POPULIST EUROSEPTICISM IN TIMES OF ECONOMIC CRISIS:

A COMPARATIVE STUDY OF GREECE AND PORTUGAL

Marina Zoe Saoulidou, Antonios Sarantidis
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Neither populism, nor Euroscepticism constitute new phenomena in the history of the EU. On the contrary, as several studies have shown, both have been persistent symptoms across each step of European integration, redistributive conflict or crisis. Yet, these two often complementary expressions of low support and trust toward the political elites and institutions do not always operate in synergy. This policy report focuses on this inconsistent relationship, seeking to answer: under what circumstances has popular Euroscepticism (demand-side Euroscepticism) ceased to play a mobilising role in the rise of populist Euroscepticism (parties that combine populist and Eurosceptic elements) in the aftermath of an economic crisis? In order to tackle this question, we examined the unexpectedly different trajectories that the demand-side Eurosceptic and populist politics followed in two countries – Greece and Portugal – traditionally pro-European but harshly hit by the Euro crisis. To approach this paradox, we used the inductive form of process tracing, which aims to unpack causal mechanisms behind the rise of populist Euroscepticism. Contrary to the conventional wisdom which prioritises the demand side of Eurosceptic populism, we argue that in the throes of an economic crisis, the rise of populist Eurosceptic parties is possible only under conditions of permissive intrusion. This policy report, obviously, does not constitute the final word in the discussion on the causal nexus between the two phenomena. Yet still, it could help policy makers not only to delve deeper into the causes of the recent Eurosceptic and populist upsurge, but also to draw up and implement improved strategic approaches to preventing the factors involved in the rise of populist Eurosceptic politics.
1.INTRODUCTION

In many EU members, the Great Recession and the subsequent Eurozone crisis have resulted not only in sizeable losses in output and employment, but also in the political realignment and in the unprecedented rise in populism and/or Euroscepticism. According to the European Election Database\(^1\) between 2000 to 2015 nearly all EU countries had at least one populist party while the support for far-right and far-left Eurosceptic parties had surged from 15% to almost 35% since 1992\(^2\). Additionally, the subsequent battles over the share of the burden of adjustment led to the emergence of a new politicising moment for the EU, which gave a new impetus to several populist Eurosceptic parties (Kneuer, 2019). SYRIZA in Greece, FPÖ in Austria, PODEMOS in Spain, PVV in the Netherlands, and AfD in Germany are just a few examples among many others. Nevertheless, other countries followed a different path. One of them was Portugal which, although trust in the EU collapsed, proved the exception to the rule, with no populist Eurosceptic party emerging and succeeded during the bailout and post-bailout years. And this, undoubtedly, creates an interesting puzzle on the correlation between the two phenomena.

\(^{1}\) The data are based on the European Election Database but are processed by Guiso et al (2019).

\(^{2}\) https://www.theguardian.com/world/2020/mar/02/support-for-eurosceptic-parties-doubles-two-decades-across-eu

Figure 1

Source: The popuList 2.0 (Rooduijn, M. et al., 2019)
In this article we try to explain the causal nexus between popular Euroscepticism (i.e., sceptical or negative public attitudes towards the EU) and the demand of populist Eurosceptic parties (i.e. electoral success) in the aftermath of the Euro crisis and the subsequent increase in salience of the EU. In order to address this question, we focus on two debtor countries, namely Greece and Portugal. The two countries provide an intriguing comparison as they exhibit a series of similarities not only regarding the magnitude of the crisis and its socio-economic ramifications, but also as to the unprecedented political reaction against the EU that followed the signing of Memoranda of Understanding (MoU). Despite their commonalities though, following on from the Eurozone crisis they presented differences as far as the demand side of populist Euroscepticism is concerned.

In this policy report, we argue that the rise of populist Eurosceptic parties in the aftermath of an economic crisis can be located in conditions of permissive intrusion, which requires the simultaneous interplay of three separate factors: 1) existence of supply side of populism, 2) populist strategy of crisis exploitation and 3) a favorable political or institutional context. Any deviation from this optimal causal sequence could doom any populist Eurosceptic actor to failure. Thus, the permissive intrusion condition is both a necessary and sufficient condition for the electoral success of populist Eurosceptic parties. In case they rise despite the absence of one or more of these factors, our argument is falsified.

The causal logic of our deterministic argument works as follows. In the aftermath of the Eurozone crisis and the austerity measures adopted under the Memoranda of Understanding, even Euro-enthusiastic countries, such as Greece and Portugal, presented a noticeable rise of Euroscepticism in public opinion. Yet still, this development should be considered only as a breeding-ground for the thrive of populist Eurosceptic actors and not as an exclusive cause of it. In fact, it is the interaction of three other contextual conditions that is needed for the increase in
voting shares of these party system challengers. The first sub-condition is the existence of the supply side of populist Euroscepticism. Secondly, these parties or individual political actors should be willing to pursue an ‘crisis exploitation’ strategy. But this stage would be successful only if a third precondition is fulfilled. This is to meet a favorable political and institutional context (e.g. proportional electoral system, accommodative strategy from the mainstream parties, political history, party organisation and charismatic leadership etc) where they could transform the discontent into electoral support.

The rest of our discussion unfolds as described below. In the next section, we review the recent literature on the demand side of populism and Euroscepticism (Section 2). Next, we lay out our methods and data (Section 3) and consequently we analyse the potential causal mechanism behind the observed results (section 4). The conclusion (section 5) will wrap up the insights and will make specific suggestions to the policy makers in order to address the causal mechanisms behind the rise of populist Euroscepticism.
Figure 2. Argument flow

Source: Authors' own elaboration
2. THE TANDEM OF EUROSCEP TICISM AND POPULISM

The Eurozone crisis marked the emergence of a new politicising moment of the EU (Hutter and Kriesi, 2019), which reignited and moved from the fringes to mainstream two closely related but inherently distinct phenomena (Rooduijn and van Kessel, 2019), namely Euroscepticism and populism. Hence, when seeking to answer under what circumstances mass-level Euroscepticism ceases to play a mobilising role for the rise of populist Euroscepticism it is sine qua non to adequately conceptualise and distinguish the two notions.

Both populism and Euroscepticism are still characterised as ‘buzzwords’, ‘contested terms’ and ‘complex’ concepts that create confusion and frustration (Mudde and Kaltwasser, 2017:1, Vasilopoulou, 2021). Though Brexit provided a compelling instance on how the two phenomena co-emerge and interact, the existence of a wide variety of types and degrees of Euroscepticism, as well as the different agendas of populists imply that they indeed often can be found in a symbiotic relationship but do not always go hand in hand (Rooduijn and van Kessel, 2019).

Populism is a term that has been extensively interpreted and broadly applied to describe even mutually exclusive political phenomena and actors (de la Torre, 2010; Krastev, 2007; Ionescu and Gellner, 1969). After decades of conceptual debates, scholars continue to disagree on whether populism is an ideology (Mudde, 2004; Mudde and Kaltwasser, 2014; Rooduijn et al. 2014), political style (Taguieff, 1995; Canovan, 1999; Moffit 2016), discourse (Hawkins, 2009; 2010), strategy (Weyland, 2001:14) or political logic (Laclau 2005; Panizza, 2005). Nevertheless, nowadays it is widely accepted Mudde’s ideational approach according to which populism can be seen as ‘an ideology that considers society to be ultimately separated into two homogeneous and antagonistic groups’, ‘the pure people’ versus ‘the corrupt elite’, ‘and which argues that politics should be an expression of the volonté générale (general will) of the people’ (Mudde, 2004: 543).

At the same time, several typologies have been formulated as to Euroscepticism. Taggart, who was among the first that addressed its definitional problem claimed that: ‘Euroscepticism expresses the idea of contingent or qualified opposition, as well as incorporating outright and unqualified opposition to the process of European integration’ (Taggart 1998: 366). Later, Szczerbiak and Taggart (2000) refined this definition by breaking down the concept into “hard” and ‘soft’ Euroscepticism. Kopecky and Mudde (2002) criticised this hard-soft distinction as too broad, proposing an alternative conceptualisation that distinguishes ‘diffuse’ from ‘specific’ support for the EU and based on which it is possible to identify four types of Euro sceptic positions: Euroenthusiasts, Europragmatists, Eurosceptics and Eurorejects.

Similarly, when focusing on the demand side of Euroscepticism and populism, there are no universally accepted definitions. At first, the notion popular Euroscepticism (the demand side of Euroscepticism) described the individual-level attitudes on European integration (Hooghe & Marks, 2005). Yet, today it is accepted that Euroscepticism has various dimensions (Krowel and Abts, 2007; Wessels, 2007; Lubbers and Scheepers, 2010). For instance, Hobolt and De Vries (2016) refer to two types of support for the EU in ‘regime support’ and ‘policy support’, Sørensen (2008) distinguishes four types of opposition to the EU (utilitarian, sovereignty-based, democratic and social), while Boomgaarden et al. (2011) pinpoint five dimensions that are related with the citizens’ attitudes towards the EU: performance, identity, affection, utilitarianism and strengthening. In any case, as

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3 The term “demand side of Euroscepticism” is interchangeably used with the terms: public Euroscepticism, people-based Euroscepticism and mass level Euroscepticism.
Vasilopoulou (2017) underscores: ‘Most scholars would perhaps agree on the distinction between, on the one hand, the general principle of support for integration and, on the other hand, the specific policy and institutional practice of the EU’.

Regarding the demand side of populism, namely voters’ choice of populist parties, the related literature divides the analysis by means of: a) certain attitudes and value-sets of populist voters, such as the virtue of ordinary people, anti-elitism, anti-migration, xenophobia etc. and b) contextual factors, such as the presence/absence of an economic crisis or widespread identity politics (Rooduijn and van Kessel, 2019). From a more causal standpoint, two other strains are prevailing in the relevant literature. These are the economic insecurity thesis, namely that economic factors lead to the success of populist parties (Rodrik, 2011; Piketty, 2018; Eichengreen, 2017; Algan et al. 2017) and the cultural backlash thesis, which suggests that support for populist actors can be seen as ‘a reaction against cultural changes that threaten the worldview of once predominant sectors of population’ (Inglehart and Norris, 2016; Norris, 2016).

Given these observations, researchers and policy-makers should be highly cautious of equating the demand side of populism with Euroscepticism, or of presupposing that they always emerge in tandem. Though the two phenomena often coincide and/or interact, popular Euroscepticism is a symptom of a more concrete political issue, namely of European integration and its functions, while the demand side of populism originates in the struggle between the general constructs ‘people’ and ‘elite’.

<table>
<thead>
<tr>
<th>Populism</th>
<th>Euroscepticism</th>
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<tbody>
<tr>
<td>Populism is a general set of ideas about the functioning of democracy.</td>
<td>Euroscepticism concerns a position toward a more concrete political issue (European integration &amp; performance).</td>
</tr>
<tr>
<td>The concepts are marked by contestability (over their definition, causes, features, consequences etc.).</td>
<td>Not necessarily prerogative of Eurosceptic parties only.</td>
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<tr>
<td>Not necessarily prerogative of Eurosceptic parties only.</td>
<td>Not necessarily prerogative of populist parties only.</td>
</tr>
<tr>
<td>The two concepts share closely related theoretical explanations (economic factors, cultural factors and institutional factors).</td>
<td>Electoral success of populist parties are related to their positions on economic/ sociocultural issues.</td>
</tr>
<tr>
<td>Electoral success of populist parties are related to their positions on economic/ sociocultural issues.</td>
<td>Electoral success of Eurosceptic parties is only partly related to Euroscepticism. Economic and sociocultural issues still matter.</td>
</tr>
<tr>
<td>Euroscepticism and populism can intertwine both with left and right positions on socioeconomic and sociocultural issues.</td>
<td>Euroscepticism and populism concern the opposition of the ordinary and pure people against the unresponsive and corrupt elites.</td>
</tr>
<tr>
<td>Expresses the opposition of the ordinary and pure people against the unresponsive and corrupt elites.</td>
<td>Expresses the opposition to increased political/economic integration and the increasing powers of the EU.</td>
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<td>Euroscepticism and populism intersect at anti-elitism sentiments.</td>
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</tbody>
</table>

Table 1. Populism and Euroscepticism in comparative perspective

Source: Authors’ own elaboration
In order to find the causal mechanisms underpinning the ‘inconsistent’ rise of populist Euroscepticism, in this policy report we use the inductive method of process tracing (theory building), which focuses on background factors and scope conditions. Despite the still existing debate regarding its variants, most authors agree that process tracing ‘s a key technique for capturing causal mechanisms in action’ and a powerful ‘tool’ for a systematic and rigorous qualitative analysis (Benett and Checkel, 2015:9; Trampush and Palier, 2016).

Furthermore, for the purpose of the measurement of popular Euroscepticism, which is our Independent Variable, we used data published in 22 Eurobarometer surveys from 2007-2015. Eurobarometer surveys have the advantage that they can isolate public attitudes –independent from voting patterns– towards the EU better than any other measure. This is important as Eurosceptic attitudes do not always turn into Eurosceptic voting decisions (Reinl, 2020). Of this, Portugal is a perfect example.

This step is essential in order to gain a clear impression of the degree of Greek and Portuguese popular Euroscepticism and to ensure the validity of the research design. Several proxies for the phenomenon are used: a) trust in the EU, b) positive image of the EU, c) support for EU membership and d) benefit from being part of the EU. These questions were chosen based in accordance with Lubbers & Scheepers’ theory (2005), which argues that EU support is a ‘bi-dimensional’ phenomenon, laying both on the political integration (European versus national governance) and on instrumental evaluation based on cost-benefit analysis (Lubbers & Scheepers, 2005). At the same time, the literature on the demand side of Eurosceptic parties focuses strongly on trust, highlighting the negative correlation between the economic crisis and the confidence in government, both at the national level and within the EU (Foster and Frieden, 2017; Hobolt, de Vries, 2016). Scholars also argue that Eurosceptic voting mirrors the overall positive or negative image of the EU (Hobolt, de Vries, 2016) as well as the Europe matters thesis (Hix and Marsh, 2007), captured by the (utilitarian and affective) support for EU membership and for European integration (Mahler et al., 2013; Bergbauer et al., 2019) (Gómez-Reino and Plaza-Colodro, 2018).

Finally, the demand side of populist Euroscepticism (Dependent Variable) is measured by using the vote shares of populist Eurosceptic parties in Greece and Portugal. This approach corresponds with the relative literature in both fields, which links populist and Eurosceptic attitudes with political behaviour and vote choice (Rooduijn and van Kessel, 2019).
When examining the relationship between so multifaceted and complex phenomena, such as the ‘demand side’ of populism and Euroscepticism, it is expected that behind this nexus sits a multifactorial equation. Our model for explanation, as it was mentioned above, suggests that in the aftermath of an economic crisis the rise of populist Eurosceptic voting is possible only when high levels of public Euroscepticism meet the conditions of permissive intrusion. Hence, in line with the existing literature, we argue that public opinion towards the EU is indeed a strong indicator for the increase in Eurosceptic politics. Yet, the deviation in our Dependent Variable (i.e. electoral success of Greek and Portuguese populist Eurosceptic parties) leads us to conclude that other explanatory variables, such as the institutional and political landscape, the older trends of populism and other concurrent ‘windows of opportunity’ must be taken under consideration when examining the demand side of populist Euroscepticism in the years that followed the Great Recession and the subsequent Euro crisis.

That being said, we start our analysis with the pre-crisis years in an attempt to build the comparability profile of the two case studies, namely Greece and Portugal.

I. The pre-crisis years

The worst economic crisis since the Great Depression of the 1930s (Almunia et al., 2010; Levintal, 2013) put an end, both in Greece and Portugal, to a prolonged period during which the European institutions enjoyed great public trust and support, while Euroscepticism remained only a marginal phenomenon (Verney, 2011). From the 15th Eurobarometer (April 1981) it is clear that Greece —which had only just joined the European Community (EC)— appeared still to be basking in what might be termed the post-membership honeymoon effect, with 42% of Greek respondents suggesting that Community membership was ‘a good thing’. A similar picture was evident in Portugal in 1986, the year of its accession to the EC. As it is highlighted in the 25th Standard Eurobarometer (July 1986): ‘More surprising is that more than one third of the Portuguese claim to have already observed benefits attributable to accession’ and that ‘the percentage of those who consider membership ‘a good thing’ has risen from below 30% in the surveys between autumn 1980 and spring 1985 to 60% this spring (just after accession)’.

Though political and economic developments, on both inter- and intra-state levels, fostered several ‘Eurosceptic’ upswings during the period 1986-2006, these variations were of minor importance and respondents from Greece, Spain, Portugal and Italy ranked ‘among the most euro-enthusiastic’ in Europe (Llamazares and Gramacho, 2007). That pervasive support for the European project did not change after the introduction of the euro currency in January 2002. The country-by-country analyses of the 57th Eurobarometer (Spring 2002) show that citizens of Portugal and Greece were most likely to trust the European Union (66% and 58% respectively) and that they remained fervent supporters of the Economic and Monetary Union (EMU). In contrast, during this period, populism followed different pathways in each of the countries concerned. In Greece, at a time when Euroscepticism remained steadily low, left-wing populism scored a major victory during the 1980s with the electoral predominance of the (later mainstream) Panhellenic Socialist Movement.
(PASOK) while, populist right-wing forces were anemic. As for Portugal, there the radical right suffered from fragmentation and it was only in the 2000s that it was once again in a position to ‘take advantage of the winds of populism, identity politics, and protest that were beginning to sweep across Europe in the new millennium’ (March, 2013).

Just before the emergence of the economic crisis, both the utilitarian support (benefit from being part of the EU) and the affective support proxies (trust in the EU, positive image for the EU, support for EU membership) were at high levels in the two countries. According to Eurobarometer data from June 2007, trust in the EU was 65% and 57% in Greece and Portugal, respectively. In parallel, the percentage for the positive image of the EU was at 51% and 52%, while the citizens’ support for the EU membership was at 62% and 58%. Even higher were the percentages of those who believed that their country benefited from being a member of the EU, reaching 80% and 69% correspondingly (Eurobarometer 67.2). The similarities between the two Southern European countries were expanded also regarding the demand side of populist Euroscepticism, as the then existing populist parties presented insignificant vote shares. In the 2004 Greek elections, the radical left-wing populist and soft Eurosceptic SYRIZA party received only 3% of the vote whilst polling at 4.5% even in October 2009 — the first election following the onset of the financial crisis. Eurosceptic and right-wing populist ANEL (Independent Greeks) was founded on 24 February 2012. As regards Portugal, the country remained immune both to right-wing and left-wing populism until 2019. This has happened because on the left Bloco de Esquerda (BE) and Partido Comunista Português (PCP), though anti-government parties, have mainly considered to stand on the borderline of populism and on the right Partido Nacional Renovador (PNR) never achieved to gain more than 0.5% of the vote and therefore never secured seats in the Assembleia da República (Assembly of the Republic). In a nutshell, both party systems belonged to the two-and-a-half category (Lipset and Rokkan, 1967; Staroff, 2019) and were characterised by bipartisan logic between left/right (in Greece) or between centrist parties (in Portugal).

The political equilibrium and the positive popular sentiment towards the European project were disrupted in the wake of the financial crisis, which revealed the limits of pan-European solidarity (Pirro et al., 2018), even in traditionally pro-European States. Nevertheless, despite the similar crisis conditions and the levels of public Euroscepticism, populist Euroscepticism played out differently in different contexts, something that reinforces our hypothesis that mass-level Euroscepticism correlates but does not, alone, cause the rise in demand side of populist Euroscepticism.

The following table summarises the similarities, and differences, between the two countries.

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8 In the 2005, 2009 and 2011 parliamentary elections, the National Renewal Party (PNR) obtained only 0.16%, 0.20%, 0.31% of the vote, while the right-wing populist and soft-Eurosceptic CDS-People’s Party (CDS-PP) received 7.2%, 10.4% and 11.7%, respectively. Eurosceptic and left-wing Bloco de Esquerda (BE) gained 6.35%, 9.81% and 6.19% of the vote.
9 In Greece, the liberal-conservative New Democracy (ND) was alternating in government with the social-democratic Panhellenic Socialist Movement (PASOK). In Portugal, the centre-left Socialist Party (PS) was taking turns in power with the centre-right Social Democratic Party (SDP) and the conservative People’s Party (CDS-PP).
II. The crisis years: The ‘permissive intrusion’ condition

The Great Recession and the subsequent Eurozone crisis affected the political landscape across the EU in a twofold manner. On the one hand, the Euro crisis constituted a new politicising moment of the EU (Statham and Trenz, 2012), leading to the resurgence of the ‘EU issue’ in the rhetoric of populist and Eurosceptic political actors and on the other hand fueling the interest in the economic causes and implications of both populism and Euroscepticism (Rodrik, 2018).

During that period, Greece not only exhibited severe decline in GDP and unemployment rates – in excess of 20% – but also had to accept the implementation of harsh austerity measures and structural reforms foreseen in the Memoranda of Understanding (MoU). The situation was similar in Portugal, which also lost its ability to obtain international market funding and entered IMF/ECB/EC programmes (Neto et al., 2016).

Nevertheless, unlike Greece, populist Euroscepticism did not ‘intrude’ into Portugal. This observation lies at the core of our permissive intrusion conditions argument, which unfolds as follows. Both Greek and Portuguese economies experienced large contractions and austerity, which led to high levels of popular Euroscepticism. Both countries thus demonstrated the supply side of Euroscepticism (1st...
condition). Furthermore, contrary to Greece, historic Eurosceptic parties in Portugal adopted a mild ‘crisis exploitation’ strategy (step 2), something that then would facilitate the creation of a hostile landscape for every other populist Eurosceptic party that would try to capitalise on economic grievances. Nevertheless, the political context in Greece and Portugal was different, leading finally to distinct levels of demand for populist Euroscepticism (step 3).

III. High Levels of popular Euroscepticism

The bailout conditionality mixture in both Greece and Portugal, was accompanied not only by austerity politics and conditions of economic insecurity, but also by public outrage towards the EU, its principles and its performance. It is interesting that this became apparent right from the first post-crisis Eurobarometer surveys, according to which citizens’ support towards the EU reached its lowest level.

More specifically, according to the first Eurobarometer that followed the signing of the Memorandum of Understanding in Greece\(^\text{10}\) (autumn 2010), trust in the EU fell to just 42%, while the support for the EU fell to 44% The same period, the positive image of the EU dropped to 38% and the percentage of those who believed that their country benefited from being part of the EU was 61%.

Similarly, according to the first Eurobarometer after the signing of the Portuguese Memorandum\(^\text{11}\) (autumn 2011), public trust in the EU decreased to 44%, while support to the Union was at 39%. The percentage of those who had a positive image of the EU and their country’s membership in the EU was also lower compared to the pre-crisis years, reaching 35% and 51%, respectively. Figures 3 to 6 show the trend of the four proxy variables that are used for the analysis.

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\(^{10}\) The Greek government (under the then prime minister George A. Papandreou) signed its first Memorandum of Understanding in May 2010. During 2010-2015 the country signed three Memoranda, the last of which ended on August 20, 2015.

\(^{11}\) The Portuguese government (under the then prime minister José Sócrates) signed a Memorandum of Understanding in May 2011. The country exited the €78 billion programme in June 2014.
Figure 3: Trust in the European Union

Figure 4: Positive Image of the EU
Figure 5: Support for EU membership

Figure 6: Benefits of EU membership

<table>
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<tr>
<th></th>
<th>Greece</th>
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<td>Positive image of the EU</td>
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<td>December 2007</td>
<td>68%</td>
<td>57%</td>
<td>57%</td>
<td>56%</td>
<td>62%</td>
<td>58%</td>
<td>80%</td>
<td>69%</td>
</tr>
<tr>
<td>June 2007</td>
<td>65%</td>
<td>57%</td>
<td>51%</td>
<td>52%</td>
<td>62%</td>
<td>58%</td>
<td>80%</td>
<td>69%</td>
</tr>
</tbody>
</table>
It bears mentioning that between 2007 and 2015, public opinion in Greece tended to trust the EU much less than in Portugal (with a decrease in trust of 64.62%). Additionally, the positive image of the EU fell by 64.71%, support for the EU membership by 46.77% and the perceived benefits of membership by 41.25%. During the same period, Portuguese support towards the EU presented an average decrease of 31.58%. Similarly, the positive image of the EU fell by 26.92%, the support for the EU membership by 20.69% and the perceived benefits of being part of the EU by 26.09%.

<table>
<thead>
<tr>
<th>Eurobarometer questions</th>
<th>Sample period (2007-2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust in the EU (% Difference)</td>
<td>-64.62%</td>
</tr>
<tr>
<td>Positive Image of the EU</td>
<td>-64.71%</td>
</tr>
<tr>
<td>Support for EU membership</td>
<td>-46.77%</td>
</tr>
<tr>
<td>Benefits of Membership</td>
<td>-41.25%</td>
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<tr>
<td></td>
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<td></td>
<td><strong>Greece</strong></td>
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<tr>
<td></td>
<td><strong>Portugal</strong></td>
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<tr>
<td></td>
<td>-31.58%</td>
</tr>
<tr>
<td></td>
<td>-26.92%</td>
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<tr>
<td></td>
<td>-20.69%</td>
</tr>
<tr>
<td></td>
<td>-26.09%</td>
</tr>
</tbody>
</table>

**Notes:** we calculated percentage differences between the periods. Data are obtained from Standard Eurobarometer 67 to Standard Eurobarometer 92.

IV. Existence of supply side Euroscepticism

Euroscepticism was not something unknown in both the Greek and Portuguese party system. As we mentioned before, since the Metapolitefsi a number of parties, such as KKE, LAOS, SYNASPISMOS and DIKKI had been characterised as ‘Eurosceptic’ (Rooduijn, M. et al., 2019). Likewise, despite the fact that Portugal made for a negative case of populism within Europe, it was not immune to party-based Euroscepticism. The Left Bloc (BE) and the Unitary Democratic Coalition (CDU) make for two examples of Eurosceptic parties, which expressed their opposition to the European project (Trieb, 2014).

This trend has been continued in the aftermath of the Great Recession and the subsequent Euro crisis. In the 2012 and the January and September 2015 Greek elections three eurosceptic parties succeeded to pass the 5% threshold and entered the Parliament, namely SYRIZA, KKE and ANEL. Eurosceptic parties, such as BE and PCP, were also present in the Portuguese Parliament, though the support for European integration seemed to have increased from 2010 to 2014 between all political
parties, not excluding the mainstream ones (Gomez-Reino and Plaza, 2016)

V. Populist strategy and ‘the exploitation of the crisis’

The differentiation between the two countries started when the equation entered the ‘populist’ factor. Despite the fact that Portugal, as well as Greece, was one of the EU member states most affected by the economic crisis, its party system did not experience as significant changes as witnessed in Greece (Lisi, 2014). Nevertheless, as Salgado (2019) points out both BE and PCP ‘have been functioning as important aggregators of popular discontent without having become empty ideological shells or populist parties’.

In contrast, the impact of the Great Recession on Greece was significant, negatively affecting both the economy and the wider political system, which shifted from a two-and-a-half party to a highly multi-party system. The new politicisation moment of European integration that emerged as consequence by the crisis facilitated an increase in polarisation of opinions, interests and values (De Wilde, 2011) paving the way for the rise of the populist Eurosceptic SYRIZA and ANEL. Playing the socio-economic insecurity and economic nationalism cards, the two parties managed to garner popular support and then, in 2015, formed a coalition government. Their coalition was based on a ‘crisis exploitation strategy’, which focused on the widespread dissatisfaction and grievances against the status quo, as well as ‘corrupt’ Greek and European elites. Besides, it is memorable that after several months tussle with the EU, in July 2015, the then Prime Minister Alexis Tsipras called a referendum on Greece’s bailout package and austerity measures proposed by the European Commission (EC), the International Monetary Fund (IMF) and the European Central Bank (ECB), something that was particularly divisive among Greek voters.

VI. Favourable political and institutional context

Neither the supply side of Euroscepticism nor the existence of populist strategies aimed at benefiting from popular disappointment due to the harsh austerity and lack of European solidarity can individually, or cumulatively, explain the rise of populist Euroscepticism in the aftermath of the 2008 economic crisis. So, the key for solving this puzzle has to be found in another factor, namely the specific political and institutional context of each country. Among them we might include:

a) The lack of charismatic leadership of populist entrepreneurs in Portugal. The absence of ‘a political style that helps instill confidence in the leader’s capacity to perform’ (Barr 2009:45) could see the opportunity to capitalise on the dynamics of the ‘EU issue’ missed. This is apparent in Portugal, where political leaders with a more populist style occasionally emerged ‘but usually were unsuccessful in convincing their voters and ultimately adjusted their discourse to the established system after being elected’ (Salgado, 2019). Two prominent examples are Paulo Portas, the Democratic and Social Centre-People’s Party (CDS-PP) former leader and Marinho e Pinto of the Democratic Republican Party (PDR). On the other hand, a significant proportion of the electoral success of SYRIZA is attributed to its leader, Alexis Tsipras, which took over the party’s leadership in 2008. During his first years of presidency, SYRIZA transformed from a single-digit support party (4.6% in 2009 elections) to the ruling party in Greece (36.3% in January 2015 elections and 35.5% in September 2015 elections).

b) Issue ownership of the socio-economic agenda. Issue ownership implies that a
party develops a reputation of competence and attention in a specific domain, such as redistribution or anti-immigration (Lachat, 2014). This ownership is considered to provide parties with an important electoral advantage, especially when the issue they own is salient during the electoral campaign. This was true for SYRIZA and ANEL which adopted an ‘issue ownership’ strategy addressed to those who were affected by the economic crisis and who saw EU institutions as a threat to national sovereignty (Tsakatika, 2016). By contrast, in Portugal the rise of new populist parties may have been avoided thanks to the presence of established radical left parties, which ‘have played a role in absorbing discontent and anti-austerity or anti-establishment social movements’ (Santana-Pereira and Cancela, 2021). This was also reflected from the fact that three of the most prominent Eurosceptic parties, namely the BE, PCP and PEV, gave external support to the minority government formed in 2015 by the Socialist Party (PS) known as geringonça. This contract parliamentarism mode of government is a clear marker of the accommodative strategy of the Portuguese mainstream parties toward the Eurosceptic ones.

c) The recent political history of each country. According to most accounts, recent historical memories play a significant role when examining the rise of, mainly, right-wing populist parties. This factor is quite enlightening especially for the southern European countries of Greece, Portugal and Spain, which all belong all to the so-called Third Wave of Democratisation and still have relatively fresh memories of the days of dictatorship. The Estado Novo regime (1933-1974) of Salazar and the Francoist dictatorship (1939-1975) has often been put forward to explain the immunity towards authoritarian populism of Portugal and Spain, at least until 2019, when both countries experienced the emergence of the radical right Chega! and Vox, respectively.

d) Other institutional factors. The rise of populist Eurosceptic parties is linked also with institutional parameters, such as the electoral system, the degree of party affiliation and of consensus politics. As far as the party system is concerned several studies have concluded that proportionality favours the openness of the political system, facilitating the entrance of smaller, challenger parties (van Kessel, 2011). Yet, as has been the case in all the above mentioned factors, the proportional party system cannot alone explain the rise of populist Eurosceptic parties, as this is confirmed in some instances but not in others (e.g. in the Netherlands or Greece but not in Portugal). Regarding the party affiliation, this is considered to be a crucial factor as it is linked with the representativeness of the existing political parties (Inglehart and Appel, 1989) and the room for manoeuvre that allows Eurosceptic parties. Finally, consensus politics are of great importance because they could provide an extra barrier to the rise of challenger parties, by erecting a cordon sanitaire against them. Nevertheless, as all the other conditions underlying the permissive intrusion phenomenon, they alone cannot guarantee the lack of demand side of populist Euroscepticism.
5. CONCLUSIONS AND POLICY IMPLICATIONS

This policy report aimed to unravel the conditions of convergence between popular Euroscepticism (demand side of Euroscepticism) and the rise of populist Euroscepticism, namely the electoral support for parties that combine Eurosceptic and populist elements. The basis for our research question has been the observation that populist Euroscepticism in countries experiencing similar crisis conditions and with analogous popular Euroscepticism levels, such as Greece and Portugal, witnessed starkly contrasting outcomes.

In order to address this puzzle we constructed an analytical framework, suggesting that in the aftermath of an economic crisis and a subsequent upsurge in mass-level Euroscepticism, the rise of populist Eurosceptic parties is possible only if three different factors interplay simultaneously, creating what we called conditions of permissive intrusion. These factors are: a) the existence of Eurosceptic parties, b) a populist strategy that focuses on the exploitation of the crisis from these Eurosceptic parties and c) a favourable political/institutional national context.

The first condition was present in both Greece and Portugal, given the existence of parties such as the SYRIZA, ANEL, BE and the PCP. And while Portugal had some of the factors which might facilitate the emergence of populist parties (e.g. proportional electoral system, consensus politics), it lacked the supply side of populism in the form of a charismatic leader and party agenda focused on exploiting of the crisis and the ‘EU issue’. On the contrary, in Greece all three conditions necessary for the rise of Eurosceptic populism are present. Thus, in a context of strong popular Euroscepticism and political-institutional circumstances that were facilitative, two populist Eurosceptic parties – SYRIZA and ANEL – were able to achieve ownership of the questions surrounding anti-austerity and national sovereignty, their charismatic leaders propelling both into coalition government in 2015.

Given these conclusions, the following policy recommendations might help improve the strategic approach towards addressing the factors involved in the rise of populist Eurosceptic actors.
6. POLICY RECOMMENDATIONS

Given the importance of public opinion to shaping the future of the European integration (Hooghe and Marks, 2009; Eichengreen and Dalton, 1993), we present the following recommendations for policymakers in the EU, and researchers of European politics:

1. Populist Euroscepticism must be analysed not as a single phenomenon but as a complex issue, which needs to be addressed through the comprehension of all its components and stages of its formation. Put simply, popular Euroscepticism, in essence, is a mosaic of other factors that contribute to this new ‘populist moment’ (Mouffe, 2018) or for others ‘populist age’ (Mounk, 2018) in the EU.

2. The success and the resilience of populist Eurosceptic parties, as the cases of Greece and Portugal demonstrated, is neither a linear nor a clear-cut phenomenon. Therefore, different levels of electoral success of populist Eurosceptic parties across the EU should be interpreted in the light of the specific national contexts and circumstances.

3. Given that neither history nor the supply side of populist Euroscepticism can change, European policy-makers should focus on the main sources of public discontent towards the EU, as these grievances are usually exploited by the populist actors.
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