

GREEK DEMOCRACY UNDER STRESS

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OUTLINE

The roots of the Greek crisis

Parliamentary democracy under stress

The necessity of political reforms

The opportunity for reforms

The reality about reforms

Looking beyond the elections

IS PARLIAMENTARY DEMOCRACY IN GREECE UNDER THREAT?

After all...

- **Elections take place on January 25.**
- **For the 15th time in just 40 years**
- **Never before did the citizens have that many parties to choose from**

LOCATING THE PROBLEM

- SYRIZA?
- GOLDEN DAWN?
- Extremism?
- Populism?

The branches are visible but we need to uncover the roots of the problem

THE ROOTS

Economic

Political

ECONOMIC BACKGROUND

A weak economy already before the outbreak of the global crisis in 2008

Entry into EMU a blessing and a curse

Blessing: lower interest rates, stronger currency → consumption and imports grew.

Curse: Exports didn't and Greece can't devalue its currency → Trade Balance and Payments Balance increasing deficit → Debt (which was already high)

EMU is not well equipped for asymmetrical shocks. No fiscal union. Bailout under conditions of extreme austerity economics.

POLITICAL BACKGROUND

It didn't have to come to this. The result of a series of political choices.

Why were these particular choices taken?

Shortsightedness inherent in politics.

Elections favour high spending and avoiding painful reforms that may lead to clashes (and in Greece they do)

On average, national elections every 2.7 years (not to mention local and European elections).

Why so often? Because winner takes all.

The government dominates the parliament, the (higher) courts, the state.

Realising that the opposition has no power in the parliament, its only hope is that new elections will take place ASAP.

→ Polarisation and obstruction inside and outside parliament

→ Political and economic reforms very difficult

THE REACTION

Citizens get the cue that any changes are dependent on government change

→ Elections are their only means to influence change

→ Democracy reduced to (frequent) elections

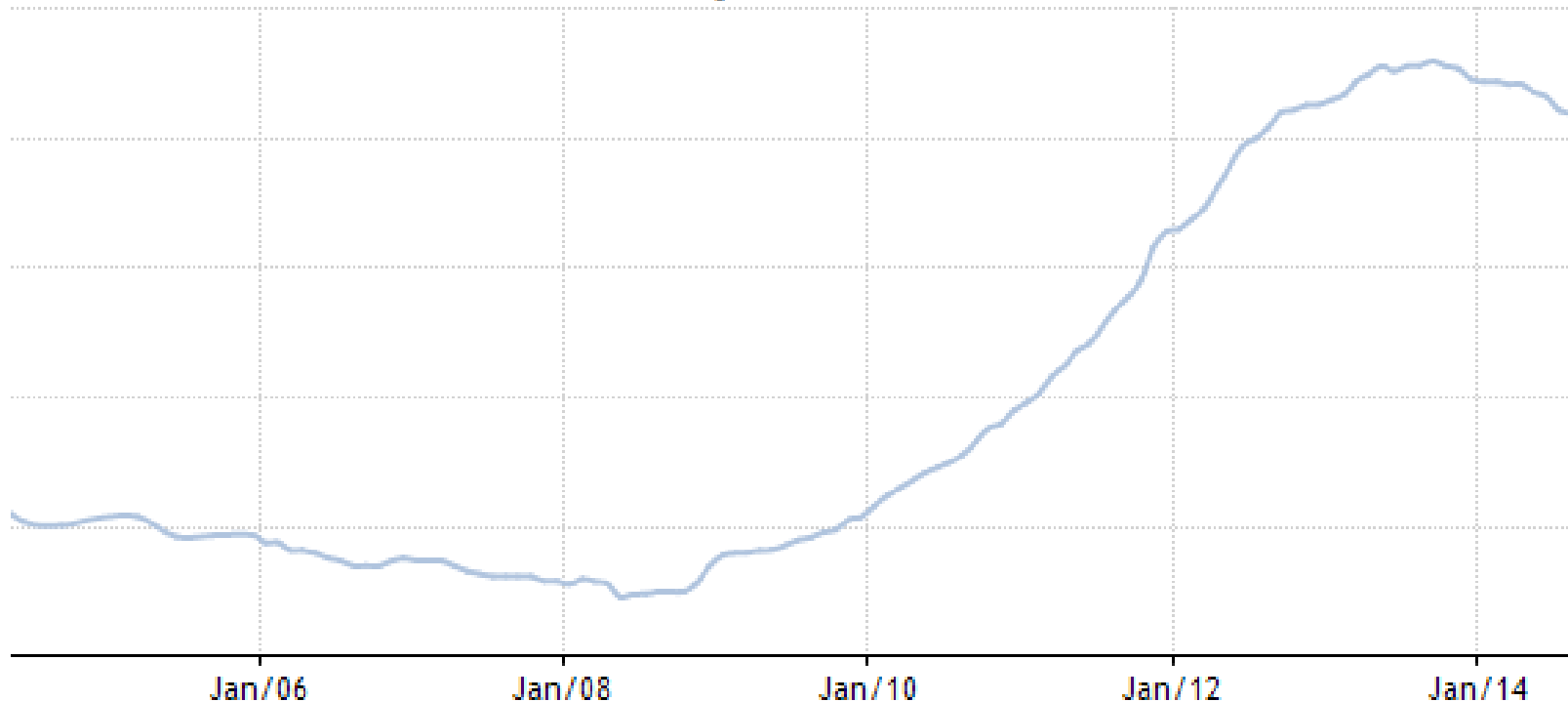
But what happens when one of the two major parties, in power half of the time since 1974, pledges that “there is money” and almost immediately after the elections says there is none?

Under ordinary circumstances not much, but...

GREEK UNEMPLOYMENT

GREECE UNEMPLOYMENT RATE

Percentage of the Labor Force



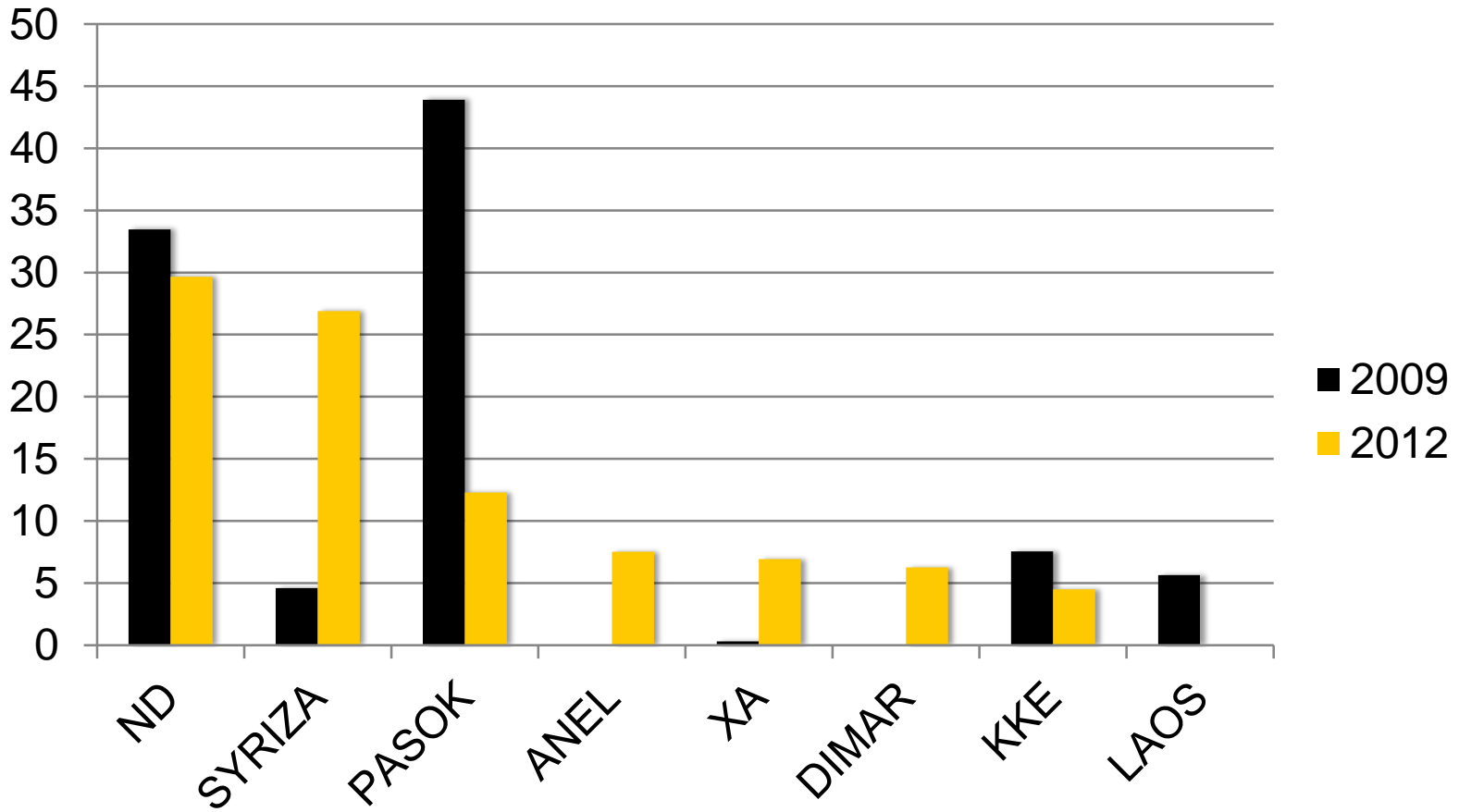
SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL STATISTICAL SERVICE OF G

GREEK GDP PER CAPITA



SOURCE: WWW.TRADINGECONOMICS.COM | WORLD

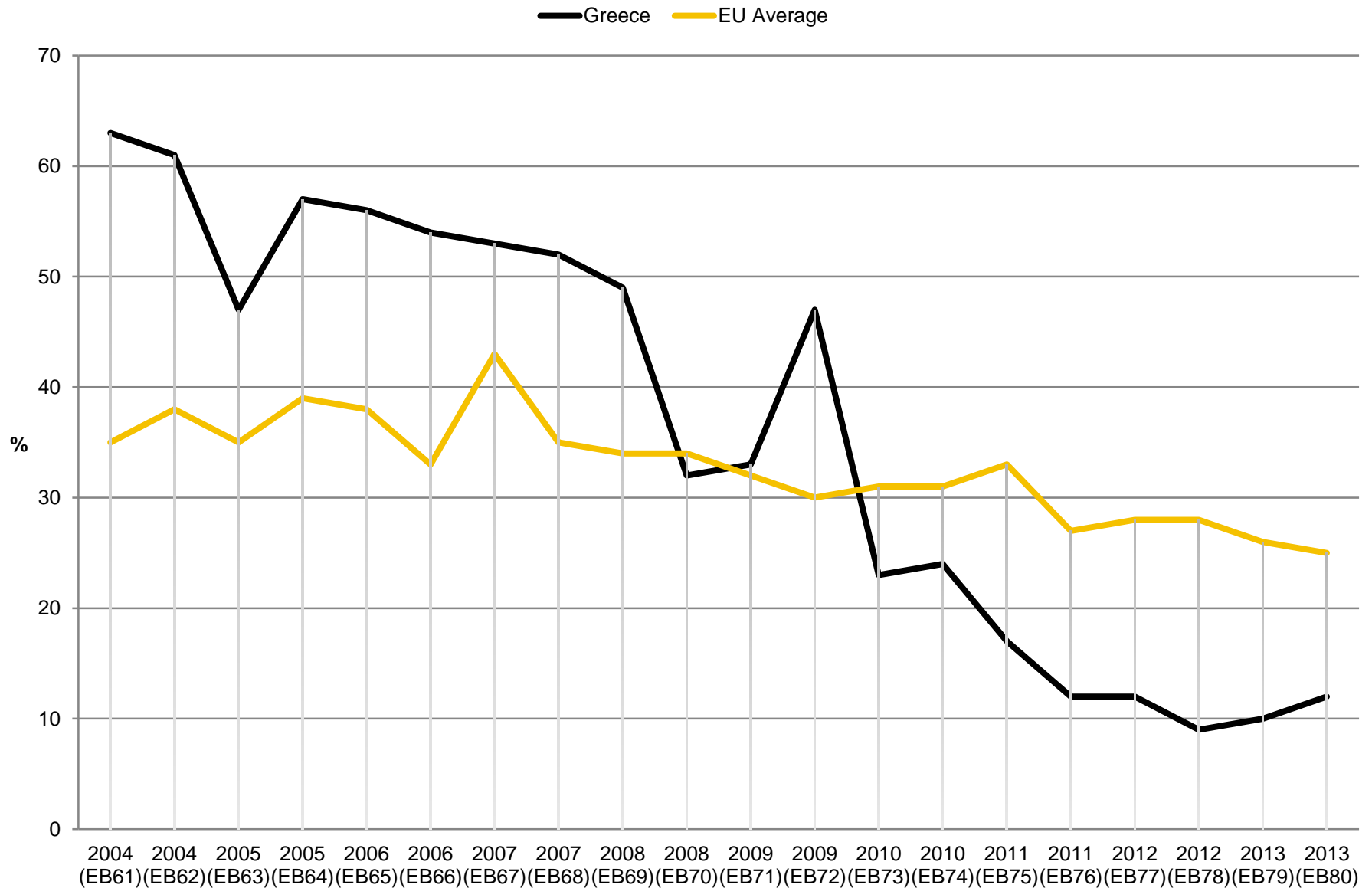
THE DEMISE OF THE OLD PARTY SYSTEM



ELECTORAL TURNOUT

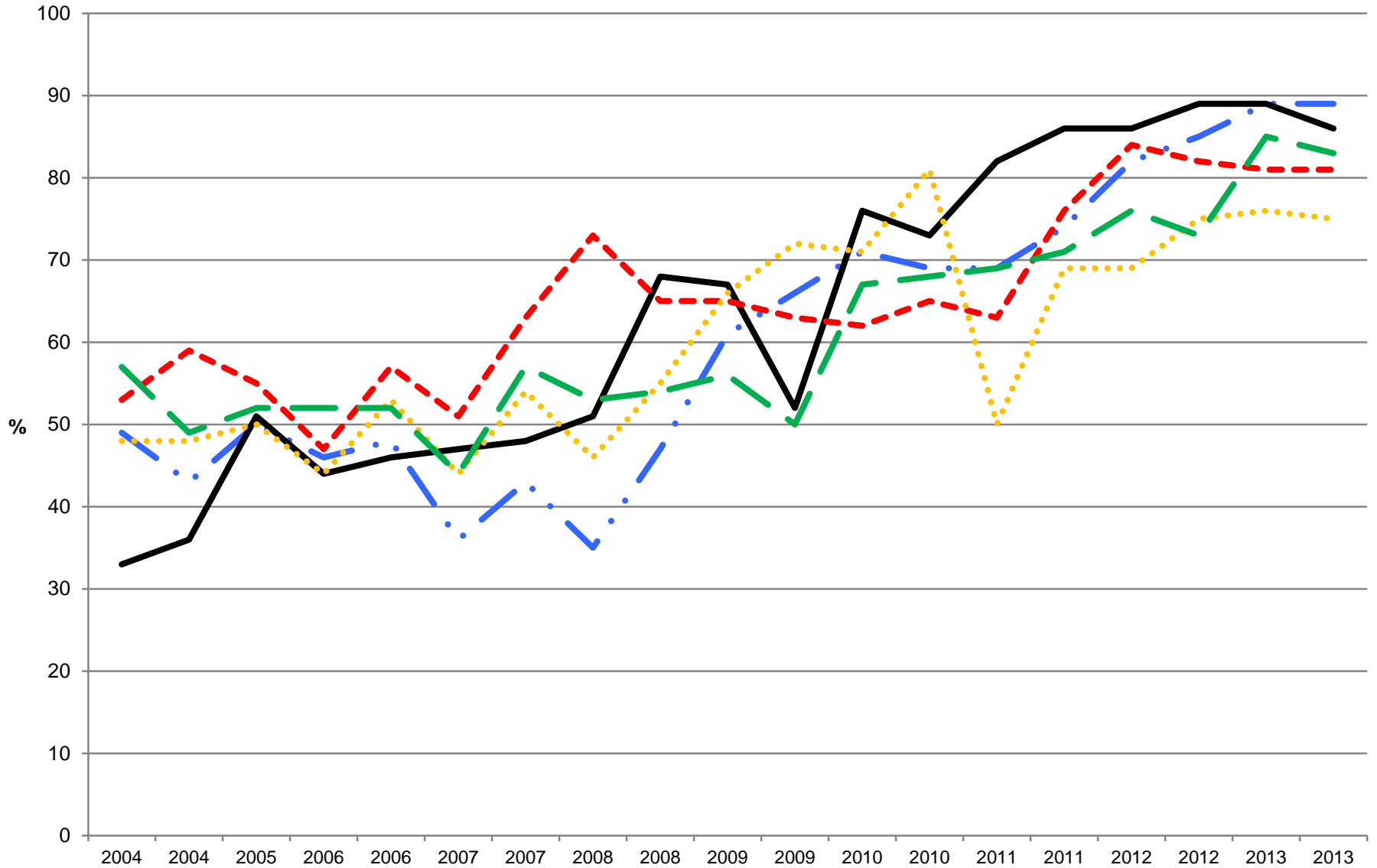


TEND TO TRUST THE PARLIAMENT



TEND *NOT* TO TRUST THE PARLIAMENT

Spain Greece Italy Ireland Portugal



HOSTILITY TOWARD REPRESENTATIVE DEMOCRACY



MORE HOSTILITY



WHY IS THE PARLIAMENT SO UNPOPULAR?

TALKING SHOP

1. Government can usually pass any legislation it likes
2. Government can circumvent ordinary legislative procedure
3. Ministers effectively immune from prosecution
4. Ministers may be excused from questioning time

SELF-SERVING

1. MPs earn much more
2. MPs enjoy other privileges (assistants, expenses)
3. MPs are immune from prosecution

MUTUAL MISTRUST

- Limited accountability
- Limited transparency and accessibility for citizens
- Any opening is perceived as weakness that political opponents may exploit

THE OPPORTUNITY FOR REFORMS

Extraordinary times demand extraordinary measures

**Structural reforms that can strengthen parliament vis-à-vis
government**

Reforms that narrow the gap between parliament and citizens

FROM THIS...



...TO THIS



REFORM PROPOSALS

- **Making minister prosecution easier in practice (C.)**
- **Reform MP immunity waiving (C.)**
- **Create a Constitutional Court (C.)**
- **Referendums (C.)**
- **Reform the constitutional reform process (C.)**
- **Enhance transparency of minister and MP sources of income**
- **Cutting down MP numbers from 300 to 200**
- **Cutting down parliament's expenses**
- **Reform the electoral system**
- **Make MP and minister roles incompatible**

CONSTITUTIONAL REFORM TECHNICAL CONDITIONS

Reform allowed only 5 years after last one

1st Phase (current parliament): 50 MPs have to propose which articles are to be revised (some can never be revised), with majority of 3/5 or simple.

2nd Phase (next parliament): with simple majority or of 3/5, depending on previous parliament majority, new parliament can change which articles are to be revised.

Decision on the content of the revised articles taken by simple majority from the new parliament.

7 years after last revision and 5 years after the crisis outbreak, how many articles changed?

ARTICLES CHANGED

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WHY?

Technically it was possible

Broad consensus that current constitution is less than satisfactory (too long, too complex, too rigid, too protective)

However, the process started late 2014 and 1st phase was not completed before the elections

→ Reform will start 2015-2019 (2015-2018), conclude 2019-2023 (2018-2021)!

Neither government nor opposition leadership saw benefits in rushing a constitutional reform

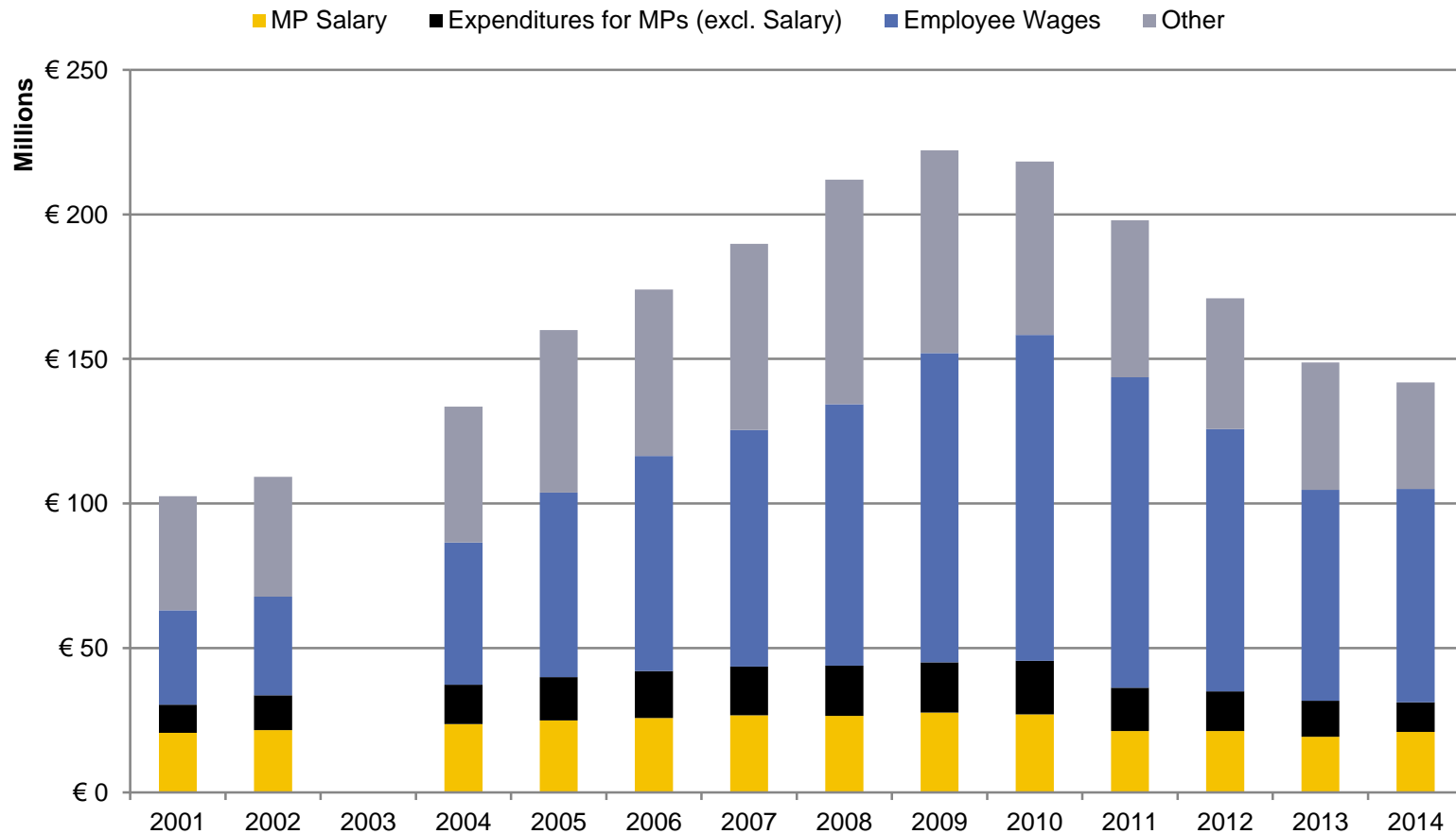
Government: feared that it will have no majority in next parliament

Opposition (SYRIZA): hopes it will have majority in next parliament.

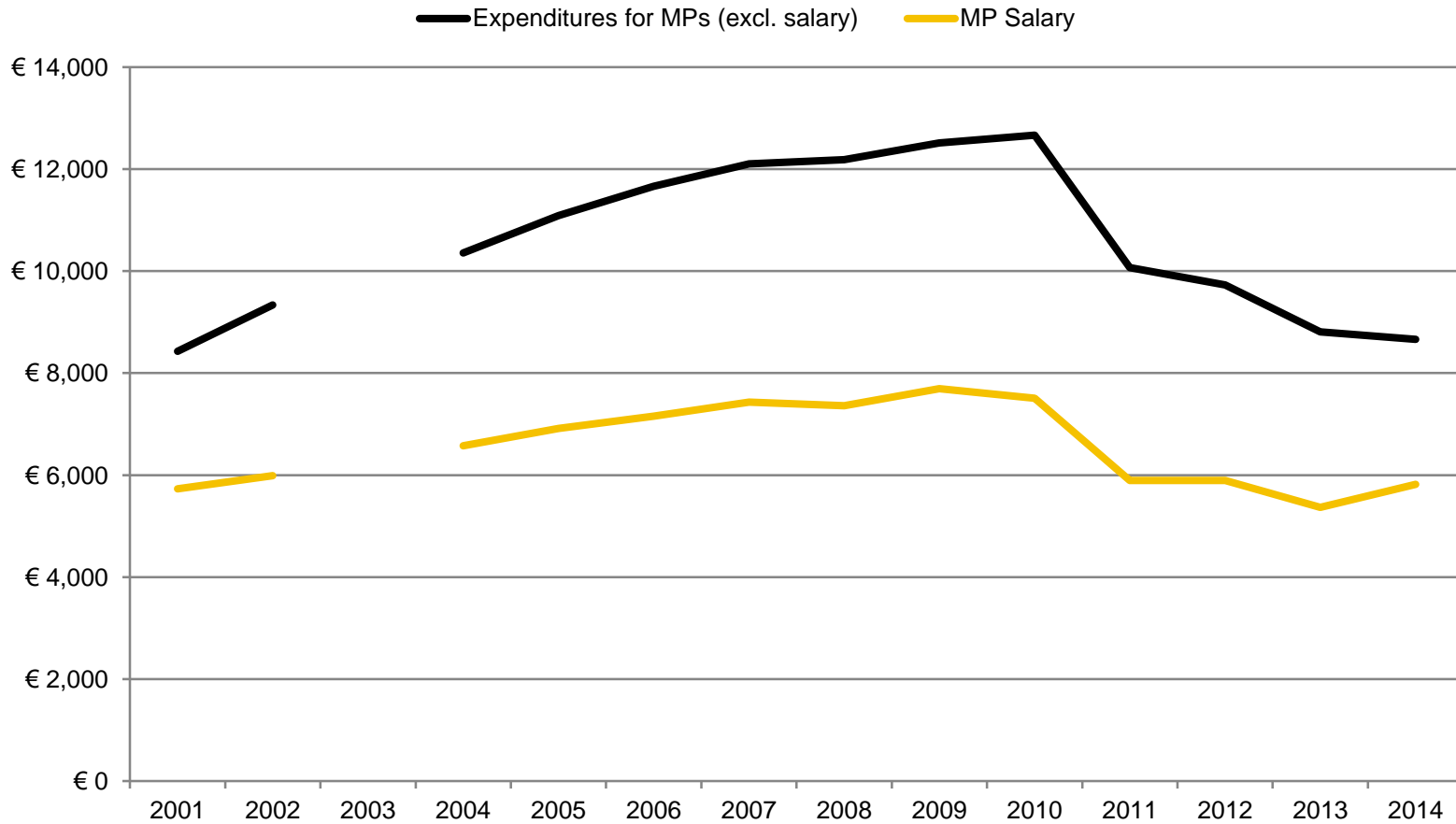
NON-CONSTITUTIONAL CHANGES

- ~~Enhance transparency of minister and MP sources of income.~~
- ~~Cutting down MP numbers from 300 to 200~~
- ~~Reform the electoral system~~
- ~~Make MP and minister roles incompatible~~
- Cutting down parliament's expenses
- Rules for MP immunity waiving didn't change, but the practice did.

PARLIAMENTARY BUDGET



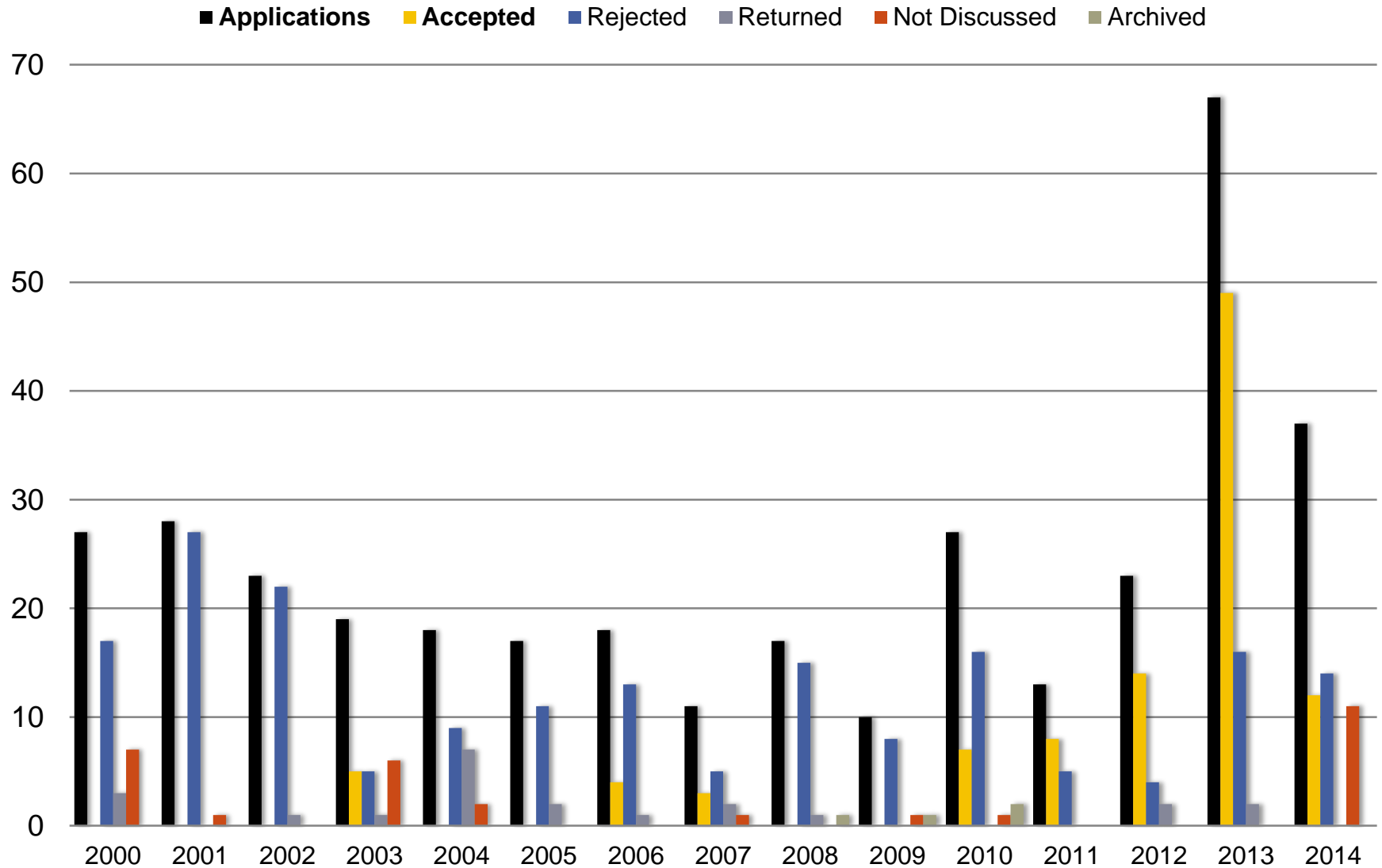
MP EXPENDITURES



MP SALARIES IN COMPARISON

	Greece	Spain	Portugal	Italy	Germany	France
MP Salary (2013)	€5369	€3670	€3260	€11703	€7700	€6935
Ratio of Salary to GDP p. cap. (2013)	27.97%	15.17%	16.87%	46.71%	24.43%	25.19%

IMMUNITY WAIVING



CONCLUSIONS

Difficult to be optimistic

Any political reforms are not structural and may be short-lived

Most structural reforms require constitutional revision and precious time has been lost

Doubtful if parties will reach consensus for deep reforms

In the absence of meaningful political reforms, and if economy deteriorates again as dramatically and as sharply as in the post-2010 period, parliamentary democracy in Greece may not withstand the next blow.

THE NEED TO LOOK BEYOND THE ELECTIONS

“Citizens feel that the only thing allowed to them is the expression of [their] opinion in the elections every four years. In between the two electoral contests none of their representatives are interested in what they believe and what they want. The parliament is distant.”

Kostas Simitis 2007

(Prime Minister 1996-2004)

**QUESTIONS?
COMMENTS?**

THANK YOU!

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