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Political Systems and Indicators: Change and Continuity in Germany and Greece

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Abstract: Political systems and governmental structures in Germany and Greece are being reshaped by recent electoral results: Germany is experiencing its third grand coalition in the past four elections whereas Greece is struggling with political volatility and shaky coalition governments. Motivated by these changes, we study the two countries' performance on key political indicators which we interpret through the lens of related theoretical results. Despite common characteristics, such as decline of the traditional political system, increasing electoral fragmentation, growing political conflict and resurgence of far-right parties, the figures reveal two very different stories for the two countries. While Germany has maintained government effectiveness, control of corruption, rule of law and full functionality of its constitutional democracy, Greece is showing alarming signs of deterioration. Based on these findings, we explore current trends and challenges and raise questions about inequality reduction and convergence between Germany and Greece within the context of their common European perspective.

Keywords: Germany, Greece, Coalition Governments, Fragmentation, Responsibility Attribution, Economic & Political Indicators

JEL Codes: 91A, 91A40

Note: This paper was completed and reviewed before the Greek election of 7 July 2019 won by the centre-right New Democracy party, which

achieved a parliamentary majority. Although, the outcome of the 2019 election complicates the conclusions of the paper, the main message remains unaltered. We leave analysis of its implications for the issues discussed in this paper for future research.

1. Introduction

The electoral outcomes of the past few years in Germany and Greece indicate broad changes in the electorates' preferences. Interestingly, the patterns of the changes in the two countries have many features in common. The vote share of the traditional "dominant" parties in both countries is in decline and vote is distributed across a wider and more fragmented ideological political spectrum. Parties in the right of the political fringe regain parliamentary representation and conflict over policy implementation and responsibility attribution for past misdeeds is growing more intense.

More profoundly, these changes have reshaped the governmental structures of the two countries. The traditional schemes of large-small coalitions in Germany and solid single-party governments in Greece have been disrupted. Germany is currently governed by the third grand coalition – coalition between the two major parties – in the last four elections, with only one more such occurrence in the relatively distant past of 1966-1969. In a similar deviation from its long-lasting two-partyism, Greece has entered a period of electoral volatility and alternation of coalition governments. The reasons for these changes are manifold and many of them are common for the two countries. Geopolitical risks, global economic threats such as trade wars and protectionism, refugee crisis, populism fueled by social-media politics and the arduous exit of Britain from the European Union are only some of the common issues that are reshaping the political scenes in Germany and Greece.

To understand the evolution of voting preferences and in particular, their impact in the political systems of the two countries, we employ a diverse toolbox. We evaluate key political indicators that are measured annually by independent international bodies and use the results to identify emerging trends and challenges. These include the annual Democracy Index by the *Economist Intelligence Unit*, political indicators on Government Effectiveness, Rule of Law and Political Stability issued by the *The World Bank* and the Control of Corruption Indices by

Transparency International and *The Global Economy*. We compare the performance of the two countries in these indicators and interpret our findings through the prism of related theoretical results.

Based on the aforementioned indices we observe that while both countries have entered a period of party system reconfiguration marked by gradual departure from their traditional party system, fragmentation of preferences across a wider ideological spectrum, resurgence of right-extremist parties, increasing electoral volatility and political instability, the responses of their political systems and governmental mechanisms are fundamentally different. The figures indicate that Germany retains or even improves its performance in all key political issues, showcasing a robust governance mechanism and institutional infrastructures that function well, independently of the underlying governmental scheme. The picture is markedly different for Greece. In what can be seen as a political paradox, Greece's performance is deteriorating in almost all key indicators that the electorate was trying to fix by changing its vote. Indicatively, domestic political debate is still marred by intensifying party conflict, blame-shifting and responsibility avoidance. Government efficiency remains at problematic low levels while rule of law and control of corruption are decreasing well below comparable European standards.

These findings bring to the surface a disconcerting structural problem. Namely, despite their European integration, Germany and Greece exhibit different dynamics and significant deviations in their resilience to common exogenous issues. This creates an additional obstacle for Germany and Greece – and perhaps also for other countries – to reduce inequality and converge in a common European future. At a domestic level, the observed political changes raise questions about two pressing issues. First, about the aptness of the two countries' electoral rules to represent public preferences in the changing political configurations and second, about the effectiveness of the opposition which in the prevailing broad coalition governments is either expressed as intra-coalition conflict or via the agenda of the third-largest party.

The rest of the article is structured as follows. In Section 2, we briefly review the political systems and the electoral rules in Germany and Greece. In Section 3, we discuss the ongoing fragmentation of their party systems and in Section 4, we focus on coalition formations, strategic voting, intensity of the political debate and responsibility attribution. In Section 5, we study emerging trends and challenges through some key political indicators and conclude our analysis in Section 6, where we

summarize our findings and raise questions in the context of the two countries' common European perspective.

2. Political Systems and Electoral Rules

2.1. *The electoral rule of Germany*

The national Parliament of the Federal Republic of Germany is the *German Bundestag*. Its nominal members are elected for four-year terms by a mixed electoral system in which voters vote with their first votes for a constituency representative (299 parliament seats), and with their second vote for a party. With a minimum of 598, the seats in the Bundestag are increased by overhang and leveling (adjustment) seats, to achieve full proportionality in the formation of the Bundestag according to the parties' shares of the second votes.

Germany's electoral rule has been designed to serve two distinct objectives: adherence to the principle of proportional representation on the one side and enhanced accountability of representatives to their electoral districts on the other side. To achieve this goal, the system is a hybrid,¹ that is a combination of first-past-the-post (first votes) and proportional representation (second votes). Combining many of the advantages of both the plurality and the proportional voting system, Germany's voting system allows for governments that are stable and capable of acting and facilitates smooth alterations of parties in the parliament.

Germany's electoral law stipulates that a party must receive a minimum of 5 percent of the national vote, or three constituency seats, in order to gain representation in the Bundestag. This electoral hurdle was crafted to prevent the proliferation of small extremist parties like those that destabilized the Weimar Republic. In effect, the 5% clause has limited the success of minor parties and has consolidated the party system. Finally, in a regulation that starkly contrasts with the Greek electoral rule, Germany's system prevents the Chancellor (Head of Government in Germany) from calling snap (early) elections and thus early elections are a rare phenomenon in Germany.²

¹ Source: *Deutscher Bundestag*

² The Basic Law of Germany (under articles 67 and 68) allows the Bundestag to express its lack of confidence in the Federal Chancellor only by electing a successor by the vote of a majority of its Members and requesting the Federal President to dismiss the Federal Chancellor; a process known as the constructive

2.2. The German political system and culture

Germany is consistently ranked as a *full democracy*, the highest rank achievable in terms of democratization, and its democratic procedures serve as a paradigm for developing democratic countries, see Table 1.

Democracy Index 2018	Germany	Greece
Electoral process & pluralism	9.58	9.58
Functioning of government	8.57	5.36
Political participation	8.33	6.11
Political culture	7.5	6.88
Civil liberties	9.41	8.53
Country Rank	13	39
Overall Score	8.68	7.29

Table 1: The Democracy Index 2018 and its subcategories provided by the Economist Intelligence Unit (EIU).

Political power is diffused among several individual posts and institutions in an elaborate way which prevents the concentration of power but at the same time enables the government to act and overcome gridlocks.

Since its inception, the Federal Republic of Germany has experienced a stable, multi-party system. It has been dominated by two political parties, the *Christian Democratic Union of Germany* (CDU) with its sister party, the *Christian Social Union* (CSU), usually referred to as CDU/CSU or simply CDU, and the *Social Democratic Party of Germany* (SPD). Smaller parties that have been regularly represented in the German Bundestag since the reunification of the Western and Eastern part of Germany in 1990, are *The Greens* (“Die Grünen”), *The Left* (“Die Linke”) and traditionally, the *Free Democratic Party* (FDP). Only recently, in the federal elections of 2017, the newly founded, right-wing the *Alternative for Germany* (AfD) gained representation in the Bundestag and became the third largest party.

The influence of the minor German parties has been enhanced by the predominance of stable, coalition governments which, following some

vote of no confidence.

initial fluidity in the first post-war years, have been the norm in the Federal Republic of Germany. Germany's electorate exhibits a strong tendency towards coalition governments which exemplifies its desire for consensus politics and large governing majorities.

Up to 2005, most coalitions were formed between one of the large parties – CDU/CSU or SPD – and one of the smaller parties – usually FDP and after 1990 also the Greens – with the single exception of the so-called *grand coalition* between CDU/CSU and SPD in the 1966-1969 period.³ The trend of coalition governments has persisted in recent years and up to this day. Nonetheless, the pattern of coalitions has changed and the *grand-coalition* between CDU/CSU and SPD has become the norm rather than the exception with three additional instances occurring in 2005-2009, 2013-2017 and from 2017 onwards. All grand coalitions are summarized in Table 2.

Election	Seats	CDU	SPD	FDP	Grüne	Linke	AfD
1966	496	245	202	49	–	–	–
2005	614	226	222	61	51	54	–
2013	630	311	192	–	63	64	–
2017	709	246	153	80	67	69	94*

*In 2019 the AfD counts 91 parliament members, as 3 out of 94 are now independent Parliament members (see Deutscher Bundestag).

Table 2: Coalition governments between CDU/CSU and SPD – grand coalitions – in Germany since 1949. The distributions of seats are reported as at the beginning of each session.

2.3. The electoral rule of Greece

The Greek electoral system is a system of *reinforced proportional representation*, a form of semi-proportional representation with a majority bonus: the party that wins the plurality of votes cast is awarded an extra 50 seats out of a total of 300 parliamentary seats. The remaining 250 seats are divided proportionally according to each party's total valid vote

³ Germany's party system is referred as a two-and-a-half party system, see Siaroff (2003) and Scarrow (2012).

percentage. Small parties need to reach a threshold of 3% to be represented in Parliament. Members of Parliament (MPs) are elected for four-year terms in the seat legislature, see Koki and Leonardos 2019 and references therein. However, the Prime Minister is allowed to ask the President of the Republic to call early elections. This option that has been frequently exercised and it is common that governments do not exhaust this four-year term (Koliastasis 2015).

The disproportional system has effectively enhanced governmental stability in the Greek bipartisan political system that up to 2009 saw the percentage of the two dominant parties, PASOK and ND, often exceed 85% of the total vote (Patrikios and Karyotis 2008). Voting remains compulsory although no formal sanctions apply to non-voters.

2.4. The Greek political system and culture

In Greece, the first post-war years 1945-49 were marked by civil war and bitter conflicts, followed by checkered democratic politics until 1963. The period 1963-67 was characterized by constant political dealignment and destabilization, which culminated with the military junta of 1967-1974 (Teperoglou and Tsatsanis 2014). In 1974, democracy was restored in a process that was termed “*The Metapolitefsi*” (=political transition / changeover). The Constitution of Greece that was put into force in 1975 and which has been revised three times since, declares that the form of government of Greece is that of a *Parliamentary Republic*.⁴

After the establishment of the *Third Republic* in 1974, Greece saw the emergence of one of the most stable two-party systems in Europe.⁵ At its core stood the two major political parties, the socialist Panhellenic Socialist Movement, (PASOK) on the center-left and the conservative New Democracy, (ND) on the center-right. The firm dipole structured political competition along the left-right axis, and the two parties regularly alternated in power up to 2009 (Dinas and Rori 2013).

Aided by the disproportional electoral system, Greek politics have been dominated by strong single-party governments. The need for compromise and coalition politics has been almost non-existent

⁴ Source: *Hellenic Parliament*.

⁵ While Greece’s party system is usually characterized as a two-party system (see, e.g., Teperoglou and Tsatsanis 2014), it has also been described as a two-and-a-half party system, Siaroff (2003).

(Vasilopoulou and Halikiopoulou 2013). This is with the brief exception of the three 1989/1990 elections and the “*ecumenical*” government composed of ND, PASOK and SYNASPISMOS between November 1989 and April 1990, precisely during the single period that the electoral rule was changed to simple majority (Dimitras 1990, Dimitras 1989). Consequently, and in stark contrast to the Federal Republic's politics, discussed above, post-1952 Greece lacks a history and culture of consensus and communication and coalitions have been rare and short-lived (Nezi 2012).

This picture drastically changed during the past decade. Two years after its 2009 landslide win, PASOK was forced to step down and allow a provisional coalition government to form – between PASOK, ND and LAOS – with the task to take Greece out of a major political deadlock caused by the country's debt crisis (Bosco and Varney 2012). Since then, in a pattern similar to most Central and Eastern European Democracies (Ibenskas and Sikk 2017), the Greek political system has been characterized by constant mergers, splits, changes of labels and short-lived electoral alliances. In the last eight years, Greece went through 4 elections (without counting the 2019 election) – one of which led to a stalemate and three to coalition governments (Koki and Leonardos 2019) – and one referendum over the implementation of an austerity package (see Economou et al. 2017 for details). The referendum was called by the rising SYRIZA, which in this way capitalized on the party's ethical advantage of a clean political past and the popularity of its leader (Karyotis and Rüdiger 2015). In agreement with theoretical predictions (Tridimas 2007), SYRIZA won a valuable victory against its rivals that affirmed its advancement as the main center-left counterpart of ND, in the place of the dissolving PASOK.

In the 2018 study of the Economist Intelligence Unit, Greece is characterized as *flawed democracy* (second highest rank), with the lowest scores achieved in the subcategories “Functioning of the government”, “Political participation” and “Political culture”, see Table 1.

All coalition governments since 2011 are shown in Table 3. The smaller coalition partners in this period are LAOS, a right-wing party, ANEL, also a right-wing party and DIMAR in the democratic left.

Period	Coalition Government					
11/2011-05/2012	PASOK*	160	ND	91	LAOS	15
05/2012-06/2012	<i>Provisional government (non-elected)</i>					
06/2012-01/2015	ND	129	PASOK	33	DIMAR**	17
01/2015-09/2015	SYRIZA	149	ANEL	13		
09/2015- to date	SYRIZA	145	ANEL***	10		

*PASOK was elected as a single party government in 2009 but formed a coalition in 2011 (see Matsaganis (2012)).

DIMAR dropped from the government in 2013. *ANEL dropped from the government in 2019.

Table 3: Coalition governments in Greece since 2011. Simple majority requires 151 out of a total of 300 seats in the Hellenic Parliament.

3. Fragmentation of the political system

The latest electoral outcomes in Germany and Greece have been marked by changes in the voting patterns of the electorates. These changes indicate, in both countries, a decline of the support for the two major parties and a broader distribution of preferences across a wider spectrum of political parties.

Figure 1 depicts the number of parties in the Bundestag and the combined percentage of seats for the two biggest parties – CDU/CSU and SPD – between 1949 and 2017 and the current estimate for 2019 (Source: Forschungsgruppe Wahlen E.V.). The bars indicate the total number of parties in Bundestag. The two smallest values of the combined seat share occurred after the end of the two grand coalitions of 2005-2009 and 2013-2017. In the 2017 German federal elections, the smaller parties grew their combined vote share from under 22 percent in 2013 to over 46 percent, the highest postwar share. The number of parties in the Bundestag – including the left-socialist party *Die Linke* and the right-wing party with strong anti-

immigrant agenda AfD – was the highest since the first postwar elections in 1949 and 1953.⁶

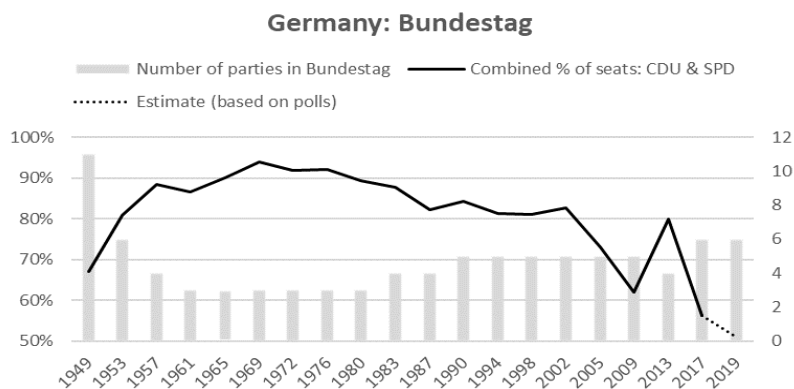


Figure 1: Combined percentage of seats in Bundestag for the first two parties – CDU/CSU and SPD – between 1949 and 2017 (solid line). The dotted line shows the current estimate based on the Politbarometer (Source: Forschungsgruppe Wahlen E.V.). The bars indicate the number of parties in the Bundestag.

Banaszak and Doerschler (2012) argue that after the consecutive grand coalitions, the large parties experienced electoral decline. Patton (2018) attributes the fragmentation of the electorate's preferences to both the grand coalitions and Germany's increasingly diverse demographic profile. According to Decker and Adorf (2018), multiparty coalitions that bridge ideological gulfs are a new reality that must be accommodated as the political fringe has grown in size. They contend that the 2017 electoral results and the subsequent arduous negotiations signal a period of uncertainty and further upheaval for Germany's party system. Using a different perspective, Lees (2011) focus on the increasing party system fragmentation and fluidity as long-term effects of the critical changes that took place between 1983 and the mid-1990s. Still, they attribute party fragmentation and decline of the vote share for the two big parties to their

⁶ In the 1949 elections, the 5% threshold was in effect only for the Bundesländer not at the national level. This explains the higher number of parties that gained parliamentary representation.

grand coalition and conclude that the logic of recent coalition formations is a reflection of change⁷ rather than continuity.

Analogously to Figure 1, Figure 2 illustrates the combined seat share (as a percentage) of the two largest parties in Greece; that is the combined seat share of ND and PASOK between 1974 and 2009 and of ND and SYRIZA from 2012 onwards. The dotted line indicates the parties' percentages based on current polls (Politico 2019, Kathimerini 2019) and the bars correspond to the number of parties in the Parliament.

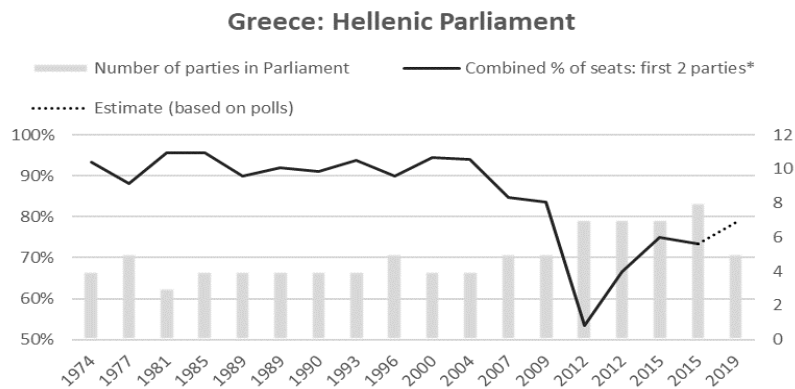


Figure 2: Combined percentage of seats in the Hellenic Parliament for the first two parties: ND-PASOK up to 2009 and ND-SYRIZA from 2012 onwards (solid line). The 2019 values are the current estimate based on European polls. The bars indicate the number of parties in the Parliament.

In the two elections of 2012, the long-lasting dipole of PASOK and ND collapsed (Dinas and Rori 2013, Koki and Leonardos 2019). In what was described as the end of two-partyism in Greece, the elections recorded an unprecedented fragmentation of power and diffusion of the vote (Teperoglou and Tsatsanis 2014). The seismic shift in the political system occurred in the wake of the economic crisis and Greece's fiscal deadlock (Karyotis and Rüdig 2015). In yet another reversal, the last elections of

⁷ Despite the unification of Germany, remarkable differences persist between the party systems of the former East and West Germany, e.g., AfD's vote share (Rensemann 2009).

2015 and the trending polls indicate a revival – but at a moderate extent – of the two-partyism between ND and SYRIZA.

In this changing political landscape, Greece's electoral rule has become part of the heated political debate. An amendment that was passed in 2016 and which will come in effect after the 2019 elections abolishes the 50-seat bonus for the first party and effectively reverts the electoral rule to simple *threshold proportionality* (Kathimerini 2016). While useful to prevent instability in the peak of two-partyism, the 50-seat bonus and the deviation from proportionality that it implies do not support the representation of social preferences in the currently fragmented party system. It is characteristic that in both the June 2012 and September 2015 elections, parties representing social minorities – of less than 20% of the registered electorate – were able to gain (near) absolute majorities in the parliament (*Ministry of Interior*). However, while proportional representation provides incentives for concessions between parties and may reduce conflict (Tridimas 2011), it may also fuel political instability and further rise of parties with more extreme positions. In a period in which broad social consensus and stability are crucial for Greece's political and economic future, these concerns raise second thoughts about the proper electoral rule.

The current concerns about the representation of the electorate's preferences also involve the 3% clause and abstention from voting. In the last elections, 8.5% of the vote went to parties that did not manage to gain representation in the parliament. Non-voting is also on the rise, with abstention rates around 40% (Kathimerini 2015, *Ministry of Interior*). Still, it is not well understood whether these rising rates are part of a more general trend recorded across Europe or if they are due to reasons peculiar to the Greek political reality, e.g., the principal-agent problem (Economou et al. 2017). However, along with the high out-of-parliament-vote, they undermine the proper functionality of representative democracy in Greece (Banaszak and Doerschler 2012). In a related analysis, Bosco and Verney (2012) identify abstention as a major problem to the extent that it even delegitimizes the political system itself. They reason that parties face multiple tensions that severely constrain them to listen to and represent their voters and conclude that government has become one of the least trusted institutions in Greece.

3.1. Political stability: populism and rise of the “extremes”

The fragmentation of the political systems in the two countries gave rise to two alarming phenomena: the resurgence of far-right politics and the rise of populism. While the very notion and the societal implications of populism are still not adequately understood (Chryssogelos 2010, Hough and Koß 2009), the rise of extremist political agendas poses a more direct threat to constitutional democracy (Berbair et al. 2015).

Referring to German politics, Patton (2018) argues that the centered policy which grand coalitions are forced to implement and the hindered clear alternation of government that they imply, open-up space in the wings of the political spectrum. In this context, AfD increased its second ballot vote share from 4.7% in 2013 to 12.6% in the 2017 Federal Elections and became the third largest party in the Bundestag. Considering the electorate's heightened sensitivity to far-right movements, due to the country's past, the increased support for the AfD stirs up a hornet's nest.

Kedar (2005) claims that the incentive for moderate voters to vote for extreme parties is magnified under coalition governments, leading to the so-called “compensational” voting. Scarrow (2012) compares the electoral outcome of 2009 with the increased voters' support for non-established parties after Germany's first grand coalition in 1966-1969. She finds a continuation of trends in declining turnout – although the turnout of the 2017 elections is higher than the previous elections – and increasing electoral volatility. She maintains that voters in unified Germany have more options for expressing discontent, even though, as observed by Rensemann (2009), discontent is higher in the Eastern part of Germany.

A similar trend is observed in Greece, with the emergence of Golden Dawn (GD): a party with far-right political agenda, self-defined as nationalist and anti-immigrant. Since the 2012 elections, GD consistently gains almost 7% of the vote share and has become the third largest party in the Hellenic Parliament. Chryssogelos (2010) argues that instead, the rise of populism is a more pressing problem for Greece. However, as Aslanidis and Kaltwasser (2016) observe, European integration is an important factor in taming extreme policies. Under the same conditions of economic crisis that bring populists to power, economic institutions and material constraints can play an important role in taming populist actors and socializing them into the standard rules of the liberal democratic regime.

To understand the impact of these changes in the stability of the political systems in Germany and Greece, we use the index of *Political Stability* from *The Global Economy* which is shown in Figure 3. The index

measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism. Although somehow fluctuating, the recent index values for Germany confirm the general concerns of increasing volatility in the country's political landscape and give credence to the claims that German politics have entered an era of instability (Spiegel Online 2018). Yet, they remain at positive levels. Much worse is the evolution of the index regarding Greece, indicating that the country has still a long way to regain the stability of the past.

4. Strategic considerations & responsibility attribution

Changes in voting patterns are often driven by the public debate and especially by the spirit of the conflict between government and opposition. With their focus in Germany and Greece, Sommer, et al. (2016) link conflict patterns to the ongoing reconfigurations in the two countries' party systems. They study stated responsibility attributions as the core of a contentious debate and concluded that crises and party conflicts are fundamentally different in Germany and Greece.

Germany is a typical Western European democracy in which policy-based factors are crucial in the public debate and hence in the coalition formation process. Conflict between parties is limited, with crisis management being in the center of the public debate and competence attributions. Yet, this may reflect to some extent the complexity of responsibility attribution in multi-party government as observed by Strøm et al. (2010). Using survey data on voter's evaluations of the policy priorities of coalition parties in Germany, Angelova et al.(2016) show that in a large-small coalition, parties do not share equal responsibility for their coalition policy decision. The large government party is held predominantly responsible, whereas the small parties are held responsible only for the policy areas under their ministerial office. This finding is also supported by Banaszak and Doerschler (2012) who investigate voters' support for both large-small and grand coalitions.

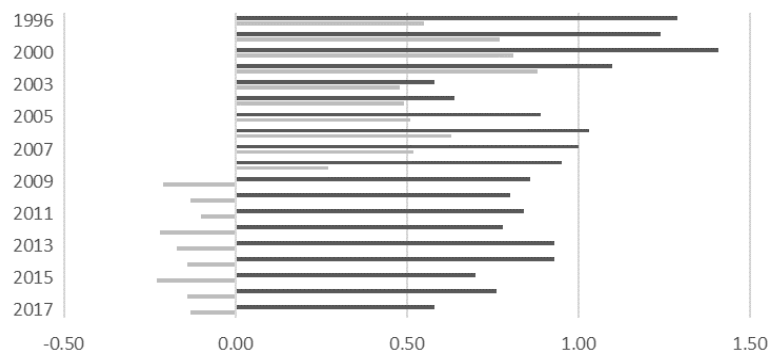
Political Stability Index

Figure 3: Political Stability Index in Germany (dark gray) and Greece (light gray) between 1996 and 2017. Higher scores indicate better performance. Source: The World Bank.

In their analysis of the 2009 elections, Anderson and Hecht (2012) identify a reverse dynamic. Lacking reliable alternatives to handle exogenous economic and geopolitical issues, voters voted again for the parties that were in the grand coalition. This relies on the observation that the unavoidable rise of extreme political agendas in the 2009 elections was not sufficiently large to prevent CDU/CSU from gaining enough votes to form a coalition with its favorite junior partner, the FDP. However, in view of the 2013 and particularly of the 2017 electoral outcomes, this conclusion is put under question. Banaszak and Doerschler (2012) argue that parties in a grand coalition are forced to deviate from their standard policy and ideological positions in the interest of maintaining effective government. This leads voters to consider alternatives by choosing rival parties or abstaining altogether as part of responsibility attribution.

Focusing on the strategic considerations rather than the political debate, Gschwend, Stoetzer and Zittlau (2016) investigate the role of “rental voting” in German elections. Rental voting is described as a coalition voting strategy according to which supporters of a senior coalition partner cast their vote for the prospective junior coalition partner to secure its representation in parliament and, hence, the formation of the desired coalition. Gschwend (2007), Herrmann and Pappi (2008) and Hobolt (2010) suggest that Germany's sophisticated voting system gives

rise to strategic voting, especially when parties commit early to prospective coalitions. Finally, small parties' vote shares have consistently benefited from the voters' apparent ignorance regarding the importance of the second vote to the number of seats (Roberts 1998).

In contrast to German politics, intense party conflict and mutual blame-shifting between opposition and government are the norm in Greece (Sommer, et al. 2016). The country's recent political culture is characterized by responsibility attribution, blame shifting and avoidance and constant accusations over alleged corruption scandals (Koliastasis 2015). Lahusen, et al. (2016) reason that Greek voters sought to punish the culprits for the national issues concerning their country, and identify the rise of SYRIZA and the electoral decline of PASOK as strong indicators of the transformative power of the crisis.

Greece mostly adheres to the Central-East European paradigm in which membership of government is mainly the result of electoral gains and losses (Döring and Hellström 2013). The recent governing coalitions have been based on the shaky grounds of either implementing unpopular measures or leading the country out of austerity. As stated by Tzelgov (2017), this triggered oppositional behavior between coalition partners and intra-coalition disagreements driven by parties' electoral considerations to differentiate and avoid blame.

All coalitions followed the large-small party pattern, cf. Table 3. Responsibility attribution, or at least voter's perceptions for the colluding parties, has been remarkably uniform. In all three coalition governments, the small party dissolved or disappeared from the political scene in the subsequent elections. This was the case for LAOS and DIMAR in the governing coalitions of 2011 and 2012-2015, respectively and polls indicate that it also is a likely outcome for ANEL, the former alliance party of the incumbent government (Kathimerini 2019, Politico 2019). Even though this small sample allows only for tentative conclusions, the electoral decline of all small coalition partners demonstrates how Greek voters perceive responsibility and how they evaluate the concessions of small partners in coalitional governments.

Rule of Law index

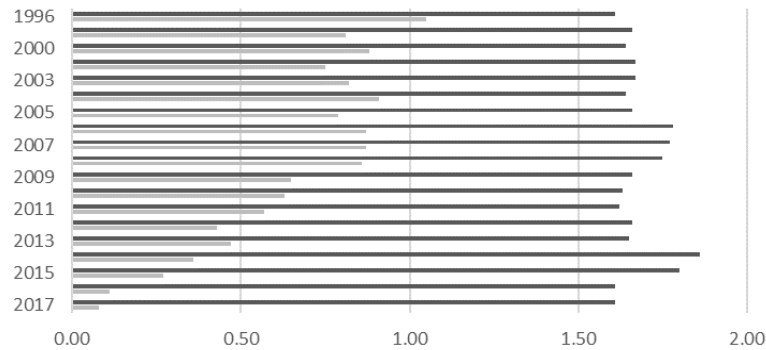


Figure 4: Rule of Law Index in Germany (dark gray) and Greece (light gray) between 1996 and 2017. Higher scores indicate better performance. Source: The World Bank.

5. Current trends and challenges

More detailed insight on the various aspects of the political life in the two countries, can be gained by their performance in the annual quantitative indicators that are published by independent bodies such as *Transparency International*, *The Global Economy* and *The World Bank*.

Figure 4 demonstrates the time profile of the *Rule of Law* index which expresses perceptions of the extent to which agents have confidence in and abide by the rules of society, and, in particular, the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. The index captures a fundamental difference between the two countries. Despite the ongoing changes in its governmental structure and the rise of the parties in flanks of the political spectrum, Germany not only retains, but occasionally improves its performance. In contrast, Greece seems to be captured in a vicious cycle. The change of the political status quo with the aim to identify and punish the culprits of the past has created a reverse dynamic which leads to an alarming deterioration of the index.

These trends are further exemplified by the index of *Government Effectiveness* in Figure 5. This index captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation

and implementation, and the credibility of the government's commitment to such policies. In Germany, government effectiveness remains solid with only minor fluctuations under all coalition structures, i.e., large-small party and grand coalition, and even also during the long negotiation period in 2017. This shows the existence of robust state-mechanisms whose functionality transcends the party system configuration. In contrast, the index confirms a downwards trend for Greece, with higher values being associated with the period of two-partyism and single-party governments – years up to 2009.

Government Effectiveness Index

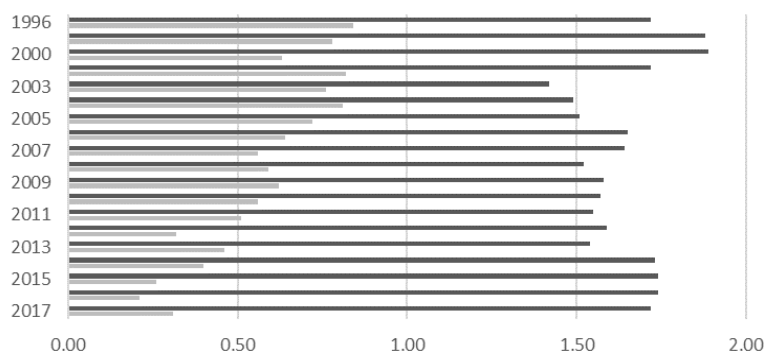


Figure 5: Government Effectiveness Index in Germany (dark gray) and Greece (light gray) between 1996 and 2017. Values yield between -2.5 (weak indication) and 2.5 (strong indication). Source: The World Bank.

Finally, important insight is provided by the *Control of Corruption* index which captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as capture of the state by elites and private interests. Figure 6 (below) shows the country rankings which are based on indices by *Transparency International* (left panel) and *The Global Economy* (right panel). While Germany has a slightly improving performance over the years – ranked consistently among the top 20 countries worldwide – control of corruption in Greece is deteriorating. According to Transparency International, Greece had its worst ranking at the peak of the economic and political crisis in 2012, whereas according to the Global Economy database, Greece is still in a downwards trend, currently ranked

among third world, authoritarian regimes, well below its European counterparts.

These findings document that as the debt-crisis unfolded, key-indices of perceptions of the quality of Greek institutions of governance significantly deteriorated. Although the worsening institutional quality was concurrent with the decline of the bi-polar party system, the present analysis is restrained to the observation of these phenomena and does not establish any causal links between the two.

6. Conclusions

The electoral outcomes of the past decade have triggered reconfigurations of the political systems in both Germany and Greece. Noticeably, they signaled the departure from traditional governing structures: grand coalitions instead of large-small party coalitions in Germany and large-small party coalitions instead of single party governments in Greece. In the core of the new political reality are the fragmentation of the political party system, the attribution of responsibility and the rise of extremist or populist political ideologies.

To understand the similarities and differences between the changes in the two countries, we evaluated key political indicators which we analyzed through the lens of the relevant theoretical literature. We focused on the functionality of constitutional democracy, government stability and effectiveness, rule of law and control of corruption as measured by independent international bodies such as the *Economist Intelligence Unit*, *The Global Economy*, *The World Bank* and *Transparency International*.

The figures showed that while both countries undergo significant changes of similar nature, their political systems and governing infrastructures respond to these changes in different ways. Constitutional democracy and government performance in Germany remain robust and political discourse continues to promote effective crisis management and consensus over important national issues. The corresponding figures tell a less optimistic story for Greece. Blame-game, bitter political party-conflict and deteriorating government effectiveness, uncontrolled corruption and poor functionality of constitutional democracy are some of the alarming findings for Greece.

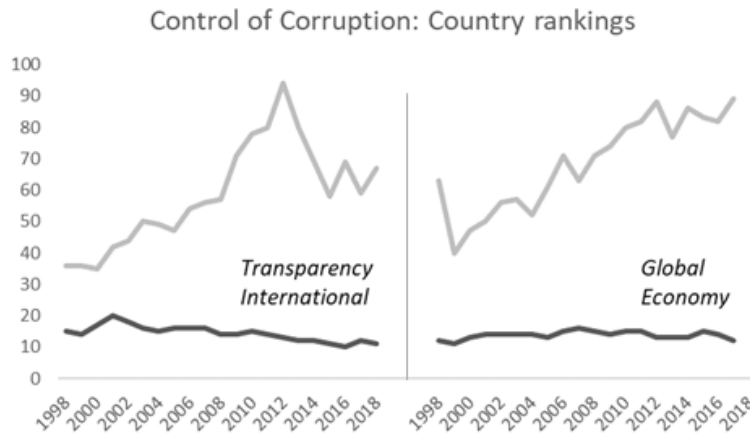


Figure 6: Control of Corruption Indices in Germany (dark gray) and Greece (light gray) between 1998 and 2018. Values indicate country rankings. Source: Transparency International (left panel) & The Global Economy (right panel).

The opposing signs of the ongoing political changes in Germany and Greece sound a note of warning for their common European future. The deepening gap raises questions about their convergence towards reduced inequality and the prospect of an “ever closer” European Union, (Hobolt (2014)). As two countries with different, yet fundamental roles in the European Union, the evolution of this process has far-reaching implications (Holler 2012), ranging from building bonds of trust to reducing barriers and accelerating progress within the European Union (International Monetary Fund 2019). In this context, the currently observed differences between Germany and Greece provide a creative framework to formulate proposals on their cooperation, common perspectives and further European integration (Kauppi (2010), Chryssochoou (2009), Frey and Eichenberger (1996)).

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