

Podemos and Syriza, the End of an Era?

Article by Tiago Moreira Ramalho

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At the peak of the Euro crisis, Syriza and Podemos shook EU politics to the core with their radical-left critique of austerity. A decade later, they face an uncertain future. Are the two parties' recent electoral fortunes proof of their failure, or has left-wing populism succeeded in transforming EU crisis management?

The recent general elections in Spain and Greece produced very different results. In Spain, a political debacle at the local level in May led socialist Prime Minister Pedro Sánchez to call a snap election which failed to deliver a clear majority. In Greece, on the contrary, the right-wing government led by Kyriakos Mitsotakis managed to secure a second term in office following two landslide victories in May and June.

In spite of their obvious differences, both elections shed light on the fragilities of the left-wing experiments that emerged from the euro crisis in 2010, Syriza and Podemos.

Both parties have gone through a slow decline since their electoral apogee in 2015, when Syriza made it to government and Podemos gathered significant popularity. Last June, Syriza obtained its worst result since 2012 and Alexis Tsipras stepped down as party leader. As for Podemos, after several processes of fragmentation and realignment, it rallied behind Sumar, a new party headed by Labour Minister Yolanda Díaz.

These developments blur the extent to which, not even a decade ago, these parties were at the centre of profound divisions, both at home and in the EU, regarding the appropriate way of managing the economy and protecting people from the worst consequences of modern capitalism. Their fall in popularity has led to speculation on the possible return to the two-party dominance that characterised both countries since their democratic revolutions, and on the viability of a radical critique of government coming from the Left.

Party crises and crisis parties

It is impossible to understand the emergence of Podemos and Syriza without looking at the political reconfigurations that followed the global financial crisis in 2008. Their repertoires of collective action through emerging social media (mostly Facebook and Twitter) and the occupation of main squares in the countries' capitals were to be found in concomitant mobilisations in North America (Occupy Wall Street) or in the Arab Spring.[1] Yet their action was rooted in a deep critique of a distinctively European version of capitalism.

The EU had reacted to the global financial crisis in its typical manner of “muddling through”. After a few months of enthusiastic discourse on the dangers of unregulated capitalism, which was largely necessary to politically justify the public support of troubled private banks, the continent reverted to the “stability culture” that had reigned since the Maastricht Treaty (1992).[2]

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This emerging austerity discourse intensified in October 2009, when the Greek elections gave centre-left PASOK, led by George Papandreou, a resounding majority. The government soon announced that the national deficit predictions made earlier in the year were widely off the mark, and that it would have to borrow over 10 per cent of GDP in 2009. This was the beginning of the “sovereign debt crises” that would ravage the European South in the following years.

In early 2010, public debt became the main economic and political problem of the EU. The centrist actors that decried the subprime crisis as the ultimate expression of the need to reform global capitalism profoundly were now fully focused on the “irresponsibility”, “profligacy”, or even “fraud” of the southern periphery. The narrative of morally doubtful Greeks soon became one of PIIGS or GIPSIs – the acronyms that added Italy, Portugal, Spain, and (on occasion) Ireland to the grouping of lazy Southerners.

The framing of the crisis was not, however, merely a European product. The Greek government itself did not primarily point the finger at volatile markets, at the difficulty of running a national treasury when monetary policy is out of democratic control, or at the fundamental fragilities of the monetary union. Papandreou made the much simpler case that domestic policy was to blame. As he put it at Davos, early in 2010, the Greek crisis was “home-made”.

This was not too dissimilar from the discourse of the Spanish Popular Party (PP) regarding José Luís Zapatero’s Socialist (PSOE) government, or from that of the Portuguese centre-right Social Democrats (PSD) regarding the Socialist (PS) cabinet led by José Sócrates. Cross-accusations of corruption, clientelism, and general bad government were mobilised as explanations for the disruption of the monetary union. Centre-left, centre-right, EU institutions and the International Monetary Fund (IMF) were broadly in agreement: austerity was the effective remedy for these countries’ “past sins”, as German Prime Minister Angela Merkel put it.

In this world without alternatives, different forms of populism emerged and strengthened across Europe. For if there are no alternatives, very little politics remains, and the capacity of established parties to both capture and guide political conflict wanes. In the case of Spain and Greece, this was not just manifest in left-wing populism, but also in extreme-right nationalism. Podemos and Syriza were “crisis parties” that managed to harness discontent with the narrow democratic scope left by the financial and euro crises. This was condensed in the slogan, widely shared in Spanish streets at the time: “They call it democracy, but it isn’t”.

Channelling protest

In January 2015, Syriza won the general elections. By this time, Greece had been governed through a severe austerity programme supported and handled by its traditional parties – PASOK and Nea Dimokratia. Papandreou’s management of the first bailout, whose conditions were remarkably punitive, came to an end when his cabinet suggested a referendum on the Memorandum of Understanding in late 2011. This belated attempt to regain democratic legitimacy for a policy that no Greek had voted for was met with fury by creditors in Paris, Berlin, Frankfurt, Brussels, and Washington. Papandreou stepped down and Lucas Papademos, until then vice-president of the ECB, was appointed head of a caretaker government. New elections were announced, and another austerity programme was adopted, including a

concerted, partial default on Greek sovereign debt.

In 2012 Syriza made its serious entrance. Headed since 2008 by a young Alexis Tsipras, this political formation can be traced back to the 1980s, when a constellation of far-left movements and the Greek Communist Party (KKE) ran on a shared platform. Since the Communists left the alliance, Syriza's ancestor Synaspismos had little representation – at times failing the 3 per cent threshold necessary to enter parliament.

In 2004, Syriza emerged as a coalition of far-left parties which eventually managed a modest 4.6 per cent of the vote in the 2009 elections. By May 2012, Tsipras came second in the polls with 16.8 per cent. In the snap elections one month later, Syriza won 26.9 per cent. The traditional bulwark of the Greek Left, PASOK, collapsed electorally but remained in the coalition government led by conservative Antonis Samaras. Syriza effectively became the main opposition party.

In Spain, the mobilisation against austerity was, at this time, still grassroots for the most part. As in Greece, both the centre-left and the centre-right were tied to the austerity agenda, failing to capture the growing dissent. But the same forms of collective action that boosted Syriza would eventually generate Podemos. In 2011 the Indignados began a series of occupations of squares, the most remarkable being Porta del Sol in Madrid. The same happened soon after at Syntagma square, in front of the parliament in Athens. These protests unfolded in parallel with unprecedented general strikes and demonstrations.

In 2014, a group of intellectuals headed by Pablo Iglésias and Iñigo Errejón institutionalised the constellation of Spanish protest movements into Podemos. In its first electoral test, the 2014 European elections, the party came fourth and obtained five seats in the EU Parliament.

In opposition, Syriza and Podemos had broadly aligned platforms: an absolute rejection of austerity, a critique of the functioning of democracy both at home and in Europe, and a general refusal of the forms of neoliberalism embraced (with variations) by mainstream parties.

At the end of 2014, Greece had lost about a third of its pre-crisis GDP – a degree of economic depression that had not been seen in Europe for generations and that most Europeans arguably failed to grasp. EU Commission President Jean-Claude Juncker, one of the minds behind the Troika arrangements as former chair of the Eurogroup, admitted that the EU had “sinned” against its troubled periphery, especially Greece.

As the 2015 Greek general elections approached, Tsipras was perceived as the face of an alternative to austerity not just in Greece, but in Europe. Syriza won 36 per cent of the vote and formed an awkward government coalition with right-wing ANEL.

Syriza's U-turn

The story of how Syriza failed to upend austerity is well known. The harsh rhetoric of “ripping the Memorandum apart” translated into a months-long brinkmanship in which the entire edifice of European economic governance was put in question. The “game of chicken” was however faulty, because the only card in Tsipras's hands was a disorderly default whose political consequences – Greece's exit from the monetary union – was not truly a viable option.

The Greek state was thus drained of resources, without real leverage against a united front of creditors but also right-wing governments in the European South, who feared that Syriza's success would embolden domestic opposition. Even the “independent” ECB warned against the prospect of a far-left

victory in Greece, and excluded the country from its programme of sovereign debt purchases from early 2015 onwards, up until the pandemic.

Under pressure on all fronts, Syriza gave in. The boisterous Finance Minister Yanis Varoufakis was induced to resign, the result of a national referendum on further austerity was disregarded, and a third bailout was adopted.

Syriza's argument that its version of austerity was less brutal, or more socially conscious than that of PASOK and Nea Dimokratia, was poor consolation. Tied to official loans from EU creditors with maturities of several decades, Greece's economy will be under scrutiny for decades, long after the end of "enhanced surveillance" by EU institutions in 2022. Tsipras lost the 2019 election to Kyriakos Mistotakis, and never governed outside the austerity paradigm.

Contraption government

Syriza's U-turn and decline in popularity curbed the momentum of left-wing populism in the rest of the EU periphery. But the waning appeal of Podemos in Spain was still enough to split the Spanish Left in two – a process of fragmentation that found some parallel in the Right with the rise of Ciudadanos and then of Vox.

The Spanish elections in 2015 and 2016 resulted in unprecedented fragmentation. Mariano Rajoy, who personified the virtues of austerity, came first, but the PP failed to gather a stable majority. Austerity fatigue, corruption scandals, and botched management of Catalanian independentism led to the fall of the fragile cabinet and to the formation of a "contraption" government modelled after the Portuguese one: the PSOE, Podemos, and an array of regional (at times separatist) parties supported a cabinet led by Sánchez, and with Iglésias as vice-president.

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When it joined the PSOE as a junior coalition partner, Podemos had morphed into a new left-wing coalition with Izquierda Unida (IU), under the banner of Unidos Podemos (later Unidas Podemos). By then, Spain was not under an austerity programme with the Troika, and EU economic governance and monetary policy were less constraining. As in Portugal, this post-crisis government was able to roll back some of the most pernicious features of austerity. Chairing the Social Affairs and Labour ministries, the far left obtained a substantial rise in the minimum wage and a reform of the labour code. Yolanda Díaz, now heading Sumar, was for many the face of these reforms, as well as of the protection of workers during the height of the pandemic.

Besides the economic agenda, the Spanish Left enhanced the protection of women and LGBTQIA+ communities from violence and discrimination, sparking a furious backlash from ultra-conservatives. The coalition also ordered the removal of Francisco Franco's remains from their monumental resting place in the Valle de los Caídos, challenging the difficult relationship of the Spanish Right with the dictatorial past.

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waiting to be harnessed and institutionalised. This was the fundamental “populist hypothesis” theorised by Spanish leftists.[3] Yet, Syriza failed to translate these discourses into effective action. Podemos, on the other hand, came into power as a junior party when deviation from austerity was not punished with the same technocratic gusto.

Whereas the economic programme of these parties was to some extent popular, their activities unfolded against the backdrop of an increasingly organized far right. Greece has now three far-right parties in parliament, despite the criminalisation and dismantling of Golden Dawn. In Spain, the PP is now routinely in coalition governments with Vox at the regional level.

A change of paradigm?

Podemos and Syriza were partly successful in picking apart the “common sense” of crisis management. It is perhaps hard to grasp today how narrowed down the collective discourse on the euro crisis was in the early 2010s. Odd economic theories around “expansionary austerity” – the idea that austerity can grow the economy – were embedded in government policies, as were countless “structural reforms” whose ultimate purpose was the deregulation of labour markets and the erosion of social rights.

For most observers, the failures of austerity were increasingly visible, and the message eventually penetrated technocratic circles in Brussels.[4] Debts were restructured, lending terms revised, the European Semester gave greater centrality to social concerns, and the Troika experiment is regarded as an embarrassing blunder to avoid at all costs in the future.

This shift was apparent when the Covid-19 pandemic broke out in 2020. EU institutions responded with a renewed sense of coordination and integration. The punitive “*chacun sa merde*” (in the words of Nicolas Sarkozy) gave room to an unprecedented recovery programme funded through the greatest taboo since Maastricht: common debt. The reappraisal of austerity as a failure certainly helped forge a different path, as did the unity of the European South in advocating for a recovery strategy that would include “corona bonds”.

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The fact that Italy, along with Spain, Portugal, Greece, and eventually France led the proposal cannot be disentangled from the decade-long politicisation of crisis management in the EU. The radical left was decisive in mainstreaming a better understanding of the social consequences and intellectual flaws of austerity against a status quo that outweighed it in terms of political and economic resources. The EU institutions did not come to terms with the failures of austerity through introspection.

What’s Left

Despite the virtues of pandemic recovery, the fight is not over. The legacies of austerity are still present, and its appeal lives on, as recent debates on economic governance reform show. The strength of neoliberal “common sense” manifested in the general policy of wage repression in response to soaring inflation, or in the unwillingness to limit the profits of the energy sector in the wake of Russia’s full-scale invasion of Ukraine.

In this polycrisis, Podemos had limited political success. Spain has been at the forefront of progressive responses to the current economic crises in the EU, from the push for the pandemic recovery fund to the substantial increase in the minimum wage, or the imposition of windfall taxes on large banks and energy companies. But Podemos did not manage to claim political ownership of these policies. From an impressive challenger party, it became one of many political forces led by the more moderate Yolanda Díaz, while Iglésias left institutional politics. Its future is, to say the least, uncertain.

In Greece, on the other hand, Syriza failed to capitalise on discontent with an increasingly authoritarian conservative government. After four years in opposition, its vote share dropped. Tsipras was unable to convince the electorate of the possibility of an alternative response to the cost-of-living crisis. Varoufakis, who set up a party whose political success was always very limited, failed to enter parliament. With a reorganised PASOK back in the political arena, the prospects for the radical left seem bleak.

The fortunes of Podemos and Syriza, of course, are not theirs alone. However difficult it is to contest economic orthodoxy, the current cultural battles are perhaps even more challenging. These parties provided a platform for the impoverished, the unemployed, and the precarious. But an increasingly confident far-right has found fertile ground to redirect persistent economic insecurity and social discontent towards migrants, climate policy and a non-existent “gender ideology”.

Politics in Spain, Greece, and everywhere in Europe is currently riddled with new conflicts and cleavages that are sometimes manufactured, but nonetheless real. It took the radical left several years to make a dent – most of the time with few resources – in the rotten economic paradigm that Europe sustained. Recent electoral results across Europe give little hope for the supporters of greater social protection, inclusive economic prosperity, the rights of minorities, and decisive climate action. In this context, it is hard to see what the future holds for movements like Syriza and Podemos. We would however be misguided to think that our democracies would be better off without them.

[1] See Donatella Della Porta, *Social Movements in Time of Austerity*, Cambridge: Polity Press, 2015.

[2] See Mark Blyth, *Austerity: The History of a Dangerous Idea*, Oxford: Oxford University Press, 2013.

[3] Ekaitz Cancela and Pedro M. Rey-Araújo, 'Lessons of the Podemos Experiment', *New Left Review*, 138, Nov/Dec 2022.

[4] See Joan Miró, 'Austerity's failures and policy learning: mapping European Commission officials' beliefs on fiscal governance in the post-crisis EU', *Review of International Political Economy*, 28:5, pp. 1224-1248, 2021.

Tiago Moreira Ramalho is a Postdoctoral Researcher in Political Science in the Department of Political Science of the Université libre de Bruxelles. His research focuses on the political economy of Europe. He is writing a book on the legitimation of austerity in southern Europe, to be published with Bloomsbury Academic. He tweets at @tiagomramalho.

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