

# Breaching the social contract: crises of democratic representation and patterns of extreme right party support

Article

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## **GOVERNMENT & OPPOSITION**



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| Abstract:        | Why has the extreme right Greek Golden Dawn, a party with clear links to fascism experienced a rise defying all theories that claim that such a party is unlikely to win in post-WWII Europe? And, if we accept that economic crisis is an explanation for this, why has such a phenomenon not occurred in other countries that have similar conducive conditions, such as Portugal and Spain? This article addresses this puzzle by (a) carrying out a controlled comparison of Greece, Portugal and Spain and (b) showing that the rise of the extreme right is not a question of intensity of economic crisis. Rather it is the nature of the crisis, i.e. economic versus overall crisis of democratic representation that facilitates the rise of the extreme right. We argue that extreme right parties are more likely to experience an increase in their support when economic crisis culminates into an overall crisis of democratic representation. Economic crisis is likely to become a political crisis when severe issues of governability impact upon the ability of the state to fulfil its social contract obligations. This breach of the social contract is accompanied by declining levels of trust in state institutions, resulting in party system collapse. |  |  |

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#### Introduction

Most theories claim that extreme right parties cannot win in post-WWII Europe (e.g. Hainsworth 2008; Carter 2005; Art 2011). Fascist ideas associated with the authoritarian regimes of inter-war Europe are largely discredited because of their violence, authoritarianism and opposition to democracy. The far right parties that have experienced electoral support in post-war Europe tend to be those that have disassociated themselves from fascism and racist violence (e.g. Golder 2003; Halkiopoulou et al. 2013). However, in the context of the Eurozone crisis that erupted post-2009, the previously marginalised neo-Nazi Greek Golden Dawn marked its electoral breakthrough in May 2012 when it received 6.97 per cent of the votes cast, gaining 21 seats in a parliament of 300. This trend continued in both the 2014 European Parliament (EP) elections when the party received 9.39 per cent of the votes cast and the January 2015 national elections, when it received 6.28 per cent as third biggest party in parliament. While it lost marginally since the 2012 elections, the result indicates consistent Golden Dawn support despite the fact that its leading members were imprisoned during the time of the election, facing indictment, and the party did little campaigning.

The Golden Dawn is an extreme right party that may be described as a fascist or neo-Nazi group. This differentiates the party from other far right populist parties that have been successful in other Western European countries since the 1980s both in terms of degree and it terms of kind. Not only does the Golden Dawn employ violence to pursue its extreme right ideological agenda; but most importantly this ideological agenda is premised on an alternative vision of democracy modelled on the principles of national socialism. As such we need to understand its rise through an analysis that goes beyond current explanations of the rise of this phenomenon in post-war Western Europe and examine countries that have specifically faced economic crisis.

If we were, however, to attribute this to the economic crisis, then this begs the question of why extreme right parties have not been successful in the other countries, which have experienced comparable crisis conditions and severe economic breakdown, including Portugal and Spain. In these countries recent elections have shown no increase in support for the already marginalised extreme right National Renovator Party (PNR), Spain 2000 and National Democracy (DN). This article addresses this variation through a controlled comparison (Slater & Ziblatt 2013; Doner et al. 2005) between Greece, Portugal and Spain. We compare three cases, which share a number of economic, political and cultural similarities, but are exhibiting a variation in the dependent variable. This enables us to control for various explanations provided in the literature that may be held constant across our cases.

Our comparison of Greece, Portugal and Spain indicates that it is the *nature* rather than the *intensity* of the crisis that increases the likelihood of the rise of the extreme right at times of economic hardship. We argue that extreme right parties are more likely to experience an increase in their support when economic crisis culminates into an overall crisis of democratic representation. Economic crisis is likely to become a

political crisis when severe issues of governability impact upon the ability of the state to fulfil its social contract obligations. This breach of the social contract is accompanied by declining levels of trust in state institutions, resulting in party system collapse. In these circumstances citizens may question the existing mechanisms of democratic representation, which opens space for parties that are anti-systemic and offer an alternative vision of representation.

If our argument is correct, then economic crisis in itself is not enough to facilitate the rise of extreme right parties. This outcome is only likely if economic crisis is accompanied by severe problems of governability, resulting in a crisis of democratic representation. This article proceeds as follows. First, we contextualise the 'puzzle' focusing on the variation of extreme right party support in crisis-ridden Greece, Portugal and Spain. Second, we carry out a controlled comparison between the three countries. We show that Greece, Portugal and Spain share a number of demand and supply-side conditions including similar economic crisis dynamics, electoral systems, party competition dynamics, highly conservative right-wing competitors, history of right-wing authoritarianism and a fragmentation of the Right, eliminating these variables as potential causal explanations. Third, we posit our argument that goes beyond these explanations and focuses on democratic representation and party system collapse. We conclude with a discussion of our argument's theoretical contribution and avenues for future research.

#### The extreme right puzzle

How may we define and understand the extreme right? This article places the extreme right within the overall umbrella term 'far right', which encompasses both radical and extreme right variants. The far right refers to a broad range of political parties and social groups whose common core ideological feature is nationalism (Eatwell 2000; Hainsworth 2008), i.e. a strict definition of the boundaries between the native group and the other and an emphasis on maintaining the homogeneity of the nation (Smith 1991). Within this umbrella, we may distinguish between the radical and the extreme right. The radical right designates the 'new' parties that have emerged in Europe (Ignazi 1995) since the 1980s. These parties have adopted a modernised discourse that abandons outright references to race and claims a distance from fascism (Halikiopoulou et al. 2013). They are characterised by a populist rhetoric that differentiates between the 'good people' and the 'corrupt elite'. The extreme right on the other hand designates parties and groups which have not distanced themselves from fascism: they tend to advocate a large state, employ violence in their tactics in an attempt to cleanse the homogenous nation from internal and external enemies. The extreme right may be defined as the antithesis of democracy (Mudde 2010), i.e. a rejection of procedural democracy and the idea that popular sovereignty may be exercised in accordance to electoral principles. While the extreme right variants are also populist, this concept differs in their ideology and agenda. They understand themselves primarily as movements from below that embody the will of the people rather than represent or speak on its behalf.

Theories of the far right postulate that in general terms extreme right parties are not electorally successful (e.g. Betz 1998; Kitschelt with McGann 1995) in post-war Europe. The success of a far right party is inversely related to its proximity to fascism. The association of fascist ideals with totalitarianism, mass scales of violence, racial

extermination and an all-encompassing state has questioned the legitimacy of these parties. In essence fascism does not accept liberal representative democracy and ultimately seeks regime change. Since the 1980s, the far right parties that have been electorally successful are those that operate within the confines of liberal democracy and seek change from within. While also nationalist, these parties define 'otherness' not in strict racial terms but rather through ideological criteria (Halikiopoulou et al. 2013). Exclusion is not justified on bloodline or birth traits, but rather on worldviews and systems of belief. Parties such as the Swiss People's Party, the Dutch Party for Freedom and the True Finns that have enjoyed electoral support in their respective countries reject the fascist label, have been careful to disassociate themselves from such ideals and have centred their discourse around a rhetoric of toleration: excluding not those who are different by birth but those who because of their ideological beliefs are intolerant of the ideals of 'our' nation.

If we accept this premise, the dramatic rise of the Greek Golden Dawn constitutes an anomaly. Other far right parties have enjoyed electoral success in Greece, for example the Popular Orthodox Rally (LAOS) and Independent Greeks (ANEL). However, these fall within the radical right category (Vasilopoulou & Halikiopoulou 2015) and their support is more consistent with the predictions of existing theories. By contrast, the Golden Dawn falls within the extreme right category. This is an ultra-nationalist and racist party that most resembles traditional Nazism both in terms of degree and in terms of kind: in its espousal of what Mann (2004) identifies as defining criteria of a fascist group, including nationalism, statism, paramilitarism, transcendence and cleansing. The party's ideology emphasises the principles of National Socialism. It opposes democracy on a number of grounds, for example that it cannot be applied in practice; that it was not actually approved by the ancient Greeks; and that it gives power to any lay man who may not endorse nationalist ideals (Vasilopoulou & Halikiopoulou 2015). The party's organisational structures also resemble those of the Nazi system: violence, discipline and ultimate respect for the leader. While openly extreme, the party received support from over 400.000 Greek citizens during the May and June 2012 national elections, gaining 21 and 18 parliamentary seats out of 300 respectively. It sustained its electoral base in the May 2014 EP elections, receiving 9.39 per cent of the vote and gaining three seats in the EP. While in the January 2015 general election support for the party dropped, the Golden Dawn still managed to attract 6.28 per cent of the votes cast, occupying third place in the Greek Parliament with 17 seats. Within the context of the imprisonment and pending indictment of its leading members, this is a significant result in itself and indicates that there is a substantial percentage of Greek voters that the Golden Dawn accommodates. It is notable that the party did not even participate in the electoral campaigns.

This may urge us to attribute the electoral rise and persistence of the Golden Dawn to economic crisis and draw parallels with other countries that have experienced comparable crisis conditions. But this begs the question: why have extreme right parties in Spain and Portugal remained marginalised? In Portugal, the extreme right PNR received 0.2 per cent of the votes cast in 2009, which it raised marginally to 0.3 per cent in 2011, indicating static and low levels of support. In Spain this was the case for Spain 2000, which although active in organising various community services such as soup kitchens which, modelled on the Nazi winterhilfswerk, are also used by the Golden Dawn; and DN, which despite its strong anti-immigrant agenda actually decreased its support (see table 1).

#### ----Table 1 about here----

These parties are comparable to the Golden Dawn in terms of their ideology, organisation and rejection of parliamentary democracy. They have a similar nationalist agenda, i.e. emphasising anti-immigration premised on the need to maintain the homogeneity of the nation and a return to traditional values. The Portuguese PNR celebrates 'Salazar as the greatest 20th-century Portuguese statesman' (Marchi 2013: 139). The party has been unsuccessful in its modernising attempts, remaining in what scholars categorise as the 'old' extreme right. Similarly Spain 2000 and DN may be termed as neo-Francoist or neo-fascist. Although these parties have attempted to put forward a more moderate image and attract mostly conservative right-wing voters, they 'keep alive the historical memory of Spanish fascism, the Civil War and the Franco regime' (Rodriguez Jimenez 2012: 117).

This variation raises the following two inter-related questions: Why has an extreme right party with clear links to fascism experienced such a rise in Greece, defying all theories that claim that such a party is unlikely to win in post-WWII Europe? And, if we accept that economic crisis is an explanation for this, why has such a phenomenon not occurred in other countries that have similar conducive conditions, such as Portugal and Spain?

#### Comparing Greece, Portugal and Spain

This article employs the most similar systems research design (Slater & Ziblatt 2013) in order to identify the conditions, which have facilitated the rise of an extreme righ party in Greece but not in Portugal and Spain. These countries share a number of political, cultural and economic similarities that allow for a meaningful comparison (Hartlapp and Leiber 2010; Zartaloudis 2013). In terms of their political landscapes, Greece, Portugal and Spain are all characterised by a strong left-right divide and have experienced civil war and right-wing authoritarianism in their recent histories. All three became democracies during the third wave of democratisation and joined the EU in the 1980s. They all are European peripheral countries with similar levels of socio-economic development, which formed the main beneficiaries of the EU's structural and cohesion funds prior to the Eastern enlargement. These countries have been affected by the Eurozone crisis more than any other Eurozone member. They were identified as the three most at-risk European economies during the European sovereign debt crisis, they all received external financial assistance and experienced severe austerity measures and public sector cuts. Yet, only Greece has experienced the rise of an extreme right party. Taking this variation into account, this article is concerned with the comparative dimension of extreme right party support.

The second step in carrying out a meaningful comparison is to identify potential explanatory variables as discussed in the literature. Scholars have identified a number of factors as possible explanations for the rise of the far right understood in the broad, umbrella sense. These may be categorised in terms of *demand* (Bell 1964; Lipset 1960; Ramet 1999; Golder 2003) and *supply* (Mudde 2010; Norris 2005). Demand-side explanations postulate that "structurally determined pathologies" triggered by "extreme conditions" (i.e. crises)' result in the rise of far right parties (Mudde 2010: 1171). Such parties 'appeal to the disgruntled and the psychologically homeless, to

the personal failures, the socially isolated, the economically insecure, the uneducated, unsophisticated, and authoritarian persons at every level of the society' (Lipset 1960: 173). External triggers such as economic crises, globalisation and other societal changes create societies of winners and losers in which the dispossessed and unemployed will express their protest by opting for a far right party (Kriesi et al. 2006). Far right parties are able to capitalise on the insecurities of downward social mobility. For example, the inter-war economic crisis and the wide social discontent it generated have been closely linked with the rise of Nazism and fascism in Europe (Lipset 1960). Supply-side explanations focus on the opportunities and constraints offered by the political-institutional context within which parties operate. The existence of political space for far right parties may depend upon the electoral system (Carter 2002); party competition (Mudde 2007); the existence of a mainstream rightwing competitor and its ability to absorb far right voters (Ellwood 1995; Chibber & Torcal 1997); and the fragmentation of the Right into various factions that are unwilling to coalesce (Marchi 2013).

We proceed by applying each of these explanations to the context of Greece, Portugal and Spain. The logic of comparison eliminates a number of the above demand and supply-side variables as causal explanations. Our first step is to compare certain demand-side indicators relevant to the Eurozone crisis as the external trigger, given that all three countries have experienced the worst of the crisis. We compare Greece, Portugal and Spain against a number of 'misery indicators' (Pappas & O'Malley 2014). These include government deficit as percentage of GDP across the Eurozone, levels of unemployment and youth unemployment as well as real GDP growth rate to measure recession. We define recession in terms of two consecutive quarters of negative growth (Keely & Love 2010). Our three cases have the highest rates of government deficit as percentage of GDP across the Eurozone. In 2009 with the onset of the crisis, Greece had a government deficit of -15.2; Portugal with -9.8; and Spain -10.9. This similar trend of high government deficit continued up to 2013. Unemployment rates are also very high and dramatically increased since the onset of the crisis in all three countries. Similarly youth unemployment is particularly high across all three countries and well above the EU average. Measuring the dynamics of economic development, real GDP growth rate shows a similar picture: economic recession over consecutive years among all three countries (see table 2). This indicates that economic indicators alone are not enough to explain variation in extreme right party support across the three cases.

#### ----Table 2 about here----

The logic of comparison also eliminates a number of supply-side variables. First, we examine the electoral system. Because proportional electoral systems tend to favour representation of smaller parties, we might expect electoral system variation to play a role in the success of far right parties (Norris 2005; Alonso and Kaltwasser 2015). Greece, Portugal and Spain, however, all have similar electoral systems. They all adopt a list-proportional electoral system, either closed or open. Despite this proportional element, all three adopt the D'Hondt formula, which favours large parties; and in Greece and Spain the electoral system tends to have a majoritarian effect, creating a party system where power tends to alternate between two main competitors (Freire 2005; Pappas 2003; Hopkin 2005). The majoritarian effect is less

prevalent in Portugal. But even if this is the case, the same pattern holds for EP election results, where the electoral system is even more standardised across cases (Hix and Hagemann 2009). Despite having a closed ballot structure and large district magnitude, the three countries show a variation in extreme right party support.

This is consistent with a number of theories that have found that the electoral system is not necessary causally related to the rise of far right parties (Carter 2005; van der Brug, Fennema & Tillie 2005; Arzheimer & Carter 2006). Therefore it makes sense to proceed by examining a related issue, i.e. party-system dynamics prior to the Eurozone crisis. Theories posit that multi-party systems are more conducive to far right party success than two party systems or systems characterised by bipolarity. All three cases exhibit bipolarity in their party system dynamics. Two mainstream parties, a centre-left and a centre-right, are the two most relevant actors and have tended to alternate in power. In Greece the centre-right New Democracy and the centre-left Panhellenic Socialist Movement (PASOK), which, until recently, together occupied the vast majority of the 300 parliamentary seats (Vasilopoulou & Halikiopoulou 2013) have dominated the political scene in the post-dictatorship era. In Portugal, competition takes place primarily between the centre-left Socialist Party (PS) and the centre-right Social Democratic Party (PSD), often in coalition with the right-wing CDS-People's Party, which have constituted the main political actors in the system (Freire 2005). And in Spain, state-wide vote has been concentrated around the centreright People's Party (PP) and the centre-left Spanish Socialist Workers Party (PSOE) (Hopkin 2005).

The logic of comparison illustrates that it is also problematic to attribute the low support for far right parties in Portugal and Spain to the existence of a mainstream right-wing competitor able to appropriate potential demand for far right ideas (Ellwood 1995; Chhibber & Torcal 1997). This is because the presence of a highly conservative mainstream competitor is constant across our cases: all three have a strong centre-right party or bloc, which could absorb such voters (see table 3). The Greek New Democracy, the Portuguese CDS-People's Party and the Spanish PP all score very highly on various dimensions that capture traditional-authoritarian party positions (the GAL/TAN dimension) (Bakker et al. 2015) including law and order, social lifestyle, religious principles in politics, immigration policy, integration of immigrants and asylum seekers, nationalism and position towards ethnic minorities. While the Portuguese PSD scores lower compared to the Greek New Democracy and Spanish PP, the more authoritarian space is occupied by the CDS-People's Party, which often runs jointly with the PSD.

#### ----Table 3 about here----

In addition, Greece, Portugal and Spain share a legacy of right-wing authoritarianism, entailing that if we make the claim that the Right is discredited because of its historical association with right-wing authoritarianism, then this should be true across all three. Greece experienced right-wing authoritarianism during the Metaxas dictatorship (1936-1941) and the Colonels' junta (1967-1974); Portugal during the 1926-1933 military dictatorship followed by the Estado Novo period (1933-1974); and Spain during the Restoration period under Primo de Rivera (1923-1930) and the Franco regime (1939-1975).

Equally problematic is the attempt to attribute the lack of support for far right parties in Spain and Portugal to the fragmentation of the Right. If one of the reasons that Portugal and Spain have not experienced a rise of extreme right parties is the unwillingness of the various extreme right-wing factions to coalesce (Marchi 2013, 133; Alonso & Kaltwasser 2015), then we should expect the fragmentation of the Right to have similar effects in Greece. However, a number of extreme right parties competed for elections since the 1980s, including Front Line, the Hellenism Party, the Hellenic Front, the National Coalition, the Patriotic Alliance and the Golden Dawn.

In a nutshell, we have shown that Greece, Portugal and Spain share a number of demand and supply-side conditions including similar economic dynamics, electoral systems, party competition dynamics, highly conservative right-wing competitors, history of right-wing authoritarianism and a fragmentation of the Right. Therefore our comparison illustrates that these variables are short of accounting for the variation in extreme right party support across the three cases. This does not necessarily entail that demand and supply-side dynamics are irrelevant to the variation but rather, that we need to theoretically nuance and reconceptualise the interdependence between demand and supply through a different prism: the broader implications of economic crisis in the institutional, political and democratic spheres. We proceed to construct our argument below.

----Table 4 about here----

#### The rise of the extreme right: A crisis of democratic representation

We argue that extreme right parties are more likely to experience an increase in their support when economic crisis culminates into a crisis of democratic representation. Our logic is as follows: economic crisis is likely to become a political crisis when there are severe issues of governability. In turn this may acquire an ideological dimension when the state is less able to mediate the effects of the crisis and fulfil its social contract obligations. This challenges not simply the legitimacy of individual parties but the legitimacy of the system itself. This results in low levels of trust in state institutions undermining the social basis of the main competitors in the system (Morgan 2011). Large parts of society protest against their perceived inability to influence decision-making and hold politicians accountable. The dominance of the old established parties is challenged, resulting in party system collapse as 'citizens do not believe that representatives are acting on behalf of their constituents or of some vision of a public good' (Mainwaring et al. 2006: 15). In these circumstances citizens question the existing mechanisms of democratic representation, which opens space for parties that are anti-systemic and offer an alternative vision of representation. These parties of the margins offer this alternative vision while at the same time -precisely because of their fringe status- remain disassociated with the 'old discredited' system. Therefore, economic crisis is not by itself sufficient to facilitate the rise of an extreme right party. This is not a question of *intensity* of economic crisis. Rather it is the nature of the crisis, i.e. economic versus overall crisis of democratic representation that facilitates the rise of the extreme right.

In order to illustrate our argument we apply literature on democratic representation and party system collapse (Mann 2004; Mainwaring et al. 2006; Seawright 2012; Vasilopoulou & Halikiopoulou 2015). The starting point is the extent to which economic crisis is accompanied by severe problems of governability, thus acquiring a political dimension. Perceptions of state capacity are the link between political crisis and ideological crisis. This refers to the perceived inability of the state to mediate the effects of the crisis and to deliver services based on the redistribution of the collective goods of the state (Slater et al. 2014). Thus the political and ideological dimensions of the crisis are the defining factors: the strength of democratic institutions (Pappas 2013), state capacity (Slater et al. 2014), and the ability of the state to meet its social contract obligations (Wimmer 1997) and to continue the provision of basic services and redistribution (Pappas & O'Malley 2014). When state capacity is limited or perceived to be limited, then the result is the delegitimization of the party system as a whole. This is because the system is perceived as incapable to address the crisis and mediate its socioeconomic effects. The result is low levels of trust and party system collapse. One of the major differences between Greece, Portugal and Spain is the extent to which the crisis triggered the breakdown of the political system itself because of the perceived limited ability of the state to address the crisis. In Portugal and Spain, the state was perceived as better able to limit the socio-economic impact of the crisis on individual citizens.

We may measure this through the use of a number of indicators that measure good governance and the perceived efficacy of the state (World Bank 2012; Transparency International 2011; Kopecky et al. 2012). Governance refers to the ability of institutions to control their societies (Peters 1995). The World Bank defines governance as 'the manner in which power is exercised in the management of a country's economic and social resources for development' (World Bank 1992). Good governance is expected to increase satisfaction and trust. Thus such indicators tend to be used as proxies for good governance (Kaufmann et al. 2010). Trust in institutions may include measuring trust in the national parliament; trust in political parties; and trust in politicians. Overall satisfaction may be measured with levels of satisfaction with democracy in the country. Failing performance of the state may be measured with (1) perceptions of the quality of public services, the quality and impartiality of the civil service, and the credibility of the government in terms of policy formulation and implementation (government effectiveness); (2) the ability of the government to regulate the private sector (regulatory quality); (3) confidence in the rules of society, and in particular the quality of contract enforcement (Rule of Law); and (4) the extent to which public power is exercised for private gain (control of corruption/corruption perceptions index). Finally failing performance may be also measured in terms of party patronage and clientelism (Afonso et al. 2015) and the extent to which political parties are able to exercise direction over appointments within state institutions (party patronage index) (see figure 1 and table 5). Party patronage tends to be understood as a 'form of linkage politics' whereby parties and/or politicians (patrons) distribute benefits to voters (clients) in exchange for electoral support. Kopecky et al.'s (2012) conception of patronage as an organisational resource instead focuses on the ability of parties to build organisational networks and distribute jobs within the state, thus obtaining institutional control of the latter.

An examination of these indicators illustrates that Greece scores very poorly both in stand-alone terms and compared to Portugal and Spain. We measure trust in

institutions and satisfaction with democracy through citizen responses in the European Social Survey. We choose to report citizens' responses for the 2010 wave because it is the most recent study that includes all three countries since the outbreak of the crisis. While there is a general trend in Europe of low levels of trust in institutions and satisfaction with democracy, on average Greece scores much lower than Portugal and Spain (see figure 1).

#### ----Figure 1 about here----

In terms of state performance and perceptions of quality of state services, Greece also ranks poorly compared to the other two cases. Perceptions of government effectiveness are very low in Greece. The country scores a mere 52 compared to Portugal's 81 and Spain's 82. In terms of regulatory quality, Greece scores 68, which may be contrasted to 76 in Portugal and 78 in Spain. In terms of the Rule of Law, Greece again exhibits the lowest score at 64 while Portugal and Spain score 82 and 83 respectively. In terms of control of corruption, Greece scores a very low 51 compared Portugal's 78 and Spain's 82 (World Bank 2012). In accordance to the Corruption perceptions index constructed by Transparency International (2011), the contrast is sharp. Greece is ranked 80<sup>th</sup> with a mere 3.4 out of 10, while Portugal is ranked 32<sup>nd</sup> with a 6.1 and Spain 31<sup>st</sup> with 6.2. According to Kopecky's et al. (2012) index of party patronage, Greece is by far the highest and above the EU average at 0.62, whereas Portugal and Spain score much lower at 0.29 and 0.40 respectively. This is significant in light of the dynamics of the Greek political system, which is traditionally based on patronage and clientelism (Mitsopoulos & Pelagides 2011; Pappas 2003). In this case, Greece constitutes the paradox vis-à-vis Portugal and Spain given its ability to sustain a democratic institutional system during the postdictatorship era 'while not progressing beyond the entrenched and deeply embedded clientelistic and rent-seeking networks that permeate Greek political culture' (Vasilopoulou et al. 2014). The crisis challenged this clientelistic system at its core, discrediting the main actors and resulting in low levels of trust in democratic institutions.

### ----Table 5 about here---

Low levels of trust, the weakness of the state and its perceived lack of efficacy to moderate the effects of the crisis resulted in a crisis of representation, which brought about the collapse of the party system in Greece whereas in the other two cases this did not take place. The Greek May and June 2012 elections were characterised by the highest levels of volatility since the restoration of democracy in 1974. Not only did the elections result in the implosion of the incumbent PASOK which received a mere 33 seats compared to the 160 seats it had received in 2009; but the main opposition party also suffered great losses and the Coalition of the Radical Left (SYRIZA), a radical party with an anti-memorandum agenda formerly in the fringes of the party system, emerged as the main contender. Beyond punishing the incumbent, Greek voters punished the two main parties, which were perceived as the main source of the inefficiency and corrupt nature of the system, indicating that the two main contenders had lost their social base (Verney 2014).

This trend was sustained during both the 2014 EP elections and the January 2015 national elections which both resulted in SYRIZA gaining first party position and the Golden Dawn third. The result was the emergence of a new cleavage in Greece expressed through a strong support for anti-systemic and anti-memorandum parties (Dinas & Rori 2013; Vasilopoulou & Halikiopoulou 2013). In other words, the crisis of political representation opened space for parties that offer an alternative vision of representation and more broadly an alternative solution to the crisis, which rested outside the confines of the system, such as the Golden Dawn.

Because levels of trust, state capacity and perceptions of the efficacy of the state to handle the crisis were higher Portugal and Spain, the crisis did not result into a crisis of democratic representation. In the two countries, voters blamed the incumbent party for its inability to manage the economy. This however, did not translate into the implosion of the incumbent, nor in a major restructuring of the party system itself (Fernandes 2011; Martin & Urquizu-Sancho 2012). Electoral competition took place along familiar divisions with no emergence of systemic/anti-systemic or promemorandum/anti-memorandum cleavages. While in Spain new parties did enter the system, overall competition dynamics did not change dramatically, and in both cases resulted in the main opposition party emerging as the winner.

In Portugal party dynamics remained broadly similar to previous years. In 2011, elections resulted in a clear victory for the centre-right PSD, gaining approximately 10 per cent. The party received 105 seats while the centre-left PS 73 seats, compared to 78 and 96 in 2009 and 72 and 120 in 2005 respectively. Anti-system parties were not able to capitalise on the crisis; in fact 'in absolute terms, the PCP lost 6,000 votes and the BE lost almost half of its electoral base' (Fernandes 2011: 1300). Classic dynamics of alternation between the two main contenders in the system continued during the 2014 EP elections in which the PS came first.<sup>1</sup>

Similarly in the 2011 Spanish national elections voters punished the incumbent centre-left PSOE, granting instead the mandate to govern to its main centre-right opposition party PP. PSOE suffered a sharp electoral decline losing a large number of seats. It received 110 seats in 2011, compared to 169 in 2008, lowering its support from 43.9 per cent to 28.8 per cent. But unlike Greece, no fundamental restructuring or collapse of the party system took place. Competition remained concentrated around the centre-right PP and the centre-left PSOE, while the latter still remains a potent contender, unlike the Greek PASOK, which became replaced by SYRIZA as the main opposition party. The campaign focused on competence in handling economic issues and overall it was of low-intensity (Martin & Urquizu-Sancho 2012). This trend continued during the 2014 EP elections where the PP came first. During these elections both PP and PSOE decreased their percentages, while a new contender, the far left PODEMOS came fourth with 7.98 per cent. However, EP elections are second order elections that tend to inflate support for small parties, and as such are not necessarily an indication that party system collapse began to take place in Spain in 2014. In any case, this is not inconsistent with our argument: crisis of democratic representation is not static and may take place in different countries at different times.

<sup>&</sup>lt;sup>1</sup> For a comparative discussion of Portugal and Greece, please see Freire, A. Lisi, M., Andreadis, I. & Leite Viegas, J.M. 'Political Representation in times of Bailout: Evidence from Portugal and Greece', Special Issue of South European Society and Politics 19 no 4 (2014).

#### Conclusion

Why has an extreme right party with clear links to fascism experienced a rise in Greece defying all theories that claim that such a party is unlikely to win in post-WWII Europe? And, if we accept that economic crisis is an explanation for this, why has such a phenomenon not occurred in other countries that have similar conducive conditions, such as Portugal and Spain? This article has addressed this puzzle by (a) eliminating potential explanatory variables through a systematic comparison of Greece, Portugal and Spain; and (b) showing that the rise of the extreme right is not a question of *intensity* of economic crisis. Rather it is the *nature* of the crisis, i.e. economic versus overall crisis of democratic representation that facilitates the rise of the extreme right.

Our argument centres on the impact of economic crisis on democratic representation. Economic crisis is likely to have a political dimension when severe issues of governability impact upon the ability of the state to mediate the effects of economic hardship. This breach of the social contract is accompanied by declining levels of trust in state institutions, resulting in party system collapse. In these circumstances citizens may question the existing mechanisms of democratic representation, which opens space for parties that are anti-systemic and offer an alternative vision of representation. In Portugal and Spain on the one hand, the economic crisis did not result into an overall crisis of democratic representation. Rather than party system collapse, the incumbent political parties suffered the political responsibility for the crisis in a typical power alternation fashion. In Greece on the other hand the economic crisis led to a major discrediting of the two main actors in the system and the delegitimisation of the system itself, altering party system dynamics and opening up space for smaller parties that offer an alternative vision of democratic representation.

Our theoretical contribution is twofold. First, we build on existing literature, which argues that economic crisis will not necessarily lead to the rise of extreme right parties (Mudde 2007; Art 2011), and illustrate that in fact it is the rarest outcome. We arrive at this conclusion through a comparative logic. An interpretation of the increase in support for the Golden Dawn as a direct product of the Eurozone crisis would constitute a fallacy resulting from the endeavour to study Greece as an outlier or a single case study. Such an approach lacks the potential to control for alternative explanations and to construct a theory of extreme right party support at times of crisis that will have applicability beyond one particular case study. Our controlled comparison establishes that institutional factors such as electoral system, party competition, highly conservative right-wing competitors, and the fragmentation of the Right, treated in most of the literature as explanatory variables, do not explain the rise of extreme right parties at times of crisis.

Second, we show that what allowed the emergence of the anti-systemic Golden Dawn in Greece was not the economic crisis per; but rather its political dimension, i.e. the perceived inability of the state to mediate it, resulting in a crisis of democratic representation. By taking into account issues of governability, perceptions of state capacity and the extent to which an economic crisis becomes translated into a political crisis with systemic consequences (Mann 2004; Slater et al. 2014), we apply theories that focus on democratic representation and party system collapse in other regional contexts. In doing so we differentiate the rise of the Golden Dawn in Greece from the

general phenomenon of the rise of far right populism in Western Europe during times of affluence and economic stability.

Greece, Portugal and Spain have offered us an ideal platform upon which to test the impact of economic crisis on extreme right party support. We have not included Ireland in our comparison. Despite having experienced similar crisis conditions, Ireland is dissimilar to Greece, Portugal and Spain in terms of a number of historical, political and institutional variables, and could thus skew our controlled comparison. The Irish party system is not defined by a left-right cleavage. Unlike in other European countries, Irish parties are not directly linked to a specific class. Fianna Fail and Fine Gail have been divided on a number of historical and identity issues, including religion, the Irish civil war, and between 1969 and 1986 the question of Northern Ireland. The country has not experienced right-wing authoritarianism and has never witnessed the considerable political presence of an extreme right party. Hence we have confined our universe of cases to three countries that share a number of similarities that could be potentially causal thus allowing for a controlled comparison.

These important similarities have allowed us to control for -and therefore eliminate- a variety of existing explanations and posit our argument on democratic representation and party system collapse. However, the comparative method is limited by design to a specified universe of cases. While our application of this method has shown that our findings apply to Greece, Portugal and Spain, the question arises whether these findings may be generalised beyond our sample. If we are right and our argument has external validity, countries that are experiencing economic crisis and extreme right party support are more likely to exhibit low or declining levels of trust in state institutions, declining perceptions of state capacity and severe problems of governability. Based on the findings obtained here, future research could examine other countries that have experienced economic crisis in greater detail, looking at the relationship between the rise of right-wing extremism and crisis of democratic representation. For example, the rise of Jobbik in Hungary could provide a good platform for testing our argument. Future research could also identify limits or additional circumstances that may alter dynamics in different settings; explaining for example the limited support for the Cypriot National Popular Front (ELAM) which is a sister party of the Golden Dawn. Finally future research could focus on an analysis of the strategies and discourses of extreme right parties in order to nuance the ways in which these parties may themselves shape their own electoral fortunes when structural conditions are ripe.

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 Table 4: Demand and supply-side variables

|                       |        |                                        | Greece              | Portugal        | Spain               |
|-----------------------|--------|----------------------------------------|---------------------|-----------------|---------------------|
| Control               | Demand | External Financial                     | Yes                 | Yes             | Yes                 |
| variables             |        | Assistance                             |                     |                 |                     |
|                       |        | Government deficit as % of GDP         | High                | High            | High                |
|                       |        | Unemployment                           | High                | High            | High                |
|                       |        | Youth Unemployment                     | High                | High            | High                |
|                       |        | Real GDP growth rate                   | Negative            | Negative        | Negative            |
|                       | Supply | Electoral system                       | PR-Open list        | PR-Closed list  | PR-Closed list      |
|                       |        |                                        | D'Hondt             | D'Hondt         | D'Hondt             |
|                       |        | Party competition                      | Two main contenders | Two main blocks | Two main contenders |
|                       |        | Mainstream right-wing                  | High scores on      | High scores on  | High scores on      |
|                       |        | competitor                             | GAL/TAN             | GAL/TAN         | GAL/TAN             |
|                       |        |                                        | dimension           | dimension       | dimension           |
|                       |        | Fragmentation of the Right             | Yes                 | Yes             | Yes                 |
| Dependent<br>variable |        | Support for extreme right-wing parties | Increase            | No increase     | No increase         |

Table 1: Electoral results of the far right in Greece, Portugal and Spain

|           |             |      | <u>-</u> |
|-----------|-------------|------|----------|
| Greece    | Golden Dawn |      |          |
| 2015      | 6.28        |      |          |
| 2014 EP   | 9.39        |      |          |
| 2012 June | 6.92        |      |          |
| 2012 May  | 6.97        |      |          |
| 2009      | 0.29        |      |          |
|           |             |      |          |
| Portugal  | PNR         |      |          |
| 2014 EP   | 0.46        |      |          |
| 2011      | 0.32        |      |          |
| 2009      | 0.2         |      |          |
|           |             |      |          |
| Spain     | Spain 2000  | DN   |          |
| 2014 EP   | 0.00        | 0.08 |          |
| 2011      | 0.04        | 0.01 |          |
| 2008      | 0.03        | 0.05 | _        |
|           |             |      |          |
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**Table 2**: Economic indicators

|            | 2006        | 2007         | 2008 | 2009  | 2010  | 2011  | 2012  | 2013         | 2014 |
|------------|-------------|--------------|------|-------|-------|-------|-------|--------------|------|
| Governmen  | nt deficit  |              |      |       |       |       |       |              |      |
| Greece     | -6.1        | -6.7         | -9.9 | -15.2 | -11.0 | -10.1 | -8.6  | -12.1        | n/a  |
| Portugal   | -4.3        | -3.0         | -3.8 | -9.8  | -11.2 | -7.4  | -5.5  | <b>-</b> 4.9 | n/a  |
| Spain      | 2.2         | 2.0          | -4.4 | -10.9 | -9.4  | -9.4  | -10.3 | -6.8         | n/a  |
| Unemploy   | nent        |              |      |       |       |       |       |              |      |
| Greece     | 9.0         | 8.4          | 7.8  | 9.6   | 12.7  | 17.9  | 24.5  | 27.5         | 26.5 |
| Portugal   | 8.8         | 9.2          | 8.7  | 10.7  | 12.0  | 12.9  | 15.8  | 16.4         | 14.1 |
| Spain      | 8.5         | 8.2          | 11.3 | 17.9  | 19.9  | 21.4  | 24.8  | 26.1         | 24.5 |
| Youth uner | mployment   | (under 25 ye | ars) |       |       |       |       |              |      |
| Greece     | 25.0        | 22.7         | 21.9 | 25.7  | 33.0  | 44.7  | 55.3  | 58.3         | 52.3 |
| Portugal   | 21.1        | 21.5         | 21.5 | 25.3  | 27.9  | 30.3  | 37.9  | 38.1         | 34.8 |
| Spain      | 17.9        | 18.1         | 24.5 | 37.7  | 41.5  | 46.2  | 52.9  | 55.5         | 53.2 |
| Real GDP   | growth rate |              |      |       |       |       |       |              |      |
| Greece     | 5.8         | 3.5          | -0.4 | -4.4  | -5.4  | -8.9  | -6.6  | -3.9         | 0.8  |
| Portugal   | 1.6         | 2.5          | 0.2  | -3    | 1.9   | -1.8  | -3.3  | -1.4         | 0.9  |
| Spain      | 4.2         | 3.8          | 1.1  | -3.6  | 0     | -0.6  | -2.1  | -1.2         | 1.4  |

Sources: Government Deficit: OECD https://data.oecd.org/gga/general-government-<u>deficit.htm#indicator-chart</u>; Unemployment and Youth Unemployment: Eurostat http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\_rt\_a&lang=en; Real GDP

growth rate: Eurostat

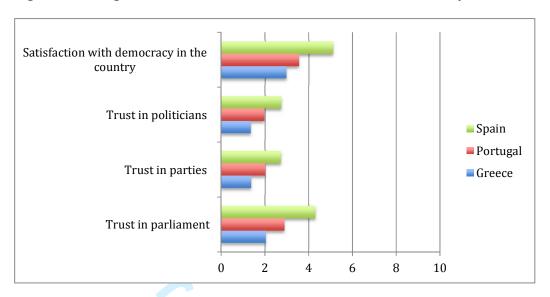
http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00115&

plugin=1

Table 3: Party positions on the GAL/TAN dimension

|                                                | Greece        | Portugal<br>Social      | Portugal                  | Spain          |  |
|------------------------------------------------|---------------|-------------------------|---------------------------|----------------|--|
|                                                | New Democracy | <b>Democratic Party</b> | <b>CDS-People's Party</b> | People's Party |  |
| Civil liberties vs. law and order              | 8             | 5.5                     | 9                         | 7.66667        |  |
| Social lifestyle (e.g. homosexuality)          | 7.09091       | 6.5                     | 9.16667                   | 7.81818        |  |
| The role of religious principles in politics   | 8.09091       | 6                       | 8.6                       | 7.63636        |  |
| Immigration policy                             | 7.8           | 6                       | 8.5                       | 7.18182        |  |
| Multiculturalism vs. assimilation              | 7.36364       | 5.2                     | 7.8                       | 7.7            |  |
| Ethnic minorities                              | 6.90909       | 5                       | 7.4                       | 7.81818        |  |
| Gal/Tan Dimension                              | 7.3000002     | 6.8333335               | 8.8000002                 | 8.166667       |  |
| <i>'ource</i> : Chapel Hill Expert survey 2010 |               |                         |                           | 0.100007       |  |
| Source: Chapel Hill Expert survey 2010         |               |                         |                           | 0.100007       |  |
| Source: Chapel Hill Expert survey 2010         |               |                         |                           | 3.10000,       |  |

Figure 1: Average trust in institutions and satisfaction with democracy



Source: European Social Survey (2010)

**Table 5:** Good governance indicators

|                                            | Greece        | Portugal      | Spain         |
|--------------------------------------------|---------------|---------------|---------------|
| Government<br>effectiveness<br>p-Rank 2012 | 62            | 81            | 82            |
| Regulatory<br>quality/ p-<br>Rank 2012     | 68            | 76            | 78            |
| Rule of law/<br>p-Rank 2012                | 64            | 82            | 83            |
| Control of corruption/<br>p-Rank 2012      | 51            | 78            | 82            |
| Corruption perceptions index 2011          | 3.4 (rank 80) | 6.1 (rank 32) | 6.2 (rank 31) |
| Patronage index                            | 0.62          | 0.29          | 0.40          |

Sources: World Bank for Government Effectiveness, Regulatory Quality, Rule of Law and Control of corruption; Transparency international for Corruption Perceptions Index; and Kopecky et al 2010 for patronage index.