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ARTICLE



In the name of ‘the people’? Popular Sovereignty and the 2015 Greek referendum

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ABSTRACT

This article explores the rise of new conflicts of sovereignty especially with regard to popular sovereignty in the EU polity. It asks whether referenda in the national realm are effective tools to enhance popular sovereignty at supranational level. To elucidate this question, we distinguish between embedded and unilateral referenda. Empirically, the paper focuses on the referendum called by the Greek government on the proposed Memorandum of Understanding in 2015. While ambiguous from the outset, the referendum turned out to be of an embedded nature and failed to enhance popular sovereignty. Based on elite interviews and analysis of the discussion in the media, our analysis shows that the referendum was envisaged by the Greek government instrumentally to put pressure on the other negotiating parties and tackle internal party disagreements. This turned out to be a self-defeating strategy ignoring the popular mandate and failing to improve the conditions for financial assistance.

KEYWORDS

Sovereignty; people; referendum; Greece; Eurozone; democracy

Introduction

This paper addresses the common puzzle of the special issue, namely that of increasingly ubiquitous conflicts of sovereignty in the European Union (EU). More specifically, we seek to assess to what extent referenda are useful tools to enhance popular sovereignty in the EU. From the ‘no demos’ thesis to the literature in political sociology addressing the weakness of participatory mechanisms in the EU, most contributions point to a deficit of citizens’ involvement and the autonomization of bureaucratic elites from popular demands. Recently, political theorists promoting a *demoicratic* vision of the EU have nevertheless contended that the absence of a uniform European *demos* did not doom the EU; rather, they see that the various *demos* of Europe should be able to exert jointly their inalienable but also necessarily mutually limiting sovereignty (Cheneval and Nicolaidis 2017). Against this theoretical background, there is little research on which institutional devices could enable such a *demoicratic* vision of the EU to restore popular sovereignty at supranational level. A separate string of research has analysed the increasingly frequent use of referenda over EU matters. Referenda are widely regarded as the tool *par excellence* allowing the people’s direct involvement in national democracies. Yet,

the research on EU related referenda has nevertheless remained disconnected from the normative debates about popular sovereignty in the EU. Bringing these two lines of scholarship together, we ask to what extent national referenda on EU matters are effective in strengthening popular sovereignty. To elucidate this question, we distinguish between what we call *unilateral* and *embedded* referenda. A unilateral referendum concerns an issue which can be settled by one people (or demos) alone such as membership or opt-outs. In contrast, an embedded referendum asks a question about an issue which cannot be decided by one people only like in the case of treaty ratification and more specific policy issues.

Adopting a hypothesis building – rather than hypothesis testing – approach, we illustrate our argument with an investigation of the 2015 Greek referendum on the EU bailout agreement based on the specific literature on Greek politics, press reports and a series of 10 interviews conducted with decision-makers in Athens and Brussels. We find that the nature of the referendum called by Alexis Tsipras was at the outset ambivalent but turned out to be an embedded referendum. Since neither the government nor the Greeks favoured a Grexit, the referendum was (mis)used instrumentally by the Prime Minister to enhance his negotiating position in the European talks and internally in his political party, a self-defeating strategy which ended up both ignoring the popular mandate and failing to improve the conditions for financial assistance.

The first section of the article connects the literature over sovereignty in the EU with the research dealing with referenda over EU matters. The second section outlines our analytical framework in terms of unilateral vs. embedded referenda. The third section shows which difficulties George Papandreou faced in a first attempt to call a referendum in 2011, while the fourth section explains why the referendum called by Alexis Tsipras in 2015 failed to enhance popular sovereignty. A final section draws the conclusions from our case study and discusses the further insights related to conflicts of sovereignty.

Popular sovereignty and referenda in the EU

As argued in the introduction to this special issue, the original focus between nation-state sovereignty vs. supranationalism at EU level has given way to a much more complex debate. Following the end of De Gaulle's empty chair politics and of Thatcher's veto strategy, the objective has been to understand the workings and implications of 'pooled' (Peterson 1997) or 'shared sovereignty' (Wallace 1999) among states. Over time, though, scholars from various research traditions have pointed to deficits regarding other forms of sovereignty, as EU integration ostensibly trumped national parliaments' prerogatives as well as the principle of popular sovereignty. Against this background, a relatively recent scholarship promoting *demoicracy* has tried to reconcile Europe wide democracy with popular sovereignty. *Demoicratic* scholars claim that, to work in a way which places popular sovereignty at the heart of democracy, the EU does not need one single-unified *demos*. Rather, a European democracy could and should be grounded in the recognition of the plurality of the various European *demoi*. A European *demoicracy* can, therefore, be defined as a 'union of peoples who govern together but not as one' (Cheneval and Schimmelfennig 2013).

From the perspective of sovereignty, this means that national sovereignties derived from the national *demoi* do not need to be merged, pooled, or shared, but that they need to be exerted *jointly*. As Cheneval and Nicolaidis (2017) explain, there are two sides of the exercise

of joint sovereignty in a *democracy*. On the one hand, the fact that the various people remain distinct implies that they preserve the control over decisions concerning the constitutive rules of the game: 'They remain sovereign as long as these rules are revocable, as long as sovereigns can formally exit the system or veto the change of the constitutive rules. This feature, we believe, is the most basic principle underlying a *democratic order*' (Cheneval and Nicolaidis 2017, 244). At the same time, though, those distinct popular sovereigns necessarily limit each other in their respective capacities to make decisions: 'Joint *democratic* sovereignty is thus a legal disability of the sovereign peoples. It constitutionally constrains them not to perform certain acts of sovereignty alone but only in accord with all the other members of the polity of *demoi*' (Cheneval and Nicolaidis 2017, 241).

While the concept of *democracy* proposes an interesting path for restoring the role of popular sovereignty in the EU, its institutional implications remain mostly a dark matter.

In relation with the EMU, Cheneval and Nicolaidis write that 'the so called rules-based system created by EMU cannot simply be remedied by handing over more sovereignty to a common institution. Instead, shared sovereignty needs to be exercised at all levels of interaction between peoples sharing a common currency.' (Cheneval and Nicolaidis 2017, 248). But how can this be done in practice? National parliaments are often invoked as a channel for strengthening national publics' voice in the EU (Beetz and And Risso 2017, 41). Yet, the strengthening of national parliaments, for instance through the early warning mechanism, has done little to enhance the linkage between citizens and EU decision-making (Christiansen, Högenauer, and Neuhold 2014). Given that referenda are considered as the most direct and effective tool for requiring popular expression, it is surprising that they have not been discussed as a potential tool for strengthening popular sovereignty and a *democratic* vision of the EU.

The shift from the Economic Community to the political Union triggered contentious political debates in the founding Member States, which marked the end of the so-called permissive consensus whereby national elites were enjoying large autonomy to make decisions over EU integration. Out of 46 referenda on EU issues called since 1972, only 8 were held before Maastricht. Even though this can be partly explained by the enlargement dynamic of the EU, this trend has also been driven by the rise of Eurosceptic parties seeking to exploit EU matters politically. From a substantial point of view, the nature of the questions submitted to referenda has diversified over time.

As underlined by Mendez, Mendez, and Triga (2014), there are two main approaches to referenda over EU matters. On the one hand, legal and institutional studies have focused on the various constitutional arrangements. One aspect relates to why governments decide to organise referenda, namely either because of the constitutional necessity to increase ensure sufficient legitimacy for a decision in the EU realm or for strategic reasons (asserting one's position in the domestic or EU political game) (Beach 2018). Another aspect deals with the implications ranging from non-binding referenda to second votes or extra-territorial effects for the EU as a whole (Hug 2002). These approaches, therefore, concentrate on explaining referenda determinants at system level.

On the other hand, a more behavioural body of research has examined individual determinants and sought to explain referenda outcomes in terms of a majority of citizens approving or rejecting the issue submitted. The main question has been to determine whether, when voting in an EU related referendum, citizens are expressing their opinion on the EU matter at stake or whether their voting behaviour is mostly driven by factors related to domestic politics. In the mid-1990s, Franklin et al. (Franklin,

van der Eijk, and Marsh 1995) argued that the ‘second-order election’ model could be applied to referenda in the EU. Ten years later, de Vreese and Boomgaarden (2005) found that anti-immigration sentiments, evaluations of the economic situation and opinions on the domestic government are consistently the strongest predictors of voting in an EU referendum. Other scholars have argued that EU referenda were following an issue-voting model whereby voters do position themselves on the EU issue at stake (Hobolt 2009). Moreover, several studies show that campaign dynamics can have decisive effects (de Vreese 2007). A few scholars have attempted to understand referenda in a two-level game perspective thus looking at the implications from the point of view of governments (Hug and König 2002) but their broader implications for democratic legitimacy, let alone popular sovereignty, have remained unexplored.

Unilateral vs. embedded referenda

In this section, we try to assess whether and how referenda can contribute to enhance popular sovereignty. To do this, we build on a classical typology distinguishes between three types of referenda¹ dealing with (a) accession, (b) treaty ratification and (c) policy issues (Shu 2008; Mendez, Mendez, and Triga 2014; European Parliament 2017). However, this typology focuses on the objects of referenda rather than their outcomes. Because we are interested in separate yet mutually dependent popular sovereignties in the EU, we need to look at the effects of referenda both in the domestic politics and in the EU polity as a whole. Adopting the point of view of joint sovereignty, it is key to understand whether referenda allow the several European *demos* to exert their sovereignty in full autonomy or whether, on the contrary, they are constrained by the sovereignty of other *demos* in the EU. In the following pages, we proceed to a brief review of the different types of referendum which took place and consider their practical implications in terms of policy outcomes, conflict and legitimacy. On this basis, we argue for the need to refine the existing typologies with an additional two-fold distinction between *unilateral* and *embedded* referenda (see Table 1).

Table 1. Types of national referenda over EU matters.

Implications-based rationale	Type of issues	Instances
<i>Unilateral referenda</i> The decision on the issue at stake can be made by one people only	Membership	Ireland, Norway, Denmark (1972), United Kingdom (1975), Austria, Finland, Sweden, Norway (1994), Malta, Slovenia, Hungary, Lithuania, Slovakia, Poland, Czech Republic, Estonia, Latvia, Romania (2003), Croatia (2012)
	Exit	United Kingdom (2016)
	Opt-outs	Denmark (EMU 2000), Sweden (EMU 2003), Denmark (JHA, 2015),
<i>Embedded referenda</i> The decision of one people only cannot have a definitive impact on the issue at stake	Treaty ratification	France (EC 1972), Denmark (SEA 1986), Ireland (SEA 1987), Ireland (Tr. Maast. 1992), Denmark (Tr. Maast. 1992, 1993), France (Tr. Maas. 1992), Denmark (Tr. Amst. 1998), Ireland (Tr. Amst. 1998), Ireland (Tr. Nice 2001, 2002), Spain (ECT, 2004), France (ECT, 2005), the Netherlands (ECT, 2005), Luxembourg (ECT, 2005), Ireland (Tr. Lisb. 2008, 2009)
	Policy issues	Italy (MEPs, 1989), Ireland (Fiscal compact 2012), Greece (Bail out, 2015), Netherlands (EU-Ukraine Association, 2015), Hungary (refugee quotas, 2016)

Sources: Adapted from (Beach 2018, 3–4); (Mendez, Mendez, and Triga 2014), chap 1.

Membership referenda seem to have the most straightforward implications since no accession referendum, whether positive or negative (for instance the 1972 failed accession referendum in Norway), has been contested. Due to its unprecedented nature, the Brexit referendum features as an exception. The referendum results have been hotly discussed and, with the negotiations still ongoing, their possible ramifications are beyond the reach of this paper (see Bickerton in this issue). Hence, membership referenda reflect well the type of constitutive issues requiring sovereign decisions made by the European peoples as discussed by Cheneval and Nicolaidis.

The same arguably holds for *referendum over opt-outs*. The Danish and Swedish outcomes on the Euro have not brought about any contestation. Similarly, those countries who have chosen to opt-out from specific policy areas (such as Justice and Home Affairs for Denmark) have seemed relatively happy with their choice, also given that more flexible arrangements (such as ad hoc opt-ins) have been made possible. The 2015 referendum asking for a possible abolishment of this opt-out furthermore shows that a re-assertion of the popular will is always possible. Although their legitimizing effects are not always straightforward, exit referenda (exit from the EU or opt-out) give national governments credit for consulting the population and, on the other hand, shape the EU as a union of the goodwill in which peoples' voice can be heard. The commonality between both types of referendum is that they rest on a decision made by one particular national *demos* where other European *demos* have no influence except the passive recognition of its democratic hence legitimate nature. We, therefore, categorize these referenda as *unilateral* referenda.

In contrast, the situation is very different for referenda over *treaty ratifications* and more *specific policy issues*. This is because the effects of such decisions cannot depend on the sovereign decision of one *demos* alone. History has shown that referenda over treaty ratification have strengthened popular sovereignty when they were positive but things become much more complicated when a majority of citizens voted 'no'. From the theoretical standpoint of democratic principles, if one considers that individual *demos* should be asked for approval, the rejection of a treaty by referendum should result in stopping the envisaged revision. Yet, European leaders have not proven willing to let a long-negotiated treaty suddenly disappear in the archives of history when only a small minority of European citizens failed to ratify it. In Ireland, the fact that such ratification referenda are legally required seems to do little to enhance popular sovereignty. The 2001 referendum on the Treaty of Nice was the first to fail with a very low turnout (35%). The main outcome was to simply ask the citizens to vote a second time on the exact same treaty the following year whereby a majority could be achieved but with a turnout still below 50%. The 2005 referendum over the European Constitutional Treaty seems to have had even more disastrous effects from the point of view of popular sovereignty. The negative referenda in France and the Netherlands brought about major political turmoil and as they were a clear expression of popular discontent with the EU. And yet, the Lisbon Treaty which eventually entered into force in 2009 was only a marginally altered version of the former treaty stripped of the symbolic constitutional references. To circumvent the possible difficulties implied by popular ratification, the route of parliamentary ratification was chosen in both countries. This series of events have remained important – almost traumatic – milestones in the political life of those countries as an episode epitomizing the denial of democracy rather than the strengthening of popular

sovereignty in EU politics. Meanwhile, the Irish had again to vote a second time after a first failed attempt to ratify the Lisbon treaty, showing that no lessons had been drawn from Nice. All this gives us good empirical grounds to argue that, contrary to what conventional wisdom would suggest, ratification referenda have remained (at least so far) dependent on political process with ramifications going much further than the national setting in which they take place. Insofar, should be considered as embedded rather than unilateral.

The recent history of the EU provides four cases of referenda over more specific policy issues. The Danish referendum on membership to the European Patent Court (2014), the Greek referendum on the bailout (2015), the Dutch referendum on the EU–Ukraine Association Agreement and the Hungarian referendum on the EU refugee quotas (2016). The first was organised at the same time as the EP election and resulted favourably, therefore being unproblematic. In both the Dutch and Hungarian cases, none of the referendum results could possibly make a difference in the EU's policies. The EU was clearly not going to change the quotas adopted as a result of the Hungarian referendum. While the position of Orban was approved by 98% of the voters, the low turnout (40, 4%) was insufficient to pass the 50% hurdle required by the Hungarian constitution for the result to be valid, therefore turning it to a non-success for the President. In the Dutch case, the EU–Ukraine agreement entered into force provisionally in spite of the referendum result in January 2016 and the Dutch parliamentarians eventually ratified it in April 2016. Thus, this type of referendum, too, should be seen as *embedded*.

This preliminary assessment of the effects ensuing from referenda over EU matters provides good grounds for (a) distinguishing between *unilateral* and *embedded* and (b) hypothesizing that, *when dealing with issues which cannot be settled by a unilateral decision made by one people only, referenda are not an effective tool for enhancing popular sovereignty in the EU*. The next section turns to an in-depth examination of the 2015 Greek referendum as an illustration supporting this hypothesis. This case is particularly interesting because it is located in a grey area between *unilateral* and *embedded* referenda: behind the issue of the bailout terms, the issue of a possible Grexit from the Euro area loomed, creating ambiguity and different understandings of the referendum's purpose and possible implications.

The 2011 Greek governments' attempt to call a referendum

The Eurozone crisis which started in 2009 and its impact upon Greece is a telling case for exploring the limits of popular sovereignty via the use of referenda. Although the 2015 referendum is one of the most crucial events during the Greek crisis, it was Prime Minister George Papandreou in 2011 who first proposed the conduct of a referendum. Although it was initiated as a referendum over a specific policy issue (the 2011 bailout agreement), Papandreou was immediately pushed to turn it to a membership of the Eurozone referendum or cancel it all together. In line with our argument, it is shown that the EU partners preferred a membership referendum with implications mainly for Greece rather than a referendum upon a policy issue which would imply effects for other *demoi*. Examining the two successive episodes (2011 attempt to call a referendum and 2015 referendum) allows us to compare two separate instances in the same domestic environment during the same

European crisis to use a referendum in order to enhance popular sovereignty. Both instances were unsuccessful for similar reasons as it is further discussed.

By 2011, the increase in public debt in combination with the country's recession since 2008 resulted in the Greek economy being the weakest link in the Eurozone and thus heavily affected by the 2008 financial crisis, which ultimately required the use of an international support mechanism in order to avoid a default. In May 2010, the First Economic Adjustment Programme for Greece was agreed. It was the result of strenuous negotiations both domestically and internationally since this was the first time that such a programme was agreed stretching the no bailout clause of the Lisbon Treaty for the Eurozone. The necessary economic adjustment and the austerity measures put forward as a result of the first programme put a lot of strain on the Greek political system and society. There was no consensus for the necessity of the programme and subsequent strikes and demonstrations were taking place during the first year of the implementation. A cleavage between memorandum and anti-memorandum supporters emerged with the opposition, including the conservative New Democracy (ND), united behind an anti-memorandum rhetoric. In September 2011, the Greek economy was still not trusted by international rating agencies and the crisis was slowly spreading to other Eurozone member-states. It was soon clear that a new Programme would be necessary together with some type of debt relief. After tough negotiations with the banks and the EU partners, a new Programme followed by a Private Sector Involvement (PSI) for debt restructuring was agreed in Brussels in October 2011. Although this was an important achievement given the circumstances, the reactions back home were negative. The climate was tense and violent incidents against the President of the Democracy, the Prime Minister and MPs were erupting with every opportunity such as the annual commemoration of the end of the German occupation.

This was the first time that an attempt was made to call a referendum in Greece during the crisis. On the 31 October 2011, George Papandreou announced his willingness to call a referendum on the decision reached in Brussels a few days ago. He stated: 'In these circumstances, the citizen has the first act and the first word. A dominant role without other mediators... For the new agreement, we should hold a referendum. The Greek people and each citizen separately should decide... We believe in citizens, we believe in their judgment, we believe in their decision' (Papakonstantinou 2016, 299).

Both domestically and internationally, the call for a referendum caused turbulence and Papandreou was soon forced to cancel it and resign. Domestically, the referendum aimed in pushing the opposition to a compromise since a vote against the agreement would most probably lead Greece to a default and to an exit from the Eurozone (Papandreou 2015). Internationally, the markets immediately reacted by further downgrading the Greek economy since they show the referendum as a sign of instability and uncertainty. The European leaders were not supportive either. Papandreou had discussed his intention to hold a referendum with Chancellor Merkel and EU officials such as Jose Manuel Barroso, Jean-Claude Juncker and Herman Van Rompuy but not with President Sarkozy. Although no one could openly object Papandreou's decision there was a lot of uneasiness and Sarkozy suggested to Papandreou to ask a clear question to the people: yes or no to the Euro (Papakonstantinou 2016). The news spread instantly and a frenzy about a possible Grexit started in the international media increasing the pressure toward the Greek government (Dinas and Rori 2013).

The support for the referendum soon evaporated even internally in the Panhellenic Socialist Movement (PASOK) with the Minister of Finance Evangelos Venizelos denouncing the idea. This was the last nail in the coffin and Papandreou was forced to resign. A new transitional government under the technocrat and ex European Central Bank (ECB) vice-chair Lucas Papademos took the lead in order to implement the agreement and the PSI and lead the country to elections. It was supported by a party coalition between PASOK, ND and the Popular Radical Rally (LAOS). The Second Economic Adjustment Programme for Greece was signed in February 2012.

To conclude, the proposed Papandreou referendum was envisaged as a strategic referendum in order to assert the government's position at the domestic political game regarding the second bailed-out agreement and the PSI agreed in Brussels on October 2011. In Papandreou's words: '... a referendum, would have forced opposition parties to take a clear stance on whether they were for or against the programme and they would then have to live up to their position' (Papandreou 2015, 256). Although it was presented as a referendum over a specific policy issue (the bailout agreement), the EU's reaction was such that it soon looked that it could turn to a membership of the Eurozone referendum. It could be argued that the EU partners preferred an EMU membership referendum which would mainly have implications for Greece rather than a referendum upon a policy issue which would imply effects for other *demoi* and not for Greece alone. Although technically EMU membership falls into the opt-out category of referenda, there was a great risk both in 2011 and in 2015 that Grexit from the EMU would ultimately lead to an exit from the EU. This supports our claim that referenda are not an effective tool for enhancing popular sovereignty when they concern a decision which will affect other EU member states and not only the demos that is called to vote. Of course, at this particular time, even a Grexit vote over such a question would have affected the rest of the Eurozone countries and certainly the other peripheral member states. This made such an exercise even less desirable.

The 2015 referendum: the instrumental use of an embedded referendum

The 2015 referendum over the bail-out agreement that was negotiated by the newly elected coalition government formed by the Coalition of Radical Left (SYRIZA) and the rightwing party of the Independent Greeks (ANEL) is one of the most memorable events of the Greek crisis and definitely a referendum worth analyzing for the purposes of this article. Even classifying this referendum as a vote over a policy issue (bailout agreement) or over Eurozone–EU membership is contested since different actors framed the referendum differently. It is argued here that the government attempted to use the referendum as a way out from a political deadlock reached by the negotiations at the European level but also at the domestic level since SYRIZA MPs were not ready to accept a new bailout agreement. However, the government's strategy to present it as a policy issue referendum made it an embedded referendum. The government's return to the negotiations table despite the victory of the 'No' vote confirms our claim that referenda are not an effective tool for enhancing popular sovereignty when they concern a decision which will affect the rest of the EU (embedded referenda).

In the early hours of the 27 June 2015, Prime Minister Alexis Tsipras announced the first referendum in Greece since the establishment of democracy in 1974. The last referendum was constitutional and was conducted in July 1973 concerning the choice between constitutional monarchy and parliamentary democracy. Referendum was never considered to be an option

in the Greek political system since the Constitution explicitly states that referenda should only be held in extraordinary cases of non-predictable emergency (Hellenic Republic, article 44). The referendum took place on the 5 July 2015, just 1 week after its announcement. A number of peculiarities characterize the preparation and tackling of the result.

To put things into context, a SYRIZA-led coalition government has been in power since January 2015. SYRIZA was the winner of the January 2015 elections by increasing its power points by 9.5% and gathering a total of 36.3% of the vote. It formed a government together with ANEL promising to 'tear up the Memoranda' and renegotiate the loan agreement. The internal political debate during this period was reduced to a memorandum/anti-memorandum cleavage which was occasionally shifted to a Euro versus 'return to a national currency' cleavage. The crisis in Greece was increasingly framed as a 'war' with European partners and especially the Germans as the 'enemy' or the 'occupying force' (Dinas and Rori 2013; Lowen 2015). The choice of Yianis Varoufakis as Minister of Finance and leader of the negotiations with the troika (symbolically renamed by the new government as 'Institutions') increased the tension and led to a period of very harsh negotiations, full of symbolic moves such as the transfer of the meetings from the Ministries at Hilton Athens. International media were closely following the events since this was the first 'radical' left government in Europe and Varoufakis was a theatrical figure adding to the dramatization of events. This period lasted from January until June 2015 when the negotiations reached a deadlock.

The 8 days between the announcement of the referendum and the vote consists one of the most condensed political times in the history of modern Greece. The emotions were intense, the events were speedy, and the stakes were high. It is telling that when the referendum was announced EU officials participating in the negotiations thought that the government was holding the referendum in order to support the agreement (Interview 6). There was not enough time to neither properly consider issues about the constitutionality of the referendum nor debate and campaign. The Constitution does not allow for referenda on fiscal matters but the government quickly answered that the matter was not fiscal and it fell under the 'crucial national matters' category (Tsatsanis and Teperoglou 2016). Rori (2016) summarises a number of institutional aspects that made the preparation of this referendum questionable. The question was complex and the two draft documents of the agreement that the people were asked to vote for were of a technical character. Even more, these documents were not the latest drafts since the Greek side left the negotiations and the EU partners declared that there was no agreement on the table any longer. Paradoxically, the 'No' vote was placed before the 'Yes' on the ballot paper.

The institutional flaws weakened the credibility of the upcoming referendum but the single most important event was the bank holiday and capital controls imposed by the government as a reaction to the ECB's decision not to raise the ceiling of the Emergency Liquidity Assistance (ELA). The political uncertainty led to an increasing deposit outflow which in combination with the freezing of the ELA meant that the banking system was close to collapse and capital controls were the only way to avoid a bank run. (Interview 9). The downside was that important practical problems immediately occurred such as the potential shortage of medicines and of raw materials necessary for the domestic production of everyday goods (Interview 4). Although government officials praise the handling of a very difficult situation (Interview 5), it has been shown that capital controls did affect the voting behaviour of people. 12.3% of all voters switched to a Yes-vote because of the bank shutdown and the

uncertainty caused by it (Walter et al. 2018). The imminent expiration of the current bail-out agreement on the 30 June, the refusal of the lenders to provide an extension requested by the government in light of the referendum and the 1.5 billion euro payment to the IMF that was due immediately meant that default was looming.

The one-week campaign was tensed and polarized. The country was divided into two camps that were passionately campaigning against each other and no room for debate and meaningful discussion was left. The governing coalition partners SYRIZA and ANEL as well as the right-wing extremist Golden Dawn (HA) were fiercely against the bail-out while the pro-European parties ND, PASOK, Democratic Left (DIMAR) and the River (POTAMI) were united in their campaign in favor of the agreement. What is interesting when trying to classify the 2015 referendum is that the two sides of the campaign framed the question differently and the framing itself was in the centre of the campaign. The 'No' campaign was saying that the referendum was a powerful negotiation weapon that would empower the Prime Minister. It was about national pride and dignity and it was not about the currency or Eurozone membership. 'The referendum was presented as an opportunity to assess democracy and popular sovereignty, according to SYRIZA, or national sovereignty according to ANEL and HA.' (Rori 2016, 12). On the other side, the 'Yes' supporters framed the referendum as a vote towards Greece's membership in the Eurozone and potentially the EU and described the referendum as an existential threat and the 'No' vote as a suicide.

Although the campaign was short it quickly moved beyond the borders of Greece with European leaders, officials and international economists taking positions. Quite paradoxical if we assume that referenda are supposed to enhance popular sovereignty and not to provoke international 'interventions'. Similarly, to the domestic division, the international discussion was also split into two camps. The first camp consisted of EU leaders and EU officials who directly or indirectly warned Greece that a 'No' vote would most likely lead to Grexit. On the 29 June, just 1 day after the announcement of the referendum, President Juncker held a press conference where he called the Greek people to vote 'Yes'. He stated: 'If the Greek people acting responsibly and conscious of the national and European role they are playing, vote "yes", the message to the other members of the eurozone, the European Union as a whole and the wider world is that Greece wants to remain with the other members of the eurozone and the European Union' (European Commission, 29-6-16). Most other EU leaders avoided suggesting to the Greek people what to vote but made statements that a 'No' vote would most likely signify an exit from the Eurozone. For instance, on the 29 June such statements came from the UK Prime Minister Cameron, from Chancellor Merkel and her Economy Minister Gabriel and from Italy's Prime Minister Renzi (Frazer, 29-6-15). The second camp comprised of prominent economists and opinion-makers quite a few of them based in the US, such as Stiglitz, Krugman, Jeffrey Sachs and Wolfgang Munchau. They were often (but not at all times) campaigning for a Grexit and urging the Greek people to vote 'No'. A good example of this campaign is Joseph Stiglitz', a Nobel laureate in economics, article titled 'How I would vote in the Greek referendum' (Stiglitz 2015) where he stated that a no vote paved the way to a brighter future for the Greeks.

The result of the vote was 61.31% 'No' and 38.69% 'Yes'. Void and blank votes were 5.80 (Ministry of Interior). This clear victory for Alexis Tsipras and the government had unexpected consequences. Free from his provocative Minister of Finance, Yianis Varoufakis, and with the people on his side rather than acting upon the 'No' vote in a dramatic way that could lead the

country out of the Eurozone, he returned to the negotiations table. Varoufakis (2017) describes the atmosphere after the 'No' vote at Maximou (the Prime Minister's residence) as an atmosphere of electoral defeat rather than victory. The Euro Summit of the 12 July was the last act in the drama. The negotiations lasted 17 h and what Tsipras was faced with was a very tough line from the European partners. The German Finance Minister Schäuble brought on the table a five-year exit plan from the Eurozone and a Luxembourg-based trust fund authorized to sell off Greek state assets. Greece found itself marginalized without many allies and it was mainly the French delegation that acted as mediator between the Greeks and the rest of Europe (Interview 4). The outcome of this meeting was ultimately more balanced. A third 86 billion euros bailout programme for the next 3 years was agreed. Fiscal adjustment and structural reforms supervised by the Institutions remained in place. It is difficult even for government officials to argue that the referendum brought some direct benefits for Greece. One Minister argued that it helped Alexis Tsipras to be accepted by his European counterparts as the key negotiator (Interview 3). Most of them claim that the fiscal package was improved but the structural reform conditionality remained more or less the same. An attempt was made to add a parallel programme with policies that the government wanted to pursue but of course, it had to be in line with the conditionality agreed (Interviews 2 and 10). The political developments were also significant since one-third of SYRIZA's MPs came into direct conflict with the government and resigned. Tsipras called for an early election on the 20 September and managed to renew his power in a new coalition government with ANEL and with less of an internal opposition. Possible, the most tangible political result of the referendum.

The 2015 referendum was a tactical referendum and not a referendum aiming at enhancing popular sovereignty. Most government officials have described it as a negotiation tool and this was also Alexis Tsipras' line who argued that if the 'No' camp wins he will be in a stronger position to negotiate a more favorable deal (Rori 2016, Interviews 2, 4 and 5). The difference was that some government officials saw it as one more negotiation tool that would eventually lead to an agreement (i.e. Interview 7) while others saw it as a nuclear weapon that could even lead to conflict with the European partners and even to Grexit (i.e. Interviews 1 and 8). It was also described as a relief valve in order for a new balance to be achieved and the party to be able to move forward (Interview 7) or as an emergency exit (Varoufakis 2017, 724–25). Very few refer to the necessity for the people to express their will beyond the negotiations game and as a tool aiming to strengthen their democratic expression (Interview 3; Varoufakis 2017 and Stiglitz, 29-6-15). Classifying the 2015 referendum presents similar problems to the classification of the referendum proposed by Papandreou. Although it was presented as a referendum over a specific policy issue (the bail-out agreement), EU leaders, the opposition and the left wing of SYRIZA among others conceived it as a Grexit referendum. Even if it did not eventually lead to Grexit, the No vote brought the country closer than ever. The fact that an agreement was reached at the last minute supports our claim that referenda are not an effective tool for enhancing popular sovereignty when they concern a decision which will affect other EU member states and not only the demos that is called to vote.

Discussion and conclusions

The Greek experience with referenda during the Eurozone crisis years shows that the relationship between referenda and popular sovereignty is not straightforward. It has

been clearly shown that embedded referenda such as the ratification of bailed-out agreements which depend on the action of other governments and other *demoi* do not serve to enhance popular sovereignty when they are negative. In the 2011 case, Papandreou was discouraged and advised to call a clear exit referendum both by domestic and international actors and eventually pulled back. In the 2015 case, the referendum took place but the government never enacted upon the 'No' vote. What is common in both cases is that the reasons behind the referenda were instrumental and had very little to do with the 'voice' of the people. Surely, the initial discourse was about popular sovereignty, but the rationale was to use the popular verdict in support of the leaders' political goals. Whether a clear exit referendum in either 2011 or 2015 would have generated legitimizing effects and thus enhanced popular sovereignty remains a hypothetical question. Our analysis taps into the debate about conflicts of sovereignty addressed in this special issue. More specifically, it brings insights with regard to which kind of institutional mechanisms, e.g. national referenda, can serve to exert the kind of joint popular sovereignty the proponents of *demoicracy* call for. It can be argued that in the case of Greece during the Eurozone crisis, turning to referenda further enhanced conflicts of sovereignty rather than boosting popular sovereignty and thus contributing to the realization of *demoicracy* in Europe.

Drawing from the case study, we can outline a number of conflicts of sovereignty, both in the national and European realm, which could not be alleviated by the referendum or were even triggered by it. A first conflict was the one between *popular and parliamentary sovereignty*. In the case of the 2015 referendum, the Parliament was further weakened and the executive was strengthened. The institutional flaws of the 2015 referendum such as the question about the constitutionality of the referendum, the short time span of the campaign and the vagueness of the actual question meant that the parliament was totally inactive during this period. Individual MPs tried to make their voices heard but there was no institutional involvement in the debate. To the contrary, the dramatization of the events before and after the referendum forced the opposition to vote in favor of the bailed-out agreement together with the government and led 25 SYRIZA MPs to resign from the party and become independent. The big winner was Alexis Tsipras who was re-elected on the 20th of September and renewed his term of office for another 4 years. The 2015 referendum did not ease the conflict *between state and supranational sovereignty* either. Turning to the people did not offer Tsipras the negotiation weapon that he hoped for and ended up in even harsher negotiations. The signing of the third bailed-out agreement was applauded by European elites and the opposition but it certainly did not do any good to popular sovereignty or the referendum institution. Popular sovereignty was heart straight from the beginning with the numerous international interventions in favor or against the 'no' vote from people that were too far away from Greek or even European politics to be able to give an informed opinion or that were too powerful to be ignored. Similarly, in the case of Papandreou, the referendum did not even occur, and he was forced to resign in light of the supranational as well as domestic pressure.

From a European politics point of view, the 2015 Greek referendum has contributed to fuel conflicts of sovereignty rather than to the exercise of *demoicratic* joint sovereignties in several respects. A first aspect of the 2015 referendum drama features a conflict between *the Greek state sovereignty and the EU's supranational sovereignty* in the realm of monetary

policy. This indicates the embedded nature of the referendum since the use of such a unilateral democratic tool cannot erase the interdependency due to the ECB's exclusive competence in the area of monetary policy. In the run-up to the referendum, the bank refused to grant liquidity assistance, which led the government to announce a bank holiday and to impose capital controls in order to avoid massive capital outflow from the country. This move by ECB can at least be interpreted as a defensive reaction from the EU institutions' looking to preserve the integrity of the Euro area against disruptive events.

A second dimension regards an unprecedented *clash between state sovereignties*. The negotiations which took place over 17 h at the Eurogroup meeting on 16 July 2015 will remain in history books as one of the most brutal episodes of inter-state confrontation in the EU. Instead of increasing A. Tsipras negotiating power *vis-à-vis* other European leaders, it led him to confront a coalition of creditors, austerity-minded countries, led by the inflexible German Finance Minister Wolfgang Schäuble. An imminent Grexit was invoked as a threat to impose harshness in the form of, among others, far-reaching welfare cuts and the privatization of Greek public assets and infrastructures under the auspices of an international fund. Instead of managing interdependence among equally sovereign states, the Eurogroup has turned into a mere instrument of power games leaving the door open to interstate domination.

This clash of state sovereignties reflects further *conflicts of popular and parliamentary sovereignty* among the European *demoi*. As noted by Hodson (2016), 'the Greek crisis is a test of multiple democracies and Eurozone members were understandably reluctant to commit taxpayer's money abroad without economic assurances and appropriate forms of political accountability' (p. 154). For sure, Schäuble's intransigent position did enjoy wide support among the German public and the same is true for representatives of the Netherlands, Finland or Austria. Rather than facilitating mutual understanding and joint solutions, the political escalation accompanying the referendum antagonized the different European *demoi*, especially the German and the Greek peoples (Sternberg, Gartzou-Katsouyanni, and Nicolaidis 2018). The featuring of Angela Merkel as a Nazi in the Greek public sphere and the dubbing of Greeks as liars and traitors in the German press are just shocking signs of the dangerous antagonizing spiral sparked by the confrontation.

A final aspect relates to the empowering of national parliaments in the EU polity. Many parliaments in the EU were granted the power to deliver their approval over the negotiations with Greece either *ex ante* or *ex post* or both, as for the German *Bundestag*. Looking at creditor countries, scholars found that those countries in which the parliaments could vote on the final agreement – namely Estonia, Germany, the Netherlands, and Spain – turned out to be the hardliners in the negotiations with Greece (Moschella 2017). Thus, the legitimate expression of the Greek popular sovereignty was bound to clash with the legitimate expression of parliamentary sovereignty in other EU countries, therefore leaving national and European decision-makers in a democratic deadlock. To conclude, while *demoicracy* is an appealing normative perspective for the future of the EU, it needs to pay more attention to the multiple conflicts of sovereignty which are built into the EU's political system. Searching for institutional devices to concretely implement the exercise of joint popular sovereignty in the EU, the Greek case illustrates in a paradigmatic way why unilateral national referenda seem to exacerbate rather than alleviate those conflicts.

Note

1. Since we are interested in popular sovereignty in the EU polity, we do not consider referenda over EU matters in third countries.

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