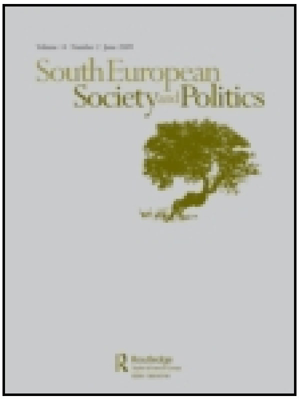

South European Society and Politics
Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/fses20

Electoral Epidemic: The Political Cost of Economic Crisis in Southern Europe, 2010-11

Anna Bosco & Susannah Verney

Version of record first published: 16 Nov 2012.

To cite this article: Anna Bosco & Susannah Verney (2012): Electoral Epidemic: The Political Cost of Economic Crisis in Southern Europe, 2010-11, South European Society and Politics, 17:2, 129-154

To link to this article: http://dx.doi.org/10.1080/13608746.2012.747272

South European Society and Politics
Vol. 17, No. 2, June 2012, pp. 129–154

Routledge
Taylor & Francis Group

Electoral Epidemic: The Political Cost of Economic Crisis in Southern Europe, 2010–11

Anna Bosco and Susannah Verney

This article introduces a collection of essays on the elections of 2010–11 in Italy, Greece, Portugal, Spain, Turkey, Cyprus and the Turkish Cypriot community. It examines the impact of the European sovereign debt crisis on electoral trends in the era of the Greek and Portuguese bailouts. After briefly examining the crisis economies, it investigates patterns of abstention, incumbent punishment and opposition success, including the rise of regional, anti-party, far-right and racist parties. The article concludes, following Krastev (Journal of Democracy, vol. 13, no. 3, 2002, pp. 39–53), that the crisis is creating 'democracy without choices' in Southern Europe with potentially destabilising consequences throughout the region.

Keywords: Eurozone Crisis; Sovereign Debt Crisis; Incumbent Punishment; Challenger Parties; Abstention; Southern Europe

To govern has become electorally very costly in Southern Europe. The international economic crisis has hit this region particularly hard, with deeply destabilising consequences for national political systems. The aim of this special issue is to investigate the political cost of economic crisis through a case-by-case examination of the unusually large number of elections that took place in 2010–11. The two-year period covered starts from the point when the European sovereign debt crisis first became critical at the beginning of 2010 and ends with the dramatic developments of November 2011. Each article in this volume stands alone as a study of a particular popular vote, providing us with detailed insight into the country-specific characteristics of each contest. When read together, this collection allows us to see the big picture of the electoral trends developing across the region as a whole—a picture that can only be disquieting for those concerned with the health of South European democracy.

ISSN 1360-8746 (print)/ISSN 1743-9612 (online) © 2012 Taylor & Francis
http://dx.doi.org/10.1080/13608746.2012.747272

In the following sections, this article first aims to establish just how exceptional the developments of this period were. It then sets the case of the South European region in a broader perspective, by discussing the malaise affecting political parties more generally even before the onset of the international economic crisis. Subsequently, it briefly delineates how that crisis affected South European economies, before turning to the pattern of electoral trends in the region as these emerge from our country case studies. The article concludes by attempting to assess the impact of these two years of economic crisis on the political health of Southern Europe. The overall goal of this introduction is to give a sense of the political consequences that governing in crisis conditions are having throughout the region.

Hard Times in Europe's South

November 2011 marked an exceptional moment in European politics. An unprecedented series of events saw the simultaneous downfall of the Greek, Italian and Spanish governments. On Thursday 3 November, Greek Prime Minister Georgios Papandreou asked parliament for a vote of confidence in order to negotiate the formation of a new coalition government that he would not lead. His successor was sworn in eight days later. The day after that, on Saturday 12 November, Italian Prime Minister Silvio Berlusconi tendered his resignation to the President of the Republic, with the new government taking office four days later. Just four more days went past before the Spanish Prime Minister, José Luis Rodríguez Zapatero, was defeated in the parliamentary elections. This triple dethronement took just 18 days. The November events were preceded five months earlier by another electoral defeat, that of the Portuguese government headed by José Sócrates. Thus, the year 2011 witnessed the ousting of the incumbents in all four countries of 'core' Southern Europe.

The joint downfall of the four governments was even more striking, given that only one was near the end of its term in office. In the case of Spain, elections would normally have been held four months later, in March 2012. But the Portuguese government was three months short of its mid-term point, which the Greek and Italian governments had just passed by one and two months, respectively.[1]

Of the four prime ministers, Sócrates was on his second term and had already suffered a significant 8.4 per cent loss in vote share in the 2009 election. However, Zapatero, also a second-term incumbent, had, unusually, been re-elected with an increased majority in 2008. Berlusconi, who had previously been elected twice (in 1994 and 2001), was now on his first term following the premature collapse of the preceding centre-left government. His centre-right coalition had won the 2008 election with a crushing 9.3 per cent lead over the centre-left. Papandreou, on his first prime-ministerial term, had been elected with an even more overwhelming lead, in this case of 10.4 per cent. Thus, such a rapid downfall of their governments would hardly have been expected under non-crisis conditions.

While the Spanish and Portuguese incumbents left after elections, both the Greek and Italian premiers quit when their parliamentary majorities were about to collapse, in both cases reflecting a prior loss of confidence among public opinion. After the Spanish and Portuguese elections, new governments were formed by the official opposition. In Greece and Italy, however, elections were viewed as a luxury that these two countries could not afford.

In both cases, new governments were formed based on new majorities shaped from the existing parliaments. Both the Italian and Greek successor governments were rather unusual. The Italian government consisted entirely of technocrats. This was not a complete novelty on the Italian political scene, as there had been the precedent of the technocratic cabinet headed by Lamberto Dini (January 1995 to May 1996). Dini was a former general director of the Bank of Italy, who had previously served as Treasury minister in the first Berlusconi government. In contrast, Mario Monti, appointed prime minister in November 2011, did not have any previous national political experience although he had served twice as a European Commissioner.[2] The Monti government, including civil servants and university professors, but no party or elected representatives, was sworn in with the support of all parliamentary groups, with the exception of the northern regionalist Lega Nord. The wide parliamentary majority and its internal differences have led Monti to term his government 'a large non-coalition' (Bosco & McDonnell forthcoming).

Meanwhile Greece, ever since the fall of the military dictatorship in 1974, had been ruled by one-party majority governments, except for nine brief months of coalition rule in 1989–90. Apart from short-term service governments formed to conduct elections, there had only been one case (the Zolotas government of November 1989 to March 1990) when the prime minister had not been an elected parliamentarian. Overturning national tradition, the new Greek government of November 2011 was a three-party coalition headed by a non-elected technocrat (Lucas Papademos, a former governor of the Bank of Greece and former vice-president of the European Central Bank). The coalition set a further national precedent by legitimating government participation by the far right.[3]

While the fate of the four national governments was spectacular, the rot was not limited to their abrupt demise. Even an election that saw the triumphant return of the incumbent—the Portuguese presidential contest of January 2011—resulted in a significant vote for independent candidates, indicating dissatisfaction with the main parties. At the sub-national level, the previous year saw the fall of the Catalan regional government while the defeat of incumbents emerged as a significant trend in the Greek municipal election (including the country's three major cities). In Italy, the regional elections of March 2010 were characterised by the emergence of an anti-politics tendency led by Beppe Grillo, a former comedian turned political blogger, whose 5-Stars Movement (Movimento 5 stelle, M5S) was consolidated in the local elections the following year.

Elsewhere in Southern Europe, in the presidential system of the Republic of Cyprus, the 2011 legislative elections could not bring about a change in the executive, but left the latter clearly weakened. In the northern part of the island, the Turkish Cypriots replaced their president, although this election did not appear to cause particular concern for the health of the party system. Only in Turkey did the incumbent government emerge triumphant from the 2011 parliamentary elections. But then in 2011 Turkey—unlike our five eurozone economies—was enjoying rapid economic growth.

While the picture drawn above is certainly striking, just how unusual were these South European elections and the rejection of governing parties which they entailed?

Putting Southern Europe into Perspective

As noted by Peter Mair, political parties in contemporary democracies have shown a diminishing capacity to exercise simultaneously the basic functions that allowed the development of modern democracies: to govern and to represent. According to Mair, 'in contemporary democracies, these two functions have begun to grow apart, with many of today's parties downplaying, or being forced to downplay, their representative role, and enhancing, or being forced to enhance their governing role' (Mair 2011, p. 8). More specifically, parties seem to have become less and less able to reconcile the demands for responsiveness (and therefore representation) with the demands of responsibility which are at the basis of party government.

Responsiveness—'whereby political leaders or governments listen to and then respond to the demands of citizens and groups' (Mair 2011, p. 10)—has become a difficult goal to attain, for reasons rooted in the development of contemporary democracies. Organisational changes that moved parties away from civil society and reduced the size of their memberships, the decline of large and homogeneous electorates which resulted in more fragmented and volatile groups of voters, and diminishing levels of party identification have made parties less able, on the one hand, to listen to their electoral base and to express the latter's demands and, on the other, to mobilise and persuade their voters.

At the same time, responsiveness has come into conflict with responsibility. Responsibility, 'whereby leaders and governments are expected to act prudently and consistently and to follow accepted procedural norms and practices', means that parties must live up to commitments and agreements 'with other governments and institutions' and this, in turn, involves 'an acceptance that in certain areas and in certain procedures, the leaders' hands will be tied' (Mair 2011, p. 11). Central banks, courts, international agencies and organisations, and European Union (EU) institutions are among the actors that have contributed to tie the leaders' hands.

As a consequence, parties are not only less capable than in the past of listening to and representing their voters, but also when in office they are unable to craft and implement the policies their voters asked for, since governments' freedom is severely constrained. This is particularly clear in the case of the EU, where 'much of the policy discretion and room for manoeuvre open to governments has been severely curtailed by the transfer of decision-making authority to the supranational level' (Mair 2011, p. 12). In short, tensions between the representative and governing roles played by parties are nothing new: they were already developing before the start of the financial and economic crisis and are not specific to Southern Europe. It is the international economic crisis, however, that has dramatically deepened these tensions in the European periphery.

The economic downturn has left government parties stuck between the devil and the deep blue sea, squeezed between the demands of their voters and those of a whole bunch of external actors such as the prime ministers of their EU partners, EU institutions, the International Monetary Fund (IMF), bond markets and rating agencies, and the European Central Bank. As the latter have come to control the supply of financial resources necessary to a state's survival, their sway over national governments has grown accordingly. Pulled between the pressures from their electoral constituencies for fiscal expansion and the demands of the resource suppliers for financial retrenchment, parties in office have had no easy choice.

The economic storm that has broken out in Southern Europe has shown that when incumbents are 'responsible'—abiding by the agreements with the external actors—they end up neglecting their voters' demands. This has imposed a heavy electoral toll on South European government parties, as the literature on economic voting has recently shown (Bellucci, Costa-Lobo & Lewis-Beck 2012). On the other hand, when incumbents avoid being 'responsible' and/or try to be primarily responsive to their voters, they lose international credibility, with dangerous consequences for the management of national sovereign debt and hence for the economic health of the country.

These two extremes are well represented by the trajectories followed on the one side by Zapatero in Spain and on the other by Berlusconi in Italy. Zapatero lost the 2011 elections because his voters felt betrayed by the U-turn in economic policy precipitated by EU pressures. In contrast, the Berlusconi government fell because it had not been 'responsible' enough, having put off the reforms necessary to promote the country's economic growth and financial stability. As a consequence of the above, political parties—and government parties in particular—have become among the least trusted institutions in Southern Europe.

While dissatisfaction with parties is a worldwide trend, it also has specific local causes. These need to be taken into account when it comes to understanding the factors that are changing South European democracies. For example, in Greece, government corruption scandals were a major cause of discontent, while in Italy the prime minister's involvement in sex scandals contributed to undermining his credibility. On the divided island of Cyprus, the lack of progress on the national question following the failure of the UN reunification plan in 2004 has obviously been a significant factor in explaining voter dissatisfaction among both Greek and Turkish Cypriots.

However, once the bomb of the economic crisis exploded in domestic politics, it tended to overshadow other issues. It is striking that even in the rather unusual case of Cyprus, where the island's division has always dominated the political scene, Christophorou (2012) cites opinion polls suggesting that in 2011 the state of the economy weighed more heavily than the national question among Greek Cypriot voters, while, as noted by Akşit (2012), the urgent need for economic restructuring was encouraging a shift in the issue focus of Turkish Cypriot politics.

However, the economic crisis has done much more than add yet another issue to such nationally specific causes of discontent as those cited above. Instead, it has brought all the failings of the national political systems into sharp relief. Voters distrust their political class not only because of the economic pain they are going through, but also because the crisis has brought a realisation of the role played in the economic problems afflicting their own country by the mismanagement—or, at best, lack of management—of their own governments. The advent of the crisis, in other words, has taught South Europeans an 'intensive class' in economic policy, highlighting the poor governance that characterised each national administration. This, in turn, has contributed to creating strong dissatisfaction with the parties and disillusion with politics in general. The next section will take a closer look at this powerful economic trigger of political discontent.

Crisis Economies

Milestones of the South European Crisis

The economic crisis in Southern Europe essentially dates back to the end of 2008, the year the Spanish housing bubble burst. The most significant event for the region as a whole was the collapse of Lehman Brothers in the US, triggering an intense new phase of crisis in the international financial system. Once money markets began reassessing comparative sovereign credit risk, Southern Europe became especially vulnerable. In particular, the countries of the southern eurozone, recipients of cheap credit over the previous decade, faced rapidly growing borrowing costs, soon to have dramatic consequences for both state finances and the real economy.

However, the moment that brought Southern Europe to the centre of the world map occurred in October 2009. This was the shock announcement by the recently elected socialist government that the country's real budget deficit for the year was likely to reach 12.7 per cent (four times the eurozone's specified limit) rather than the 3.7 per cent reported by its predecessor. At the same time, the national debt was recalculated at over 112 per cent of GDP, nearly twice the eurozone reference rate. With Greek public finances clearly unsustainable, the prospect of a Southern sovereign debt default had entered the agenda.

In April 2010, Greece became the first eurozone member to have its sovereign credit rating downgraded to junk status, effectively pricing it out of the markets. In May 2010, a bailout for Greece, entailing a €110 billion loan, was agreed by the EU, the IMF and the European Central Bank (rapidly known as the 'Troika'), on condition the country implement a radically front-loaded austerity policy and structural reform. As soon became apparent, the EU/IMF programme was drawn up on the basis of wildly unrealistic economic forecasts by the international lenders.[4] The austerity policy aggravated the recession already affecting the country, driving the debt-to-GDP ratio up to dizzying heights.

But the lack of credibility of the rescue programme was not the only cause of contagion to other states on the eurozone periphery. The original message of the Greek rescue was that markets could be confident the eurozone would intervene to prevent the bankruptcy of a member-state, hence making it safe to invest in the area. In autumn 2010, this was undermined by the agreement between the German Chancellor and French President that future bailouts should include debt restructuring, with the private sector asked to pay part of the cost. Following this development, confidence that South European debt would be repaid was further shaken and the sovereign debt crisis rapidly spread.

After a similar bailout was devised for Ireland (November 2010), it was the turn of Portugal, which in May 2011 agreed on a €78 billion loan package. In Spain, the eurozone crisis made its main entrance on the political scene in May 2010, at the time of the Greek bailout. Pressure from Ecofin (the EU Economic and Financial Affairs Council) forced the socialist incumbent to adopt a policy U-turn, abandoning the social expenditures that had become the government trademark and moving abruptly onto an austerity path. In July 2011, faced with the failure of the Greek rescue programme, a eurozone summit agreed there would be a second bailout for the country, to include private investors taking a 21 per cent loss on their Greek government bonds. This also proved a crunch point for other South European economies.

In Italy, the key moment occurred the following month, when the European Central Bank President, Jean-Claude Trichet, and the Governor of the Bank of Italy, Mario Draghi, sent a letter to Prime Minister Berlusconi, calling on his government to implement a rich menu of reforms aimed at promoting growth and ensuring financial stability. Summer 2011 also saw international attention turn to the Republic of Cyprus, given the exposure of its banks to Greek sovereign debt and their resulting threatened losses from the planned Greek bond 'haircut'. Speculation followed in the international financial press about a future Troika package for the Republic of Cyprus, although this prospect seemed to have been averted, at least temporarily, when the government signed an agreement for a €2.5 billion loan from Russia in December.

The last act in the South European financial drama before the startling political denouement in November was the emergency eurozone summit of October 2011. With the 21 per cent bond 'haircut' agreed three months earlier clearly inadequate to contain Greece's spiralling debt, the summit decided to increase private sector losses to 50 per cent. It seemed highly doubtful that this step would be sufficient to resolve the Greek debt problem, while the changing parameters of the crisis resolution policy further undermined confidence in the financial markets, indicating a likely perpetuation of the crisis.

National Variations within the Broader Picture

Data show that each South European economy has been struggling with a crisis that presented a different mix of features. The starting point of the recession, as shown in Tables 1 to 7, was not the same in all countries. For Cyprus, Portugal, Spain and Turkey, the first year of negative GDP growth was 2009, while in Greece, Italy and also in the non-internationally recognised 'TRNC' ('Turkish Republic of Northern Cyprus') recession had started a year earlier. In addition, by the end of 2011, the various South European economies had been struggling with recession for different time spans: ranging from the 12 months of Cyprus and Turkey to the dramatic four years of Greece (2008–11), while Portugal seemed to be the only case of double-dip recession (recession, then short-term recovery followed by recession again). Turkey and its dependency, the 'TRNC', on the other hand, both showed sustained growth after the severe decline of 2009. Accordingly, at the end of the period covered in this special issue, South European countries can be divided into three groups: those still in recession (Portugal and Greece), those stuck in a borderland characterised by low growth rates (Cyprus, Italy and Spain), and those that seem to have overcome the crisis and exhibited high growth rates (Turkey and the 'TRNC'). Each group, however, presents internal differences.

Table 1 Economic Indicators of Crisis: The Case of Greece

Indicator	2007	2008	2009	2010	2011
Real GDP growth (% of GDP)	3.9*	−0.2	−3.1	−4.9	−7.1
Unemployment (%)	8.3	7.7	9.5	12.6	17.7
Public debt (% of GDP)	107.4	112.9	129.7	148.3	170.6
Government deficit (–) or surplus (+) (% of GDP)	−6.5	−9.8	−15.6	−10.7	−9.4

Source: Eurostat.
* Annual average for 1998–2007.

The hardest hit: the two bailout countries. The two countries in recession at the end of 2011—Greece and Portugal—had different economic backgrounds. The Greek economy had been booming in the years immediately before the 2008 financial crisis, when it had enjoyed the fastest growth rates in the eurozone, accompanied by a sharp reduction in unemployment (Pagoulatos & Triantopoulos 2009, p. 36). However, the country suffered from chronic high public indebtedness and fiscal deficit due, among other causes, to the low reform capacity of its political class, the clientelistic use of public-sector jobs, and extensive tax evasion (Kaplanoglou & Rapanos forthcoming). This had already led to Greek entry into the EU's excessive deficit procedure in 2004, which Greece had exited in 2007. Following the revelations about the true state of public finances in October 2009, the country's low credibility played against it: its sovereign debt rating was repeatedly downgraded and speculative attacks in the financial markets made the bailout inevitable. The extent of Greece's subsequent downward spiral really became apparent in 2011, when the unprecedented drop in GDP suggested the economy had entered a death spiral, the unemployment rate was almost double its 2007 level and the debt-to-GDP ratio had risen by more than 60 per cent of GDP in just five years (see Table 1).

Table 2 Economic Indicators of Crisis: The Case of Portugal

Indicator	2007	2008	2009	2010	2011
Real GDP growth (% of GDP)	2.1*	0.0	− 2.9	1.4	− 1.7
Unemployment (%)	8.9	8.5	10.6	12.0	12.9
Public debt (% of GDP)	68.4	71.7	83.2	93.5	108.1
Government deficit (−) or surplus (+) (% of GDP)	− 3.1	− 3.6	− 10.2	− 9.8	− 4.4

Source: Eurostat.
* Annual average for 1998–2007.

Unlike Greece, Portugal had been characterised at least since 2002 by weak growth (which had turned negative in 2003) and by rising unemployment and fiscal imbalances that had cost the country two spells under the EU's excessive deficit procedure, in 2001 and 2005. Just before the eruption of the 2008 financial turmoil, the incumbent socialist government began to implement austerity policies and reforms aimed at fiscal consolidation. The new financial downturn, therefore, 'caught Portugal in the middle of an adjustment process' that had been 'slow and partial' (Torres 2009, p. 67), adding new austerity to old and inaugurating a painful new phase of stagnation and recession, characterised by rising unemployment and public debt (see Table 2).

Despite their different starting points, a point that the two countries had in common was that the financial rescue and harsh restrictive measures that Greece and Portugal were required to implement did not seem to have ameliorated the debt burden, which reached new heights in 2011, instead driving the two countries further into recession and driving up unemployment to historical records.

No bailout, no growth. While the micro-state of the Republic of Cyprus and the big EU members, Italy and Spain, may not immediately spring to mind as a likely grouping, in 2010–11 these three countries shared two important features. Unlike Greece and Portugal, they did not need a financial rescue but nor were they on a sustained growth path.

Within this group, the Republic of Cyprus showed remarkable stability: in the crunch year of 2009 it experienced the smallest contraction in GDP growth of all our South European cases, unemployment rose less than elsewhere and the burden of public debt was slightly lower than in 2007, while the government even managed to maintain a budget surplus in 2007 and 2008 (see Table 3). Behind these relatively positive data were local factors such as strong population growth, the low-tax corporate regime and the recent transition to a service economy (Besim & Mullen 2009, p. 89), but also the fact that the Republic of Cyprus had joined the EU in 2004 and had adopted the euro in 2008. With euro membership in sight, in other words, Cyprus's economic policy had been devoted to 'putting the house in order' in the years preceding the 2008 financial crisis and this initially allowed it to resist the economic turmoil better than elsewhere. It was only during 2011, when the viability of the main

Table 3 Economic Indicators of Crisis: The Case of the Republic of Cyprus

Indicator	2007	2008	2009	2010	2011
Real GDP growth (% of GDP)	4.0*	3.6	− 1.9	1.3	0.5
Unemployment (%)	4.1	3.8	5.5	6.4	7.9
Public debt (% of GDP)	58.8	48.9	58.5	61.3	71.1
Government deficit (–) or surplus (+) (% of GDP)	3.5	0.9	− 6.1	− 5.3	− 6.3

Source: Eurostat.
*Annual average for 1998–2007.

Cypriot banks was threatened by the planned write-off of Greek public debt, that the problems became more serious and a possible future bailout entered the agenda.

When the financial crisis landed in the eurozone in 2008, Italy and Spain, the two largest economies of the South European periphery, had different weaknesses. In the decade preceding the crisis, Italy's growth performance had been the worst among the South European member states (and indeed in the EU as a whole). Convergence with the criteria for Economic and Monetary Union (EMU) had involved tightening both the budget deficit and the public debt. However, even after the reforms undertaken to join the eurozone in 1999, many of Italy's main problems remained unsolved (including a large unofficial economy, limited R&D investment, low productivity, high unit labour costs, lack of competition in the service sector and serious territorial imbalances, to name but a few) while fiscal policy reverted to a loose pattern. As a result, the Italian government faced the consequences of the 2008 crisis constrained by a rising budget deficit and a public debt considerably in excess of 100 per cent of GDP (see Table 4). The high level of Italian indebtedness was nothing new and the capacity of the Italian Treasury to issue, manage and honour the debt was recognised worldwide (Jones forthcoming). However, when the prospect of a Greek default turned the credit crunch into a sovereign debt crisis, confidence in the Italian bond market rapidly declined, bringing it under speculative attack and raising the external pressure on the government to work for financial stability—as the August 2011 letter from Trichet and Draghi made clear. At the same time, the scale of the debt and deficit ruled out expansive fiscal policies to counteract the negative effects of the crisis on the real economy.

Table 4 Economic Indicators of Crisis: The Case of Italy

Indicator	2007	2008	2009	2010	2011
Real GDP growth (% of GDP)	1.5*	− 1.2	− 5.5	1.8	0.4
Unemployment (%)	6.1	6.7	7.8	8.4	8.4
Public debt (% of GDP)	103.0	106.1	116.4	119.2	120.7
Government deficit (–) or surplus (+) (% of GDP)	− 1.6	− 2.7	− 5.4	− 4.5	− 3.9

Source: Eurostat.
* Annual average for 1998–2007.

Table 5 Economic Indicators of Crisis: The Case of Spain

Indicator	2007	2008	2009	2010	2011
Real GDP growth (% of GDP)	3.8*	0.9	− 3.7	− 0.3	0.4
Unemployment (%)	8.3	11.3	18.0	20.1	21.7
Public debt (% of GDP)	36.3	40.2	53.9	61.5	69.3
Government deficit (−) or surplus (+) (% of GDP)	1.9	− 4.5	− 11.2	− 9.7	− 9.4

Source: Eurostat.
* Annual average for 1998–2007.

The opposite happened in Spain, where expansive policies were introduced and later reversed. Before 2008, Spain had been the protagonist of one of the most commented-on success stories in Europe. In contrast to the situation in Italy, the 1998–2007 decade was characterised by vigorous economic growth, the reduction of unemployment, a relatively small public debt (36.3 per cent in 2007) and a comfortable government surplus for three years in a row (2005–07) (see Table 5). The Spanish economic miracle, however, rested on feet of clay. Once the financial crisis and the related credit crunch touched the country, the flourishing household consumption and the boom in the real-estate market, which had sustained the long period of growth, turned into high private indebtedness, threatening the stability of the banking system. In just three years (2007–09), Spain's growth, from its earlier annual average of 3.8 per cent, declined to an equivalent level of negative growth (−3.7 per cent), while the country's public debt increased by almost 18 points and its former budget surplus turned into a two-digit deficit. The most dramatic consequence of the crisis, however, concerned the unemployment rate, which more than doubled in 2007–09. The data become really impressive in the case of those aged under 25. The *generación perdida* (lost generation) included almost half the Spanish youth in 2011, a truly poisonous aspect of the Spanish crisis.

The Italian and Spanish governments, both elected in 2008, when the financial turmoil was already on the horizon, initially tried to buy time, denying the gravity of the economic problems. In Italy, where growth had been sluggish for over a decade but unemployment rose very little between 2008 and 2011, the strategy of denial seemed to work until 2011. In Spain, on the other hand, the economic stop could not be ignored, as the country had just emerged from a boom decade that contrasted sharply with the current state of crisis. Zapatero was therefore forced to abandon the strategy of denial much earlier than Berlusconi and to promote expansionary policies to assuage the consequences of the crisis (Royo 2009). These policies, however, could not be implemented for an extended period and, as already noted, the Spanish government was obliged to discard them in May 2010 in favour of harsh austerity measures.

Short crisis, rapid recovery. Turkey and its Turkish Cypriot satellite shared a short V-shaped recession, with an impressive GDP contraction in 2009 (−4.8 and − 5.5 per cent, respectively) followed by a recovery in the next two years. The striking passage from recession to growth brought employment creation following the job losses that had taken

Table 6 Economic Indicators of Crisis: The Case of Turkey

Indicator	2007	2008	2009	2010	2011
Real GDP growth (% of GDP)	4.3*	0.7	− 4.8	9.0	8.5
Unemployment (%)	8.8	9.7	12.5	10.7	8.8
Public debt (% of GDP)	39.9	40.0	46.1	42.4	40.1
Government deficit (−) or surplus (+) (% of GDP)	− 1.5	− 2.8	− 7.0	− 2.6	–

Source: Eurostat; for public debt 2011, Economist Intelligence Unit Report, September 2012.
* Annual average for 1998–2007.

place in 2009. These are the only cases in Southern Europe where the number of unemployed in 2011 was lower or only slightly higher than in 2007, before the beginning of the crisis (see Tables 6 and 7). During the two-year period 2010–11, Turkey recorded particularly strong growth rates, analogous to those it had enjoyed in 2004–05. Meanwhile, the short recession and strong recovery helped Turkey to reduce the weight of its budget deficit and public debt. After rising in 2008 and 2009, in 2011 the latter was back at approximately the same level as in 2008. By 2011, the former poor cousin to the Southern eurozone had thus gained the status of the most dynamic South European economy.

Table 7 Economic Indicators of Crisis: The Case of the Turkish Cypriot Economy

Indicator	2007	2008	2009	2010	2011
Real GDP growth (% of GDP)	2.8	− 2.9	− 5.5	3.7	3.3
Unemployment (%)	9.4	9.8	12.4	11.9	9.7
Public debt (% of GDP)	100.0	116.0	130.0	139.0	141.0
Government deficit (−) or surplus (+) (% of GDP)	− 6.2	− 9.3	− 13.5	− 10.1	–

Source: State Planning Organisation (SPO), *Dünya ve KKTC Ekonomisine Bakış: 2012 Yılı I. Çeyrek*, 3 August 2012, Lefkoşa, KKTC.

It should be noted that the economy of northern Cyprus is highly dependent on Turkey and this explains the similarity in economic trends. While the 'TRNC' has strikingly high levels of budget deficit (13.5 per cent in 2009), these are financed with transfers from Turkey which are never paid back. As a consequence, deficit financing does not create any risk to the financial market and the economy. In the same vein, the astonishing level of 2011 public debt—141 per cent of GDP—was in reality much lower. Domestic debt in 2011 amounted to 53 per cent of GDP while the rest consisted of foreign debt (i.e. loans from Turkey) which is not expected to be repaid.[5]

Having established the crisis climate, now let us turn to its impact on elections.

Crisis Elections: The Case Studies

The case studies examined in this volume concern 12 votes that took place across Southern Europe during 2010–11 (shown in Table 8). Four of these took place in 2010 and the remaining eight, including the early parliamentary elections in Portugal and

Table 8 Electoral Contests in Southern Europe, 2010–11

Date	Country	Level
28–29 March 2010	Italy	Regional
18 April 2010	'TRNC'	Presidential
7 & 14 November 2010	Greece	Regional and municipal
28 November 2010	Spain (Catalonia)	Regional
23 January 2011	Portugal	Presidential
15–16 May 2011	Italy	Municipal and provincial
22 May 2011	Spain	Municipal and regional
22 May 2011	Cyprus	Parliamentary
5 June 2011	Portugal	Parliamentary
12 June 2011	Turkey	Parliamentary
12–13 June 2011	Italy	National referendums
20 November 2011	Spain	Parliamentary

Spain, in 2011. Of the seven South European states, Malta was the only one that did not hold either general or local elections during this period.[6] There were three votes in Italy (a national-level referendum and two sub-national elections) and in Spain (one national and two sub-national), two in Portugal (both national) and one in Greece (sub-national) and in Turkey (national). On the divided island of Cyprus, there was a national election in the Republic of Cyprus and a community-wide vote within the Turkish Cypriot community in the northern part of the island. Our case studies thus include four cases of legislative and two presidential elections, five sub-national contests and one national-level referendum (with four questions). This provides a varied range of case studies across different national contexts, with which to measure the level of political discontent across the region.

In examining the case studies, the coincidence of the election dates with the unfolding of the crisis at the European and national levels outlined in the previous section may have a bearing on the punishment meted out by the electorate. In some cases, there seemed little scope for voter clemency towards the party in power. All three Spanish elections followed both the Greek bailout and the national switch to an unpopular austerity policy and took place against a background of rapidly rising unemployment. In Portugal, both contests occurred after a protracted period of socialist austerity, the parliamentary election coming just a few weeks after the agreement on the EU/IMF bailout.

In contrast, in the Republic of Cyprus, the parliamentary elections took place with black clouds already gathering on the horizon but before the crucial decision for Greek debt restructuring with private sector involvement had been taken. Curiously, in Greece itself, the only popular vote of this period may also be seen as an interim election. Although the local government elections came six months after the EU/IMF bailout, they preceded the really dramatic deterioriation of the economy which, as we saw, took place in 2011. Meanwhile, the three Italian votes, taking place at different points in the evolution of the crisis, provided a clear illustration of how the latter was mirrored in rising political discontent. The limited disapproval of the Berlusconi government recorded in the regional elections held two months before the first Greek bailout had risen to a crescendo by the time of the national referendum held 15 months later.

For the Turkish Cypriots, the vote for their president came after two years of recession and rising unemployment, for which the incumbent could be expected to pay. However, as we have seen, the election was followed by a return to growth and job creation, suggesting that this defeat was unlikely to be followed by a deeper political crisis. Finally, the Turkish parliamentary poll occurred when the country had already fully recovered from the brief recession of 2009 and was enjoying real growth rates unthinkable elsewhere in Southern Europe. Turkey thus becomes a 'control case' for the political impact of the economic crisis, against which its crisis-struck South European neighbours can be measured.

The aim of the following sections is to provide an overall view of these elections, indicating the electoral trends that were emerging across the South European region in the new climate of crisis.

Incumbent Punishment

As we have already seen, incumbent punishment seems to have become the hallmark of crisis elections in Southern Europe. Given our substantial number of sub-national elections, the question arises of whether the incumbent being punished is the local or the national one. One of the characteristics of the period under consideration is that not only national elections but also sub-national ones became rather exciting. In some cases, they even attracted considerable international interest, notably the Greek local government elections of 2010, the crucial first electoral test after an EU/IMF bailout. All our authors seem to agree that in 2010–11, national political considerations were at centre stage in the sub-national contests. Against the backdrop of the economic crisis with its deeply destabilising effects, regional and local polls thus acted as important indicators of central government viability—and, in the cases of both Italy and Spain, as portents of their approaching downfall.

A Rule with Few Exceptions

Of our 12 votes, only two could be regarded as unequivocal victories for the incumbent. Both these cases can be regarded as exceptions that proved the rule. The first was our 'control case' of the parliamentary election in Turkey, where, as Aydın-Düzgit (2012) so neatly puts it, there was 'no crisis, no change' of government. In considering the Turkish case, it should be borne in mind that this country had already undergone its own political earthquake a decade earlier. In the wake of an economic crisis and IMF intervention, the 2002 Parliament had included none of the five parties elected in 1999, regardless of whether they had been in government or opposition. This rout of the old political class had resulted in the rise of the Islamist AKP (Justice and Development Party), which in 2011 was re-elected for its third term. Turkey's governmental stability, which in 2011 stood in marked contrast to the instability in the southern eurozone, was thus built on a previous period of turmoil which had resulted in the reshaping of the party system.

However, this did not mean that the Turkish governing party was immune to economic pressures. As we have seen above, in 2009 the Turkish economy suffered a sudden drop in growth, accompanied by a rise in unemployment. This was reflected in the results of the 2009 municipal elections, in which support for the governing party decreased, whether compared with the 2004 local elections (three per cent) or the 2007 parliamentary election (seven per cent) (see Çarkoglu 2009). Analysts' predictions that this marked the beginning of the end of AKP hegemony were confounded by the rapid growth and falling unemployment of the following years, the context in which the 2011 parliamentary election took place.

The second exception concerned the presidential election in Portugal. As Carlos Jalali (2012) explains in some detail, this election was a special case due to the way in which semi-presidentialism creates an incumbency advantage. This is attributable both to the direct benefits of holding office and to the way in which the system serves to deter high-quality challengers. It could also be noted that, although under the Portuguese Constitution the president potentially has quite wide-ranging powers, in practice Portuguese presidents have tended not to use them. Because the president does not play a direct day-to-day role in the running of the country, he or she is less likely to be held accountable for present ills by the electorate.

In two other cases, the national incumbent claimed victory in a sub-national election. Six months after the collapse of Lehman Brothers, the Italian regional elections confirmed that, despite some expression of discontent, the ruling centre-right coalition remained the first political force (Corbetta 2012). Even more striking, the governing socialists in Greece remained first party six months after the country's 2010 bailout by the EU and IMF. In the Greek case, though, another incumbent Greek government had already been ousted as a result of the crisis. In fact, the Greek legislative election of October 2009 had been the first manifestation of a pattern that was to become all too familiar two years later. In this early 'crisis election', the centre-right New Democracy had called an early vote halfway through the parliamentary term. The result was the party's ejection from office with its lowest-ever electoral support since its foundation 35 years earlier, entailing the loss of 20 per cent of its 2007 vote share.[7] Just one year later, perhaps it was a little early for a second governing party to suffer a similar fate. Moreover, in both the Italian and Greek sub-national contests, although the governing parties came first, the elections also indicated a significant loss of electoral support, so that both could also be interpreted as defeats.

It is also worth noting that both of these elections were held in 2010. Our case studies indicate a progression of the political impact of economic crisis in Southern Europe. The first of our elections, the Italian regional contest of March 2010, was the closest to suggesting business as usual. In contrast 2011 became a year of nemesis. Apart from these four contests, in all the other elections, the incumbent was the clear loser.

The Punished Incumbents

In Spain, the key feature of all three electoral contests of 2010–11 was the dramatic decline in the socialist vote. The previously popular Zapatero was held widely responsible by the electorate for not responding earlier to the national economic crisis following the bursting of the Spanish property bubble and subsequently for the abrupt switch from an expansionary economic policy to fiscal retrenchment in May 2010, with the latter leaving socialist voters feeling betrayed. This was clearly reflected in the election for the Catalan parliament in November 2010. The socialists, the leading party in the Catalan regional government, lost 8.4 per cent of the total vote, falling to their lowest ever level in Catalonia. Six months later, in the local and regional elections of May 2011, held against the background of the 'Indignados' protest movement against the austerity policy, the Spanish socialist party obtained 'its worst results since 1977' (Barreiro & Sánchez-Cuenca 2012). The PSOE ceased to govern several regions while in the municipal election the party's vote was reduced to 27.8 per cent, falling by 7.1 per cent of the total vote compared with the previous elections of 2007. Six months after that, in the national parliamentary election of November 2011 the socialist vote plunged by a staggering 15.1 per cent, down to 28.8 per cent from the 43.9 per cent the party had won three-and-a-half years earlier.

In Italy, the common outcome of both votes in 2011 was the major blow to the personal prestige of Prime Minister Berlusconi and his government. In the May local elections, the centre-right governing coalition won only 40 of the 133 municipalities with at least 15,000 inhabitants, compared with the 55 that it had held previously. The key defeat, because of its impact on the Prime Minister's prestige, occurred in Berlusconi's home town of Milan. The Prime Minister personally campaigned on behalf of the centre-right candidate, who was defeated by a startling margin of over ten per cent in the second round. One month later, the referendum, whose four questions all concerned legislation passed by the centre-right government, resulted in a resounding rejection of the latter's policy, with over 94 per cent of voters supporting the repeal of every one of the laws. In Portugal, where the legislative elections followed shortly after the EU/IMF bailout, the incumbent socialists lost 8.5 per cent of the total vote, reduced to 28.1 per cent from the 36.6 per cent they had polled just 21 months earlier. As in Spain, this election left the socialists' support limited to significantly less than one-third of the electorate (Magalhães 2012).

In the Republic of Cyprus, the communist AKEL (Progressive Party of the Working People), the party of the President of the Republic, actually increased its vote share in the parliamentary elections by 1.6 per cent and gained an additional parliamentary seat. However, as Christophorou (2012) points out, this percentage rise was due to a significant jump in abstention whereas in absolute numbers the party lost voters. At the same time, AKEL was relegated to second place, losing the position as first political force which it had occupied since 2001. Although under the presidential system the government did not fall, it emerged from the election with its legitimacy clearly reduced. Meanwhile, in the non-internationally recognised northern part of the island, the incumbent president of the Turkish Cypriots, Mehmet Ali Talat, was ousted after one term in office, losing a substantial 12.7 per cent of the total electorate and falling to 42.9 per cent compared with the 55.6 per cent he had won in his 2005 victory.

Thus, leaving aside the exceptional cases mentioned above, the overall picture from our South European elections is one of incumbent punishment seeming to become a rule across the region. Moreover, governing party losses often occurred on a scale exceeding the expected swings between governing parties alternating in power. In the Spanish case, for example, the extent of the socialists' decline and its repetition across electoral contests at different levels within the polity suggested something more than a run-of-the-mill political defeat. It indicated rather a development with potential long-term consequences for the party system.

Opposition Success?

Reinforcing this picture was the fact that in several of our South European elections, the incumbent parties' loss was not, as would normally have been expected, the official opposition's gain. Perhaps the most notable instance concerned Spain. As Barreiro and Sánchez-Cuenca (2012) note, by the end of 2011 the centre-right PP (Partido Popular) appeared to have become a hegemonic force in Spanish politics, not only holding power at the national level, but also heading or participating in 12 of the 17 regional governments and running many of the major cities. Yet in the parliamentary elections, despite the 15.1 per cent of the total vote lost by the socialists, the PP increased its own vote by only 4.7 per cent. Similarly, in the local and regional elections six months earlier, the PP vote rose by only 2.1 per cent, less than one-third of the socialists' 7.1 per cent drop. Thus, the party's new dominance in Spanish politics was not founded on a significant expansion of its electoral base.

Italy provides another example. In the municipal elections of May 2011, Berlusconi's humiliation brought only limited benefits for the centre-left opposition. The latter, while gaining an additional nine of the municipalities with over 15,000 residents, actually suffered a 1.2 per cent decline in vote share compared with the previous year's regional elections in the same municipalities (Chiaramonte & D'Alimonte 2012). However, this picture of limited gain for the official opposition did not apply, for example, in the case of Portugal, where the vote increase for the centre-right PSD, the parliamentary election winner, exceeded the socialists' loss.

The Far Left

Another interesting development was that the capitalist crisis brought only limited gains for the traditional far left. In the Republic of Cyprus, the communist party had always been a major political force and from 2003 had participated in government. In contrast, in Turkey, the far left did not participate in Parliament at all. Elsewhere in Southern Europe, the traditional far left was a minor player—and remained so in 2010–11.

Thus, in the Spanish parliamentary election, the traditional third party, IU (Izquierda Unida – United Left), almost doubled its electoral strength, from 3.8 per cent in 2008 to 6.9 per cent in 2011. But the increase of 3.1 per cent of the total vote, while significant for IU, represented only a small proportion of the socialists' 15.1 per cent loss. Similarly, in the earlier local elections, IU gained less than an additional one per cent of the total vote despite the socialists' 7.1 per cent loss. In the Portuguese parliamentary contest, in which the socialists lost 8.5 per cent of the vote, the far left vote actually fell. While communist party support at 7.9 per cent remained unchanged, the Left Bloc lost 4.6 per cent of the total vote, almost half its 2009 vote share. Thus, in the Portuguese case, the crisis seemed to have led the electorate to make a distinct shift to the right.

In post-bailout Greece, the communist party did capture some of the protest vote, registering a nationwide total of 9.9 per cent in the country's first regional elections[8] while its vote reached double figures in two of the three main municipalities that serve as the main measure of success in Greek local elections. But, despite a limited increase in its electoral strength, the Greek communist party essentially consolidated its traditional position as the third force playing a marginal role in a two-party system. Meanwhile, the Radical Left Coalition (SYRIZA), the other parliamentary party in this area of the Greek political spectrum, did not succeed in increasing its vote.[9] However, a big surprise of the 2010 local government elections in Greece was the performance of an extra-parliamentary party, ANDARSYA (Anticapitalist Left Collaboration for the Overthrow), which won a single seat on seven regional and 12 municipal councils. While this hardly turned ANDARSYA into a significant player in local government, it did suggest that in the Greek case there might be potential for a radicalisation of the electorate towards the left (Verney 2012).

If, with the Greek exception, the protest vote was not mainly moving in a traditional anti-capitalist direction, where were disaffected voters turning?

Spain: The Regionalist Alternative

In Spain, the period 2010–11 saw a significant rise in support for regional nationalist parties, although this was not always because of the crisis. The most striking result in the 2011 local elections occurred in the Basque Country, where Batasuna, regarded as the political wing of the terrorist ETA (Basque Homeland and Liberty), had been banned since 2003. In 2011, a new situation developed following ETA's decision to announce a truce. Bildu, a left-wing separatist party officially launched six weeks before the election and initially also banned for alleged links with Batasuna, emerged as second party in the election with 25.4 per cent of the vote. This outcome, indicating new prospects for Basque separatism if it pursued a peaceful path, contributed to ETA's official decision to renounce violence a few months later.

Meanwhile in the Catalan parliamentary election, the main beneficiary of the socialist decline was the moderate nationalist CiU (Convergència I Unió), up from 31.5 per cent of the vote in 2006 to 38.4 per cent in 2010. The centre-right CiU had been the traditional party of power in Catalonia from 1980 to 2003, so after two terms of a left-wing coalition the CiU's return to power could be seen as a normal alternation in government. However, in 2010 the question of Catalonia's relations with the Spanish state had been at centre stage for several years, following the reform of the Catalan Statute of Autonomy in 2006 to grant more powers to the region and the subsequent limitation of this reform by a Constitutional Court decision. This election, occurring against a background of multiple municipal 'referendums' on Catalan independence during the previous year, also saw the entry to parliament of a pro-secessionist party, Catalan Solidarity for Independence, which gained 3.3 per cent of the vote in its first electoral contest (see Rico 2012).

Then in the national parliamentary election of 2011, CiU increased its vote from 3.0 to 4.2 per cent while three regional parties entered the Spanish national parliament for the first time. They included a new Basque coalition, Amaiur, founded by former members of Bildu and other Basque nationalist groups, which gained 1.4 per cent of the national vote and seven seats.

This outcome may have significant consequences for Spain's future political stability. In the previous national parliamentary election of 2008, the two main parties had reached the highest concentration of votes in the democratic period, together receiving 83.8 per cent of the votes and holding 92.3 per cent of the seats in the Congreso de los Diputados, the parliament's powerful lower chamber. In the 2011 election, however, the proportion of votes (73.4 per cent) and Congreso seats (84.6 per cent) showed a reversal in the concentration trend that had been a feature of Spanish elections since 1996, when the PP won office for the first time. The main consequence of this U-turn was the increase in party fragmentation at the parliamentary level, as the number of parties represented in the Congreso jumped from 10 to 13, one of the highest figures since 1977. With the three new entrants, the number of regional parties rose from six to nine, together accounting for over ten per cent of MPs.[10]

At a time of economic crisis, regional and regional-nationalist parties, such as those from Catalonia and the Basque Country, may be tempted to raise demands for fiscal and political autonomy in order to mobilise their voters. Such demands are not easily manageable, especially in an era of fiscal retrenchment and by a right-wing governing party that has in the past been hostile to every form of decentralisation. This suggests that the decline of the socialists as a result of the economic crisis and the concomitant rise in support for regionally based parties may encourage centrifugal tendencies dangerous for the integrity of the Spanish state.

New Challengers

In the Spanish case, the crisis gave birth in May 2011 to the Indignados social movement, a non-party protest against fiscal retrenchment, operating in a non-traditional manner and mobilised by social media. However, the movement did not develop into a new political party. Elsewhere in Southern Europe, other electorates appeared willing to turn in new directions. In the period 2010–11, several new challenger parties emerged, whose common characteristic was the rejection of the existing system.

In Italy, the M5S , which took shape in the late 2000s, was founded by comedian and popular blogger Beppe Grillo. The party, largely built through social networking, campaigned primarily on an anti-corruption and anti-party platform with an added environmental politics dimension. The M5S made its first electoral appearance in the spring 2010 regional elections, in which it won its first four council seats. The party's vote share averaged 3.7 per cent across the five regions it contested, with a high point of 7.0 per cent in Emilia-Romagna. In the 2011 municipal elections, the M5S won 3.1 per cent of the total vote and appointed four mayors. This included a striking victory in the city of Parma, where the party's candidate won 60 per cent of the vote in the second-round run-off.

Meanwhile, the economic crisis, by aggravating the problem of unemployment, made the issue of undocumented immigration in the EU's southern frontline even more explosive than before. In some countries, this opened new opportunities for the far right. In Greece, a radical right party had been represented in Parliament since 2007. LAOS (Popular Orthodox Rally), which had supported the Greek bailout and was the only opposition party in May 2010 to vote in favour of the Memorandum of Understanding with the country's international creditors, emerged clearly weakened from the local government elections six months later. Its relative defeat included the failure to elect a single municipal councillor in the country's capital. Instead a seat on the Athens city council was won by a neo-nazi group, Golden Dawn, known for its violent attacks on immigrants. Golden Dawn had existed on the far fringes of the Greek political system for decades. In the context of the economic crisis, the party was able to win its first elected post.

Meanwhile, Golden Dawn's sister party in the Republic of Cyprus, ELAM (National Popular Front), founded in 2008, won 1.1 per cent of the vote in its first parliamentary election in 2011. Although this was not enough to win a seat, this dynamic first appearance suggested potential for the future. In Catalonia, the PxC (Platform for Catalonia), an issue party that focuses on immigration from Islamic countries, failed to enter the Catalan parliament in 2010. However, with 2.4 per cent, it had the highest vote share of all the extra-parliamentary parties. In the 2011 municipal election, PxC won 2.3 per cent of the vote and 67 out of 9,137 local council seats, up from 17 in 2007.

Two South European states constitute exceptions to this rise of new challengers. Once again, one of these is our 'control' case, Turkey, where the 2011 election saw the same constellation of political forces[11] returned to Parliament as in 2007. The other was Portugal, where the parliamentary elections produced no new entrants to Parliament and only a small rise in support for extra-parliamentary parties (from 4.1 to 5.3 per cent). However, it is worth noting that in the Portuguese presidential elections—as we have seen, one of the exceptions to our pattern of incumbent punishment—a substantial 14.0 per cent of the vote went to a non-affiliated candidate, who ran a campaign stressing that he was not a political system insider.[12]

Abstention

The level of electoral participation is always regarded as an important gauge of support for a democratic political system. Thus, in a period of economic crisis, voter demobilisation could be an important indicator of political alienation. The case that most clearly suggested that this was taking place was Greece. In the local and regional elections of 2010, abstention reached an unprecedented level for any post-dictatorship election in the country (and not just for local government contests). Particularly disturbing was the fact that, in the second round, abstention at both the regional and municipal levels exceeded the crucial 50 per cent deemed to indicate political system delegitimation. Moreover, this rejection of political participation occurred in a country where voting had traditionally been compulsory, although sanctions were no longer applied. Another case where the rise in abstention caused shock was the Republic of Cyprus. On a comparative basis, the 21.3 per cent abstention rate in the 2011 parliamentary election may not seem particularly high. However, for Cyprus, which also had a tradition of compulsory voting, this was almost double the 11.0 per cent of 2006.

Elsewhere, the picture was less clearcut. In Spain, abstention rose by 4.9 per cent in the national parliamentary election to reach 31.1 per cent. As noted by Martín and Urquizu-Sancho (2012), this was the third-highest level since 1977. Perhaps more striking was that this made abstention the second-largest force behind the PP and over two percentage points ahead of the defeated socialists. However, in both the 2010 Catalan parliamentary election and the Spanish local and regional elections of 2011, abstention dropped (by 2.8 and 2.2 per cent, respectively). In the latter case, the Indignados protest movement, then at its height, advocated that citizens use the ballot to express their views (without suggesting how they should vote). Interestingly enough, in this contest, blank and invalid votes, a traditional way of expressing dissatisfaction with the whole party system, reached a historical high of 4.2 per cent, making spoiled ballots the fourth political force after the two main parties and the United Left (Barreiro & Sánchez-Cuenca 2012).

In Italy, abstention rose to a record level of 36.5 per cent in 2010, marking a jump of 7.9 per cent of the total electorate compared with the previous regional elections in 2005. In the local elections of 2011, however, abstention fell compared with the rate registered in the same municipalities in the regional elections of the previous year. Thus, in both Spain and Italy, abstention rose in some elections and declined in others. This suggests that rather than a general alienation from the political system, citizens' assessment of the value of voting changed according to the contest. Elsewhere, abstention does not seem to have been an issue. It actually fell in the Turkish Cypriot presidential election compared with the previous contest in 2005, while it rose marginally in Turkey, from 15.8 in 2007 to 16.8 per cent in 2011. In Portugal, rising abstention levels do not seem to have been politically significant.[13]

There was, however, one case where a fall in abstention operated as a form of political protest. This was the Italian referendums of June 2011. Referendums in Italy require a 50 per cent turnout in order for the vote to be regarded as valid, so that parties opposed to the referendum question campaign for their supporters to abstain rather than to vote against. In the six referendums held since 1997, less than one-third of the electorate had turned out on each occasion, with the result that all had been declared invalid. In contrast, in June 2011, over 54 per cent of the voters turned out to express their opposition to Berlusconi's legislation, resulting in its repeal. A further interesting aspect was that the unexpectedly high turnout built up outside party channels (Carrozza, forthcoming), another indication of declining political party influence.

Assessing the Fallout from the Economic Bomb

The preceding analysis has confirmed the impact of the economic crisis on political developments in Southern Europe. In our control case, Turkey, where the recession was already over by 2010, the incumbent party was consolidated in power, no new challenger parties appeared and the rise in electoral abstention was marginal. In a second case, with the economy returning to growth after a short-lived recession, the Turkish Cypriots voted out their president, but without the disquieting symptoms of political malaise manifested elsewhere in Southern Europe. In contrast, in the five countries affected by the eurozone sovereign debt crisis, there was a clear spillover of crisis from the economy to politics.

As we have seen, in four cases this entailed the summary departure of the incumbent, three of them at a relatively early point in their government term. However, the political cost of economic crisis in Southern Europe went well beyond the ousting of the parties in power at the time. In Spain, part of the price paid was the weakening of one of the traditional parties of power to a point potentially presaging the undermining of the two-party system. Another consequence was the rise of regionalist parties with all the potential implications for the Spanish state. More generally, the electoral epidemic spreading in Southern Europe included the growth of abstention, increasing parliamentary fragmentation and the emergence of new political forces, notably those expressing anti-party, extreme right-wing or even racist positions. Not discussed in this article but also a clear consequence of the crisis was a tendency towards the bypassing of political parties as a means of political participation. Alternative channels that emerged during this period included local referendums (in Spain) and the occupation of town squares (the Spanish Indignados and their Greek equivalent, the Aganaktismenoi).

Growing distrust of political parties provided fertile soil for the electoral epidemic. Scandals taking place at the national level, past economic mismanagement, the economic costs generated by parties' failure to be responsible, the economic pain of the austerity measures—in hard times there seem to be many good reasons to distrust political parties and none to like them. Eurobarometer data (see Table 9) on this point are very revealing. In the Turkish and Turkish Cypriot cases, trust in parties actually grew in 2008–11. In contrast, in all five eurozone cases, trust in parties declined significantly, while in three countries (Spain, the Republic of Cyprus, and Greece) the

Table 9 Trust in Political Parties: Southern Europe, 2008–11

	2008 (%)	2011 (%)	Difference (%)
Spain	40	12	−28
Cyprus	33	8	−25
Greece	17	5	−12
Portugal	19	14	−5
Italy	13	9	−4
Average EU 27	18	14	−4
Turkey	18	27	+9
Cyprus (Turkish Cypriot community)	22	27	+5

Source: Eurobarometer no. 69 (2008), fieldwork carried out in April–May 2008; and no. 76 (2011), fieldwork carried out in November 2011.

level of change ranged from three to seven times the average for the EU-27, indicating a startling delegitimation of parties. Data mined at the national level would undoubtedly offer a more detailed panorama, but it is clear that an increase of anti-party sentiment on such a scale can lead to destabilising consequences for national political systems and party government in Southern Europe.

Moreover, this picture seems unlikely to be ameliorated in the near future. At the end of 2011, there was no indication that the South European economic crisis would be resolved in the near future. Its likely perpetuation and deepening would make it even more difficult for parties to reconcile the tension between 'responsiveness' and 'responsibility', between the demands of voters and the constraints of government management, as discussed above. In particular, growing dependence on external lenders results in a situation where, as Krastev noted for the Balkans, 'governments get elected by making love to the electorate, but they are married to the international donors'. The result is the development of 'democracy without choices' in which citizens can change governments far more easily than they can change policies (Krastev 2002, p. 51). The likely outcome is a build-up of popular frustration with the democratic process which can only be dangerous for the future of South European democracy.

Notes

[1] The last elections had been held on 27 September 2009 in Portugal, 4 October 2009 in Greece and 13–14 April 2008 in Italy. It should be noted that the parliamentary term is five years in Italy and four years in Portugal, Greece and Spain.

[2] For Internal Market (1995–99) and Competition (1999–2004).

[3] The party concerned was the radical right LAOS (Popular Orthodox Rally), which campaigned on a nationalist, anti-immigrant and soft Eurosceptic platform.

[4] The European Commission's spring 2010 forecast, published in the month in which the Greek bailout was signed, predicted a 0.5 per cent drop in GDP for 2011. The autumn forecast, when there had been ample time to take into account the effects of the austerity programme, revised

this to three per cent. Even the latter was startlingly wrong. The real GDP decline in 2011, at 7.1 per cent, was 130 per cent higher than the Commission's autumn 2010 prediction.

[5] We warmly thank Mustafa Besim for providing data on the Turkish Cypriot economy and helping us to interpret them. See also Besim and Mullen (2009, p. 94).

[6] There was one popular vote in Malta: a referendum on 28 May 2011, which resulted in the passage of a bill later in the year, permitting divorce in this country for the first time. The Maltese referendum has not been included in this volume, as the theme concerned a significant social issue, views on which were strongly influenced by religious beliefs, and hence was not regarded as relevant to our study of the potential decline in the legitimacy of party systems in the region.

[7] Specifically, New Democracy (ND) lost an 8.4 per cent of the total vote, falling from 41.9 per cent in 2007 to 33.5 per cent in 2009.

[8] That is, 592,977 out of 5,988,678 total votes cast. Figures from the Greek Ministry of the Interior elections site, www.ypes.gr/el/Elections/

[9] As explained by Verney (2012) in this volume, the peculiarities of the Greek system for local government elections, in which parties are forbidden to run under their own names, result in electoral lists running under a kaleidoscope of different banners across the country. This makes it impossible to gather nationwide figures for party support. In 2010 the only exception to this was the communist party, which ran under the same title everywhere. In addition, due to the 2010 reform that redrew the territorial map, party scores are not generally comparable with the previous local government elections in 2006.

[10] The Spanish proportional electoral system—based on small districts and the D'Hondt electoral formula—has a strong majoritarian representational bias that overrepresents the two largest parties, underrepresents smaller nationwide ones and offers proportional representation to regional parties with geographically concentrated bases of support. For this reason, the emergence of regional parties is easier than that of state-wide parties. In the Congreso de los Diputados the number of parties has always been lower than 13, with two exceptions: the 1979 and 1989 elections, which resulted, respectively, in 14 and 13 parties.

[11] Officially, three political parties and a group of Kurdish candidates, running as independents because of the ten per cent national electoral threshold for political party representation.

[12] This was a rather different case from the 'independent' candidacy of a well-known socialist party member running against the wish of his party in 2006.

[13] The historical high of 42.0 per cent in the parliamentary election did not mark a particularly significant rise over the 40.3 per cent of 2009 and can be partly attributed to administrative problems in the management of electoral registers. In the presidential election, a 53.5 per cent abstention rate seemed significant when compared with the 38.5 percent of the previous presidential contest in 2006. However, it was comparable to the 51.3 per cent of the 2001 presidential election and can be attributed to the lack of excitement about an election that the incumbent was widely expected to win.

References

Akşit, S. (2012) 'The Turkish Cypriot presidential election of April 2010: normalisation of Turkish Cypriot politics', *South European Society and Politics*, vol. 17, no. 2, pp. 175–194.

Aydın-Düzgit, S. (2012) 'No crisis, no change: the third AKP victory in the June 2011 parliamentary elections in Turkey', *South European Society and Politics*, vol. 17, no. 2, pp. 329–346.

Barreiro, B. & Sánchez-Cuenca, I. (2012) 'In the whirlwind of the economic crisis: local and regional elections in Spain, May 2011', *South European Society and Politics*, vol. 17, no. 2, pp. 281–294.

Bellucci, P., Costa Lobo, M. & Lewis-Beck, M. S. (2012) 'Economic crisis and elections: the European periphery', *Electoral Studies*, vol. 31, pp. 469–471.

Besim, M. & Mullen, F. (2009) 'Cyprus in the global financial crisis: how lack of banking sophistication proved an advantage', *South European Society and Politics*, vol. 14, no. 1, pp. 87–101.

Bosco, A. & McDonnell, D. (forthcoming) 'Introduction: the Monti government and the downgrade of Italian parties', in *Italian Politics: From Berlusconi to Monti*, eds A. Bosco & D. McDonnell, Berghahn, New York.

Çarkoglu, A. (2009) 'The March 2009 local elections in Turkey: a signal for takers or the inevitable beginning of the end for AKP?', *South European Society and Politics*, vol. 14, no. 3, pp. 295–316.

Carrozza, C. (forthcoming) 'The June referendums. A partial victory', in *Italian Politics: From Berlusconi to Monti*, eds A. Bosco & D. McDonnell, Berghahn, New York.

Chiaramonte, A. & D'Alimonte, R. (2012) 'The twilight of the Berlusconi era: local elections and national referendums in Italy, May and June 2011', *South European Society and Politics*, vol. 17, no. 2, pp. 261–279.

Christophorou, C. (2012) 'Disengaging citizens: parliamentary elections in the Republic of Cyprus, 22 May 2011', *South European Society and Politics*, vol. 17, no. 2, pp. 295–307.

Corbetta, P. (2012) 'The 2010 regional elections in Italy: another referendum on Berlusconi', *South European Society and Politics*, vol. 17, no. 2, pp. 155–173.

Jalali, C. (2012) 'The 2011 Portuguese presidential elections: incumbency advantage in semi-presidentialism?', *South European Society and Politics*, vol. 17, no. 2, pp. 239–260.

Jones, E. (forthcoming) 'The Berlusconi government and the sovereign debt crisis', in *Italian Politics: From Berlusconi to Monti*, eds A. Bosco & D. McDonnell, Berghahn, New York.

Kaplanoglou, G. & Rapanos, V. T. (forthcoming) 'Tax and trust: the fiscal crisis in Greece', *South European Society and Politics*, DOI:10.1080/13608746.2012.7233.

Krastev, I. (2002) 'The Balkans: democracy without choices', *Journal of Democracy*, vol. 13, no. 3, pp. 39–53.

Magalhães, P. C. (2012) 'After the bailout: responsibility, policy, and valence in the Portuguese legislative election of June 2011', *South European Society and Politics*, vol. 17, no. 2, pp. 309–327.

Mair, P. (2011) 'Bini Smaghi vs. the parties: representative government and institutional constraints', Robert Schuman Centre for Advanced Studies and EU Democracy Observatory, EUI working paper no. 2011/22, European University Institute, Florence.

Martín, I. & Urquizu-Sancho I. (2012) 'The 2011 general election in Spain: the collapse of the socialist party', *South European Society and Politics*, vol. 17, no. 2, pp. 347–363.

Pagoulatos, G. & Triantopoulos, C. (2009) 'The return of the Greek patient: Greece and the 2008 global financial crisis', *South European Society and Politics*, vol. 14, no. 1, pp. 35–54.

Rico, G. (2012) 'The 2010 regional election in Catalonia: a multilevel account in an age of economic crisis', *South European Society and Politics*, vol. 17, no. 2, pp. 217–238.

Royo, S. (2009) 'After the fiesta: the Spanish economy meets the global financial crisis', *South European Society and Politics*, vol. 14, no. 1, pp. 19–34.

Torres, F. (2009) 'Back to external pressure: policy responses to the financial crisis in Portugal', *South European Society and Politics*, vol. 14, no. 1, pp. 55–70.

Verney, S. (2012) 'The eurozone's first post-bailout election: the 2010 local government contest in Greece', *South European Society and Politics*, vol. 17, no. 2, pp. 195–216.

Anna Bosco is Associate Professor of Comparative Politics and European Government at the University of Trieste and, with Susannah Verney, one of the two Editors of *South European Society and Politics*. She has carried out research on party politics in Italy, Spain, Portugal, Greece and East-Central Europe. Among her publications are *Party Change in Southern Europe* (2007, edited with L. Morlino), *La España de Zapatero. Años de cambios, 2004–2008* (2009, edited with I. Sánchez-Cuenca) and *Italian Politics: From Berlusconi to Monti* (forthcoming, edited with D. McDonnell).

Susannah Verney is Assistant Professor of European Integration at the University of Athens and, with Anna Bosco, one of the two Editors of *South European Society and Politics*. Recent publications include *Turkey's Road to European Union Membership: National Identity and Political Change* (2009, edited with K. Ifantis) and *Euroscepticism in Southern Europe: A Diachronic Perspective* (edited, 2011).