

**The Rise and Fall of the Greek Conservative Party: Ideological  
Realignments and Egocentric Economic Voting at the Dawn of  
the Financial Crisis**

*Paper prepared for presentation at the 61<sup>st</sup> Political Studies Association Annual  
Conference, London, UK 19-21 April 2011.*

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## Introduction

The Greek political system that emerged after the restoration of democracy in 1974, took the typical form of a polarized two-party system during the 1980s. The two main parties, the center left Panhellenic Socialist Movement (PASOK) and the center right New Democracy (ND), monopolized around 85 percent of the vote and created a field of party competition that was characterized by a vast ideological and political cleavage on the one hand and by a deep social diversity between their electoral bases on the other.

PASOK's early years were characterized by a heavily ideological political rhetoric that integrated calls for a socialist transformation of the Greek economy with a broad ideologicalization of the Greek political history, according to which the Greek right was the main responsible for the country's tumultuous political past (Moschonas 1994, Lyrintzis 2006). This novel ideological scheme benefited the socialist party, leading to the mobilization of large segments of the electorate, mainly among those who were excluded from political processes from the right authoritarian post-civil war state (Nicolacopoulos 2005). At the same time, PASOK attracted a large share of the vote among working and middle low classes that proved crucial for its electoral wins in the 1981, 1985 and 1993 elections (Nicolacopoulos 2005). While PASOK offered a polarized and passionate political discourse, New Democracy's early ideological platform was rather abstract (Lyrintzis 2006) and mainly oriented toward authoritarianism, as the party integrated a branch of the pro-junta Greek far right (Nicolacopoulos 2005). After 1984, New Democracy adopted a more modern ideological profile by leaning toward neo-liberalism while simultaneously attempting to deemphasize the post civil war political cleavage (Lyrintzis 2006). The traditional electoral basis of the Greek conservatives consisted mostly of middle and upper class voters, while at the same time the party attracted an increased vote share in rural and agrarian areas (Nicolacopoulos 1990).

It has been argued that the clear-cut differentiation between PASOK and ND stood in lieu of the left-right cleavage in the Greek party system (Vernardakis, forthcoming). During the first two decades after the restoration of democracy, the two rival parties engaged in a fierce political confrontation with a mobilization of arguments and symbolisms dating back to the Greek civil war. After 1984, a second dimension of competition evolved around economic issues, as New Democracy attempted to confront PASOK's socialist platform by adopting a neoliberal ideological profile, urging the need for extensive privatizations in the economy and the cutback of the public sector.

However, this motif of polarization gradually declined during the 1990s as a result of a growing consensus on a series of important issues, the most important of which was the agreement over the necessity of the country's entrance to the European Monetary Union (EMU). The Greek political system gradually took the form of a convergent two party system (Vernardakis 2000), with both parties agreeing over the goals of economic policy and the best means to achieve them. This shift signified the domination of 'valence issues' over the position issues that had dominated the political agenda in the previous decades<sup>1</sup>. Both parties adopted catch-all strategies in order to

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<sup>1</sup> Valence issues are those "that merely involve the linking of the parties with some condition that is positively or negatively valued by the electorate", while 'position issues' are those 'that involve advocacy

maximize their electoral gains and the intense ideological confrontation that took place in the 1970s and 1980s was replaced by a salience of performance and moral integrity issues. The turning point for the transition to consensus politics, in both symbolic and policy terms, was the election of Costas Simitis in PASOK's presidency. By adopting a moderate and technocratic political platform, Simitis managed to win two successive elections in 1996 and 2000.

New Democracy's response to the transformation of PASOK was the election of Costas Karamanlis, the nephew of the party's founder, to the party's presidency. Karamanlis maximized a catch-all strategy, with an intense effort to disassociate the party from its political past and extend its electoral basis, by appealing to disenchanted low class PASOK voters who were disappointed with the socialist party's liberal economic platform, while maintaining the party's traditional electoral basis. His strategy paid off by leading the conservative party to power for the first time after 11 years in 2004. Three years later, ND managed to win a second snap election. However, in the 2009 election, less than two years after its reelection, the party suffered a landslide loss with a difference of over ten percentage points from PASOK (Table 1). The party's vote share (33.5 percent) was the lowest in its 35 year history.

Table 1: Comparative Vote Share of PASOK and ND 1996-2009

	PASOK	New Democracy
1996	41.5	38.1
2000	43.8	42.7
2004	40.5	45.4
2007	38.1	41.8
2009	43.9	33.5

The aim of this paper is to examine the electoral realignments that took place between 2004 and 2009 and shed light on the factors that contributed to the election of Costas Karamanlis as prime minister as well as the reasons behind ND's rapid downfall. We begin by discussing the significant political events and the electoral strategy that paved New Democracy's rise to power, its record in government as well as the factors that contributed to its rapid downfall. In the second part we empirically investigate the electoral realignments that shaped the electoral result in the 2004, 2007 and 2009 parliamentary elections.

### **The modernization era 1996-2004 and the 2004 election**

The death of the founder of PASOK, Andreas Papandreou, in June 1996 and the rise of Costas Simitis in prime ministry and the party's presidency designated a substantial turn in the party's ideological orientation. Papandreou, a strong and

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of government actions from a set of alternatives over which a distribution of voter preferences is defined' (Stokes 1963, p. 373, see also Clarke et al. 2004, 2009).

charismatic political leader, had been the dominant figure in Greek politics throughout the 1980s, having served in office for 11 years (1981-1989, 1993-1995). Papandreou's prime ministry between 1981 and 1989 was characterized by a series of socialist reforms in the economy, based on the expansion of the public sector and the governmental custody in insolvency firms. At the same time, his passionate political rhetoric touched on the anti-West sentiment of the broad low-middle class layers of the population with consistent references against the U.S, the EC and the Greek Right. All together –and especially the latter- were held responsible for the country's tumultuous political past of political violence and electoral juggling. However, during his last term in office such calls were lessened under the threat of the country's increasing public debt and the awareness that Greece's long term goal should be the entrance in the EMU.

Simitis had little in common with his predecessor<sup>2</sup>. He adopted a much more moderate and technocratic political discourse under the label of “modernization” [eksyngchronismos] with persistent remarks over the structural economic reforms that needed to be implemented in order to achieve the country's entrance to the Eurozone. The latter was brought out as the sole viable remedy to Greece's chronic economic weaknesses. The “modernization” scheme, even though was never thoroughly explicit (Lyrantzis 2006), became the dominant ideological platform of PASOK between 1996 and 2004 and was structured around three abstract pillars:

- Reforms that would contribute to a liberal “rationalization” of the economy and the reduction of the public debt with the privatization of major state enterprises and the cut back of the public sector.
- Economic development that would be based on construction and public works that would upgrade the country's infrastructure ahead of the Athens 2004 Olympic Games.
- Reforms that would modernize the country's institutional structure and would enhance the role of the civil society.

After the bitter defeat in the 1996 election, ND sought to find a modern political leader who could effectively confront Simitis and broaden its traditional electorate. In 1997 the conservatives elected Costas Karamanlis to the party presidency. Karamanlis adopted a more moderate profile compared with his predecessors and methodically sought to disclaim the party's traditional right ideological tag that had been systematically manipulated by its opponents. His political rhetoric was focused on what he called “middle of the road politics” a rather symbolic than coherent political term that brought up a style of moderate political behavior without been translated into a comprehensible political ideology or even specific issue positions<sup>3</sup>. By following this

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<sup>2</sup> According to a poll conducted by the VPRC institute in 2001, 54.5 percent of PASOK voters believed that Simitis' PASOK had substantial differences compared to the Papandreou era. According to the same survey Papandreou's PASOK was considered more socialist and ‘closer to the ordinary man’ while Semites' PASOK was more modern and more European (see Givalos 2005)

<sup>3</sup> As Kostas Karamanlis put it during a TV interview in 2000, “middle of the road politics is being away from political dogmatism, away from political edges, away from overstatements. It is about not having predispositions that stem from the past.” According to Yannis Loulis, the theoretical founder of Karamanlis' middle politics platform: “The contemporary middle of the road voter prefers low profile political tactics. He dismisses political acuteness, talking about the political past and whatever may lead to factionary attitudes. He wants the government's efforts to be concentrated on every day issues, to give practical solutions away from ideological dogmatism” (2002)

tactic, the party intended to appeal to an increasing volatile electorate that was alienated from the ideologically polarized politics of the past decade without, at the same time, losing its traditional center right electors. These middle of the road voters, who represented around 36-40 percent of the Greek electorate, tended to place themselves in the middle positions on the left-right scale (Vernardakis 2005) and at the time were voting mainly for PASOK. At the same time, Karamanlis waged a vigorous opposition to PASOK throughout Simitis' first term by mainly focusing on issues of corruption, continuously questioning the government's moral integrity. According to the opposition, PASOK was to blame for building and maintaining a system of machine politics during its extended stay in power.

Although Karamanlis' strategy managed to increase the party's voting share by 4.6 percent, PASOK won the 2000 election with a borderline margin (1.05 percent). On top of the traditional working and middle low classes, PASOK managed to expand its electoral basis by attracting middle and upper class voters who would benefit the most by the country's entrance to the EMU and were supportive of the European integration (Mavris 2000). PASOK's vote share was high within its traditional electors, the middle-low income layers, but the key behind the party success was that it gained an increased number of votes among the more privileged –in terms of income and education- layers of the electorate who were hitherto supporting the conservatives (Mavris 2000, Nicolacopoulos 2005, Vernardakis forthcoming). On the other hand, New Democracy raised its share among the lower and less educated strata of the population who traditionally voted for PASOK. Thus, the 2000 parliamentary election brought for the first time a convergence not only among the parties' political platforms but also among their electoral bases which now shared far more common characteristics compared with previous elections. (Nicolacopoulos 2005)

The second term of Simitis' governance was far more turbulent than the first. A few months after the elections, the political agenda was monopolized by the major clash between the government and the clergy over the issue of religious denomination notice on the identity cards. Huge rallies of ultra orthodox demonstrators took place in Athens and other cities. ND took openly the side of the church due to the party's long standing ties with the clergy (see Georgiadou & Nicolacopoulos 2002). Karamanlis himself was the first to sign a petition demanding that religious denomination should be written in the identity cards for those who desired to do so. What is more, the opposition moved away its criticism over the state of the national economy (with the exception of unemployment). The reason behind this choice could be explained through 'issue ownership' theory (Petrocik 1996). According to issue ownership theory, parties and candidates seek to shift the focus in the political agenda by promoting issues on which they enjoy an advantage over their political rivals and moving the public interest away from issues that the public perceives their opponents to be more competent. Polls indicated that PASOK was preferred to ND in terms of its ability in the management of the national economy and was widely considered as the party that could achieve the long term goal of entrance to the EMU<sup>4</sup>. Consequently, the opposition chose to focus on more

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<sup>4</sup> According to a poll conducted by the VPRC polling institute in March 2000, 51 percent of respondents believed that PASOK was better able to achieve the country's entrance to the EMU, while the respective percentage for ND was 25 percent. Moreover, 41 percent believed that PASOK was better able to handle the national economy compared with 30.6 percent for ND.

everyday issues such as the low level of public services and corrupt state bureaucracy, the chronic weaknesses of the national health and educational systems. The government had hardly improved citizens' lives in any of these areas and Karamanlis put every effort to raise these issues on the public agenda. On the other hand he continued to challenge the government on moral grounds by elevating issues of corruption in every opportunity. His tactic proved successful. Just seven months after its marginal win in the 2000 election PASOK started trailing behind ND in polls.

Amidst the oppositions' mounting pressure, Simitis came out in September 2003 with a ten point plan that would "accelerate the country's social convergence with the rest of EU countries"<sup>5</sup> by improving health system, education, public services and increasing citizens' real income. Despite the initiative, the public appeared determined to overthrow the government in the forthcoming election as the gap between the parties vote share increased in the polls and had almost reached double figures by the end of 2003, showing that ND was heading toward a landslide win in the forthcoming election. Under these grim indications, Simitis responded by resigning from PASOK's leadership and transferred the party's presidency to George Papandreou, son of the party's founder.

Papandreou enjoyed high approval ratings according to the polls. He had a positive record as minister of foreign affairs, due -among else- to his role in Cyprus' entrance to the EU in 2003. Papandreou attempted to bring a 'new look' to the party (Verney 2004), by a series of symbolic moves (such as the change of party emblem) and attempted to refurbish the party's image by appointing non-party figures to the electoral list. His campaign discourse embodied calls for participatory democracy along with the typical overtones over the sinful historical past of the Greek conservatives. Despite the fact that his election appeared to bridge the gap between the socialists and conservatives at the early polls, the change of leadership had negligible effects on the outcome of the elections (Verney 2004, Dinas 2008a). On the 7<sup>th</sup> of March 2004 New Democracy gathered 45.4 percent of the vote share and won the election.

### **New Democracy's first term in government and the 2007 snap election**

Kostas Karamanlis formed a government on the 10<sup>th</sup> of March 2004. During the first months of governance, political circumstances were particularly favorable and ND maintained its electoral primacy in the 2004 European Election. In contrast, the socialists entered a period of deep political introspection after a six percent fall in their vote share in comparison with their national election result. What is more, after two consecutive elections, public interest and media attention focused on the organization of the 2004 Olympic Games which had fueled an unprecedented wave of optimism among the Greek public opinion. After public enthusiasm over the success of the Olympic Games lessened, Karamanlis showed the communication tactic that he would follow throughout his five years in office. Since he had successfully managed to attribute most of the country's long term difficulties to PASOK's consecutive governments during his years in opposition, he held the socialist party accountable for all problems that the government would deal with during the next five years. What is more, in a controversial move, the new government denounced that their predecessors had deceived EU officials by using false data in order

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<sup>5</sup> Simitis' press conference in Zappeion 10/09/2003

to hide the size of the public deficit and achieve the country's entrance to the Eurozone. By choosing this strategy the government succeeded in gaining more time in order to accomplish its economic promises, while on the other stripped PASOK of its most prominent achievement during the modernization period (Dinas 2008b).

Even though ND had promised vast reforms that would lead to the "re-foundation of the state" its first acts in government were cautious after recognizing that aggressive liberal reforms could stigmatize the party and potentially cause a loss of vote share (Dinas 2008b). The most prominent reform that took place during this three year period was the attempt to amend the constitutional Article 16 in order to allow the foundation of private universities. After the bill failed to pass in parliament the government focused on initiating a law that would change the organizational structure of universities. The reform caused fierce reaction from the parties of the Left and students unions. Daily rallies were taking place in Athens and other cities and in some cases led to serious clashes between protesters and the police. Several cases of police brutality and framing of innocent students were extensively shown in the media and put the government in a difficult position, especially after minister of social order Vyron Polydoros chose to downplay these events and stand by the side of the accused police officers.

PASOK had entered a period of contemplation, seeking for a new identity that would bring the party back to electoral success. Although in many cases Papandreou defended the legacy of the Simitis governments, he clearly attempted to dissociate himself and the party from the political platform that had been clearly condemned by the electorate in the previous elections. Instead, he implemented an alternative strategy by appointing fresh, unblemished faces to key party positions that would symbolize the detachment of Papandreou's PASOK from its recent modernizing past. However, as this strategy fell short to boost the party's vote share at the polls and Karamanlis' denouncing political rhetoric proved increasingly successful, Papandreou eventually chose to adopt an accusative opposition against the government and rely on the experienced party members ahead of the 2007 election (Dinas 2008b).

In mid-August 2007, Karamanlis called for an early election that would be held in September 2007. He justified the call on the grounds of the need for deep reforms in education and the national economy that required a fresh mandate. The government hoped that the short length of the pre-election campaigns that coincided with the summer vacation period, would not change ND's lead in polls (Dinas 2008b). However, a series of destructive forest fires in Peloponnesus and Athens that resulted to a dramatic environmental disaster and the death of more than 70 people worked against ND's plans for an easy reelection. The media equivocally condemned the government's inability to cope effectively with the situation. The government's response was to attribute the fires to a deliberate plan that aimed to bring instability to the country and put forward an investigation that would bring the arsonists to justice. The opinion polls showed that a large percentage of the public opinion agreed that the country was facing some sort of attack even though evidence failed to support this view. On the other hand, a large percentage of the public held the two major parties equally responsible for the disaster and quickly a large portion of the media adhered to this stance. As a result the 2007 campaign apart from being particularly short, was overshadowed by the August catastrophe.

ND managed to win the 2007 election with a 3.5 percent decrease in its vote share compared with 2004. PASOK suffered a heavy defeat as it gained its lowest vote share since the two-party system was established in 1981 and the sum of the two parties' vote share fell below 80 percent. Papandreou resigned at the night of the defeat and called for a party election admitting that the majority of the people held PASOK responsible for the country's problems. Despite the early disaffection with his leadership, he managed to be reelected at the presidency of the party in November with an impressive 56 percent of the vote share.

### **2007-2009: Greece into recession, the Greek December and Scandals**

The last and shortest term of ND in office was characterized by three main aspects: The first was the rash of multiple political scandals that broke one after another and monopolized media attention throughout the two year period. More and more details of interdependence of politicians with private enterprises, cases of political corruption and extended use of machine politics kept being uncovered and put the government in a serious apologizing position for the first time since its election in 2004. The number and magnitude of the scandals cancelled out one of Karamanlis main political commitments, the tackling of corruption and the implementation of transparency in state affairs. On the other hand they brought up a number of issues where the government was the sole accountable and could not transfer the blame to PASOK's years in office. The media kept on criticizing Karamanlis' slow and weak reactions to the incidents, as he usually preferred to downplay the events and remove the staff involved only after the public and media pressure left no other option. All of the above rapidly changed the political climate for the government just a few months after its reelection and painted a grim picture that was maintained throughout the two year period.

The second important event that left its mark during the last term of ND in office were the unprecedented riots that occurred in December 2008 in Athens and other cities as a reaction to the assassination of a young student by a police officer. What began as a spontaneous reaction to the incident soon became a massive demonstration against the government and the political system by thousands of students, trade unions and members of left parties. Soon the situation went out of control with banks and multinational companies' buildings burning one after another for a period of three days. The government first appeared tolerant against the situation as ministers recognized that a dynamic intervention by the police would jeopardize human lives. The government's image was heavily damaged by the December events. First, criticism concerned the many cases of police brutality, which appeared to be partly excused by the government. On the other hand, the decision to leave the center of Athens unprotected to the rioters was heavily criticized by media and nearly all political parties.

The third central aspect of ND's last term was the escalating deterioration of public finances in the aftermath of the 2008 global financial crisis. Despite the government's initial assurances that Greece was secured against the crisis due to the reforms that had taken place, soon more and more vital sectors of the economy, such as tourism and constructions, entered into recession. The government responded with a new tough tax plan that included a raise in indirect taxation as well as a special supplementary

contribution for middle and higher incomes. The latter measures resulted in further deterioration of business and citizens' finances. What is more they came in sharp contradiction with the government's pre-election commitments, a point that was repeatedly anchored by the media. Pocketbook issues became an important issue in the everyday media agenda and the government could no longer play the card of blaming the socialist party but for the first time was criticized for its own handling of the economy.

In the light of the above, circumstances appeared more than favorable for the socialist party's return to power. George Papandreou's comfortable reelection in the party's presidency had put an end to intra-party opposition and lessened the conflict between the two poles of the party, namely the traditional socialists and the 'modernizers'. Yet, in the first few months after the 2007 election, PASOK was still struggling at the polls, with an important portion of its voters switching to the Coalition of the Radical Left (SYRIZA). Gradually, Papandreou managed to capitalize on the rapid downfall of the government and took a lead in polls, even though little had changed since the party's electoral defeat in 2007, with the exception of the avoidance of communication mistakes that had cost PASOK during the previous election (Dinas 2010).

Karamanlis called for a consecutive early election in September 2009 just three months after a loss in the European elections. He justified the early elections on the grounds of the deteriorating condition of the national economy due to the global financial crisis that would require a series of unpleasant but necessary financial measures in order to get the economy back on track. His main argument for the need of an early election was the fact that PASOK had openly expressed its will to cause an early election in spring 2010 by voting against the reelection of any President ND would suggest<sup>6</sup>.

The election was held on the 4<sup>th</sup> October 2009. Its result was catastrophic for the governing party as it lost with a record ten percent difference. Despite the fact that PASOK's vote share raised no more than five percent, the respective downfall for New Democracy was larger than eight percent bringing the party to a historical low since its foundation in 1974. At the same time, the additive electoral percentage of the two main parties reached its nadir (77.4 percent) since the consolidation of the two-party system in 1981.

We may sum up the rise and fall of the Greek conservative party as following: After a large period of vivid ideological confrontation that clearly worked to PASOK's benefit, New Democracy chose to follow a different communication strategy that would expand the party's electoral base beyond its traditional ideological limits. While in opposition, from 1997 to 2004, Karamanlis chose to cultivate the profile of an ideology-neutral political party that brought a new ethic to political antagonism and put an end in the ideological polarization of the previous decades that had traumatized social unity. The two parties had limited political differences as New Democracy generally agreed to the three broad aims of PASOK's modernization scheme. Thus, confrontation was transferred from an ideological – policy making level to confrontation on valence issues. Since PASOK had an issue ownership over the national economy, the opposition focused on pocketbook issues and criticisms over the government's performance on a series of everyday problems. When ND rose in power, it attempted to share responsibility with

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<sup>6</sup> According to the Greek constitution the President of the Republic is elected by the parliament with an increased majority system. In the case where the candidate fails to gather the vote of 180 from a total of 300 MPs, the parliament is automatically dissolved.

PASOK on all problems that entered in the political agenda. Karamanlis' second term in government was characterized by the government's inability to live up to the high expectations raised during the seven years ND was in opposition. We have described the key aspects that formulated the political environment of the period 2004-2009. In the next section we present empirical evidence over the influence of a series of factors on voting behavior during the three elections.

## Data

The data come from three face to face pre-election surveys of the public opinion institute VPRC on a representative sample in 2004, 2007 and 2009.

## Empirical Evidence

We investigate some of the key aspects of voting behavior in the 2004, 2007 and 2009 election by estimating and comparing identical individual-level models in which the dependent variables are dichotomous and coded a) '1' if responded votes for the party in question b) '0' if respondent votes for any other party. Since the dependent variable is a categorical dichotomous variable, we employ logistic regression.

Our models assess the impact of some interesting factors on the vote decision between the ND and PASOK. Table 2 provides a full list of the variables used in the models. To begin with, our datasets include the measurement of three important socio-demographic characteristics (age in years, highest attained level of education and subjective perception of income) that allow to examine the hypothesis over the convergence of the two parties electoral bases in social and demographic terms, as well as trace possible changes in the patterns of support during the examined period. Unfortunately, due to coding issues in the questionnaires we are unable to examine the influence of social class with neither manual-non manual nor the Heath & Goldthorpe measurement.

Table 2: List of Independent Variables

Independent Variables	Coding
Subjective Income Status	1- lowest (great difficulties); 2- low (moderate difficulties); 3- medium (get along); 4- high (comfortable income)
Education	1- low (9 years of schooling); 2- medium (finished mandatory schooling); 3- high (holds a university degree)
Age	1- 18-24; 2- 25-34; 3- 35-44; 4- 45-54; 5- 55-64; 6- 65+
Church Attendance	1- visit church at least once a month; 0- Visit church less often than once a month
Retrospective Egocentric Perceptions	1- became worse; 2 – stayed about the same; 3- improved
Best prime minister	1- Karamanlis; 2 – Papandreou; 0- Neither

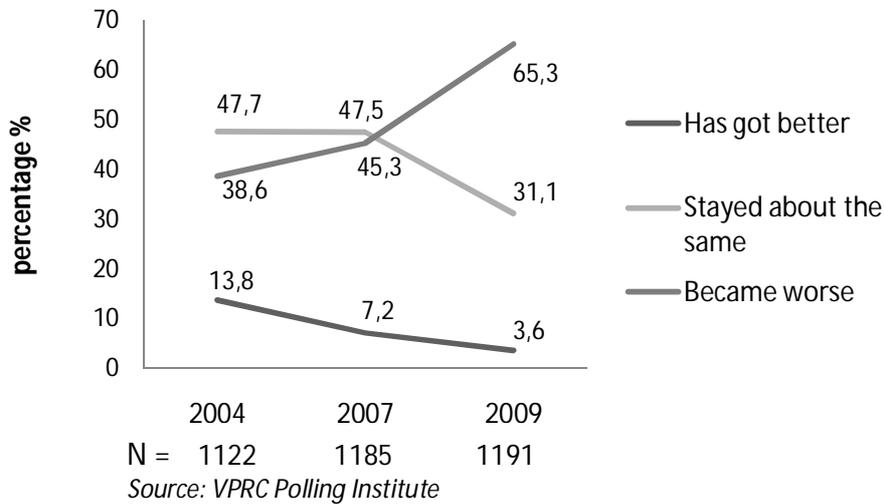
Ideological self placement	1- Left(positions 1-4); 2- Center (positions 5-6); 3 -Right (positions 7-10)
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Moreover, we evaluate the influence of church attendance, which is widely used as a cue for measuring the level of religiosity and has proven a strong predictor of party preference in many European countries (Knutsen 2004). However, due to the central role of Orthodoxy in the Greek national identity (see Demertzis 1994, Papparizos 1994), church and the state in Greece are not fully separated and there has been no serious anticlerical movement that would question this cloudy institutional entwinement. While, as we mentioned earlier, the church has been traditionally more favorable to New Democracy, PASOK has always been cautious with regards to its relations with the clergy (Georgiadou 1996). According to Georgiadou and Nicolacopoulos (2002), Simitis identity bill is one of the most decisive confrontations that have ever taken place in Greece between the state and clergy. Therefore it is particularly interesting to estimate whether church attendance affected the election outcome in 2004 and whether such effects persist in successive elections.

Moreover, assessing the impact of ideological self placement allows the examination of the ideological transition of the two main parties in the three elections covered by the analysis. We are particularly interested to confirm the hypothesis over the transcended electoral appeal of ND's in its rise to power as well as to compare the electoral realignments in terms of ideology that took place in the period between 2004 and 2009.

What is more, our models assess the impact of retrospective pocketbook evaluations, an item that is used to measure the influence of egocentric economic evaluations. The theory of pocketbook voting describes the effects of personal or household economic conditions on the vote. The central hypothesis is simple: When personal economic conditions improve, voters tend to reward the incumbent, while when economic conditions deteriorate they switch their vote to the challenger. (Lewis-Beck & Paldam 2000, Lewis-Beck & Stegmaier 2007, Listhaug 2005). We have a number of reasons to anticipate that pocketbook effects will be higher in the 2004 and 2009 election. As described earlier, Simitis long term economic policies gathered support among those who benefited from the euro (Mavris 2000). Hence, we expect that these layers would reward the government by voting for PASOK. In 2007, however the attribution of responsibility for the state of economy was not clear since ND continuously transferred the blame to the socialists for all problems that would occur during its first term in government. 2009 was a different story: the gradual slowdown of the economy resulted in a deterioration of household income which is reflected in citizens' evaluations, as respondents who believed that their economic situation had worsened over the previous year escalated between 2004 and 2009 (Figure 1). What is more, we anticipate that voters would blame the government choices since it had already served five years in office.

**Figure 1: Evaluations of Economic Situation of Household during the last 12 months 2004-2009**



Finally, on top of these variables our empirical analysis assesses the influence of political leadership ratings with the inclusion of an item that asks respondents to choose who would make the ‘best prime minister’ between Karamanlis and Papandreou. In modern ‘post-democratic’ (see Crouch 2004) political systems, political leaders constitute “the most accessible and prominent feature of election campaigns” (Curtice & Holmberg 2005, p. 236). The evaluation of party leaders is generally considered an important cognitive heuristics for electoral decision-making (Clarke et al. 2000, 2004) although in many cases empirical analyses find minimal effects when other factors are taken into account (Bartle & Crewe 2002). As for the current analysis, we anticipate the evaluations over the most suitable prime minister variable to yield an inflated coefficient due to the fact that our model does not include the measurement of party identification or feelings about the political parties.

## Results

Table 3 reports the results of the analyses for the 2004, 2007 and 2009 elections. The models’ overall fit is very good for both parties, with the estimated pseudo-R<sup>2</sup> ranging from 0.72 to 0.86. We begin the analysis with the correlates of the vote for PASOK in the 2004 election, where the party lost office after 11 years in government. Results suggest that the socialists gained an increased vote share among respondents with lower education (who traditionally supported the socialist party) but also among voters from the highest educational group. As for the rest of socio-economic variables, income status and age do not exert a significant influence on the probability of voting for the socialists. Surprisingly, same is the case with church attendance, despite the party’s serious confrontation with the clergy in 2001.

Retrospective evaluations of personal economic conditions had a significant influence on the socialist vote in 2004, as those who saw their income grow during the final year of Simitis’ governance were significantly more likely to vote for PASOK.

Table 3: Electoral Behavior in 2004,2007 and 2009 Greek Elections

	2004		2007		2009	
	PASOK β (se)	ND β (se)	PASOK β (se)	ND β (se)	PASOK β (se)	ND β (se)
Level of education (control: Low)						
Middle	-.617** (.288)	.265 (.464)	-.327 (.721)	.104 (.434)	-.017 (.311)	-.612 (.419)
High	-.400 (.383)	.193 (.692)	-.363 (.696)	-.242 (.540)	-.171 (.374)	-1.048** (.498)
Age (control: 65+)						
18-24	-.481 (.459)	.432 (.485)	.864 (.529)	-1.768** (.639)	-.360 (.498)	-.558 (.673)
25-34	.261 (.430)	.378 (.486)	.004 (.493)	-1.612** (.664)	-.029 (.473)	-.422 (.607)
35-44	.011 (.399)	.568 (.262)	-.125 (.455)	-.998 (.599)	.511 (.444)	-1.352** (.604)
45-54	.068 (.398)	-.159 (.752)	.321 (.446)	-1.067 (.599)	.663 (.413)	-1.136** (.572)
55-64	.162 (.423)	.110 (.830)	.470 (.463)	-1.117* (.580)	.087 (.415)	-.545 (.569)
Income (control: Quartile I)						
Quartile II	.294 (.325)	-.153 (.385)	-.379 (.701)	1.087 (.703)	-.702 (.743)	.757 (.839)
Quartile III	.557 (.450)	-.868* (.450)	.281 (.386)	.668 (.540)	.628 (.343)	1.038** (.510)
Quartile IV	.873 (.440)	-.905 (.816)	.030 (.350)	.296 (.522)	.341 (.309)	.555 (.490)
Attending Church	.011 (.273)	.221 (.341)	.052 (.323)	.184 (.365)	.376 (.286)	.234 (.364)
Retrospective Household Economic Condition (control: got worse)						
Stayed about the same	.861*** (.260)	-.079 (.336)	.297 (.291)	.706 (.391)	-.829** (.279)	1.173*** (.332)
Improved	1.590*** (.404)	-.827 (.550)	.161 (.583)	1.160** (.533)	-.870 (.728)	1.469** (.741)
Best Prime Minister (control: None)						
Papandreou	3.578*** (.402)	-1.753*** (.408)	3.417*** (.302)	-2.916** (1.071)	3.825*** (.263)	-2.816*** (.778)
Karamanlis	-2.121*** (.642)	3.804*** (.393)	-2.336*** (.443)	3.697*** (.370)	-.749** (.342)	3.341*** (.330)
Ideology (control: Right)						
Left	-1.615** (.777)	-3.628*** (.855)	1.474 (1.271)	-5.162*** (1.171)	.879 (.747)	-4.805*** (1.213)
Center-Left	-.744 (.711)	-2.587*** (.630)	2.230* (1.211)	-3.991*** (.644)	1.718** (.666)	-3.867*** (.755)
Center	-.254 (.677)	-.854 (.499)	3.701** (1.189)	-1.972*** (.445)	2.063*** (.630)	-2.025*** (.476)
Center-Right	-1.590** (.743)	.261 (.542)	1.435 (1.317)	.078 (.498)	.995 (.684)	-.761 (.502)
Nagelkerke R <sup>2</sup>	0.76	0.85	0.78	0.86	0.72	0.83
N	985		925		941	

Cell entries are logistic regression coefficient s with standard errors in parentheses \* p < 0.1, \*\* p < 0.05, \*\*\* p < 0.1

Moving to the assessment of the impact of ideology on the vote, results confirm the hypothesis over the blurred ideological mark of the socialist party: respondents who placed themselves in the left and center-right of the left-right scale were significantly less likely to vote for the socialist party compared to those who placed themselves to the right positions. As discussed earlier, PASOK's modernization platform caused a realignment of traditional party allegiances. Our results confirm this view as we find no significant difference in the probabilities for voting PASOK among its historical ideological supporters (the center-left) as well as its historical opposition (the right). Finally, and expectedly, citizens' evaluations over the leaders' capability to serve in office play a particularly important role in the vote decision, although as we mentioned earlier, this finding may well be inflated by a lack of variables measuring party identification or attitudes toward the parties.

We now turn to the respective analysis of the rise of the conservative party in power. According to our results, the electoral basis of ND in 2004 carried a mixed socioeconomic profile, with the party gaining equally across levels of education, age groups and income quartiles (with the exception of middle income layers who appear less likely to vote for ND). The ideological correlations of the conservative vote are particularly noteworthy. Our results suggest that respondents who place themselves in the 'neutral' political center are not significantly less likely to cast their vote for ND in comparison with the party's traditional center-right and right wing voters. These findings strengthen the argument over the party's catch-all and transcending political character. As for the other variables, retrospective egocentric economic judgments although perform in the expected direction, fail to reach statistical significance. One possible explanation for this is that by focusing on a plethora of everyday issues, the conservative party managed to attract voters who despite the fact that their personal economic situation had improved, appear to have chosen to cast a conservative vote. Finally, as was the case with the socialist vote, church attendance is not associated with higher probability of voting for the conservatives.

Overall, results confirm the rearrangements within the parties' electoral bases, as expressed through ideology, in comparison with the first decades of the Greek third republic. According to our data it is evident that the concentrated efforts of Karamanlis and ND to appeal to the middle of the road voters have paid off. The party managed to transcend its traditional right wing image that had proved unpopular in the past. ND unified heterogeneous layers of voters that had become disenchanted with PASOK's more liberal economic stance as well as with the lack of progress to the country's chronic social and political problems. Another interesting finding is that the 'identity issue' did not have an effect on the vote despite the magnitude of the state's confrontation with the church. This finding could be attributed to the inclusion of socio- ideological variables in the model that may have diminished the effect of church attendance to non significant levels.

According to our analysis, the 2007 election was a different story. Results illustrate some major changes in the electoral bases of both parties. To begin with, New Democracy seems too lose its appeal to the younger segments of the electorate as respondents aged between 18 and 34 years are less likely to cast their ballot for ND compared to those aged over 65 years old. The most important changes for both parties, however, are observed in the ideological nexus of support: Whereas in 2004 ND had

consolidated its primacy on the centrist voters after its persistent efforts while in opposition, in 2007 its appeal is limited to voters who place themselves on the center right and right positions of the left right scale. It appears that only three years after its election the conservative party lost a significant portion of the middle of the road electors who were decisive in its win in 2004. What is more, the analysis illustrates a reverse realignment among 2007 PASOK voters. While in 2004, citizens who placed themselves in the right end of the left right scale were not significantly different in the likelihood of voting for the socialist party, compared to middle of the road voters, this pattern is now reversed.

Egocentric economic evaluations exert a limited, yet significant, influence on the probability of casting a conservative vote. Respondents who believe their personal economic situation had improved over the past year appeared more likely to reward the incumbent party, while the difference in the probability of voting for ND between those whose economic condition stayed about the same and the control group is not statistically significant. On the contrary, there is no significant relation between change of personal economic situation and voting for PASOK. As we mentioned earlier, Karamanlis being aware of the disillusion of the electorate with PASOK's long stay in power chose to overplay the previous government responsibilities for all issues that would come up during his prime ministry. The fact that PASOK fails to gain votes from people who saw their economic conditions deteriorating during the first ND government should be attributed to the fact that in the eyes of a significant portion of the electorate, the socialist party was equally or even more responsible for their personal economic conditions. As for the rest of the variables, judgments over the capability of the candidates for prime ministry again appear to be a strong predictor of voting behavior, while subjective income status and church attendance once more fall short to make an impact on the probability of voting for the two major parties.

All things considered, the data show that even though the conservative party managed to win the 2007 election comfortably, it appears that it had lost the support of an important, hard to gain, electoral group that was key to the party's victory in 2004. What is more, the proposed reforms on education as well as the forest fires in 2007 repelled significant layers within the youngest age groups who turned to smaller parties (see Karamichas 2007 for a similar argument). Still, the fact that PASOK does not attract voters who saw their economic condition deteriorating during the conservatives' first term in office indicates that the government enjoyed an extended period of tolerance by voters, mainly due to its communication strategy to hold the socialists equally responsible for all problems in the political agenda during the first three years. What is more, the analysis suggests an important ideological realignment for the socialist party: Even though the party's electoral share is reduced compared to the previous election, PASOK in 2007 appeals to a more ideologically coherent electorate, gaining votes mainly from center and center left ideological layers while its voters still maintain a mixed sociodemographic profile. We now turn to the analysis of the 2009 election result, where ND lost more than eight percent of its vote share in less than 24 months.

As Table 3 reports, the motif observed in the 2007 election continues to appear in 2009: the defection of centrist voters from the conservatives persisted in the 2009 election and ND's electoral basis returns to its historical limits, being voted mostly by citizens placing themselves on center-right and right positions on the left – right scale. On

the contrary, PASOK continues to gain votes among the center and center-left voters, consolidating its domination within the vital political center. However, it appears that the decisive factor for the conservative party's reduced electoral share were egocentric economic evaluations. The overwhelming majority of the electorate who believe that their personal economic conditions had worsen during the previous years, appeared significantly less likely to cast their vote for the conservative party, compared to those who saw their economic situation improving. Furthermore, citizens who face serious economic difficulties in satisfying their needs are significantly less likely to vote the Greek conservatives compared to respondents who are placed to the 3<sup>rd</sup> income quartile, while in 2004 the coefficient appeared reversed. These results are hardly surprising. In contrast with the 2007 election, the conservative government appeared as the main responsible for the worsening of economic conditions for multiple layers of the population and Karamanlis' request for a fresh mandate in order to apply strict financial policies in order to ease the public debt came in contradiction with the high expectations cultivated in the pre-2004 period. This caused the 2009 election campaign to be exceedingly focused on pocketbook issues, an issue that was frequently overplayed by the Greek media and brought the government to an apologizing position.

## **Discussion**

The period between 1996 and 2004 brought significant adjustments to the two main parties' political platforms and the nature of party competition. The vast ideological differences that shaped a polarized party competition were significantly constrained. The liberal political program implemented by Simitis paved the way for the programmatic convergence of socialists and conservatives as both parties agreed that the entrance to the EMU should be the goal of economic policy for the years to come. These developments signified the transition of the two main ideological rivals of the previous decades toward the political center. At the same time party competition shifted from a polarized ideology-based confrontation between the two main parties to the consolidation of valence and moral integrity issues in which New Democracy carefully built an advantage over its historical opponent.

This paper provided empirical evidence to demonstrate that New Democracy rose to power by transcending its traditional electoral boundaries and gaining access to PASOK's pool of voters. Furthermore, we demonstrated that its downfall came as a two step process. First, after only three years from its election the ideological profile of ND voters changed significantly by losing the middle of the road layers of the electorate that were an important factor behind the party's rise to power in 2004. In addition, the inability of the government to handle the forest fires and the confrontation with students unions over education resulted in the reduction of the party's electoral share among younger cohorts. Still, the party managed to win the 2007 election as PASOK -even though had a more ideologically coherent electoral basis compared to the previous election- did not succeed in convincing that it could offer solutions in the areas where the conservative party underperformed and it was held co-responsible in the eyes of a large number of citizens. The difference between 2007 and 2009 was the attribution of the problems that the country faced to the conservative party. In particular, the government's poor handling of the economy had a serious impact on the vote decision. While in 2007

personal economic situation played a rather limited role in voting for the two parties, two years later large layers of the population punished the government for its poor management of the national economy that afterwards proved to be the foreword of the deepest financial crisis in the country's post war history.

### **Acknowledgements**

Pavlos Vasilopoulos' work has been co-financed by the European Union (European Social Fund – ESF) and Greek national funds through the Operational Program "Education and Lifelong Learning" of the National Strategic Reference Framework (NSRF) - Research Funding Program: Heracleitus II. Investing in knowledge society through the European Social Fund.

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