anger towards the EU and financial institutions was not as important (Farrell 2014; interview). In their study of economic voting in Ireland in 2011, Marsh and Mikhaylov (2012, p. 2) sum up this argument by confirming that in the 2011 national election the electorate was mostly concerned with the role of the government in the management of the crisis. However, the next election in 2016 showed that it was not only the Fianna Fail government that Irish voters wished to punish; rather, it was the
mainstream Irish parties more generally, and that was why non-mainstream actors and non-party figures became increasingly popular.

4.3.3 Other Factors Specifically Related to Ireland

The Timing of the 2011 Election

The timing of the 2011 general election played an important role in the radical change in popular support for the Irish parties. First, it was an early election as normally it would take place in 2012. A series of huge economic problems started in 2008, such as high levels of unemployment, property bubbles, and banking scandals followed by critical political events led to the fall of the Fianna Fail/Green coalition government. The election was then held in 2011, right after the bankruptcy of the state. Right after the bankruptcy, the Irish government started negotiations with the EU and the ECB (Landon 2010). In a critical moment during the government’s negotiations with the EU and IMF, the coalition partner of Fianna Fail, the Green party, decided to leave the coalition government due to ‘lack of communication and breakdown of trust’ (The Irish Times 2011). At the same time, Fianna Fail’s appointed in 2008 leader, Brian Cowen, proved unable to manage the challenges and resigned in 2011 (McDonald 2011). The 2011 budget was approved by the Dail under Fianna Fail’s new leader, Micheál Martin. The Dail was resolved right after that and an early election were announced.

However, the signs of Fianna Fail’s disaster were already evident in the opinion polls. Popular support for Fianna Fail went down to 15% (Marsh and Mikhaylov 2012, pp. 2-3) and people started accusing the party not only for its behaviour regarding the economic crisis, but also for its corruption during the Celtic Tiger years. Moreover, a by-election in 2010 in a traditionally Fianna Fail district, Donegal-South West, also showed that a significant fall of Fianna Fail would follow. Its vote share fell down to 21% from 50% and at the same time Sinn Fein gained the vacant seat (BBC 2010). The strong opposition parties, Fine Gael and Labour, were increasingly accusing the government of the crisis mis-management. The 2011 election occurred at a peak moment of both the economic crisis and public disillusionment with government. It was the perfect moment for an ‘anti-establishment reaction’ (McMenamin 2014; interview), since voters’ levels of anger reached their highest level. Figure 4.8 shows how levels of trust in the national government fell to 16% in 2010, just before the election. As Prof Farrell (2014; interview) concluded, that was ‘a general
election in the middle of the crisis which provided a very cathartic moment for the voters to express their anger’.

**Systemic Structures and Irish Traditions**

When looking at the overall party system changes during the crisis, however, we find that the systemic structures and long-term features of the Irish political system also contributed to the most significant developments: the fall of the established Fianna Fail and the failure of Fine Gael to live up to the public expectations after the 2011 election, the increase in support for non-mainstream parties and non-party candidates, and the non-emergence of a radical left or right-wing political movement. These particular structures were the electoral process, the limited differences between Fianna Fail and Fine Gael, and the historic Irish tradition of non-extreme vote.

To begin with, the electoral process in Ireland was highly influential on any developments in the Irish party system during the crisis. Formal electoral processes that are linked to the Irish electoral culture in general, have always made it hard for new parties to gain power in the Dail. For example, it was extremely difficult to create a new political party in Ireland, but rather easier to run as an Independent candidate (Bolleyer and Weeks 2009). The system sets obstacles through practical things, such as party funding and the way the candidates are listed on the ballot paper (Farrell 2013). Also, the electoral process in general was based on a localism, deeply rooted in the Irish culture and society (see for example Garvin 1972; Gallagher 1980; Marsh 1981). There was such a close relationship between the Irish voters and their politicians, even at the national level, that a fair part of the Irish voting experience was based on this feature. In fact, building a new political party might have taken decades as it needed a huge amount of hands to work on the ground (O’Broin 2014; interview). TDs were so close to their constituencies and their voters that the Irish electorate was not terribly policy-oriented (O’Malley 2014; interview). On the contrary, Irish political culture was highly localistic and personalised and the relationship between the representative and the voter much about voters reporting directly to the actual candidate (Suiter 2014; interview).

This localised relationship between the Irish voter and candidate was also significant in building a historic relatively limited attachment of the Irish electorate to political parties. We saw earlier that
the number of seats in the Dail secured by Independents has been higher in Ireland than any other European democratic state. During the crisis this number increased massively because the Independent voter tradition, which was mixed with other long-featuring elements in the Irish party system, found a way of expression under the tough economic conditions. First, we saw how the PR-STV electoral system favoured a more personalised political culture in Ireland. Naturally, this led a large number of Irish voters to choose a candidate according to their personal interests rather than policy concerns (Gallagher 2003). The two major parties, Fianna Fail and Fine Gael, also built upon this perception of Irish voting behaviour and ended up with limited ideological and policy-making differences; rather, there were bigger differences within the parties than between them (Suiter 2014; interview). The long-term declining party identification of the electorate also added to an increasing non-party sentiment during the crisis. Ireland consistently had one of the highest levels of party detachment (Weeks 2011, p. 34) and during the post-2008 tough times party attachment became even weaker. In fact, even during better economic times, anti-party system sentiment in Ireland was much more persistent throughout the years (Mair 1987, p.26). During the crisis, in particular, this sentiment was directed less towards the Irish parties overall and more towards the mainstream parties that monopolised Irish politics and formed governments since 1937 (Weeks 2011, p. 38). The traditional parties of the two-and-a-half Irish party system, Fianna Fail, Fine Gael, and Labour, received much of the long-term popular discontent because of the crisis mis-management and poor national economic performance. Under better economic conditions, voter party detachment and anti-party sentiment was partly hidden behind satisfaction of personal needs through the Irish localised political network and culture. However, when the economic crisis hit Ireland and such interests could not be further served the long-term simmering issues came to surface.

With the same established parties monopolising the Irish political scene and an electoral process that favoured localised networks, the Irish party system had been quite static in terms of new parties gaining electoral support (Coakley 2010). A significant economic crisis was able to alter the order of the main parties and add a large number of minor and non-party candidates to the Dail, but it did not manage to create any significant pull of the party competition to the left or the right extreme as happened in the case of Greece, and even the UK. Irish history is another factor that influenced these developments and points towards more conservative, non-radicalised tendencies in Irish society (Coakley 2005). First, the fact that Ireland was a democratic state even before the
Independence and had always remained a democracy without experiencing any period of authoritarianism could be associated with the fact that the largest number of Irish voters would not support an extreme right-wing party. There have only been very minor radical right political groups that have never really gained any ground (Collins, S. 2014; interview). There is also a theory that argues that the colonised history of the country has played a role in the non-emergence of extreme right-wing movements. Nationalism in Ireland was a feature that involved gaining independence from the UK and not anti-immigration sentiments, and therefore it has been seen as a left rather than a right-wing trait (Hearne 2014; interview). However, we did not see a powerful left-wing party rising either during the crisis. The historical weakness of the left in Irish politics, combined with the dominance of two large conservative parties from 1939 to 2011, prevented that from happening (Fabozzi 2014; interview). Even more, lack of extremism in Ireland was also connected to the localised networks that dominate the Irish electoral process that we saw before. As Eamon O’Cuiv (2014; interview), Fianna Fáil politician, clarified, ‘it is very difficult to see extremism in the Irish politics, simply because people know each other’.

4.4 Conclusion

Ireland experienced a radical transformation in its party system during the Eurozone crisis. Although fragmentation and polarisation scores did not reflect this exactly, massive alterations took place at the party system level and it was possible for innovative government formation patterns to occur. We saw that fragmentation increased slightly in the 2011 election, mainly due to the rise of new radical left-wing parties as well as the rise of non-party candidates. At the same time, small protest parties remained weak despite some electoral success and had little impact on party competition as such (Girvin 2013; expert survey). Furthermore, polarisation patterns remained the same. The left did not manage to gain significant power and the majority of the votes were received by the same mainstream parties, which kept the same ideological position as before. Fianna Fail’s dramatic fall made it one of the ‘few other parties have ever been battered so badly in a single election’ (Mair, 2011, p. 284) and although Fine Gael increased its electoral strength massively in 2011, it did not manage to achieve very high levels of support in the 2016 election. Although we found the same mainstream parties at the top with no new radical movement becoming particularly relevant, it is worth noticing the exceptional performance of Sinn
Fein and the Independents. Sinn Fein became the third largest party by steadily raising its share in parliament and non-party candidates received the largest number of votes since 1937.

Interesting findings came out when looking at Eurosceptic tendencies and the salience of the EU issue at the party level. During the Eurozone crisis, the Irish parties only slightly changed their position towards the EU. The large mainstream parties became slightly more Eurosceptic, while Sinn Fein remained in its initial Eurosceptic position. Also, the EU issue was extremely salient during the crisis and all the parties considered it as an issue of great importance. However, high EU salience was not translated into a new pro-/anti-European divide in the Irish party system. Rather, there were other national issues that shaped party competition. In particular, and not surprisingly, we found that the national economy was one of the most significant issues. Also, anti-government and anti-party sentiment proved vital since minor parties and non-party candidates gained support and were now able to challenge government formation patterns. These salient national issues, however, were nicely bound up with the EU issue, which parties used in order to accuse the national government of mis-management of the crisis and economic situation of the country. Local issues also played an important role at a secondary level of political competition.

Well-known government composition patterns persisted only initially. In the 2011 election we saw a closed structure of competition, which was translated into a familiar governing formula, wholesale alternation in government and closed access to government. In the 2016 election we found a Fine Gael minority government which would operate with the support of a number of Independents and Fianna Fail. Underlying developments that had been going on before and during the crisis managed to alter party competition so much that numerous new options of party system divides and coalition formation were now possible. New Fine Gael/Sinn Fein or Fianna Fail/Sinn Fein divides and new coalition patterns also appeared likely in the near future: a grand coalition between Fianna Fail and Fine Gael, Sinn Fein in government with one of the two mainstream parties, or even a Sinn Fein/minor left-wing parties/Independents coalition government were now possible outcomes. The result of 2016 was the first minority government since 1989, led by Fine Gael and a number of Independents. All these potentials, however, showed that completely innovative patterns of competition were now considerable.
In terms of factors that led to these responses, Ireland saw significant change in all the independent and intervening variables examined. Table 14 summarises the scores of the factors examined for the Irish case before and after the crisis began in 2008. Economic performance became rather poor; the percentage change of real GDP growth rates from the previous year fell from 4.7% before the crisis to 0.75% during the crisis and unemployment rates rose from 4.6% to 11.8%. Disproportionality of the electoral system also changed. It was 6.3 combining the scores in the 2002 and 2007 elections and 7.3 in the 2011 and 2016 elections average. At the same time, the levels of popular trust in national political institutions as well as NEP decreased significantly. By combining the scores in the years before and after the crisis began, we found popular trust in institutions falling to 24.7% from 36.6% and NEP falling to 14.7% from 88%.

Table 14. The Irish party system before and during the Eurozone crisis: Independent, Intervening and Dependent variables.

<table>
<thead>
<tr>
<th></th>
<th>Scores before the crisis</th>
<th>Scores during the crisis</th>
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<tbody>
<tr>
<td><strong>Economic performance:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real GDP growth</td>
<td>4.7%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>4.6%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Disproportionality</td>
<td>6.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Popular trust</td>
<td>36.6%</td>
<td>24.7%</td>
</tr>
<tr>
<td>NEP</td>
<td>88%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Polarisation</td>
<td>0.09</td>
<td>0.08</td>
</tr>
<tr>
<td>Fragmentation</td>
<td>3.9</td>
<td>5.3</td>
</tr>
<tr>
<td>Pro-/Anti-European divide</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Structure of competition</td>
<td>Closed</td>
<td>Closed/Open</td>
</tr>
</tbody>
</table>


Additional country-specific factors were identified when studying the Irish case in more depth. First, the timing of the 2011 election played a significant role in the dramatic changes that
occurred in the electoral behaviour of the Irish voters. The election came up as the last step of a series of economic and political scandals and it became the perfect opportunity for voters to punish the government. Second, the electoral process mattered. The Irish electoral system puts several obstacles in the formation of new parties and favours instead the performance of Independent candidates. In the same vein, the exceptional localistic character of the electoral culture in Ireland again favours the non-party vote. This electoral process has also partly created a non-party sentiment in Ireland, which has always been considerably higher than in other European countries. This feature of political culture, along with a long-term declining party attachment of Irish voters and limited policy and ideological differences between the mainstream parties, found a way of expression under tough economic conditions through a massive anti-mainstream voting trend. The anti-mainstream vote, however, was not translated into support for a radical right-wing party. This was also because of Ireland’s structural and historic characteristics, such as a democratic history and an anti-UK nationalism, which has prevented Irish voters from supporting political radicalism.

Overall, we saw massive change in the electoral performance of the established parties during the Eurozone crisis in Ireland. This change was not translated into the successful rise of a new party or a significant extreme left-wing or right-wing movement. However, Irish voters showed their anti-party and anti-mainstream sentiment by punishing the major parties and favouring Sinn Fein and Independent candidates. This radical transformation can be explained through the special Irish condition during the crisis, when a number of new as well as traditional factors brought together. The Eurozone crisis in general combined with low levels of popular trust in the government and NEP in particular, together with the timing of the 2011 election, played a significant role in the massive collapse of Fianna Fail. On top of that, disproportionality and the electoral system overall had a major impact on the rise of Sinn Fein and the increased support for Independents. Nevertheless, long-term underlying issues in party competition that might have not been as obvious before the 2011 election proved crucial under the poor economic conditions. The Irish electoral culture, which favours localised networks, the limited difference between the mainstream parties’ policies, as well as long-term party detachment particularly directed towards the government parties, were all elements that contributed to Ireland’s most politically volatile post-war period.
5. The Greek Case: Where Nothing Remains the Same

5.1 Introduction

Greece was one of the most important instances of the Eurozone crisis as not only was the country still living through the shocks of its impact in 2016 but its own individual experience had also put the very existence of the Eurozone at risk. Not surprisingly, in the light of poor economic performance the political arena has not been without an impact. Major political changes occurred at the national level where the two historically largest parties in parliament experienced the highest levels of popular ‘punishment’ and new and old previously small parties enjoyed popular support challenging the well-established two-party system. The tough austerity measures, or so-called ‘Memorandum’, that were implemented in Greece during the crisis became a new divide in the party system over which parties competed (see a more detailed description of the Memorandum in the section 5.3.1). On the other hand, although it did form an initial discussion, the EU issue essentially became salient through the Memorandum and other economic issues. The elections that took place during these years changed the picture of Greek politics radically. However, the most intriguing feature of this new era was that the crisis did not create the transformations but rather accelerated pre-existing trends that were under way well before the crisis began.

Since the fall of Junta (Dictatorship) in 1974 the Greek party system has been characterised by two periods: from 1974 until 1981, when it moved from the right through the centre to the left; and from 1981 until recently when it was vacillating between right to left. As Lyrintzis (2005, p. 244) states, ‘the Greek political parties, as is the case in other European countries, used the left-right divide as a means to create and promote a political identity, and its content was manipulated according to the exigencies of the political conjuncture’. This type of analysis is helpful in order to classify the party system in Greece. Until 1981, New Democracy was the right-wing liberal party, the Pan-Hellenic Socialist Movement (PASOK) represented the left-wing social-democratic side and ‘Centre Union-New Forces’ was the party of the centre. While New Democracy and PASOK managed to survive across time, Centre Union-New Forces disappeared quickly as in the polarised politics of the 1970s, it was evident that a centre party was not much needed (Pappas 2003, p. 97).
Since 1981 the Greek party system has been generally regarded as a typical example of a two-party system (Mavrogordatos 1984; Gordon and Segura 1997; Pappas 2001; Pappas and Dinas 2006; Mair 2006; Lane and Ersson 2007; Gemenis 2008; Dinas 2008; Hlepas 2010; Dinas 2010; Lyrintzis 2011). In Greek politics, from 1981 until recently, we found all the conditions that Sartori (1976) included in two-partism. The first condition is that there are two dominant political parties with the ability to compete for the absolute majority of seats. Indeed, in the last 40 years in Greece New Democracy and PASOK enjoyed the support of the voters and the vast majority of votes in general elections. The two parties were competing for office and able to form single-party governments. This element brings us to the next two features of two-partism: one of the two mainstream parties succeeds in winning a parliamentary majority and is willing to govern alone. In Greeks politics, smaller parties played only a complementary role and were never able to prevent New Democracy and PASOK from governing alone. Thus, coalitions were not necessary (there was only one coalition government in 1989 that lasted for one year). Alternation is the last characteristic of the two-party model; although one of the two major parties manages to win an absolute majority and govern alone, it should not remain in the office in election after election. In the same vein, rotation in power in Greece remained constant as New Democracy and PASOK won alternatively in national elections for 40 years.

This chapter discusses the developments and changes in the Greek party system during the Eurozone crisis following the methodology that was presented in the Introduction of the thesis. The rest of the chapter is structured as follows: First, I talk about the results of the elections that took place in Greece during the Eurozone crisis and the 2015 bailout referendum. Then, I study the response of the Greek party system during the crisis. In particular, I look at: fragmentation and polarisation, the impact of the EU issue, and government formation patterns. In the next section, I examine the reasons for these developments: first, by studying the independent and intervening variables; and, second, by analysing other structural conditions that affected the Greek party system during the crisis and were particularly relevant to the Greek case.

5.1.1 Elections during the Crisis

Since the Greek debt crisis began in 2010 a large number of general elections took place in the country illustrating that Greek politics was in flux. As Figure 5.1 illustrates, the main trends that
started showing in the twin elections in May and June 2012, continued until the 2015 national elections: the fast growing electoral strength of the Coalition of the Radical Left (SYRIZA); the weakening of the two former major parties, New Democracy and particularly PASOK; and the emergence of a number of minor parties that became increasingly relevant. A coalition government came out of the 2012 June elections and brought together the traditionally larger opponents of the two-party system, New Democracy, and PASOK, together with the newly formed moderate left-wing Democratic Left. A series of new austerity measures were implemented immediately after the new government took office. All these measures were followed by huge protests and strikes in the main Greek cities, in which tens of thousands of people took part (Smith 2012). In June 2013, Democratic Left withdrew from the coalition government after their disagreement over the issue of the closure of the Greek Public Broadcasting Service (ERT), and destabilised further New Democracy and PASOK’s partnership which was left with a thin majority in parliament (Mpitsika 2013).

Figure 5.1. Vote share for the main Greek parties in the Greek National Elections from 2007 to 2015.

Source: Greek Ministry of Interior, www.ypes.gr
The 2015 January and September Greek general elections confirmed the radical transformations in the party system during the Eurozone crisis. The January election results not only verified patterns that we saw in the 2012-2014 parliament but also extended trends that have been going on since well before the crisis began. SYRIZA achieved a massive victory and formed a coalition government with the minor right-wing Independent Greeks. This move resulted in a completely innovative government formation pattern for Greece. The former major centre-right government party, New Democracy, became the second party, while PASOK, former major centre-left party and partner in the previous coalition government suffered the worst defeat since its formation in 1974. The extreme right-wing Golden Dawn went on to become the third largest party and the Greek Communist Party remained a stable, yet minor force in the Greek parliament. The new centrist party, Potami (The River), managed to secure fourth place after its initial success in the 2014 EP elections. The Democratic Left did not even manage to reach the 3% threshold required to secure a place in parliament.

SYRIZA took power again in early 2015. The painstaking negotiations between the Greek government and the Troika did not prove fruitful and further austerity measures were implemented along with strict capital controls (closure of Greek banks for over two weeks, controls on bank transfers to foreign banks, and limits on cash withdrawals) which left many Greeks dissatisfied with the government’s handling of the crisis. In the midst of these negotiations with the EU, the ECB, and the IMF not softening their position, the Greek Prime Minister Mr Tsipras announced a referendum in which Greek voters would decide whether the government should accept the new bailout measures proposed by the three supranational institutions to take place on 5 July 2015. The referendum was considered controversial because of: the vague conditions under which it was decided, the ballot question, the legality issues involved, and, most importantly, the aftermath of the referendum results. 61% of the Greek voters voted against the new austerity package while 39% voted in favour (Arnett et al. 2015). Despite this outcome, SYRIZA ended up accepting an even tougher bailout package than the one proposed in the referendum just a few days later. Pushed by this twist, Alexis Tsipras announced an early general election in September 2015, which managed to win in spite of implementing the austerity measures against the majority of Greek voters’ will (Kiapidou 2015b). As Figure 5.1 illustrates, the election results were quite similar to the previous election. The Greek parliament appeared once again extremely fragmented with SYRIZA sustaining its electoral strength with a slight decrease,
and New Democracy and Golden Dawn remaining the second and the third party respectively. PASOK joined by Democratic Left raised its share by 1.1% while the River decreased its support by 2%. The Communist party retained its support while the Independent Greeks received limited support with 3.7% of the vote share. The Union of Centrists, an old centrist party, secured 9 seats in the parliament for the first time and achieved 3.4% of the vote. Government patterns remained the same as SYRIZA formed a coalition government with the right-wing Independent Greeks.

5.2 How did the Greek Party System Respond to the Crisis?

5.2.1 Fragmentation and Polarisation

*The Collapse of the Party System*

Table 15 shows fragmentation and polarisation figures in all the general elections in Greece from 2007 until 2015. Using the Laasko and Taagepera’s Fragmentation Index (1979) we can see that fragmentation increased significantly during the crisis, particularly with regard to the vote share. As Table 15 shows, fragmentation in votes was around 3.0 and in seats 2.6 in the pre-crisis elections. This rose sharply in the critical 2012 May elections. Fragmentation was 9.0 and 4.8 in votes and seats respectively. The trend continued in the 2012 June and 2015 elections, although to a lesser extent. Fragmentation in votes was 5.2 in June 2012 and 4.4 in January 2015, while fragmentation in seats 3.8 and 3.1 respectively. The twin earthquake elections of 2012 introduced a number of new parties in the Greek party system, which managed to pass the 3% threshold and gain seats in the parliament by raising the effective number of parties overall. In the two-party Greek system third parties, apart from the dominant New Democracy and PASOK, had not been able to threaten the position of the establishment and their existence did not prevent New Democracy and PASOK from governing alone. As a consequence coalitions were unnecessary. Since new lines of competition became salient, not only many new parties were formed, but also new and old minor political actors from a wide range of ideological positions became increasingly relevant.

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<tbody>
<tr>
<td>Fragmentation (votes)</td>
<td>3.0</td>
<td>3.2</td>
<td>9.0</td>
<td>5.2</td>
<td>4.4</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>Fragmentation (seats)</td>
<td>2.6</td>
<td>2.6</td>
<td>4.8</td>
<td>3.8</td>
<td>3.1</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>Polarisation</td>
<td>0.43</td>
<td>0.39</td>
<td>0.48</td>
<td>0.44</td>
<td>0.46</td>
<td>0.44</td>
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</table>

Source: Electoral data and author’s calculations using Laasko and Taagepera’s index for Fragmentation and Taylor and Herman’s index for Polarisation.

These parties were either old parties - such as the Greek Orthodox Rally (LAOS), Golden Dawn, and the Union of Centrists - or newly formed parties, such as Democratic Left, the Independent Greeks, and The River. LAOS was a right-wing party formed in 2000. Its leader, Georgios Karatzaferis has been considered to use populist and far right tactics by mostly stressing the party’s patriotic spirit (Psarras 2010). Although LAOS performed well in the 2007 and 2009 elections, it then lost its appeal after participating in the pro-Memorandum government in 2011 and did not enter the parliament in the 2012 elections. Golden Dawn was an extreme right-wing party characterised by a neo-Nazi ideology. Although founded in 1980, the party had not gained significant support until the 2012 elections. The Union of Centrists was an old centrist party formed in 1992. Since its creation the party had never managed to achieve support higher than 1% of the vote until the 2015 general elections when it received 1.79% and 3.4% respectively. Independent Greeks was a nationalist right-wing party formed in 2012, which joined the anti-Memorandum coalition government with SYRIZA in 2015. The River was a centrist party formed in 2014. It gained its first seats in the 2014 European and 2015 national elections. The Democratic Left was a moderate left-wing party formed in 2010. The party participated in the coalition government with PASOK and New Democracy for one year from 2012 to 2013. In 2015, it formed a coalition with the Green party but did not receive enough votes to secure seats.

Trends of higher fragmentation can be seen even in the period before the Eurozone crisis. PASOK and New Democracy’s combined vote from 1974 until 2004 was over 85%, falling to 80% in 2007.
and 77.4\% in 2009. As Table 16 shows, party system fragmentation in both seats and votes was kept to low levels in the 2000 and 2004 national elections. It then increased slightly in 2007 and 2009, until it faced a higher rise in the following 2012 and 2015 elections. The effective number of parties increased in 2007, as SYRIZA gained more support and the LAOS secured seats in parliament. It was the same time when the traditional major parties started losing their appeal and the Greek political system began experiencing a significant re-alignment (Vernardakis 2008). Fragmentation became even higher during the crisis and, particularly in the May 2012 election, leading to a combined vote of 64.1\% for SYRIZA and New Democracy in 2015. Therefore, the increasing volatility and fluidity in Greek politics during the crisis opened up opportunities for other parties to play a role in this new environment of political demand and supply. Yet, the ground for such high levels of party system fragmentation was set before the poor economic conditions took place.

Figure 5.2. Party Position on the Left-Right scale in Greece before (2009 Elections) and after the Eurozone Crisis occurred (May and June 2012 Elections).

Source: Author’s expert survey
The rise of these parties increased not only fragmentation, but also polarisation. Calculations according to the Taylor and Herman polarisation Index (1971) shown in Table 1, show a slight increase in polarisation from the 2009 elections (0.39) to the 2012 elections (0.48 in May and 0.44 in June), and 0.46 and 0.44 in January and September 2015 respectively. Although these scores are not much higher than the pre-crisis elections, a closer look at the expert survey results reveals a wide range of ideological positions. As Figure 5.2 illustrates, ideological positions in the Greek parties were spread out during the crisis. Although we do not see much shift in the ideological placement of the existing parties, we find a wider spectrum due to the new entries in the parliament. On the left, the Greek Communist party remained in its extreme left position and SYRIZA remained close to 2.5 with 0 being the extreme left and 10 the extreme right. The Democratic Left was also on the left, although in a more moderate position between 3 and 4. PASOK remained in its centre position. The River was also considered to be close to the Centre. Although not included in my expert survey, a survey on voters’ perceptions regarding party ideological positions in Greece placed it close to 5, that is close to the centre (Andreadis et al. 2014). On the right side, we found New Democracy with a 7.5 score, and Independent Greeks at 9. Golden Dawn was located at the very extreme right with a 9.9 score.

High fragmentation and a wide spread of ideological positions resulted in the collapse of the stable two-party system as we knew it. First, SYRIZA established its position as one of the strongest political parties in Greece. From being a minor power in 2009 (4.6% in the 2009 national election), the party achieved a historical rise of more than 30% in its vote share in less than five years (36.3% in the 2015 national election). Although rapid, SYRIZA’s rise should not be seen only as a natural product of the Greek debt crisis and a spontaneous reaction of the voters to austerity measures. SYRIZA seemed to have the greatest potential among minor Greek parties even in the 2007 national elections when the parliament started becoming more fragmented (Vernardakis 2008). The sharp rise in its popular support was linked to the carefully developed party image that would secure SYRIZA’s dominance in Greek politics throughout these years (Spourdalakis 2014a, pp. 357-358). The party’s successful key strategies, as pointed out by Spourdalakis (2014a; 2014b; interview), included SYRIZA’s dynamic, involvement in social movements, its active representation in formal institutions, such as trade unions and parliament, and its ideology and concise political programme, as well as its role in uniting the Greek left. On top of that, its organisation as a
grassroots movement rather than an elitist phenomenon helped the party differentiate itself from the old elite.

SYRIZA’s rise went hand in hand with the collapse of the previously dominant centre-left PASOK. One has to understand PASOK’s meltdown, in order to explain SYRIZA’s growth. PASOK’s collapse came as a combination of both pre-crisis developments and the party’s behaviour during the crisis. PASOK was the party with most years in government during the period 1981-2009 when the Greek party system was an example of a stable two-partism. It was broadly associated with populism, corruption, and scandals (Lyrintzis 1987; Pappas 2013), which made the party look more responsible than New Democracy for the economic crisis. Its disappointing performance was due to reasons rooted first in the ‘populist’ period it went through in the years 1981-1995 and, second, in the significant changes that the party went through regarding its programme, organisation, and political communication particularly when in government from 1995 to 2004 (Spourdalakis and Tassis 2006). The ‘populist’ reputation of the previous period, made the party fail in implementing any structural reforms during the years 1995-2004. Rather, patronage networks and corruption continued shaping the party’s image (Pappas, 2013, p. 36). Modernising attempts in the same period failed to help the party recover from a long-term distancing from its electoral base (Eleftheriou and Tassis 2013; Eleftheriou 2014; interview). During the crisis, unlike other pro-austerity governing parties in Europe, PASOK continued in office after its first term in government in 2009 by taking part in the coalition government in 2012. This party’s mis-handling of the crisis along with its weak base of loyal supporters led to its meltdown in 2015 (Barrett 2015). With PASOK receiving only minimum support from centre-left voters, SYRIZA established itself in the Greek party system as the largest unifying body of the left and centre-left forces.

The establishment of SYRIZA as the biggest party in Greece came along with the consolidation of the pro-austerity centre-right camp around New Democracy. Although New Democracy was in government with PASOK from 2012 until 2015, it did not receive as much popular distrust as PASOK. Thus, although about 6.3% of New Democracy voters turned to SYRIZA (Marc 2015), the party actually managed to bring together the majority of the right-wing electoral base. According to a survey by Metron Analysis (2015), 60.9% of the total of centre-right and 51.6% of the total of right-wing Greek voters supported New Democracy in this election. The party managed to maintain its power as, unlike PASOK which was in power when the first Memorandum was
implemented, it was not the main one to blame for the results of the crisis. It was rather seen as implementing austerity measures because it did not have much of a choice (Telidis 2014; interview). In the 2015 elections, New Democracy also managed to attract right-wing voters by addressing issues of national security and immigration, which could be considered a weak point of SYRIZA’s policy agenda (Kefalogiannis 2014; Chatzipadelis 2014; interviews). New Democracy raised concerns regarding these issues in order to position itself against SYRIZA’s ‘irresponsible’ stance on the immigration issue. New Democracy’s behaviour indicated the party’s commitment to concentrating the centre-right camp, along with the part of the electorate that was in favour of the austerity measures (Anonymous PASOK MP 2014; interview). With SYRIZA replacing PASOK on the left and centre-left camp and New Democracy gathering the largest part of the centre-right votes, the old familiar two-party format, although weakened and fragmented, rose again through its own mechanisms.

**The Rise of the Extreme Right**

Another significant development for the Greek party system during the Eurozone crisis was the persistence of the extreme right, which stretched polarisation much further. Although formed back in the 1980s, Golden Dawn was only a marginalised power with no actual influence until the 2010 local elections when the leader of the party, Nikolaos Michaloliakos, gained a first seat in the council of Athens. Popular support for Golden Dawn rose rapidly during the Eurozone crisis and the party’s vote share moved from 0.29% in 2009 to 7% in 2012 and 6.3% in 2015. Golden Dawn had a clear anti-Memorandum position throughout the crisis, but it also extensively promoted its ultra nationalist, anti-immigration ideology and an anti-establishment rhetoric against ruling elites (Ellinas 2013). Illegal immigration, criminality, and violence in central areas of the capital along with the strategic grass-roots organisation of the party helped it to develop as a significant anti-immigration pro-security power before the crisis (Dinas et al. 2013). The party benefited from the general rise in protest voting during the debt crisis and de-legitimisation of the Greek political system (Ellinas 2015), but also a large part of its electoral base supported its nationalist views. An opinion poll by GPO (2012) showed that 60% of its supporters in the May 2012 election voted for Golden Dawn in order to protest against the political system, 29.3% to make immigrants leave the country, and 4.8% followed the party’s extreme right ideology. Other studies showed that the voters of Golden Dawn in 2012 came from a wide range of the ideological spectrum (Georgiadou
Golden Dawn’s persistence in the Greek party system indicates Greek people’s disengagement with and anger towards the political system as a whole. However, it also shows that right-wing voters were more likely to vote for the party, hence a deeper tendency on part of the Greek electorate towards nationalism (Halikiopoulou and Vasilopoulou 2015). When New Democracy was still a mass party, it was able to cover any nationalist anti-immigration tendencies of the radical right voters and politicians. This changed when the party started losing its mass appeal before the crisis began, and new actors appeared to take on this role. LAOS’ open nationalist and xenophobic discourse had a great appeal when the Greek party system started becoming more fragmented in 2007 (Ellinas 2013, p. 547). Although the party vanished during the crisis after it failed to take a clear stance on the most salient issue, the Memorandum (Verney 2012; Dinas and Rori 2013), its rise demonstrated the pre-existing appeal for the extreme right in Greece. The rise of the Independent Greeks is also an indicator of the popularity of nationalist rhetoric in Greece, although the party did not follow such an extreme anti-immigration discourse. In a pre-election interview, the leader of the party, Panos Kammenos (2015), guaranteed his commitment to national and religion-related issues. Clearly, Mr Kammenos’ position as Minister of Defence in the 2015 coalition government also had a symbolic meaning.

This brings our discussion to the behaviour of the established parties towards the extreme right overall, which also benefited Golden Dawn. First, they legitimised the initial institutionalisation of extreme right, when LAOS gained support. Although the party expressed rather extreme right-wing views, the political system accepted it not only as a political actor, but also as a coalition partner. In the need to form a government after PASOK’s leader and Prime Minister, George Papandreou resigned in 2011, LAOS joined the two major parties PASOK and New Democracy in forming a provisional coalition government (Psarras 2011). Independent Greeks’ participation in the coalition government with SYRIZA in 2015 is a further indication of the legitimisation of far right-wing views, particularly when it was done by a radical left party. Another way in which the establishment legitimised Golden Dawn was the so-called concept of ‘the rise of the extremes’, which was developed mainly by some members of New Democracy, when SYRIZA and Golden Dawn started gaining power (Ravanos 2013). This view supported the argument that SYRIZA on
the left and Golden Dawn on the right were the two extremes rising in the Greek political system during the crisis. This way, Golden Dawn was equated with SYRIZA, regardless of the ultra-right anti-systemic nature of the former. Moreover, the mainstream parties responded rather late to Golden Dawn’s rapid rise. It took Golden Dawn securing 18 seats in the 2012 June election and the murder of an anti-fascist musician in Athens in 2013, until Golden Dawn members were officially accused of forming and managing a criminal organisation (Squires et al. 2015). Therefore, the extreme right certainly benefited from the outbreak of the debt crisis. However, its persistence during the crisis, along with several traits of its electoral support well before the crisis began, indicated both a steady appeal of extreme nationalism to a part of the Greek electorate and the tolerance of the mainstream political system towards right-wing extremism overall.

5.2.2 The EU issue

*High Salience but No Real Divide*

Figure 5.3. *Two-Dimensional View of Party Position in Greece before (2009 Elections) and after the Eurozone Crisis occurred (May and June 2012 Elections).*

Source: Author’s expert survey
In terms of parties’ positions towards European integration, we found a high Eurosceptic trend during the crisis (Figure 5.3). According to my expert survey results, New Democracy and SYRIZA became more Eurosceptic than they were before the crisis began. We also saw PASOK and the Communists maintaining their initial positions towards the EU. At the same time, the new parties that entered the parliament in 2012 showed hard Eurosceptic tendencies (Independent Greeks and Golden Dawn), apart from the Democratic Left, which had a pro-European view and joined the coalition government in 2012. Moreover, the parties with more extreme left-wing (the Communist Party, SYRIZA) or right-wing ideological positions (LAOS, Independent Greeks, Golden Dawn) were more Eurosceptic than the parties of a more centrist location (New Democracy, PASOK, Democratic Left). When seen through the government/opposition divide, Euroscepticism was more popular among opposition than governing parties. However, SYRIZA is an interesting case here. In spite of the fact that its electoral success in the 2012 elections made it one of the most likely potential government coalition partners, the party became even more Eurosceptic at that time.

As Figure 5.4 shows, the salience of the EU issue also increased significantly during the crisis. Comparing the 2009 and 2012 elections, apart from the Communist Party, which has always considered the EU issue as quite important, we saw the EU issue being highly important for all the established parties after the Eurozone crisis began. In particular, the established parties -New Democracy, PASOK, and SYRIZA- which considered Europe as an issue of some importance before the crisis, treated it as an even more significant issue in the 2012 elections. At the same time, the new parties that gained their first seats in 2012, Democratic Left and Independent Greeks, considered the EU issue as slightly less important than the mainstream parties, but still quite significant. On the other hand, Golden Dawn stayed away from this debate and treated the issue as being of little importance.
The Greek public expressed a more critical attitude towards the EU than before the crisis. As Figure 5.5 shows, the number of the Greek people that had a very positive and fairly positive view of the EU was above 45% from 2004 until 2009. This figure decreased significantly during the years 2010-2014 reaching its lowest point, 30%, in 2013. Nevertheless, apart from 2009 and 2013, the figure was above the European average for most of the years during the crisis. Interestingly enough, during the toughest years for the Greek economy, from 2010 until the end of 2012, 35.6% of the Greek voters still had a positive view of the EU compared to 33% of the total of the voters across the EU. Therefore, although the public position towards the EU became more critical during the crisis, these Eurosceptic tendencies were not translated into an anti-European movement or a rejection of the European integration project overall. This was also confirmed by an examination of several indicators of Greek public attitudes towards the EU during the Eurozone crisis by Clements et al. (2014). The study concluded that although the EU lost its initial appeal to the Greek people, this did not turn into a ‘hard’ Eurosceptic attitude.
The same findings came out for the Eurosceptic movement at the party level. High EU salience put Greek parties in two different camps regarding their position towards European integration during the crisis (Eleftheriou 2014; Spourdalakis 2014; Telidis 2014; interviews). On the pro-EU side, we found the coalition government parties in 2012 - New Democracy, PASOK, and Democratic Left as well as the River. On the EU critical side, we found the Communists, SYRIZA, Independent Greeks, and Golden Dawn, with the latter expressing a more unclear position. Indeed, these Eurosceptic parties managed to receive votes from a wide range of the ideological spectrum. The EU issue had an opportunity to become a parameter of party competition and it partly achieved that in the 2015 bailout referendum. During the referendum campaigns, parties were again separated into against-bailout and pro-bailout camps with the latter arguing that if the Greek voters did not support the bailout agreement in the referendum they would put Greece’s EU membership in danger (Bouras and Walker 2015). Although the EU card was played extensively in the EU referendum it did not result in a debate on the European integration project more generally. Although the parties referred to the limited influence of the national government over supranational powers during the crisis, no party attempted to initiate a discussion on the future of the EU. In that sense, the debate on the EU was translated into a shift towards more Euroscepticism, but not a real divide in the party system.
The Memorandum Divide and the Inter-Connected Issues

The essential line of competition was the Memorandum. The coalition government of New Democracy, PASOK, and Democratic Left, which came out of the 2012 June elections, implemented a series of new austerity measures immediately after they took office. In October 2012, the Greek parliament approved the sixth austerity package after negotiations with the ‘Troika’; the supranational tripartite committee comprising of the EC, the IMF, and the ECB. These austerity packages were parts of a complete Economic Adjustment Programme, the so-called Memorandum, which included a series of austerity measures and structural reforms in order for Greece to re-gain its economic competitiveness and growth. The programme was monitored by the Troika throughout its implementation and it was approved by PASOK’s government in 2010. Members of the ECB and the IMF visited Greece regularly in order to examine the progress and the further policies needed. As proposed by the Troika and the Memorandum, further austerity policies were adopted in 2013: cuts in thousands of civil servant posts; new taxes on property; and the shutdown of the Greek Public Broadcasting Service. All these measures were followed by huge protests and strikes in the main Greek cities, in which tens of thousands of people took part.

The pro-/anti-austerity or pro-/anti-Memorandum divide was created during the debt crisis and dominated every aspect of political developments in Greece since 2009 (Dourou 2014; Georgiadis 2014; Ikonomou 2014; Spourdalakis 2014b; Verney 2014b; interviews). With this being the most salient issue, Greek parties were separated into two camps regarding their position towards the bailout agreement; on the pro-austerity side, the government parties, New Democracy and PASOK, and on the anti-austerity side, SYRIZA, Independent Greeks, Golden Dawn, the Greek Communist Party, and the weakened Democratic Left. The River could be seen somewhere in the middle as it did not express a straightforward opinion on the matter, but rather called itself ‘a post-Memorandum party’ (Theodorakis 2015).

One way to explain the fierceness of this debate is its ability to bring together different parties in terms of ideological positions in coalition governments (Telidis 2014; interview). This was first evident in the 2012 elections which brought about a coalition government of the previously biggest opponents: New Democracy and PASOK. However, with PASOK’s collapse that coalition

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9 For more details on the Memorandum and the role of Troika, read the European Commission’s reports: http://ec.europa.eu/economy_finance/assistance_eu_ms/greek_loan_facility/index_en.htm
government came as no big surprise if one thinks back in time, well before the Eurozone crisis began. After years in office, New Democracy and PASOK adopted a moderate discourse and practises that were based on clientelistic stances rather than ideological positions (Pappas 2013, pp. 35-40; Lyrintzis 2005, p. 254). The two actors turned from being mass parties into cartel parties with a behaviour which was not ideologically driven (Vernardakis 2008; 2011). Therefore, it was the second coalition government, in 2015, that revealed the pro-/anti-austerity divide to be even stronger. The radical left-wing SYRIZA and the right-wing Independent Greeks, who came to office together in 2015, were parties of two opposite ideological poles. SYRIZA did not co-operate with The River, in spite of their convergence over socio-cultural issues (Andreadis 2015; Gkasis 2015). On the contrary, and as happened in the case of New Democracy and PASOK’s coalition government, SYRIZA and the Independent Greeks’ identical position on the austerity issue was enough to make the originally different political forces unite against a ‘common enemy’. Another way to justify the power of this new divide is the potential it gave to old and new minor parties (Chountis 2014; interview). In the previously stable two-party system of Greece, minor parties were neither many nor did they play a highly active role. Since the pro-/anti-austerity issue became salient, not only were many new parties formed, but also new and old minor political actors from a wide range of ideological positions became increasingly relevant. This new divide managed to put down such deep roots in Greek society and politics that it opened up opportunities extremely quickly for other parties to play a role in this new environment of political demand and supply.

Public disapproval of the government’s handling of the Greek debt crisis was shown particularly with regard to the implementation of the Memorandum. As Figure 5.6 shows, Greek public opinion over the Memorandum in the years 2011-2015. Throughout these years that included the 2014 EP and local elections, and the 2012 and 2015 national elections, the majority of Greeks remained negative towards the Memorandum with the average being 69% against and 19.3% in favour. Although the number of the Memorandum opponents fell slightly during the 2012 national elections, it rose again rapidly after the election took place. Continuing public discontent and outrage towards the Memorandum was particularly crucial, as this was the issue that dominated political discussion and determined political behaviour at both the voter and the party level throughout these years (Verney 2012; Dinas and Rori 2013; Georgiadis 2014; interview; Eleftheriou 2014; interview; Gemenis and Nezi 2015). Clearly, the fact that the majority of the
Greek electorate was against austerity policies was also demonstrated through the protests and strikes that followed all the main government policy decisions and austerity budgets that were passed by the parliament (BBC 2011b).

**Figure 5.6. Greek public opinion over the Memorandum issue, 2011-2015.**

![Graph showing public opinion over the Memorandum issue, 2011-2015.

Source: Mavris, 2015 with polling data from Public Issue

The Memorandum divide was linked closely to a general discussion about the national economy and the structural changes needed for the Greek state to recover from the crisis. These issues dominated political debate during the crisis and created a general space for other issues to arise. The EU issue gained high salience through this discussion, and the topic of Greece's euro membership joined the overall debate (Chountis 2014; interview). In other words, the ‘austerity’ divide helped the EU integration issue to become more salient. The debate around the Memorandum raised arguments for and against the EU by the main political actors, with some of them even supporting withdrawal from the EU and the common currency. This was mainly the case with SYRIZA MPs who opposed the euro currency and later left the party because of these disagreements (Ta Nea 2015). This was shown particularly during the pre-election periods in 2012 and 2015, when parties pointed out their position towards the EU and the euro as linked to the austerity debate.
In particular, on the most important issue, the Memorandum, New Democracy developed a discourse that could be seen to generate fear and insecurity. The party promoted the necessity of implementing further austerity measures, which would however secure Greece’s euro and EU membership and prevent an economic disaster from happening. New Democracy posed several dilemmas to the Greek electorate, who were asked to choose between ‘stability and risk’, ‘truth and lies’, ‘responsibility and irresponsibility’, but most importantly between the euro and Greece returning to its own currency, the drachma (Kiapidou 2015a). Thus, the main element of New Democracy’s discourse particularly during the pre-election periods, was the creation of public fear in case SYRIZA won the elections with special regard to the consequences of Greece leaving the euro and going bankrupt (Telidis 2014; interview). On the opposite side, SYRIZA’s approach towards the main political divide, the Memorandum, aimed at creating a rather confident and optimistic profile about the future of Greece. At the same time, the party did not miss an opportunity to assure the Greek electorate of SYRIZA’s commitment to the country’s euro and EU membership. However, it stressed the limited power of the national government over the EU elites, and the way that SYRIZA in office would overcome that (Chountis 2014; Moschonas 2014; interviews). SYRIZA’s position against the Memorandum but in favour of the euro and against the undemocratic character of the EU proved to be a successful combination.

The immigration issue also gained high levels of attention during the crisis through the fierce debate on the Memorandum and the national economy and even before the refugee crisis in 2015. A public opinion poll in 2010 showed that 59% of Greeks believed that immigration ‘rather harms’ Greece while only 19% answered that immigration ‘rather benefits’ the country (Public Issue 2010). Also, while in 2008 47% of the people believed that immigration ‘rather harms Greek economy’, in 2010 the percentage of the people with the same view increased to 59% (Public Issue 2010). Another opinion poll showed in 2012 that almost 73.9% of the Greek people believed that immigrants caused a rise in crime rates and 47.3% of the people wanted the immigrants who are ‘illegal or not needed’ to leave the country (Chiotis 2012). Although salient for the public, the issue of immigration was neither broadly acknowledged not prioritised by the mainstream parties, apart from New Democracy, which paid only minimal attention. Golden Dawn’s rise is linked to this gap of original debate on the immigration issue, which has existed since the early 1990s (Lazaridis 1996). The party provided an alternative choice for the Greek voters who were dissatisfied with
the government’s immigration policies (Ellinas 2013, p.16). As the other far right political choice, LAOS, was unable to attract voters, Golden Dawn showed a coherent attitude that capitalised on public sentiment towards immigration issues so much that even its violent behaviour did not seem so important any more.

5.2.3 Government Composition and Future Developments

Change in the Greek party system during the crisis was also apparent in government composition patterns. As mentioned earlier, two-partism was the norm in Greek politics from 1981 until 2009. The two dominant political parties had the ability to compete for the absolute majority of seats and were able to form single-party governments in the last 40 years. One of the two mainstream parties succeeded in winning a parliamentary majority and was willing to govern alone. Smaller parties played only a complementary role and have never been able to prevent New Democracy and PASOK from governing alone. Thus, coalitions were not necessary and rotation in power in Greece remained extremely predictable. The only coalition government in Greece during that period, took place in 1989, when New Democracy, PASOK, and the Communists joined in government for one year due to difficulties in forming a single-party government caused by a change in the electoral law.

According to Mair’s (1997) indices on the change of government composition patterns, we found a completely innovative government composition and coalition formation pattern in Greece during the crisis. First, the form of alternation in government was partial in the 2012 elections, as PASOK remained in the government and New Democracy and Democratic Left joined the coalition, and wholesale in the 2015 elections, as none of the previous government parties took office after that election. Second, the governing formulae were innovative in both elections. Neither governing pattern (New Democracy, PASOK, and the Democratic Left in 2012 and SYRIZA and the Independent Greeks in 2015), had been seen in Greece before. Access to government was open in both elections as new parties that had never been in office before, joined the coalitions. Therefore, government was not the privilege of only the mainstream parties. Thus, the Greek party system not only changed fragmentation and polarisation patterns but also moved from a closed to an open structure of competition during the crisis.
The changing Greek party system appeared likely to retain some of its new patterns. The new two-party competition between SYRIZA and New Democracy gained deep roots during the crisis, since the pro-/anti-Memorandum divide became particularly strong. This new line of competition seemed capable of dividing the parties this way for a long time (Dourou 2014; Kefalogiannis 2014; interviews). Even if the economic situation in Greece were to improve, the debate was so fierce that SYRIZA appeared capable of sustaining its power by becoming a new centre-left mass party that attracted voters on the basis of a wide range of policies, rather than an anti-austerity stance alone. New Democracy, which did not face the massive losses that PASOK did, also seemed capable of retaining the centre-right camp that gathered during the crisis (Georgiadis 2014; interview). This new two-partism however, did not appear likely to be as robust as it used to be. The combined vote of the two major parties had already started decreasing before the crisis began and it proved particularly difficult to reach the high voter support that New Democracy and PASOK used to once receive.

Nevertheless, with SYRIZA and New Democracy retaining the leadership of centre-left and centre-right camps, small parties appeared likely to decrease their power, especially once the Memorandum debate became weaker. The Democratic Left already vanished after joining the pro-austerity coalition government in 2012, while the Independent Greeks fell from 10.6% of the vote share in the May 2012 elections to 4.8% in 2015. The River, which was also formed during the crisis, proved able to cover of that centre-positioned part of the electorate, which preferred a moderate position. Covering the centre ground might be useful not only as a moderate option for voters, but also as a flexible coalition partner for the two major parties. Golden Dawn also proved quite stable as it did well throughout the elections during the crisis. However, its performance depended on a number of issues: the outcome of the party members’ trial and the behaviour of the party itself as well as the major parties, particularly when dealing with the immigration and criminality issues. The effective handling of these two issues, as well as the capability of New Democracy gathering a wide range of right-wing positioned voters, were particularly relevant to Golden Dawn’s continuing appeal.
5.3 Why did Greece Respond this Way?

5.3.1 Independent and Intervening Variables

*The Independent Variable: The Impact of the Crisis*

Inevitably, economic conditions were one of the most important factors determining the fierce changes in the Greek party system during the crisis. Although the economic consequences were enormous, prior to 2009 no Greek party or politician could foresee what was about to happen (Georgiadis 2014; Chatzipadelis 2014; interviews). In March 2010, PASOK’s government announced the first major austerity measures, which Greek people were not expecting: an increase in VAT and cigarettes and alcohol tax along with a pensions’ freeze and a decline in public sector pay. Meanwhile, the financial markets increased Greek bond spreads and rating agencies started downgrading Greece (Featherstone 2011). In the same year, Fitch downgraded the credit rating of Greece from A- to BBB+ and S&P and Moody’s considered the Greek debt to be junk. In April 2010, PASOK Prime Minister Papandreou finally decided to apply for a rescue package to the IMF and the EU in order to improve the economic situation in Greece. In May 2010, the Troika agreed to finance Greece for the next 3 years with a loan of 110bn euros. The terms of this loan (the so-called ‘Memorandum’) ensured the backing of the Greek parliament and the tough economic measures were imposed across all sectors of the economy (Matsaganis and Leventi 2011, p. 8). The Memorandum was accepted as it stood because, as it was argued at the time, it would improve the competitiveness and sustainability of the Greek economy through tax increases and major structural reforms. These improvements never happened and the Memorandum could hardly be considered as ‘successful or adequate’ (Christodoulakis 2011, p. 75).

In the summer of 2011, a second rescue package of 109bn euros was approved by the Eurozone countries in an attempt to prevent the further spread of the debt crisis. At the same time, Greece got the lowest credit rating worldwide after S&P downgraded it from B to CCC. In February 2012, a new loan was agreed; 130bn euros were given to Greece and, at the same time, the country had to lose 53.5% of the face value of its debt. In the same month, the second Memorandum was endorsed in the Greek parliament, which included further cuts in pensions and allowances, cuts in pay for public servants, along with increases of VAT on many staples such as food, medicine, electricity, water, transport tickets and gas and closing down of some public organisations.
The end of 2012 found Greece less attractive to both the EU and the world media, after a long period of intense actions and news storm about the Greek debt crisis. In December 2012, the ECB reinstated Greek bonds as collateral while economic features seemed slightly improved (ECB 2012). At the same time another loan of 6.8bn euros was also approved by the Troika. However, talks about further debt relief which would be accompanied by fresh austerity measures were still on as the Greek economy seemed far away from a complete recovery even in 2015 when more austerity measures were implemented in pensions and wages after the 2015 referendum and January 2015 general election.

Figure 5.7. Real GDP growth (% change from previous year) and unemployment rates in Greece, years 2003-2015.

Naturally, economic figures were particularly poor. As shown in Figure 5.7, real GDP growth decreased significantly during the crisis. The fall started in 2008, when GDP growth decreased from 3.5% in the previous year to -0.4%. This trend went on to reach its lowest points in 2011 (-8.9%) and 2012 (-6.6%). The score increased slightly in the following years with -3.9% in 2013 and finally a positive number in 2014 (0.8%). Moreover, unemployment rates in Greece reached one of the highest scores across Europe during the crisis and high unemployment became one of the biggest problems in Greece during these tough years. The figure started increasing in 2009, but rose significantly during the years 2010-2014. In particular, unemployment rates increased from 9.6% in 2009 to 17.9% in 2011 and 27.5% in 2013. This number looks even worse if one looks at youth unemployment (age group 15-26). Youth unemployment was always relatively high in
Greece. According to Eurostat, it was 26.1% in 2004 and 22.7% in 2007, but rose significantly after the Eurozone crisis began reaching over 50% from 2012 onwards. In particular, it was 55.3% in 2012 and 58.3% in 2013, reaching one of the highest levels in Europe.

The poor economic conditions were an important factor in the changes that occurred in the Greek party system during the crisis as they accelerated the developments that started before the crisis began. We saw earlier that the early signs of changes in the Greek party system can be traced back to the 2007 election. The major parties of the traditional Greek party system started losing their appeal and their combined vote did not exceed 80% anymore. Fragmentation and polarisation patterns also started evolving before the crisis began. Again, the new trends could be seen in 2007 when a fifth party, LAOS, gained seats for the first time after the fall of the Dictatorship in 1974 and it introduced a radical right-wing position into the Greek parliament. Moreover, public disengagement with the mainstream parties rose significantly after the crisis began due to the inefficient handling of the economic situation. The austerity measures that both PASOK and New Democracy implemented during these years, led voters to punish the two parties and support new anti-system extreme forces, such as Golden Dawn.

At the same time, the crisis also revealed the inability of the national parties to deal effectively with the EU elites. As the crisis proceeded, the national government became weaker as supranational actors took more power over the situation. The bailout packages were proposed by the Troika, in which actors, such as the IMF and the ECB were not elected by the public. In the same vein, the Memorandum was accepted by the Greek government after minimal negotiations with Troika and the EU. This increased democratic deficit led to further public discontent towards the mainstream parties and gave an opportunity for anti-system movements to gain power (Anagnostakis 2014; Spourdalakis 2014b; interviews). As the Greek electorate was watching its national governments being unable to act against the implementation of unpopular austerity measures, public disillusionment with the political establishment grew more and more. Thus, the crisis had a multiple effect on the Greek party system. First, it gave the voters a significant motive to further turn their back on the mainstream parties, which had already started losing their mass appeal before the crisis began. Second, the crisis also revealed the incapability of the major parties to cope with this difficult situation, both in terms of implementing unpopular measures and coping with the European elites in equal terms (Telidis 2014; interview). The increasing public discontent
towards the mainstream parties accelerated significantly during the crisis, as the latter revealed their inefficiency in handling both the poor economic conditions and the negotiations with the European actors.

5.3.2 The Intervening Variables

The Greek Electoral System and Electoral System Proportionality during the Crisis

The electoral system is an important intervening factor in party system development as it affects the number of parties that can enter the parliament as well as the government formation patterns. Greece adopted a type of reduced Proportional Representation (PR) system, which is called Reinforced PR and has been applied in most of the Greek national elections. Yet it can be considered very close to classic PR systems; for example Lijphart (1994) included it among all PR systems in his comparative study. Also, Golder (2005) included Greece in the multi-tier systems, where the distribution of the ‘remainder seats’ is ‘quite complex’. In the Reinforced PR system of Greece, parliamentary seats are distributed in proportion to the total of public vote, yet it is characterised by reinforcing features. Fifty ‘bonus’ seats are given to the first party, even if it has failed to gain the majority of votes, in order to have a parliamentary majority that is intended to promote government stability. Also, in order for a political party to gain seats, it has to receive at least 3% of the popular vote.

In this study, the electoral system is defined as the degree of proportionality in each election and is measured through the Least Squares Index or Gallagher’s Index (Gallagher 1971). Gallagher’s index examines the closeness between seats in parliament and vote share by constructing the square root of half the sum of the squares of the difference between votes and seats in parliament for each one of the political parties. In the Greek case, electoral system disproportionality rose significantly after the Eurozone crisis began. As Table 16 shows, disproportionality was between 6.8 and 7.6 between 2000 and 2009. In the 2012 May election, the score increased to 12.8 followed by 9.9 in the 2012 June election and 10 and 9.6 in January and September 2015 respectively. This rise illustrates the high fragmentation of the Greek party system during the crisis, as minor parties increased their strength although they did not manage to pass the 3% threshold in order to gain seats. At the same time, the vote share of SYRIZA was un-represented in terms of seats in the 2012 elections, because of the 50 bonus seats to the first party. Table 17 also
illustrates the total vote share of the minor parties that did not gain a seat in the Greek parliament during the same years. From 2000 until 2009, this vote share was close to 5%, except for the 2009 election, when LAOS gained seats for the first time. This percentage increased sharply in May 2012 (19%) as fragmentation rose not only in terms of the parliamentary parties but also for those which did not make it to the parliament. Although this vote share decreased in June 2012 (6%), it rose again in January 2015 (8.6%).

Table 16. Disproportionality of the Greek electoral system in the general elections from 2000 until 2015 (Gallagher Index).

<table>
<thead>
<tr>
<th>Election Year</th>
<th>Electoral System Disproportionality</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>6.8</td>
</tr>
<tr>
<td>2004</td>
<td>7.6</td>
</tr>
<tr>
<td>2007</td>
<td>7.0</td>
</tr>
<tr>
<td>2009</td>
<td>7.3</td>
</tr>
<tr>
<td>2012 May</td>
<td>12.8</td>
</tr>
<tr>
<td>2012 June</td>
<td>9.9</td>
</tr>
<tr>
<td>2015 January</td>
<td>10</td>
</tr>
<tr>
<td>2015 September</td>
<td>9.6</td>
</tr>
</tbody>
</table>

Source: Author’s calculations

Table 17. Total vote share of the political parties that did not gain seats in the parliament in the Greek national elections from 2000 until 2015.

<table>
<thead>
<tr>
<th>Election Year</th>
<th>Total vote share of parties that did not gain seats (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>4.8</td>
</tr>
<tr>
<td>2004</td>
<td>4.9</td>
</tr>
<tr>
<td>2007</td>
<td>3</td>
</tr>
<tr>
<td>2009</td>
<td>4.8</td>
</tr>
<tr>
<td>2012 May</td>
<td>19</td>
</tr>
<tr>
<td>2012 June</td>
<td>6</td>
</tr>
<tr>
<td>2015 January</td>
<td>8.6</td>
</tr>
<tr>
<td>2015 September</td>
<td>6.4</td>
</tr>
</tbody>
</table>

Source: Ministry of Interior, www.ypes.gr

Although these developments are important when examining a party system, the electoral system played a relatively significant role in shaping changes in the Greek case. As mentioned earlier,
although semi-proportional representation with a majority bonus, this formula has been the same with only a few amendments throughout the Greek post-Dictatorship era. Indeed, the relatively low threshold allowed minor parties to gain representation during the crisis. As Table 18 demonstrates, in the 2012 and 2015 general elections minor parties that did not gain seats gathered a high number of votes, in spite of the fact that three new parties entered the parliament in 2012. However, even though in 2012 the electoral system of Reinforced PR remained, the number of SYRIZA’s votes rose significantly compared to the votes that it received in the national elections of 2004, 2007 and 2009. Moreover, the electoral law affected partly government formation patterns. It was the fall in support for New Democracy and PASOK and the highly fragmented vote in 2012 and 2015 combined with the semi-proportional nature of the Greek electoral system that resulted in the coalition governments during the crisis. The electoral system played an even more important role during the previous stage of the two-party system in Greece, in the sense that it helped to create a strong two-partism based on the bonus seats given to the first party. Although in past years this norm helped people to decide which of the two dominant parties to vote for in order to form a majority government, the same pattern affected voters to a lesser extent under the tough economic conditions and political turmoil.

**Popular Trust in Political Institutions**

Figure 5.8. The percentage of Greek and European (total of all EU countries) people that tend to trust their national political institutions (years 2003-2015).

Source: Eurobarometer, European Commission 2003-2015
Public trust in the national political institutions is particularly important as it demonstrates popular disengagement with the political elites and system overall, which is expected to grow during tough economic times. Figure 5.8 illustrates the trends in popular trust in political institutions in Greece from 2003 until 2014. Greeks held particularly high levels of trust in their national parliament as well as national government from 2003 until 2005, and these remained relatively (although less) high until 2007. The figures are even higher than the EU average during these years. For instance, trust in the national parliament was 54% in 2003 and 52.5% in 2007, and trust in the national government was 47% in 2003 and 43.5% in 2007, with the EU average of trust in national parliaments being 39% in 2007. These figures dropped further from 2007 until before the crisis began, reaching 40% (trust in national parliament) and 34.5% (trust in national government) in 2009. From 2010 onwards, the levels of trust fell significantly resulting in very low numbers, such as 11% trust in the national parliament in 2012 and 6.5% in trust in the national government in 2013. At the same time, the EU average of trust in national parliament was much higher, ranging from 25.5% to 31% during the years 2010-2014. Trust in the Greek political parties in general was lower than the other measures, yet stable from 2003 until 2007 with an average of 22% during these years. A notable fall occurred from 2008 onwards as the number decreased to 15.5% in 2008, falling significantly during the crisis to 5% in 2011 and only 3% in 2013. All figures started increasing slightly after 2012 when SYRIZA gained more support and minor parties succeeded in gaining seats in the Greek parliament.

Low levels of trust in national institutions were considered one of the main features associated with party system transformations in Greece during the crisis. The incapacity of the Greek governments to deal with the economic situation and the implementation of further austerity measures increased discontent towards the government parties and parliament under the tough economic conditions. The limited power of the national governments over the EU and other supranational actors was also reflected in levels of popular trust. However, it is interesting to notice that Greek voters trusted the national political parties in general much less than their government and parliament well before the crisis began. At the same time, we saw a notable fall in the latter figures as well since 2007, which can also be traced back to 2004 onwards. However, it was in 2007 when trust in the Greek government fell below the European average for the first time (see Figure 5.8). The decreasing levels of trust that initiated a trend before the crisis began, demonstrate public discontent towards the Greek political institutions and the political system as
a whole, which were not limited to the economic situation (Spoultalakis 2014b; Verney 2014b; interviews). Low levels of trust were rather linked to the limited combined vote of the major parties of the previous period in the Greek party system as well as the increasing fragmentation, which started in the 2007 general election. As Verney (2014a, p. 20) put it, ‘the May 2012 election was a symptom of a much deeper malaise. Specifically, a sweeping breakdown of societal trust has resulted in the delegitimisation not only of the previous governing parties but also of the political system as a whole. This delegitimisation developed rapidly under the impact of the Greek sovereign debt crisis’. For sure, the economic figures reached very low levels during the crisis, and therefore, its impact is not questioned. However, once again it accelerated a trend that was already there.

**National Economic Perception**

NEP is the last intervening variable of this study and it is a subjective way to measure economic conditions in a country. NEP in Greece is particularly interesting due to the exceptionally tough economic situation during the Eurozone crisis. Figure 5.9 shows the percentage of Greek people considering their economy as very good and fairly good compared to the European average during the years 2005-2014. While from 2005 to 2007 the average score was 16.8%, it had a sharp fall in 2008 (10%). NEP kept decreasing significantly until 2013, when it rose only slightly. In particular, from 2010 until 2013, only an average of 1.4% of the Greek people thought of their economy as doing well. Interestingly enough, NEP was not particularly high even before the crisis began compared to the European average. For example, in 2007 50% of the European people considered their economy as doing well compared to 21% of Greeks. Low levels of NEP are naturally linked to the bad economic situation. Yet, they are also connected to popular mistrust towards national governments in terms of their inability of dealing effectively with the crisis as well as negotiating austerity packages with the supranational institutions. Poor economic conditions and growing public mistrust towards the national institutions, combined with extremely low levels of NEP, formed some of the main conditions that shaped party system development during and before the crisis.
5.3.3 Other Factors Specifically Related to the Greek Case

The Political Crisis before the Economic Crisis: Clientelism, Populism, and De-legitimisation

Although the variables examined above were significant in the huge transformations in the Greek party system during the crisis, additional factors, which are relevant to the structural features of Greece, also played an important role. The political crisis in Greece started well before the economic crisis began and prepared the ground for the changes to come. The clientelistic processes had been undergone since two-partism was still stable - that is since the late 1970s - and before the crisis began. During the crisis, Greek voters not only disapproved of the government’s policy-making, but also the political system as a whole. The Greek political system experienced a long-term de-legitimisation process that began before the crisis but was accelerated because of the poor economic conditions during subsequent years (Verney 2014a; Featherstone 2011; Lyrinzis 2011; Bratsis 2010).

During the years between the fall of the Dictatorship and before the Eurozone crisis began, the patronage networks between the mainstream parties and the civil services were so strong that they were embedded in many aspects of the way the political system was working. The extensive
funding of public bodies led to a growing distance between the political parties and the electorate. The accountability and transparency of the government became rather limited and the only connection between parties and their voters was through these clientelistic networks. The Greek regime became a ‘société bloquée’, where political debates were about an effective over-promising and blame-shifting (Featherstone 2011; Vasilopoulou et al. 2013); or, in other words, a ‘populist democracy’ that refers to the Greek political era of the PASOK and New Democracy governments from 1974 to the early 1990s when the parties in both government and opposition used an over-promising discourse (Pappas 2013; 2014; 2015)\(^{10}\). When the usual resources - such as civil service jobs, state employment, and agricultural benefits - were reduced because of the economic conditions, voter support for the main parties also decreased. In other words, as soon as the governments were not able to offer any more benefits due to the economic situation, society started protesting about its distant relationship with the parties and asked for more participation in the political system.

A political system based partly on benefits was naturally linked to an extensive ‘over-promising’ discourse maintained by the dominant parties throughout the post-Dictatorship era (Lyrintzis 1987). As Pappas (2013) argued, from 1981 until 2011 PASOK and New Democracy’s governments developed a ‘populist democracy’, which was based on a large State promising and providing plentiful resources to the electorate. This institutional framework provided the Greek party system with the opportunity to survive for more than three decades after the fall of Junta and sustain democracy in Greece. The case of PASOK in office is particularly indicative of the ‘populist’ regime that dominated Greek politics during the process of democratisation of the Third Greek Republic. When first in power in 1981, PASOK supported the existence of an enormous patronage network, which supressed meritocracy through its discourse (Mavrogorados 1997). The party’s practices in vital policy areas - such as the economy, labour, and education - exposed its clientelistic practices (Lyrintzis 1987) and developed a general political environment where patronage was not only widely accepted, but even expected by the electorate.

\(^{10}\) ‘Populist democracy’ is a concept developed by Takis Pappas and refers to the particular mechanisms through which Greece developed as a pluralist system of both the government and the opposition parties becoming populist. According to Pappas, this democratic subtype formed a high co-ordinated regime of political elites and a large part of the Greek society exploiting the state resources.
This narrative was adopted by all political actors in Greece and dominated the general political discourse and practice. Therefore, the tactics used during the years of prosperity and political promising continued during the economic crisis (Anagnostakis 2014; Telidis 2014; interviews). When the previously dominant and later pro-Memorandum parties, New Democracy and PASOK, could not make any further promises regarding benefits and the national economy, opposition parties took over the same rhetoric. SYRIZA, in particular, adopted a rather exceptional left-wing populist rhetoric during the crisis (Stavrakakis and Katsambekis 2014). As the biggest left-wing party in the Greek party system since 2012, SYRIZA replaced PASOK not only in terms of its electoral strength but also in terms of its over-promising and large State resources-offering tactics. Indeed, it seemed that clientelism was such a deeply embedded feature in Greek politics that not even a fierce economic recession like the debt crisis managed to weaken it (Vasilopoulou et al. 2013).

As a result, this de-legitimisation process featured an increasing popular discontent towards the two major parties of the previous era: New Democracy and PASOK. As examined earlier, limited popular trust in the national political institutions was one of the main features during the crisis. Studies on the political consequences of the Greek debt crisis showed that popular trust in national political institutions - including the national government, parliament, and all Greek political parties (Verney 2014a), as well as satisfaction with democracy (Teperoglou and Tsatsanis 2014) - started falling well before 2010. The technocratic government in 2011, which came to power with direct assignment rather than popular support through election due to the time needed to set up the national election, was a confirmation of the overall lack of legitimacy. Legitimisation crisis was also justified by the loss of support for the parties of the establishment, and particularly PASOK, which faced an irreversible meltdown. At the same time, the support for new minor parties - and most importantly, the persistent support for anti-systemic forces such as Golden Dawn - further verified the growing disillusion towards the Greek political regime (Verney 2014a, p. 34; Ellinas 2015). The previous two-party system was therefore not only about the alternation of the two major parties in government, but also about the support of an overall ‘rotten’ political system. In other words, the crisis of two-partism was not only a crisis of the two major parties, but a crisis of a mechanism based on clientelistic and patronage networks.
5.4 Conclusion

The Greek party system experienced an enormous transformation during the Eurozone crisis. As Table 18 shows, things changed so radically that it is hard to identify what remained the same. Fragmentation rose significantly particularly in the first elections of 2012, as the Greek parliament ended up with seven parties in total, two more than the previous parliament in 2009. While in the old Greek party system, electoral power was maintained by the two major parties, New Democracy and PASOK, power was now distributed among more parties. In addition, the combined vote of the two new largest political forces, SYRIZA and New Democracy, was now much lower. Old parties, such as Golden Dawn, which used to be in the margins, became stronger, and new parties - such as the Democratic Left, the Independent Greeks, and The River - which were formed during the crisis, became highly relevant. Polarisation also rose due to the growth of SYRIZA and the rise of Independent Greeks and particularly Golden Dawn. The Greek parliament consisted of parties that supported a broad range of ideological positions ranging from the extreme left (the Greek Communists) to the extreme right (Golden Dawn). Government formation patterns also changed rapidly. In the new era of the Greek party system, the major parties could not form single-party governments like before, and coalitions became the new pattern.

Party-based Euroscepticism also increased during the crisis. We found the Communist Party, SYRIZA, Independent Greeks, and Golden Dawn being ‘Eurosceptic’, and New Democracy, PASOK, and the Democratic Left pro-EU. The Eurosceptic parties attracted voters from a wide range of ideological positions. The EU issue had a chance to form an additional parameter along with the traditional divides, as it became highly salient. However, high EU salience during the crisis can be explained only through the rise of other more significant issues: the Memorandum divide and the debate over the national economy. As these two issues were inevitably connected to the EU during the Eurozone crisis, the EU issue also gained some attention. New Democracy dedicated a large part of its campaigns to argue that a potential SYRIZA government would put the country’s Eurozone membership in danger. SYRIZA raised the EU issue by praising the party’s stance towards a ‘different, more democratic’ Europe. Minor parties also exploited the EU issue in order to attack the Greek government’s inability to handle the crisis and negotiate effectively with the EU actors. Although increasingly salient, the EU issue was not as important as austerity. It did secure a
position in political debate throughout the crisis, but it was rather illuminated through the pro-/anti-austerity divide.

Table 18. The Greek party system before and during the Eurozone crisis: Independent, Intervening and Dependent variables.

<table>
<thead>
<tr>
<th>Economic performance:</th>
<th>Scores before the crisis</th>
<th>Scores during the crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth</td>
<td>3.5%</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>9.3%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Disproportionality</td>
<td>7.2</td>
<td>10.6</td>
</tr>
<tr>
<td>Popular trust</td>
<td>42.6%</td>
<td>16.1%</td>
</tr>
<tr>
<td>NEP</td>
<td>15.1%</td>
<td>3%</td>
</tr>
<tr>
<td>Polarisation</td>
<td>0.41</td>
<td>0.46</td>
</tr>
<tr>
<td>Fragmentation</td>
<td>3.1</td>
<td>5.8</td>
</tr>
<tr>
<td>Pro-/Anti-European divide</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Structure of competition</td>
<td>Closed</td>
<td>Open</td>
</tr>
</tbody>
</table>

Note:

An examination of the independent and intervening variables showed that all the factors experienced substantial change during the crisis and some of them had a major impact on the Greek party system (Table 18). First, economic conditions were particularly poor with GDP growth and unemployment rates reaching the worst recorded since the fall of the Dictatorship. A massive fall in the NEP also demonstrated how Greek people felt about their national economy. Thus, economic conditions had an enormous impact on the challenges that the party system faced during the crisis. They revealed the incapacity of the Greek governments to deal with the difficult situation, and they gave an opportunity to the electorate to punish the established political actors.
by voting for new minor parties. Levels of popular trust in the national political institutions also shifted immensely during the crisis. Both factors played an important role in party system response. High fluctuations in the voting behaviour between the elections, spurred on by high levels of public distrust in the national political system, resulted in an open structure of party competition, where major parties became weaker and minor parties had the opportunity to participate in a coalition government. Electoral system proportionality also rose during the crisis and it affected the outcome of the elections. The nature of the Reinforced PR electoral law allowed for higher fragmentation and different coalition formation trends during the crisis, although it also contributed to the stable two-partism of the past.

Possibly the most interesting feature of the change of the Greek party system was that signs of transformation could be traced to before the crisis began. First, higher levels of fragmentation and polarisation became evident since the 2007 election. This was when New Democracy and PASOK started losing their mass appeal and their combined vote did not exceed 80% for the first time since the fall of the Dictatorship. At the same time, LAOS, a minor right-wing party gained seats in the parliament for the first time and it pulled party system polarisation to the right extreme. Moreover, levels of popular trust in national political institutions, such as the national government and the political parties, started falling well before the crisis. The ‘populist democracy’, which was formed throughout the first democratisation years after the fall of Junta, involved mainly PASOK, but also the rest of the Greek parties, adopting a discourse of large State promising. This type of rhetoric, along with the strong clientelistic networks that were built during the years of the stable two-partism, made the previously mass parties distance themselves more and more from the electorate and the society. The crisis brought the weak ties between the political elites and the Greek electorate to the centre of political developments. The accelerating power of the Eurozone crisis led to rapid and fierce changes in the Greek party system. However, with the political crisis preparing the ground well before the economic crisis occurred, it was even easier for these changes to occur.

6.1 Introduction

In the previous chapters I analysed how the Eurozone crisis transformed the national party systems of four European countries with different economic conditions and political structures: Germany, the UK, Ireland, and Greece. The main aims of my study were: to see how diverse cases of European national party systems responded to the Eurozone crisis, why they responded in different ways and what causal conditions explain their attitudes. In order to answer these questions, I examined a number of cross-national and country-specific factors which constituted the intervening variables of my research on top of the main, independent variable: the Eurozone crisis. Under the individual economic conditions and domestic structures, a differentiated degree of change was traced in the various cases. The results revealed some intriguing patterns in the dependent variable - that is, the party system response to the crisis - among mostly diverse cases and confirmed how domestic conditions and issues had the lead over supranational events, even if the latter were as dramatic as the Eurozone crisis.

In this chapter I discuss the specific findings of party system response to the Eurozone crisis in Germany, the UK, Ireland, and Greece from a cross-country comparative perspective and present generalised arguments. First, I talk about the results on the dependent variable by analysing the party system response in terms of fragmentation, polarisation, and the government/coalition formation patterns. I then examine the factors that led to the differentiated responses by addressing the impact of national economic conditions, and a number of political-structural conditions, such as the electoral system, popular trust in institutions, national economic perception, and additional country-specific elements on party competition. Finally, the overall comparative results are analysed in order to reveal the bigger picture coming out of this study.
6.2 What Changed? Party System Response during the Eurozone Crisis

Fragmentation, polarisation, and government composition patterns are the principal properties that show how a party system develops over time and whether it transforms from one type to another. During the crisis, several party systems in Europe in general, and the cases examined in this study in particular experienced more or less significant shifts in these features. Table 19 illustrates the fragmentation (in votes), polarisation, and structure of competition figures in the four cases in the elections examined before and after the Eurozone crisis occurred. Fragmentation is measured through the Laasko and Taagepera’s (1979) Fragmentation Index which uses the effective number of parties in a party system depending on the parties’ relative strength in terms of votes and seats. Polarisation is defined as the degree of ideological distance separating relevant parties in a party system along a left-right scale and was measured through the Taylor and Herman’s (1971) Polarisation Index. We can see that fragmentation increased in all cases except Germany, and that Ireland and Greece experienced the greatest shift following the rise of minor parties and Independent candidates. Polarisation figures remained more stable. While polarisation decreased slightly in the German party system and remained the same in Ireland, it rose in the UK and Greece. Government composition and the structure of competition patterns changed radically in the case of Greece and partially for the UK, while the German and Irish party systems experienced no significant changes. Nevertheless, my qualitative interviews with politicians, commentators, and academics revealed deeper transformations in all of the cases, which were not identified through the quantitative measures.

More specifically, the figures showed that fragmentation rose in all of the cases except for Germany while polarisation increased in the UK and Greece, remained stable in Ireland, and decreased in Germany. The Greek party system was the one undergoing the most radical transformation for sure, but the Irish and British systems also went through significant changes when it came to fragmentation. Higher fragmentation in these cases went hand in hand with the mainstream parties losing support and the government parties being punished. Greece experienced the absolute collapse of the previously stable two-party system when New Democracy decreased its vote share and PASOK became a minor party struggling to secure seats in the parliament. In the same vein, Fianna Fail in Ireland suffered one of the worst defeats in the
history of European political parties in the 2011 Irish election and the British Conservative and Labour parties faced the biggest decrease in their combined vote share in the post-war era. The German largest parties proved the most stable since the CDU and the SPD managed to even increase their electoral support in the 2013 election - and, therefore, fragmentation was lower during, compared to before, the crisis.

Table 19. Fragmentation, polarisation, and structure of competition in the four cases before and after the Eurozone crisis occurred.

<table>
<thead>
<tr>
<th>Countries</th>
<th>Fragmentation (votes)</th>
<th>Polarisation</th>
<th>Salience of the EU issue</th>
<th>Structure of Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before crisis</td>
<td>During crisis</td>
<td>Before crisis</td>
<td>During crisis</td>
</tr>
<tr>
<td>Germany</td>
<td>5.05</td>
<td>4.80</td>
<td>0.25</td>
<td>0.20</td>
</tr>
<tr>
<td>UK</td>
<td>3.45</td>
<td>3.80</td>
<td>0.30</td>
<td>0.37</td>
</tr>
<tr>
<td>Ireland</td>
<td>3.90</td>
<td>5.30</td>
<td>0.09</td>
<td>0.08</td>
</tr>
<tr>
<td>Greece</td>
<td>3.1</td>
<td>5.8</td>
<td>0.41</td>
<td>0.46</td>
</tr>
</tbody>
</table>

Source: Author’s calculations using the Laasko and Taagepera’s Fragmentation Index (1979), Taylor and Helman’s Polarisation Index (1971), and Mair’s (1997) Indices on structure of party competition; government alternation, innovative alternation, and openness of party competition.


The decrease in support for the mainstream and government parties was combined with the rise in support for either new or minor parties which quickly became highly relevant. Interestingly, that was the case even in Germany, which otherwise experienced the least change in terms of party system fragmentation and polarisation. The new German Eurosceptic AfD may not have succeeded in entering the Bundestag, but it did manage to attract a large number of voters who might have felt underrepresented by Chancellor Merkel’s governance. In the British and Irish party systems we
saw old, previously minor parties gaining ground during the Eurozone crisis, while in Greece both old and new minor parties became powerful. The AfD in Germany; UKIP, the SNP, and the Greens in the UK; Sinn Fein in Ireland; and SYRIZA, Golden Dawn, and the Independent Greeks in Greece, were all old or new small parties that became increasingly popular during the Eurozone crisis. Although under very different economic and political circumstances, all of these parties had anti-establishment rhetoric in common. By promoting their ‘anti-system’ character, the parties exploited popular discontent with the political establishment. Certain parties, such as UKIP in the UK and SYRIZA and Golden Dawn in Greece, expressed more radical ideological positions and, therefore, stretched the ideological spectrum further towards the two poles. Therefore, polarisation in these two national party systems was higher during the crisis than in Ireland and Germany where the growing political forces did not possess such radical views.

As Table 19 shows, salience of the EU issue varied among the cases before the crisis began but it increased in all the countries during the crisis, apart from the UK where it stayed at almost the same levels. However, higher EU salience did not result in a pro-/anti-European divide in the national party systems and the EU issue was not a dimension over which parties completed. In Germany, the EU issue was translated into talks about Ms Merkel’s competence in handling the crisis as well as debates over the German institutions, such as the German currency, national identity and culture. In the UK, the EU issue was associated with the immigration issue and the national economy, both of which were highly salient among voters and parties during the crisis. In Ireland, the EU issue was mainly used by opposition parties as a vehicle against government parties and by anti-mainstream parties against the establishment. In Greece, the EU was linked to the national economy and particularly the austerity measures as well as the inability of the government to negotiate effectively with the EU elites. In any case, high EU salience did not lead to parties discussing about the European integration but rather focusing on salient national issues and domestic structures and institutions.

The final phase of party system transformation, meaning the degree of openness of the structure of party competition, also revealed some similarities across the diverse cases. I used Mair’s (1997) model of the structure of competition in order to operationalise changes in that aspect. In particular, the Index of Government Alternation, the Index of Innovative Alternation, and the Index of Openness showed the degree of change in government composition and coalition
formation patterns. Greece, the UK, and Ireland experienced the biggest change in terms of government composition patterns since the structure of party system competition was transformed from closed before to open during the crisis. This is a significant development for Greece in particular, if we take into account that such a change involved traditionally single-government systems moving towards coalition governments, coalitions between parties that no one would expect to co-operate, and new parties taking office for the first time. The minor parties that we examined earlier grew so much that became highly relevant in discussions about coalition formation. As mentioned, Greece was certainly the leading actor in innovative governing patterns as it saw two-partism being replaced by coalition governments consisting of parties that never governed before. The UK also experienced substantial change in this field. Even though the structure of competition changed only for one election (2010), the Conservatives managed to form a single-party government in 2015 only by winning a thin majority. In the case of Ireland, the coalition that was formed in 2011 might have been familiar, but deeper transformations involving the undermining of the once dominant Fianna Fail and the steady rise of Sinn Fein, led to a striking election result in 2016: the first minority government in Ireland since 1989 formed by Fine Gael and a number of Independents, supported by Fianna Fail. The German party system proved once again to be the most stable since government patterns remained familiar and a shift in the structure of competition was less likely to happen. Focusing on the other three cases, although Greece went through the most apparent change, the British and Irish party systems also experienced deep transformations which were more likely to result in innovation in their government composition and coalition formation patterns. Regardless of their diversity, these political structures were subject to change as the tectonic plates of their party systems were shaken significantly.

6.3 Why did it Change? The Independent and Intervening Variables

As a wide range of scores in the independent and intervening variables were identified among the four cases, further empirical evidence uncovered a varied picture but also certain cross-national trends. First, the Eurozone crisis had several effects on party competition. Figure 6.1 shows real GDP growth in Germany, the UK, Ireland, Greece, and the EU during the years 2003-2014. When the economic conditions were poor, such as in Ireland and Greece, the crisis seemed to expose the incompetence of the government parties in tackling the recession. At the same time, it showed the
difficulties that national governments faced when dealing with EU elites and supranational institutions. In the cases of Ireland and Greece, poor economic performance gave an opportunity to opposition parties to talk about government ineffectiveness in policy-making and lack of initiative in their negotiations with the EU actors. In these two countries, the debate was so fierce that it created a new pro-/anti-austerity divide in their party systems. This divide was strong enough to even bring together into a coalition parties from opposite ideological positions for the sake of forming an anti-austerity government; as happened in the case of Greece. However, even in the UK where the economic figures showed a better performance than Ireland and Greece, the emergence of the crisis led the Conservatives to blame the previous government Labour party for the mis-management of the economy. On the other hand, Germany’s relatively strong economic performance resulted in the CDU exploiting the issue in order to praise the government’s handling of the crisis.

Figure 6.1. Real GDP growth (% change from previous year) in the four countries and the EU overall, 2003-2015.


Nevertheless, the crisis was so profound that it also managed to indirectly shape political discussion and party competition in all of the cases regardless of the economic conditions. In countries with poor economic conditions, it exposed and accelerated underlying party system
developments that were linked to the long-term decline of the mainstream parties. However, even in countries with good economic performance, it exposed long-neglected issues that, during the recession, found an opportunity to become salient. Thus, minor parties that grew during the crisis - such as AfD in Germany, UKIP in the UK, Sinn Fein in Ireland, and SYRIZA, Golden Dawn, and the Independent Greeks in Greece - saw it as a vehicle to promote two main issues: their anti-establishment image and the fight for national sovereignty. As the crisis evolved and government parties were losing their appeal, these minor parties took advantage of the situation not only by attacking the government on the basis of their economic management, but also promoting their anti-establishment profile. In the countries with poor economic performance (Ireland and Greece), it was not just a campaign in opposition to the policy-making of the mainstream parties, but rather a backlash against the ruling elites as a whole. On the other hand, in Germany and the UK where economic conditions were better, these parties focused mainly on attacking the EU; however, they were also concerned with the role of the government parties. All of these parties’ strategies resulted in higher fragmentation in the national party systems.

Yet, all these same parties also used the opportunity to champion national sovereignty during the crisis - and therefore, even countries with better economic performance also experienced change in party competition. Although beginning from a different starting point, these parties attacked the EU elites for taking what they saw as illegitimate and undemocratic actions, and their national mainstream parties for putting the sovereignty of their state in danger. In Ireland and Greece, anti-establishment parties campaigned against the implementation of austerity proposed by national and EU actors, while in Germany the AfD talked about Angela Merkel’s policies and the EU threatening the control of Germans over their own economy and culture. UKIP in the UK also used similar arguments when opposing mainstream parties and the EU by putting immigration and the economy at the top of their policy agenda. In any case, the argument was either about the decline of the sovereign state or about the loss of traditional values and national identity. In that sense, anti-establishment parties in the four countries proved rather effective in making the most out of the Eurozone crisis and using the EU issue accordingly.

The distinct types of electoral systems used in each case had different effects on each party system during the Eurozone crisis. Table 20 illustrates the scores of electoral system disproportionality for each case before and during the crisis measured through Gallagher’s Index.
(1991), which shows the difference between the number of votes and seats received by party in an election. Electoral system disproportionality increased in all of the countries since the crisis began, except the UK where it decreased somewhat. However, depending on levels of electoral volatility in the national elections, the electoral system proved either strong enough to prevent dramatic alternations from occurring or powerless in blocking big changes from happening.

Table 20. Electoral system disproportionality in the four cases before and after the Eurozone crisis occurred.

<table>
<thead>
<tr>
<th>Countries</th>
<th>Before crisis</th>
<th>During crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>2.70</td>
<td>7.80</td>
</tr>
<tr>
<td>UK</td>
<td>17.20</td>
<td>15.0</td>
</tr>
<tr>
<td>Ireland</td>
<td>6.30</td>
<td>7.30</td>
</tr>
<tr>
<td>Greece</td>
<td>7.20</td>
<td>10.6</td>
</tr>
</tbody>
</table>

Source: Author’s calculations using Gallagher’s Index (1991)


In Germany, the mixed member proportional voting system and high 5% threshold for parliamentary representation prevented the AfD from securing a seat in the Bundestag. The party gained 4.7% of the popular vote and missed the chance of parliamentary representation. Although the level of disproportionality before and after the crisis began is rather low, particularly when compared to the British and Greek cases, the figure had the biggest change of all the cases as it rose from 2.70 to 7.80 (Table 20). In the UK, the FPTP voting system proved beneficial for the geographically concentrated SNP but not for UKIP. Despite gathering 12.7% of the vote, the latter secured only one MP in Westminster. The Irish PR-STV electoral system, although designed to provide inter- and intra-party competition, resulted in a relatively stable party system. Indeed, in the 2011 election no significant new parties made it into the Dail. However, as voting behaviour changed fundamentally during the crisis, the PR system showed the kind of radical changes that it could bring to the Irish party system. These were more apparent in the 2016 Irish election that
resulted in a minority government. In Greece, the Reinforced PR system had provided the party system with stability and strong single-party governments. Nevertheless, under profound economic and political turmoil the 50 bonus seats for the winning party were not enough to prevent neither a total alternation of party seats in parliament nor coalition governments. The nature of the electoral systems along with lower levels of electoral volatility in Germany and the UK, helped these party systems to avoid more significant changes. On the other hand, in Ireland and Greece high levels of volatility from one election to another and more proportional electoral systems were associated with significant changes in the distribution of seats. With Germany remaining the most stable case of all, voting behaviour trends during the crisis in the other three cases showed that developments in the party systems of the UK, Ireland, and Greece were likely to continue if their electorates continued favouring non-mainstream parties.

Levels of popular confidence in national political institutions played an important role in all of the cases examined either in benefiting or harming government and mainstream parties. Figure 6.2 illustrates levels of trust in national governments in the four cases as well as the European average. In Germany, high levels of popular trust in the national government and Bundestag during the years 2009-2014 confirmed the dominance of the CDU/CSU in the German party system. Particularly after the first tough years of the Eurozone crisis had passed, a large part of the German electorate continued trusting the government. On the other hand, in the UK mistrust in the two major parties and dissatisfaction with the political system overall helped minor anti-establishment parties, such as UKIP. The SNP and the Greens also became stronger because of the protest vote and public sentiment of punishing the government parties. The meltdown of the Liberal Democratic party after joining the coalition government with the Conservatives is another indicator that a large part of British voters felt the need to punish government parties.
In the Irish case, anger against the government and dissatisfaction with the establishment parties was a core element in the outcome of the 2011-2016 Irish elections and in voters turning to non-mainstream alternatives. Similarly, in Greece levels of trust in national institutions were considered one of the main factors in party system transformations during the crisis. The incapacity of Greek governments to deal with the difficult economic situation and the implementation of further austerity measures, increased discontent towards the government parties and parliament. In fact, the decreasing levels of trust that initiated a trend before the crisis began, demonstrated a public discontent towards the Greek political institutions and the political system as a whole, which were not related to the economic situation (Verney 2014b; interview). Low levels of trust were rather linked to the limited combined vote of the major parties of the previous period in the Greek party system as well as increasing fragmentation, which started in the 2007 general election preceding the crisis.

Levels of NEP were also significant in shaping voting behaviour during the crisis and were reflected in the changes that national party systems underwent. Naturally depending on the actual economic conditions, voters’ perceptions regarding the national economy were linked to levels of popular trust in the national government. Low levels of NEP and high levels of mistrust in national
institutions proved a vital mix in the decline in support for mainstream political actors and rise of non-establishment parties. Figure 6.3 shows levels of NEP in the four individual countries and the average in European countries. In Germany - along with high levels of popular trust in political institutions, and particularly in the German government - high levels of good national economic perception were an additional indicator of the dominance of the CDU and especially Angela Merkel’s governance during the crisis. German voters trusted the Chancellor’s policy-making and regarded this as having been reflected in the actual performance of the German economy. In the case of the UK, the British electorate expressed concerns regarding the economic situation throughout the crisis and the economy kept dominating public discussion for years. Since political discussion was focused on accusing Labour of the public debt and the EU actors of mis-handling the crisis, NEP proved a decisive factor in British voters’ choices in the 2010 and 2015 general elections.

In Ireland, popular disappointment with and anger towards the Fianna Fail government was very much connected to their perception of the economic situation in the country during the crisis. The Irish electorate felt the consequences of the crisis in their everyday lives and put the blame on their national government rather than the EU elites; and, therefore, focused on punishing the government parties, rather than accusing the EU. Finally, in the Greek case low levels of NEP were also connected to popular mistrust towards the national government in terms of their inability to deal effectively with the crisis as well as negotiating the austerity packages with the supranational institutions. Poor economic conditions and growing public mistrust in the national government, spurred on by extremely low levels of NEP, formed some of the main conditions that shaped party system developments during the crisis.
The additional intervening variables that were identified for each particular case reinforce the argument that domestic factors mattered significantly in shaping national party competition during the Eurozone crisis. Although they were different for each case, some patterns in these additional factors were also found. We saw that in the UK the decreased appeal of mainstream parties started before the crisis began. This was also the case in Greece where a decreased combined vote for the two major parties, along with a decline in the ‘populist party regime’ that was built after the fall of the dictatorship, were traced to well before the beginning of the recession. In Ireland, although Fianna Fail’s dominance seemed much more stable, its collapse in the 2011 election proved inevitable. As Germany was experiencing high levels of popular trust in its national political system, this pattern, along with a strong economic performance, led to the most stable party system of all the four cases during the crisis. However, issues connected to the German national identity also found their way to the surface during the recession. Therefore, we saw that many of the developments that took place from 2008 onwards came as a result of slow transformations in the deeper layers of the national party systems before the crisis began, combined with the accelerating power that an economic recession as significant as the Eurozone crisis had been. The crisis brought these underlying developments to the centre of political debate;
without the crisis changes might have come in a slower, smoother way and neglected issues might have been simmering for more years to come.

6.4 European National Party Systems in the Post-2008 Era

Stemming from the case-specific results above, I developed three main arguments about the nature of European party systems in the post-2008 era. These three arguments have to do: with the way that we examine and analyse party system change; with an active pro-/anti-establishment dimension in party competition; and how, if at all, the EU issue shapes party behaviours. In this section, I analyse these theoretical arguments and put them in perspective.

1. As the economic recession exposed underlying political transformations and long-neglected issues it showed that we need to link short- and long-term transitions with national political structures and international events in order to understand party system change.

In previous chapters, we saw the power of the crisis to bring about long-term transformations that were taking place in the national party systems as well as deep issues and political concerns which were long-simmering beneath the surface. The most profound example was the Greek case where fundamental alternations were under way well before the crisis began. Higher levels of fragmentation and decline in support for the two major parties were traced back to the 2007 election, when a radical right-wing party gained seats for the first time. Levels of popular trust in national political institutions also started before the recession showing the process of a long-term delegitimisation of mainstream political parties and the political system as a whole (Verney 2014a).

Going even further back in time, the ‘populist democracy’ on which post-dictatorship Greek politics was constructed was supported by a clientelistic system unable to perform any longer under such fierce economic conditions (Pappas 2013; 2014). The sovereignty debt crisis brought these weak ties between the political elites and the Greek electorate to the centre of political developments; and, therefore, owes its accelerating power to a long-term political crisis that preceded it.

Although Greece experienced the most radical changes in its party system, underlying political developments and long-neglected issues in all the other cases also came to the surface during the
crisis creating new party system standards even in countries with good economic performance. The UK, although to a lesser degree, experienced developments similar to Greece. The two-party stability that the British party system had experienced in the first 30 years after the end of the Second World War was becoming steadily weaker since the 1970s. The route to multi-party politics was opened up well before 2010 when slightly higher fragmentation and voter dealignment were combined with rising plurality in British society involving new social cleavages and controversial issues, such as devolution and Europe (Dunleavy 2005; Denver 2007; Webb 2000). In addition, economic recession in the Eurozone also helped to make immigration one of the most salient issues for both the British public and parties. Failure to deal with high levels of immigration and little difference in Conservative and Labour practices led to the public’s perception of the limited competence of both major parties to deal with the issue (Smith 2008). Immigration became more salient during the crisis as the issue was connected with the EU membership. Thus, in the British case too, the crisis uncovered long-evolving trends as well as salient issues in the British party system.

Ireland was also an interesting case as the economic recession was associated with rapid and radical changes in its party system. Fianna Fail’s 40 years of dominance in government was broken by the coalition government of Fine Gael and Labour in 2011 in one of the most volatile elections in Western Europe since the end of WWII (Mair 2011). The economic crisis, which started in 2008 in Ireland, left the majority of the Irish electorate angry and dissatisfied with the government party and resulted in the rise of opposition parties, such as Fine Gael and Sinn Fein, and an increase in the vote for Independent candidates. While Fianna Fail seemed to have recovered slightly in the following years and Fine Gael appeared to lose its initial support, the support for non-party candidates and fringe parties remained stable at the next general election in 2016 (Costello 2014). In fact, non-party voting has been one of the main structural features of the Irish political system, unlike most West European countries (Weeks 2011). The long-term element of anti-party sentiment in Irish society, patterned with anti-austerity public attitudes during the crisis, resulted in the changes in the party system.

The German party system proved the most stable among the four cases during the crisis as the CDU retained its dominance and new political actors grew only on the margins. However, the same overall patterns applied to the German case too, since long-term structural conditions and
neglected issues found their way forward with the emergence of the crisis. First, the declining ‘catch-all ability’ of both the CDU and the SPD has been widely discussed in the literature since the 1970s, when new challenges appeared not only in the German political system, but also in many other European countries (Padgett and Poguntke 2002). New issues, such as European integration and post-materialist values, boosted new movements and parties from both the left and the right extreme. The crisis gave the opportunity to these marginal voices to be heard and issues such as immigration, multiculturalism, and the German *leitkultur* to be discussed more openly. In other words, certain political actors, such as the AfD, found in the crisis the ideal opportunity to initiate a debate over German national institutions and identity in order to capture underlying public sentiments and long-term change in the German party system.

These developments in the four case-studies lead us to the main argument that we need to examine both long-term transformations and domestic structures along with short-term ‘sudden shocks’ in order to understand party system change in Europe. The Eurozone crisis is one example of how a dramatic international event can immediately influence national election results. The degree of impact of such events, however, makes sense only if they are filtered through the most prominent domestic structural conditions and fundamental transformations that lie beneath the surface of the political scene for years. Therefore, the accelerating power of the Eurozone crisis in countries with good and poor economic performance can be only addressed through intervening cross-country and country-specific factors. This matter was touched upon by scholars of European integration who argued for the centrality of domestic political structures and attitudes in the European integration process (see for example Bulmer 1983; Milward 1984). According to these models, the degree of integration of each nation state depends on its distinct set of social and political features (Bulmer 1983, p. 354). However, this study takes this argument even further by stressing that the definite domestic structures of each political system determine not only the extent that the EU has an impact on a party system but also the party system’s response to any fierce events or sudden episodes taking place in the national and international arena. Consequently, it is this distinct set of domestic elements of each national system that leads to differentiated responses towards, but not limited to, the Eurozone crisis and European integration.
2. An underlying establishment/anti-establishment cleavage, which found a channel of expression during the crisis, cut across traditional lines of competition and appeared likely to determine future developments in the national party systems.

One of the biggest ‘winners’ of the Eurozone crisis in national party systems was the establishment/anti-establishment cleavage. The establishment/anti-establishment dimension concerns public anti-party sentiments towards the mainstream parties and anti-establishment parties opposing the political system in a context of government de-legitimisation and democratic deficit (Lipset and Rokkan 1966; Inglehart 1979). This cleavage becomes active when it involves both anti-establishment and establishment parties competing over this dimension. In terms of the first party category, anti-establishment parties are those which challenge fundamental policies and the political system as a whole and argue for a gap between the political elites and the voters, on the one hand, and political elites and themselves on the other (Schedler 1996; Abedi 2004). When mainstream parties become unable to ignore anti-politics and anti-party public views and behaviour as well as anti-establishment parties’ attitudes and performance, they put the issues that the latter pose on the political agenda and the establishment/anti-establishment divide becomes relevant (Panebianco 1988, pp. 120-121). The establishment/anti-establishment dimension has been more or less evident in various European countries since the 1960s as establishment parties started losing their broad appeal and higher levels of voter de-alignment were combined with parties that challenged the political elites with a new politics agenda (Flanagan and Dalton 1984; Padgett and Poguntke 2002).

As the economic crisis was developing, the establishment/anti-establishment cleavage transformed from a latent issue into an actual theme of conflict affecting party competition in the European national party systems. The rise of anti-establishment parties during the crisis as well as the behaviour of the mainstream parties, activated a long-existing, yet under-developed line of competition in domestic political arenas. Establishment/anti-establishment politics was evident in the four cases examined here as mainstream parties had to deal with the anti-politics attitudes of the population and anti-establishment parties became more relevant. This new range of anti-establishment party attitudes that shook the national party systems during the crisis attracted votes from a wide ideological spectrum and not only from the far right, as it has been commonly perceived (Hartleb 2015). In the same vein, the anti-establishment parties that rose were both of
the left and the right space of the ideological spectrum. Yet, what they had in common was a
strong discourse of a binary divide that separated the elites from the masses11. The British, Irish
and Greek party systems experienced higher levels of anti-establishment politics and an active
establishment/anti-establishment divide, while this dimension of party competition was much
weaker in Germany.

The AfD, a new Eurosceptic right-wing party did particularly well in the 2013 federal election; by
gaining 4.7% of the popular vote it only just failed to make it into the Bundestag. The AfD’s
ideological orientation was quite complicated and it attracted voters from both left and right wing
voters. The party had been widely connected with right-wing attitudes that have mainly to do with
traditional family values and old German institutions. Although its right-wing anti-system nature
was less marked than other parties in Europe, such as Golden Dawn in Greece and UKIP in the UK,
the AfD showed a well-built anti-establishment protest character and employed a strong anti-
mainstream rhetoric (Berbuir et al. 2015). The AfD attracted voters who were dissatisfied not only
with the conservative parties in particular, but also with the mainstream parties in general. Part of
the electorate that felt that their personal interests were not represented by the mainstream
parties had now a chance to protest against them. At the same time, they were against Angela
Merkel’s policies on financial and European integration issues and that is what differentiated the
party from the rest of the opposition. Despite its electoral performance, it did not manage to make
the breakthrough that other parties, such as SYRIZA and Sinn Fein did, and the German
mainstream parties were not as affected by the phenomenon. Nevertheless, increasing popular
mistrust in the German mainstream parties was a real trend that allowed movements such as the
AfD and PEGIDA to gain ground (Dostal 2015).

Although similar in their anti-EU attitudes and conservative views, UKIP’s performance in the UK
was stronger than the AfD in Germany. UKIP, created in 1993, was an anti-mainstream right-wing
party with strong anti-immigration and Eurosceptic rhetoric. The party gained only one seat in the

11 The element of a binary divide between the elites and the masses that is employed by both right and left
wing parties is very much linked to the concept of populism. According to Mudde’s (2004, p. 543) definition,
populism is ‘a thin-centered ideology that considers society to be ultimately separated into two
homogenous and antagonistic groups, “the pure people” versus “the corrupt elite”, and which argues that
politics should be an expression of the volonté générale (general will) of the people’. This way, populism is
seen as an ideology that supports the primacy of popular sovereignty and cuts across ideological cleavages.
This idea is naturally embedded in the concept of the establishment/anti-establishment divide that is
employed in this project.
2015 national election, but came third in votes by dramatically increasing its vote share from 3.1% in 2010 to 12.7% in 2015, after having secured 24 seats in the 2014 EP election. UKIP was rather effective in exploiting salient domestic issues, such as immigration and discontent towards the mainstream parties. In fact, although immigration played a significant role in UKIP’s growth, dissatisfaction with mainstream parties was also important (Cutts et al. 2011; Ford et al. 2012; Lynch et al. 2012). During their modernisation stage both major British parties shaped their discourse and agenda to attract the median voter. As a large part of the British electorate, which remained loyal to more traditional values, were ‘left behind’, UKIP came to ‘speak their language’ and create strong local connections in rural areas that the mainstream parties neglected (Smith 2015; interview). In addition, the SNP’s electoral success can also be attributed partly to its anti-mainstream nature and anti-English establishment rhetoric combined with voter disengagement with political elites. Dissatisfaction with the mainstream parties and overall hostility towards political elites further assisted UKIP and the SNP in gaining the protest vote.

Ireland’s experience of anti-establishment politics was similarly significant. Sinn Fein, a left-wing Eurosceptic republican party which had been more powerful in Northern Ireland, gained its first seats in 2007. The party experienced a slow but steady growth after attempting to shake off its IRA-linked past; it raised its vote share from 6.9% and 4 seats in the 2007 general election to 9.9% and 14 seats in 2011. The party had a strong, yet complicated, appeal during the crisis. Although it had a left-wing profile and a wide working-class electoral base, some of its policies appealed to radical voters with right-wing preferences. This was because of Sinn Fein’s long history of nationalistic themes that the party retained from its formation until the time of writing and that have been mobilising voters who might have voted for right-wing parties. Although Sinn Fein did not follow an anti-immigrant discourse, it did have a similar profile to radical right-wing parties in the rest of Europe. Its electoral success has been identified as one of the main reasons why Ireland did not experience a radical right-wing movement during the crisis unlike Greece and the UK (O’Malley 2008). What its diverse voters find in Sinn Fein, is an opposition to the elitist professionalised technocratic politics (O’Broin 2014; interview). It, therefore, attracted protest votes since Sinn Fein was previously a minor party which was never involved in a coalition government this allowed it to capture the anti-government and anti-establishment votes (Suiter 2014; interview). The rise of Independent candidates was further evidence that Irish voters became even more distant from mainstream parties. As Stephen Collins (2014; interview) put it,
the main non-party candidates, as well as Sinn Fein, attracted a mixture of protest and anti-government votes: by opposing everything and objecting to whatever the government was doing.

Greece was certainly the most profound example of how anti-establishment politics could shake party competition and re-define the national party system as a whole. In the new era of Greek politics, we found SYRIZA - a previously minor radical left-wing party, which became the biggest political force in Greece during the crisis - and Golden Dawn, an old radical right-wing party, which rose rapidly during the Eurozone crisis and came third in both the 2015 national elections. SYRIZA achieved a massive victory in 2012 and formed a coalition government with the minor anti-establishment right-wing Independent Greeks. From being a minor party in 2009 (4.6% in the 2009 national election), the party achieved a historical increase of more than 30% in its vote share in less than five years (36.3% in the 2015 national election). On the other hand, in the case of Golden Dawn, although just a marginalised actor during the 1980s, the party’s vote share moved from 0.29% in 2009 to 7% in 2012 and 6.3% in January 2015. In spite of being opposites in terms of their ideological positions, these two parties had a strong anti-austerity stance in common, and, even more, an anti-establishment profile. SYRIZA’s initial organisation as a grassroots movement rather than an elitist phenomenon, helped the party differentiate itself from the old elite (Spourdalakis 2014a). Its rhetoric against the old political system and mainstream parties secured voters’ support for SYRIZA throughout the crisis. At the same time, Golden Dawn’s ultra nationalist, anti-immigration ideology, as well as its anti-establishment rhetoric against the ruling elites (Ellinas 2013), played a major role in its surge. Indeed, the majority of its supporters voted for Golden Dawn in order to protest against the political system (GPO 2012). Extremely low levels of popularity of the Greek mainstream parties during the crisis, and the long-term de-legitimisation of the Greek political system as a whole, allowed these anti-establishment actors not only to have their voices heard but to become the strongest parties in parliament.

In fact, it is these domestic structures and political traditions that prepared the ground for anti-establishment politics to arise and play a role in national party competition. I mentioned earlier that anti-establishment movements might exist as a background noise in national party systems and it is both the attitude of anti-establishment and mainstream parties that triggers an establishment/anti-establishment dimension to political competition. In the cases described above, we saw how fringe parties, which opposed the political elites, became stronger during the crisis in
national political systems if certain short- and long-term conditions prevailed. Cases with poor and medium economic performance and low levels of NEP during the crisis, such as Greece, Ireland, and the UK, experienced a bigger rise in anti-establishment parties which not only secured seats in the national parliaments but were also involved in coalition formation discussions or even became government parties. The electoral system also had an impact; we saw more proportional voting systems in Greece and Ireland resulting in a higher representation of anti-mainstream parties, while systems with a high electoral threshold (Germany) or systems that benefited geographically concentrated parties (the UK) resulting in smaller representation, as happened in the case of UKIP.

More importantly, a combination of higher levels of electoral volatility and popular disillusionment with the mainstream parties and the political system as a whole was the blend through which the crisis was filtered in order for an establishment/anti-establishment cleavage to be activated. Consequently, this brings the discussion about long-term structural conditions and instant shocks defying party system change back to the centre of our analysis.

3. **In the context of national party competition, the EU needs salient domestic issues in order to be operationalised.**

The salience of the EU issue in elections shows the significance of the EU at the party system level. The salience of particular issues at the party system level is of great importance as it can be used for the study of party competition and is related to ‘salience theory’ (Budge and Farlie 1983; Budge et al. 2001), which claims that parties compete by positioning themselves on salient issues and aim to manipulate issue salience according to their strategic interests (Steenbergen and Scott 2004, p. 167). In the European context, authors have attempted to measure the salience of the EU issue in national elections in order to test whether political parties actually compete over European integration. In his sophisticated study, Mair (2000, p. 35) showed that Europe did not seem to be ‘neither a necessary nor sufficient condition’ to affect political competition structures of a domestic party system. Similarly, in subsequent studies the salience of the EU issue was found to be very low (Sitter 2001; Krouwel 2004; Van Holsteyn and Den Ridder 2005).

On the other hand, my quantitative expert survey showed that the salience of the EU issue increased in all countries apart from the UK during the Eurozone crisis, meaning that the main parties talked more about the EU in their pre-electoral campaigns during the crisis than before.
However, the nature of this discussion was rather abstract and not about European integration per se. Steenbergen and Scott (2004) argue that the degree of salience of the EU issue across national parties depends largely on their strategic positions in the party system and whether they feel they can gain from talking about European integration or not. In the same vein, during the crisis several parties used the EU issue in order to promote their own interests either from a government, opposition, or anti-establishment point of view. The empirical evidence of my study showed that the way the EU was debated in national political contexts was amorphous and diverse, but certain cross-national patterns were traced in this aspect too. We found government parties in countries with poor and medium economic performance (Greece, Ireland, and the UK) attempting to blame the EU for these poor national economic conditions. On the other hand, the CDU in Germany took advantage of the good economic performance of Germany during the crisis and praised Angela Merkel’s handling of the recession. Moreover, mainstream opposition parties with moderate views - such as the Conservatives in the UK, New Democracy in Greece, and Fine Gael in Ireland - shaped their discourse around accusations against the government parties’ incompetence and implementation of austerity rather than focusing on the EU’s ineffective handling of the crisis. In addition, in countries with a coalition culture, such as Germany and Ireland, opposition parties posed more pragmatic arguments, while in countries with minimal previous coalition formation experience, such as Greece and the UK, opposition parties were characterised by a discourse of over-promising.

In fact, the way minor, but growing, anti-establishment parties shaped their arguments was much more complex. The AfD in Germany, UKIP in the UK, Sinn Fein in Ireland, and SYRIZA and Golden Dawn in Greece were all anti-establishment opposition parties that projected an ‘anti-system’ image when contrasted with the mainstream parties. In countries with higher levels of trust in national political institutions and higher levels of NEP, these parties employed a clearer stance against the EU elites. On the other hand, in the cases with lower levels of trust and NEP, anti-establishment parties focused more on their opposition to national political elites. Therefore, while in Germany and the UK, the AfD and UKIP developed a clearer Eurosceptic view simultaneously with their anti-establishment stance, the Greek parties and Sinn Fein focused more on their opposition to the old political system as a whole and less on their position towards a reformed Europe. However, all these parties formed a certain argument about their countries losing their sovereignty to supranational institutions and presented themselves as ‘cleansed’
political forces which would serve the people rather than the elites. In other words, we found anti-establishment parties implementing a discourse of two different forms of ‘demonisation’; one against the supranational ‘demons’ that aim to limit the sovereignty of the nation state and one against the domestic political elites who have similarly given up the country’s traditional values and authority to external forces. Therefore, even the parties that started as single-issue movements, such as the AfD and UKIP, quickly moved towards a broader issue-agenda which focused on national sovereignty, immigration, and economic competence.

Domestic issues were the most important for all the four countries during the crisis, even for the more anti-European parties. While one might expect that the Eurozone crisis would be the best opportunity for national parties to form consistent positions towards the EU and initiate a discussion on the future of European integration, this was not the case. Except for certain parties of interest here, such as the AfD and UKIP, other parties’ discourses towards the EU were limited to general statements about reforming and democratising the EU (SYRIZA, the SNP, and Sinn Fein), demanding further national autonomy (Golden Dawn and the German Left party), or not being able to form a unified position as a whole party (British Conservatives and Labour). Discussion on European integration was a ‘background noise’ and political parties in all of the cases focused on domestic rather than international matters. In fact, the EU was transformed into a discussion about salient national matters of more interest to the public and the parties. Not only was the high salience of domestic issues in general a common cross-national trend, but also similar topics were detected across the four cases. National government competence and austerity were naturally the most important issues in the Irish and Greek political discussion, while national economic performance, along with immigration and national sovereignty, were the most salient issues for the German and British parties. The EU issue became salient because of these other issues that dominated the political campaigns. Parties exploited the EU issue in their attempt to illuminate important domestic issues which mattered more for their electoral performance and the public, such as their government’s handling of the crisis, austerity measures, immigration, and national independence.

However, high EU salience was translated into neither high impact on party competition nor a debate over European integration. Rather, talking about the EU meant talking about national politics. Therefore, Mair’s (2000) conclusion that the EU did not manage to have much of an
influence on national party politics still holds. Indeed, as Krouwel (2004) claimed, while policy-making procedures may be becoming more supranational; politics is still all about national issues. These two arguments were supported by developments in the German, British, Irish, and Greek party systems during the crisis. Although during the recession one would expect national parties to initiate a debate over the future of European integration, this did not happen in the four cases regardless of the country-specific economic conditions. The crisis did not therefore result in a pro-/anti-European line of competition in the national party systems. On top of that, in the development of such a high profile international event national parties continued to compete over domestic salient issues, which were linked to the EU issue only indirectly. These findings also confirm the first argument of the thesis: domestic structures and issues matter most when it comes to the study of national party competition, even under the most diverse economic conditions.

6.5 Conclusion

In this chapter I discussed the changes that the party systems of Germany, the UK, Ireland, and Greece experienced since the Eurozone crisis began from a cross-country comparative perspective. I presented the comparative results in terms of the dependent variable and the independent and intervening variables for the particular cases and came up with a set of general conclusions. The combination of independent and intervening variables in addition to the country-specific factors examined were all involved in the various transformations that the national party systems of Germany, the UK, Ireland, and Greece underwent during the Eurozone crisis and completed the puzzle of party system response during an economic recession. I found alternations of various degrees in the dependent variable in national party systems depending on a range of cross-case as well as country-specific factors including economic conditions, the electoral system, and voters’ perceptions regarding both the credibility of national political institutions and national economic perceptions. No unified picture was identified in terms of polarisation and fragmentation, although the latter increased in all the cases apart from Germany. The structure of competition remained more stable in all of the cases except for Greece, which experienced radical transformation. No cohesive image was identified for the EU issue either, as the EU was operationalised in different ways in each system. Nevertheless, it was mainly illuminated through salient domestic issues.
The Eurozone crisis had a different impact on national party systems when filtered through the various domestic structures and popular attitudes that built the distinct cases. In particular, national party systems under poorer economic conditions - and, more precisely, with a radical change in the GDP growth and unemployment rates - were shaken more than the ones with a more stable economic performance. The former was the case with Ireland and Greece where profound change in economic figures went hand-in-hand with the radical decline of the government parties and rise of minor opposition parties. In the more stable German economy, the CDU continued thriving, while in the fragile British economy Labour found itself in trouble. In addition, more electoral system proportionality, which was the case of Greece and Ireland, resulted in bigger transformations in the national party systems. Empirical evidence revealed that electoral systems which favoured disproportionality, such as the British voting system, blocked bigger transformations from happening, while more proportional systems eased the way for changes to occur, exactly as happened in the Irish case. High popular trust in national institutions, including the national government, parliament, and political parties as a whole, was connected to a more stable party system during the crisis. As confidence in political institutions in Ireland, and even more so Greece, hit extremely low levels, party competition was also unsettled. High levels of NEP during the crisis were, indeed, associated with less change in the national party systems. That was particularly the case with Germany where a large number of voters regarded national economic performance as good during the recession. NEP was also related to levels of trust in institutions, as combined low levels in both indications characterised countries with more transformations at the party level, such as Ireland, Greece, and even the UK.

Stemming from the individual case outcomes, I came to a set of conclusions with regard to the way we need to analyse both the response of national party systems to severe international shocks, such as the Eurozone crisis, and party competition in the post-2008 era in more general terms. First, as the economic recession exposed underlying political transformations and long-neglected issues it showed that we need to link short- and long-term transitions as well as domestic structures and international events in order to understand party system change. I found that the Eurozone crisis exposed some of the underlying transformations that were taking place in national party systems with long-term decline in the support for mass and mainstream parties. The opening up of the structure of party competition was accelerated by the economic recession.
and gave the opportunity to new actors to join the political scene. Second, an underlying establishment/anti-establishment cleavage, which found a channel of expression during the crisis, cut across traditional lines of competition and is likely to shape future developments in the national party systems. Lower levels of trust were specifically linked to the collapse of dominant parties and the rise of anti-establishment actors, which exploited public disaffection with mainstream parties. Low levels of trust again benefited non-mainstream parties which used public concern not only to attack the EU institutions, but also the government parties and the national political system as a whole. Third, in the context of national party competition, the EU needs domestic salient issues in order to be operationalised. The salience of the EU issue increased significantly at the national party level during the crisis. However, high salience did not mean parties competed over the EU. The issue was mainly mixed with other, more salient domestic issues - such as the economy and immigration - and was used either to reveal the inability of the government parties and EU institutions or to highlight the importance of traditional values, national identity, and state sovereignty.
7. Conclusions

In this thesis, I looked at how different European national party systems responded to the Eurozone crisis. My interests in this project lay in the field of literature that examines the link between the EU and domestic politics. The focus was on the Eurozone crisis and, therefore, my research questions were formed as follows: (1) How have national party systems of different European political systems responded to the Eurozone crisis? (2) Why have national party systems responded in different ways during the Eurozone crisis? (3) What causal conditions explain these differentiated responses? I followed an innovative methodology in which I designed a mixed methods approach by combining an expert survey, in-depth interviews, and secondary data (statistics, opinion polls, and electoral data). I also combined a number of structure-and agency-based factors to examine as independent and intervening variables (national economy, electoral system, popular trust in institutions, and national economic perception) in order to explain the dependent variable: the response of national party systems, meaning the fragmentation and polarisation figures, the salience of the EU issue, and the structure of party competition including government composition and coalition formation patterns.

Case-specific Results

The results showed that transformations in the dependent variable were of different degrees in the various systems depending on the economic conditions, the electoral system, and voters’ perceptions regarding both the credibility of national political institutions and the national economic performance. No unified picture in terms of polarisation and fragmentation was uncovered, although fragmentation increased in all of the cases. Old and new minor parties gained ground in all of the four cases by promoting their anti-establishment profile. These anti-establishment actors employed different opposition strategies of addressing the incompetence of either the EU or the national governments depending on the national political structures. In some of the cases, these parties grew so strong that they became highly relevant in the coalition formation processes. Nevertheless, the structure of competition in terms of government formation patterns remained more stable, with the Greek case being an exception. No cohesive image was identified for the EU issue either. However, although the EU was framed in different ways in each system and by each party, in all the cases it was highlighted through the discussions
over salient domestic issues. Moreover, the Eurozone crisis played a role in party system structures. Although that was the case mainly with the countries with poor economic performance during the recession years, the crisis had a significant impact on the way that parties related to each other and competed in all of the cases, as it exposed underlying transformations and simmering issues in the national party systems.

Starting with Germany, the national party system underwent significant transformations in many aspects of its political arena in the post-2008 era, despite its strong economic performance during the crisis. The crisis temporarily strengthened the CDU but also revealed anti-mainstream tendencies among parts of the electorate. Consolidation of the major parties to the centre and limited alternative political options led to a significant gap on the right of the ideological spectrum; it was this gap that AfD took advantage of. The EU issue was used mainly by AfD to stress its anti-euro argument as well as salient domestic issues, such as immigration, national sovereignty and national identity.

In the UK, I found a somewhat similar support for non-mainstream parties during this period. The Eurozone crisis reinforced Eurosceptic tendencies that already existed among some British voters and made the Eurosceptic argument more credible. Non-mainstream parties capitalised on the EU issue and connected it with salient national issues, such as the economy and immigration. Multi-party politics were under way long before the crisis began and, therefore, it appeared easier for minor parties to grow during tough economic times.

In the Irish case, minor parties also increased their electoral power during the crisis. Although no significant extreme right or left movement was created during the crisis, minor radical left-wing parties and a rise in support for Sinn Fein and non-party candidates created high levels of fragmentation in the Irish party system. The crisis underpinned an anti-government and anti-party sentiment as many voters were dissatisfied with the way the government handled the economy. The EU issue was linked by Irish parties to the national issues of the economy, austerity, and anti-government attitudes.

Clearly, Greece was the case that experienced the most radical transformations during the Eurozone crisis. These transformations included the total collapse of a stable two-party system.
Two of the most significant developments were the rise of the extreme right and a massive anti-establishment sentiment from a large part of the electorate. Greek parties connected the EU issue with austerity, the national economy, and government incompetence. Interestingly, the Eurozone crisis triggered this makeover; changes started before the crisis began as mass parties kept distancing themselves from the electorate.

**Cross-case Patterns**

The case-specific results reflected the rationale of the hypotheses presented in the Introduction of the thesis:

1. *The poorer the economic performance of a country during the Eurozone crisis, the greater the response of a country's party system and vice versa.*

The Eurozone crisis was related to changes in the party systems of all the four cases examined here. However, less radical changes were identified in countries that performed better economically, as was the case in Germany and the UK. In the same vein, party systems in countries with poorer economic conditions during the crisis experienced sharper transformations. This was evident in both Ireland and Greece whose party systems went through massive changes in the levels of polarisation and fragmentation. The Greek case, in particular, showed how a sudden and fierce economic crisis can be linked to the absolute collapse of the national party system.

2. *The more proportional the electoral system of a country, the greater the response of a country's party system during the Eurozone crisis and vice versa.*

Electoral system proportionality was the second factor associated with how national party systems responded during the economic crisis. Voting laws that allowed for more proportionality were found in party systems that experienced greater transformations. Changes in the Irish and Greek party systems, where government parties were massively turned down and non-mainstream actors grew stronger in elections, were connected with more proportional electoral systems. On the other hand, systems that favoured somewhat more disproportionality, such as in the cases of Germany and the UK, blocked bigger transformations from happening.
3. *The higher the popular trust in national political institutions of a country, the lesser the response of a country's party system during the Eurozone crisis and vice versa.*

Popular trust in national political institutions proved a central factor in any party system alternations that took place during the crisis. As an indicator of voter satisfaction with the domestic political elites, higher voter confidence in national government, parliament, and political parties more generally was related to fewer changes in the party system. This was apparent, for instance, in the case of Germany, where high levels of trust in domestic political institutions were associated with voters’ choice to keep the previous government in office. On the other hand, dissatisfied voters in the UK, and particularly Greece and Ireland punished their national governments massively by voting for alternative parties.

4. *The higher the NEP of the electorate of a country, the lesser the response of a country's party system during the Eurozone crisis and vice versa.*

Voters’ perceptions of the national economy appeared to go hand in hand with party system transformations during the crisis. Similarly with popular trust in political institutions, cases with lower levels of NEP experienced greater responses in their party systems - particularly in terms of fragmentation and polarisation. For instance, extremely low levels of NEP in Greece and Ireland, as well as low levels of NEP in the UK were associated with voters punishing their national government, unlike Germany, where NEP remained rather high during the crisis.

**Generalised Conclusions**

It was the combination of all these cross-case factors, along with a number of both short- and long-term country-specific conditions, that created new dynamics in the national political arenas during the Eurozone crisis. My findings led to a number of assumptions for the new area of national politics in Europe. Three main analytical points presented here derive from the individual cases and link the specific findings to the bigger picture about the course of national party systems in Europe:
1. The degree of impact of the Eurozone crisis on each system depended on the on-going changes and neglected issues that lay beneath the surface of the party systems well before the recession began. In the cases of significant long-term decline in popular trust in the mainstream parties and the political system as a whole, the crisis managed to accelerate the change that was already happening. In the cases of a strong economic performance, the crisis still managed to bring forward political and social issues that were long-overlooked by political elites and the mainstream political sphere. Two theoretical assumptions are supported by this finding: national political structures and conditions matter when examining party system response to international events, and both long- and short-term changes are important in understanding the complete picture of party system change.

2. An underlying establishment/anti-establishment dimension, which found a channel of expression during the crisis, cut across traditional lines of competition and appeared likely to impact upon future developments in the national party systems. The various old and new minor parties that became stronger during the crisis followed different opposition strategies in attacking either the EU or domestic ruling elites; what they had in common was their anti-establishment profile.

3. The opportunity that the crisis created for the EU issue to constitute a line of competition in the national party systems was not taken up by national parties. In all of the cases, the EU was mainly mixed with other more salient domestic issues, such as the economy and immigration, and used either to argue for the incompetence of the government parties and the EU institutions or to highlight the importance of traditional values, national identity, or state sovereignty.

**Contribution and Implications for Politics**

These theoretical assumptions are valuable contributions to the field of literature that examines the impact of the EU on the nation states in general and the much less explored field of the impact of the Eurozone crisis on national party politics in particular. There are only a limited number of studies that explored the connection between the economic crisis and national political transformations (see for example Marsh 2012; Bosco and Verney 2012; Verney 2014a; Maatsch 2014; Kriesi and Pappas 2015). This project offers a comprehensive take on the current state of
knowledge in the subject from a comparative perspective. A large part of the gap in the literature that explores the linkage between the Eurozone crisis and structures of party competition within the member states is covered by the empirical results of this thesis.

My analytical framework also builds on European integration theories, such as intergovernmentalism (Hoffman 1966; Milward 1984; 1992), the domestic politics approach (Bulmer 1983), and liberal intergovernmentalism (Moravcsik 1993), that locate the nation state in the centre of their analysis. This thesis brings the issue of the significance of domestic structures in the European integration process up to date, by providing comparative results on a number of diverse cases. The generalised theoretical assumptions take this claim even further by arguing for the importance of examining both the long- and short-term transformations in national party systems when we seek to capture the whole story behind national political systems’ attitudes towards European integration.

The findings have implications for politics in more general terms and they relate to salient contemporary political events. The way the EU issue can be used by national parties to promote their interests, ideas, and attitudes is particularly relevant to the EU referendum, which took place in the UK in June 2016. The Brexit vote had a massive impact on British party politics and it appeared to have helped the EU issue to become more salient than it had been during the Eurozone crisis. It could be argued that the campaigns from both the Remain and the Brexit camps exploited the EU issue in order to focus on other domestic salient issues, such as immigration, the economy, and sovereignty. Therefore, an analogy could be suggested in the way British parties used the EU issue during the economic crisis and during the UK EU membership referendum campaigns.

In addition, the growing anti-establishment sentiment that was one of the main findings of this thesis, appeared to be on the rise in the European continent more generally. A large number of radical anti-establishment parties gained ground under the tough economic conditions. In addition, the migration crisis as well as the fear of terrorism seemed to contribute to the political turmoil that was created in many European advanced democracies. Examples of anti-establishment parties that grew since 2008 can be found in France (National Front), Austria (Freedom Party), and the Netherlands (Party of Freedom), Spain (Citizens), Italy (Five Star Movement), Denmark
(People's Party), Finland (Finns), Sweden (Swedish Democrats). These parties came from all across the ideological spectrum with stances ranking from nationalist and anti-immigrant to Europhile and radical left. What they had in common is an anti-mainstream profile combined with an anti-government and anti-elite rhetoric. The UK EU referendum resulted in a Leave vote, what could be partly perceived as a vote against the political establishment and mainstream politics.

**Further Research**

Further research on these topics could build on the thesis’ findings and shed more light on the causes and implications of these phenomena. First, a research project could be designed around the EU issue and how this is developed and operationalised in different contexts and under different circumstances in European national party systems. This would be particularly relevant to the UK and the case of the UK EU membership referendum; a single-case study could investigate how British political parties exploited the EU issue in the pro- and anti-EU membership campaigns ahead of the EU vote. Using a similar analytical framework to this thesis, which includes qualitative interviews and expert surveys, and additional document and speech analysis, this new project could reinforce - or weaken - my findings on the role of the EU issue in the national party systems during the crisis: high EU salience was not translated into a pro-/anti-European divide in national party competition and salient domestic issues were needed for the EU issue to be illuminated in the national political contexts.

A similar design could be employed to investigate the impact of the migrant crisis on European national party systems. The migrant crisis began in 2015 when large numbers of migrants from the Middle East, South Asia and Africa arrived to the EU. The issue became highly silent in the member states at both the voter and party level, while the EU and national leaders were involved in long negotiations about migrant relocation and the asylum system. It might be interesting, for instance, to focus on Southern European member states, such as Greece and Italy, which welcomed large numbers of migrants through the Mediterranean Sea, and Western European countries, such as Germany and the UK, which welcomed different numbers of migrants later on. The methods could include expert surveys and in-depth qualitative interviews, as well as opinion polls, to explore the various ways the migrant crisis affected national party competition. The project could also
examine how the migration issue was framed by national political parties and whether it was linked to other international and national salient issues.

A more ambitious project could use the thesis’ research design to explore the questions of party system response and transformation during the Eurozone crisis but applied to a larger geographical and time scale. This study would investigate how European national party systems responded to the Eurozone crisis using interviews, expert surveys, and opinion polls data. It would examine the long- and short-term transitions of national party systems of Western, Central Eastern, and Southern European countries, advanced and emerging democracies, in order to help understand the bigger picture. The findings of such a large research project would have additional comparative value, uncover deeper party and voter behaviour mechanisms, and even suggest solutions to some of the main political issues uncovered by this thesis: popular disengagement with mainstream politics, the failing elitism of the established parties, and the rise of radical political elements.
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Appendix I: Expert Survey Design


<table>
<thead>
<tr>
<th>Position towards European Integration</th>
<th>2005</th>
<th>2009</th>
<th>2013</th>
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<tbody>
<tr>
<td>Germany</td>
<td>5.8 (0.84)</td>
<td>5.8 (0.87)</td>
<td>5.6 (0.95)</td>
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<tr>
<td>Left-Right Placement</td>
<td>4.4 (0.92)</td>
<td>4.0 (1.34)</td>
<td>4.3 (0.91)</td>
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<tr>
<td>Salience of Europe</td>
<td>1.5 (0.60)</td>
<td>1.3 (0.56)</td>
<td>1.7 (0.56)</td>
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<tr>
<th>Position towards European Integration</th>
<th>2005</th>
<th>2010</th>
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<tbody>
<tr>
<td>UK</td>
<td>4.2 (0.76)</td>
<td>4.1 (0.82)</td>
</tr>
<tr>
<td>Left-Right Placement</td>
<td>5.4 (0.88)</td>
<td>4.9 (1.34)</td>
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<tr>
<td>Salience of Europe</td>
<td>1.5 (0.37)</td>
<td>1.4 (0.43)</td>
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<tr>
<th>Position towards European Integration</th>
<th>2007</th>
<th>2011</th>
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<tr>
<td>Ireland</td>
<td>5.3 (0.73)</td>
<td>4.1 (0.81)</td>
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<tr>
<td>Left-Right Placement</td>
<td>5.4 (0.87)</td>
<td>4.2 (0.87)</td>
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<tr>
<td>Salience of Europe</td>
<td>1.0 (0.61)</td>
<td>1.7 (0.71)</td>
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<tr>
<th>Position towards European Integration</th>
<th>2009</th>
<th>2012a</th>
<th>2012b</th>
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<tr>
<td>Greece</td>
<td>4.4 (0.84)</td>
<td>3.7 (1.03)</td>
<td>3.8 (1.03)</td>
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<tr>
<td>Left-Right Placement</td>
<td>5.1 (1.07)</td>
<td>5.4 (1.07)</td>
<td>5.3 (0.99)</td>
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<tr>
<td>Salience of Europe</td>
<td>2.2 (0.80)</td>
<td>2.5 (0.62)</td>
<td>2.5 (0.61)</td>
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Expert Survey Questionnaire

National party system response during the Eurozone crisis

Country:

Political parties:

National Elections:

1. How would you describe the general position on European integration of these parties in each national election? Please select one the values below on a scale ranging from 0 (Strongly opposed) to 7 (Strongly in favour).
[1: Strongly opposed, 2: Opposed, 3: Somewhat opposed, 4: Neutral, 5: Somewhat in favour, 6: In favour, 7: Strongly in favour]

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2. Please locate the parties below according to their overall ideology in each national election on a scale ranging from 0 (Extreme left) to 10 (Extreme right).
[0: Extreme left, 1, 2, 3, 4, 5: Centre, 6, 7, 8, 9, 10: Extreme right]

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3. How important was the EU issue for these parties in each national election in their public stance? Please select one of the values below on a scale ranging from 0 (No importance) to 3 (Great importance).
[0: No importance, 1: Little importance, 2: Some importance, 3: Great importance]

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270
4. Comparing the national elections before and after the Eurozone crisis began (circa 2009-2010), do you believe there has been significant change in the German party system? What have been the reasons for this change or the lack of it?

5. This is the end of the survey. Please fill in your name in the textbox below (in order for me to know who completed the survey). If you have any problems with me using your name in connection to this data, please let me know. Any additional information and comments are most welcome. Thank you very much for your cooperation.

**Expert Survey Cover Letter**

Dear [...],

I am Nikoleta Kiapidou, ESRC-funded doctoral researcher at the Sussex European Institute (University of Sussex), supervised by Prof Aleks Szczepskiak and Prof Paul Taggart. I am writing this e-mail to kindly ask you to participate in an expert survey I am conducting regarding my PhD project.

My research topic concerns the diverse responses of European national party systems during the Eurozone crisis. In particular, I am looking at the degree of party system polarisation, salience of the EU issue, and government composition in Germany, the UK, Ireland, and Greece, in a number of national elections before and after the Eurozone crisis occurred as well as the reasons behind the differentiated responses of these cases.

In order to measure the dependent variable and explore the causes of diversity among the cases, I am conducting expert surveys. Expert surveys are an essential element of my research as I am willing to explore both the perspectives of what parties say and what parties do; other techniques such as opinion polls and content analysis of party manifestos cover only part of the picture. In addition, I am planning to take interviews from experts and party officials as a supplementary way to gather country-specific data.
Since you are an expert in [...] politics with exceptional knowledge in party politics, your contribution would be vital. Thus, I would be grateful if you could complete this expert survey: www.surveymonkey.com/... . You will be asked eight questions, which are related to party ideology, party position towards European integration, salience of the EU issue, and government composition patterns in the four most recent national elections of[...], as well as party system change during the crisis.

Thank you very much for your cooperation. Any additional information or comments are most welcome.

Yours faithfully

List of Expert Survey Participants

The German Case

1. Davidson-Schmich, Louise. Associate Professor of Political Science, University of Miami.
3. Frantzmann, Simon Tobias. Lecturer in Politics, Heinrich-Heine University in Düsseldorf.
4. Hogwood, Patricia. Reader in European Politics, University of Westminster.
5. Hough, Dan. Professor of Politics, University of Sussex.
6. Kaiser, Andre. Professor of Politics, Cologne Center for Comparative Politics.
7. Lees, Charles. Professor of Politics, University of Bath.
9. Patterson, William. Professor of German and European Politics, Director of the Institute for German Studies, University of Birmingham.
11. Participant remained anonymous.
The UK Case

1. Allen, Nicholas. Lecturer in Politics, Royal Holloway, University of London.
2. Aspinwall, Mark. Lecturer in Politics, University of Edinburgh.
4. Quinn, Tom. Professor of Politics, University of Essex.
5. Webb, Paul. Professor of Politics, University of Sussex.
6. Participant remained anonymous.
7. Participant remained anonymous.
8. Participant remained anonymous.
9. Participant remained anonymous.

The Irish Case

1. Costello, Rory. Lecturer in Politics, University of Limerick
2. Dunphy, Richard. Senior Lecturer in Politics, University of Dundee.
3. Farrell, David. Professor of Politics, University College Dublin.
4. FitzGibbon, John. Lecturer in Politics, Canterbury Christ Church University
5. Flynn, Brendan. Lecturer in Politics, NUI Galway.
6. Girvin, Brian. Honorary Professor of Politics, University of Glasgow.
8. Holmes, Michael. Senior Lecturer in Politics, Liverpool Hope University.
9. Kavanagh, Adrian. Lecturer in Politics, Maynooth University.
10. Little, Conor. Researcher, University of Copenhagen.
11. McMenamin, Iain. Professor of Politics, Dublin City University.
12. O’Malley, Eoin. Senior Lecturer in Political Science, Dublin City University.

The Greek Case

1. Exadaktylos, Theofanis. Senior Lecturer in European Politics, University of Surrey.
2. Konstantinidis, Ioannis. Assistant Professor of Politics, University of Macedonia.
3. Nanou, Kyriaki. Lecturer in European Politics, University of Nottingham.
4. Tassis, Chrisanthos. Professor of Politics, National and Kapodistrian University of Athens.
5. Tsakatita, Myrto. Lecturer in Politics, University of Glasgow.
8. Participant remained anonymous.
9. Participant remained anonymous.
10. Participant remained anonymous.
11. Participant remained anonymous.
Appendix II: Interview Design

Interview Questionnaire

1. What do you believe have been the most important changes in the [...] party system since the Eurozone crisis began in 2008/9?

2. To what degree have these changes been caused by the Eurozone crisis?

4. How important was the EU issue in the [...] and [...] general election? Was the EU the most salient issue or was it the economy or other national issues?

3. In your opinion, have the [...] political parties started competing over the EU issue? Has a pro/anti-European divide been created in the [...] party system?

5. What other factors which have to do with the [...] history, society, and political system caused these changes?

Interview Cover Letter

Dear [...],

I am Nikoleta Kiapidou, ESRC-funded doctoral researcher at the Sussex European Institute (University of Sussex), supervised by Prof Aleks Szczerbiak and Prof Paul Taggart. I am writing this e-mail to kindly ask you to give me an interview regarding my PhD project.

My research topic concerns the diverse responses of European national parties and party systems during the Eurozone crisis in four countries: Germany, the UK, Ireland, and Greece. In particular, I am looking at the degree of polarisation, salience of the EU issue, and Eurosceptic tendencies at the party level in those four countries before and after the outbreak of the Eurozone crisis. I am now conducting interviews after having already completed a comparative expert survey on the
topic. The interviews are an essential element of my research as I am interested in an in-depth analysis of the issue within the national contexts.

Since you are an expert in [...] politics with exceptional knowledge in party politics, your contribution would be vital. Thus, I would be grateful if you are willing to conduct an interview with me about the attitude of the [...] parties during the Eurozone crisis.

I am planning to be in [...] from [...] to [...] . Please let me know if there is any day during that week which could be suitable for you. I would be really grateful if you could contribute to my research, as I appreciate that you are very busy.

Thank you very much.

Yours faithfully

List of Interviewees

_The German Case_

1. Barchmann, Achim. MP, SPD.
2. Brueckner, Uli. Jean Monnet Professor of European Studies, Stanford University Berlin.
3. Diederich, Nils. Professor of Politics, Free University of Berlin.
8. Poss, Joachim. MP, SPD.
The UK Case

2. Booth, Stephen. Co-Director, Open Europe.
4. Crowther, Steve. Chairman, UKIP.
7. Dorey, Peter. Professor of Politics, Cardiff University.
8. Driver, Stephen. Lecturer in Politics, University of Roehampton.
10. Fowler, Brigid. Analyst, Intelligence Unit of the Economist.
15. Usherwood, Simon. Lecturer in Politics, University of Surrey.

The Irish Case

1. Broughan, Tommy. Independent MP.
5. Fabozzi, Tom. Director of Media and Research, Fine Gael.
6. Farrell, David. Professor of Politics, University College Dublin.
7. Hearne, Rory. Lecturer in Politics, NUI Maynooth, and Politician, People Before Profit.
8. Little, Conor. Researcher, University of Copenhagen.
9. McMenamin, Iain. Professor of Politics, Dublin City University.
11. O’Malley, Eoin. Senior Lecturer in Politics, Dublin City University.
13. Pringle, Thomas. Independent MP.
14. Reagan, Aidan. Lecturer in Politics, University College Dublin.
15. Suiter, Jane. Professor of Politics, Dublin City University.

The Greek Case

1. Anagnostakis, Dimitris. Former MP, Democratic Left.
2. Anonymous, MP, PASOK.
3. Chatzipadelis, Theodoros. Professor of Politics, Aristotle University of Thessaloniki.
4. Chountis, Nikos. Deputy Minister of Foreign Affairs and former MEP, SYRIZA.
5. Dourou, Rena. 2014. District Commissioner of Attica, SYRIZA.
6. Eleftheriou, Costas. Political analyst at Prorata S. A.
10. Moschonas, Georgios. Professor of Politics, Panteion University of Athens.
11. Spourdalakis, Michalis. Professor of Politics, National and Kapodistrian University of Athens.