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Party Strategies and the Risk of Democratic Breakdown: evidence from Spain and Greece

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Introduction

Comparative studies of democratisation often stress the key role of political parties in the process (Pasquino, 1990), (Haggard and Kaufman, 1995), (Morlino, 1995). Needless to say, parties have a variety of vital roles in a new democracy, ranging from legitimising the new regime (or failing to do so), to mobilising citizens and articulating interests. This role is more pronounced during the later stages of democratisation and in particular during the process of democratic consolidation.[1] Yet, their most important function involves the entrenchment of the democratic process through party behaviour. I argue that the concept of party strategy best captures this critical function.[2] Subsequently, I identify two general strategies for political parties during the process of democratic consolidation: conflictual and consensual.[3]

What determines the choice of party strategy? There are two shortcomings in the existing literature: first, its static nature. Democratization studies, analytic or not, assume that actors have fixed, predetermined preferences regarding potential

[1] I follow the established practice by accepting the sub-division of democratisation into three conceptually distinct processes: liberalisation, transition and consolidation (Rustow, 1970). That is, liberalisation comes first, followed by transition and then democratic consolidation. The pivotal sub-processes, are the institutional transition and consolidation of democracy. Transition comes first though in reality "[the two processes] may temporarily overlap or even coincide" (Gunther Puhle and Diamandouros 1995:3). Nonetheless, the process of consolidation can only end if the institutional transition has been completed. It is not necessary, however, for transition to be complete in order for consolidation to commence.

[2] "Party strategy" is defined here as policy output, of a certain party, which is formulated after reasonably comprehensive planning with the purpose of attaining a specific goal in competition with other parties (Sjoblom, 1968:30). Parties can of course have institutionalised presence in other (e.g. government or municipal) domains. These are not under examination here. To borrow the terminology of Katz and Mair (1994) my primary concern here is not with the "party in public office" but rather with "the party on the ground" and the "party in central office".

[3] By "consensual" and "conflictual" strategies, I understand two mutually exclusive and antithetical policy options that parties have at their disposal in order to define their stance towards their systemic opponents.

strategies and remain committed to these preferences throughout the democratization process. Yet, democratization is a dynamic process affecting the likelihood of potential outcomes which in turn determine the distribution of benefits to actors. Therefore, if benefits depend on outcomes and if outcomes are being affected by the process, strategies can not remain stable but rather must be updated in order to reflect the evolving reality. The approach presented here has the advantage of capturing this dynamic nature of preference formation by discriminating between two chronological stages; where actors have the option of choice between alternative strategies.[4]

Second, democratization theory has traditionally implied that actor choices reflect an evaluation of the survival prospects of democracy (Przeworski, 1996:30), (Burton, Gunther and Higley, 1992), (Alexander, 2002) without; however, specifying how this decision making mechanism operates. The conventional wisdom is that since parties are rational actors they will adjust their strategies in the face of imminent danger. I argue that this is not necessarily the case. Under certain conditions, the optimal party position is to retain a conflictual strategy even as the risk of democratic breakdown increases. Hence, for the actors involved I incorporate in the analysis both the degree of political risk as well as their expected payoffs.

In order to test the argument, I draw evidence from two relevant cases. One where democracy was eventually consolidated and one where it failed to do so: namely, Spain in the late 1970s and Greece in the 1960s. Alexander (2002:13) has highlighted the tendency of democratisation studies to focus only on cases where democracy was successfully consolidated. The main methodological assumption here is that important insights can be gained from comparisons between breakdowns and consolidations. Conveniently, the two cases also vary on the dependent variable. Although both started with a conflictual strategy, Spain eventually switched to a consensual one.

The paper makes several contributions to the existing literature. Firstly, party strategies are explained in reference to the calculations that actors make and not to idealised notions of political culture, capricious leaders, international demonstration effects and other zeitgeists. Second, the distinction between the two decision nodes is vital, not only because it corresponds more accurately to the existing ontological

[4] Coinciding (depending on the particularities of the case) with the beginning of the transition and the

divisions of the democratisation theory (that is, to transitional and consolidation processes); but also because it is flexible enough in order to accommodate strategy changes, a serious failure of the relevant literature. Third, the concept of political risk is explicitly incorporated in the analysis as a variable affecting the calculations of party strategists.

I proceed in the following way. I start by developing an analytical, non-formal, model for the choice of party strategy during democratic consolidation. The model accounts both for cases of consensual and conflictual party strategies and incorporates the actors' assessment regarding the survivability of democracy for each strategy as well as the payoffs associated with the two options. The model is then applied to the two case studies.

Party Choice under Uncertainty

Party Choice

In this section I develop a model which accounts for the choice of party strategy during the process of democratic consolidation. Parties want to maximize power, which is generally defined as the ability to influence policy decisions. In order to do so, parties seek electoral victory. Conflictual strategies yield higher electoral payoffs because supporters can be mobilised more easily through a polemical discourse. Still, under certain conditions it can lead to democratic breakdown and therefore to no payoffs at all. On the other hand a consensual strategy can help party actors survive in an unstable party system. The choice of strategy therefore can only be the product of a calculus which considers not only the benefits of the available strategies but also the probability of their realisation.

I argue that this probability is the product of two subjective assessments: of the current level of political risk and of past historical experiences in establishing trust between actors.

The first feature involves a subjective assessment of political risk and in particular of potential threats to survival of the new democratic regime. The main theoretical assumption here is that party behaviour cannot be independent from the probability of democratic stabilisation. That is, if we accept the argument that there is a certain degree of conflict which can be absorbed by any given democratic regime before collapsing and if parties are indeed self interested maximizing actors; their

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consolidation phase respectively.

priorities should include, in most cases, a conscious effort to avoid the collapse of democracy.[5] However, since the risk of collapse dependents on the particularities of each case, tolerance thresholds will vary from case to case and even within the same case at different chronological periods. Therefore, party behaviour depends on fluctuations of political risk and then party strategy should be a function of that probability assessment. As a result we should expect to see party actors having a greater choice of possible strategies in the absence of a credible threat to democracy and adjusting their strategy accordingly in the face of imminent danger.

It should be noted again that this is only a subjective assessment. This is the case because the concept of probability is not necessarily interpreted in axiomatic terms by party actors. That is, the fact that a given party actor is negatively assessing the credibility of other actors and is pessimistic about the possibility of democratic consolidation does not necessarily reflect reality. It only reflects the assessment of the actor in question at a given time.[6]

The importance of trust is frequently identified as one of the fundamental building blocks in theories of social exchange. Studies of trust take it as a precondition for cooperartion between individuals, that is sets up expectations about others behaviours and that it relies in shared norms even if such discussions differ over what are the boundaries and sources of trust (Misztal 1996). According to Arrow (1974:23), trust is an economic externality it saves a lot of trouble to have a fair degree of reliance on other people's word. Unfortunately this is not a commodity which can be bought very easily. If you buy it then you already have doubts about what you have bought. The problem of trust is therefore not independent of reputation building. Party actors like any other actor involved in a market exchange, need to interact with other actors through time but in order to do so, a level of trust needs to be established. Given the fact that democratic consolidation is a process which goes beyond a momentary exchange, a trustworthy reputation is a desirable asset.[7]

However, reputation building is a costly endeavour.[8] Therefore for an argument involving the existence of reputational trust to be complete, it must

[5] There are some exceptions which I discuss later in relation to the payoffs of party actors.
[6] Hence, actor behaviour is rational only in the sense that it is internally (and not externally) consistent.
[7] In a momentary exchange trust might emerge for exogenous reasons.
[8] Reputation building is costly for political parties for two main reasons: first, since it requires from actors to commit themselves (either implicitly or explicitly) to cross party bargains their policy options are constrained.

stipulate how this was achieved in the first place. In the context of the present study it begs the question as to how it is possible for trust to emerge between new actors in a nascent party system. Although reputation building is costly, it does not have to be a process extending indefinitely into the future. In fact some studies have indicated that actors tend to be more trustworthy in the first rounds if any given game precisely because they need to establish a reputation.[9] Secondly, although party actors might be newly emerging, their leadership is frequently not. Indeed in all cases examined in this study the new party elites were known and in some cases have been active in public life previously. Therefore their reputation is likely to be already established.

Previous experiences, often involving not only the same party actors but even the same party elites, offer insights on how actors will behave in the future. Thus, historical experiences can act as information shortcuts when assessing the credibility of other actors. In the process, they form the basis for the establishment of trust between party actors or a reason for failing to do so. Historical experience is further relevant to the assessment of regime prospects given the fact that parties enter the democratic consolidation process with an already established strategy. Strategy change is not a costless endeavour because of reputation costs. Therefore the existing strategy must be taken into account when considering changes.

Expected payoffs can therefore be calculated through $E(\Pi)=p*\Pi$. Where $E(\Pi)$ are the expected payoffs, p is the probability of democratic consolidation and Π is the payoff of a given strategy. We assume that there are two available strategies one consensual the other conflictual (S1, S2). The payoffs associated with respective strategies are $\Pi1$ and $\Pi2$ where $\Pi2>\Pi1$. Conflictual strategies however can also lead to democratic breakdown therefore leading to no pay offs for the actors involved.[10] Hence, ideally parties want to adopt the most conflictual strategy available without crossing the imaginary tolerance threshold where democracy will eventually collapse.

Second, bargains are not always acceptable from the party base and therefore can prove problematic for less cohesive parties.

[9] An interesting example involves the formalisation of the 1960s saying "never trust someone over thirty" (Hargreaves Heap, 1992: 153).

[10] With the exception of anti-system parties which could, under certain circumstances, have higher payoffs under a non-democratic alternative.

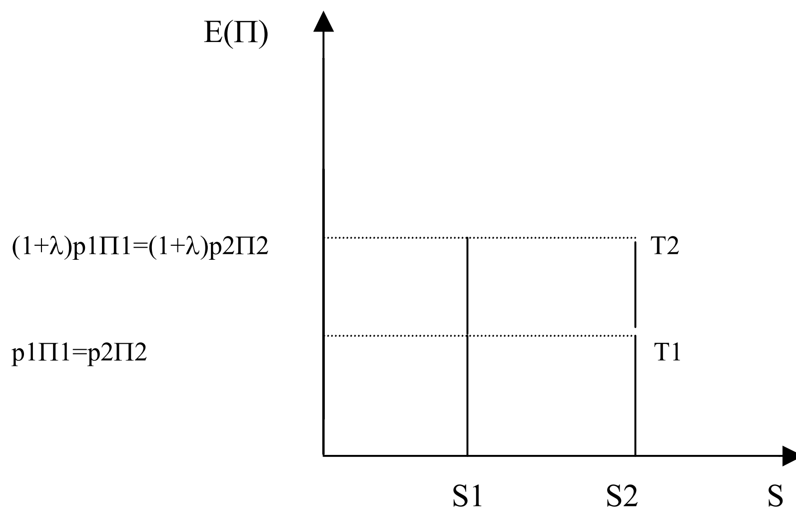

Fig. 1

I will consider three pertinent examples. In the first example (Fig1), there are two available strategies S1 and S2 which give us the same E(Π) at T1. That is, E(Π1)=p1Π1 and E(Π2)=p2Π2. We assume that p1Π1=p2Π2. Given the fact that the payoff is identical, parties are indifferent between the two strategies. At T2, a change in the probability of democratic stabilisation as long as it is applied uniformly for both strategies will also result in the same outcome. If the probability increases by λ% for both strategies, we have new payoffs: E(Π1)=(1+λ) p1Π1 and E(Π2)=(1+λ)p2Π2. Therefore, again we have E(Π1)= E(Π2) and parties should be indifferent between the two positions.

What happens, however, if the probability disproportionately affects one of the two strategies (Fig.2)? That is both probabilities increase but the conflictual strategy is affected more. If we assume that λ1<λ2 then E(Π1)<E(Π2) since (1+λ) p1Π1<(1+λ)p2Π2. Therefore, the optimal strategy is S2. This example involves a disproportionate increase in the probability of S2 which, in turn, makes it more desirable than S1. However, the opposite situation would also be true if λ1>λ2. Then, the payoffs would be (1+λ1) p1Π1>(1+λ2)p2Π2.

All the examples so far involve positive changes in p. That is the probability of democracy surviving increases and party actors need to incorporate that to their

calculations. What happens, however, if there is a negative change? That is, what happens if the probability of democracy surviving takes an unexpected turn for the worse? In this case the probability that democracy decreases by λ. In this case if we assume that the original payoffs were $p1\Pi1<p2\Pi2$ the new payoffs will be $(1-\lambda)p1\Pi1<(1-\lambda)p2\Pi2$. Therefore the optimal strategy would still be S2.

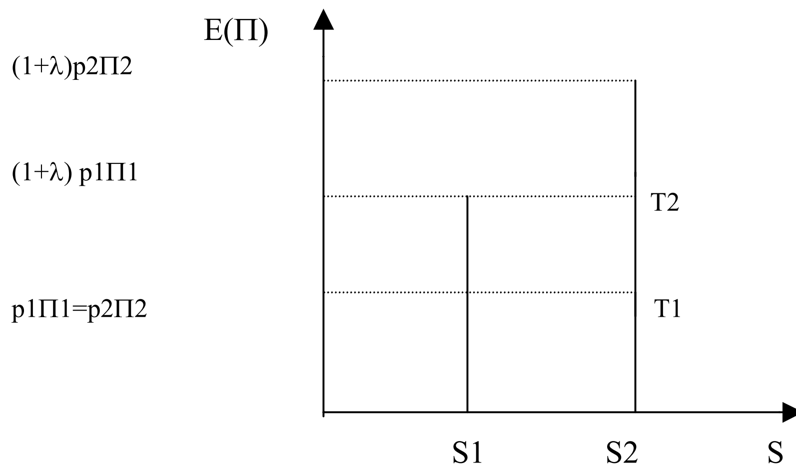

Fig. 2

The counter intuitive insight is that changes in the level of political risk do not correspond exactly to shifts in strategy. That is, for a rational party actor the optimal position does not depend to changes in the level of political risk per se. Therefore, an increase in the probability of democratic breakdown does not necessarily mean that a party with a conflictual strategy will switch to a consensual strategy. Rather, it is the direction of the change in the probabilities which affects, either negatively or positively one of the two available strategies and causes a shift in the optimal party position. Hence, parties will respond to probability changes affecting disproportionately one of the two strategies.

Given the fact that there are two decision nodes in each case (T1 and T2) and we want to explain the change of strategy from one node to the other (or the failure to change the strategy); there are four relevant questions which must be addressed in juxtaposition with each of the two case studies: what was the strategy at T1, which strategy was affected more by the probability, what were the payoffs for the actors and what was the strategy at T2.

Greece 1958-1967

The immediate post-civil war party system was highly fragmented and fluid. By the late 1950's, however, this fluidity showed signs of stabilisation. The party system was characterised by two overlapping cleavages: Left VS Right and the republicans VS monarchist. The Right was dominated by a single conservative party (ERE), the centre-left by a coalition of parties (the Centre-Union) and the communist left by the illegal communist party (KKE) under the disguise of a leftist coalition (EDA).

In 1955, Constantine Karamanlis emerged as the new leader of the conservative *Ellinikos Synagermos* (Greek Rally), but decided to dissolve the parliament and proceed with new elections. In the spring of 1956, Karamanlis also dissolved *Synagermos* and then essentially re-established it as ERE.[11] ERE won a narrow victory in 1956 against a loose coalition of left wing parties and again in 1958 when EDA emerged as the second largest party due to the increased fragmentation of the centre. However, as the Left was becoming better organised the institutional weaknesses of ERE were becoming more obvious and the party deputies were becoming increasingly critical of Karamanlis.

Table 2: Electoral Outcomes of National Elections 1958-1967

	1958	**1961**	**1963**	**1964**
ERE	41.2% (57%)	50.8% (58.7%)	39.4% (44.%)	35.2% (35.7%)
Centre-Union	---	33.7% (33.3%)	42.1% (46.0%)	52.7% (57.0%)
EDA(**1**)	24.4% (6.3%)	14.6% (8%)	14.3% (9.3%)	11.8% (7.3%)
Liberal Party	20.7%(12%)	---	---	---
Electoral Alliance of Centrist Parties	10.6%(3.3%)	---	---	---

NB: Percentage share of parliamentary seats in parenthesis
(1) As part of the Agrarian Democratic Front Coalition in 1961
Source: Clogg (1987).

The fragmented centre consolidated in 1961 to form *Enosis Kentrou* (Centre-Union) headed by the veteran politician George Papandreou. In terms, of its ideological orientation the Centre-Union was purposefully vague as most Greek parties of the period. Nonetheless, the party manifesto included several important items of faith that differentiated it from both the traditional Left and Right. For example, the party was anti-communist despite the fact that it campaigned for the abolition of the repressive civil war legislation. Similarly, the Centre-Union was in favour of participation in the NATO structures but strongly championed for the control

of the armed forces by elected officials. The main ideological theme of the Centre-Union, however, its pro-republican sentiment, was largely absent in 1961.

The left-wing coalition EDA[12] emerged in 1951, as the first Greek mass party bringing together not only communists but also socialists and other smaller Left wing groups. The communist party (KKE)[13] was, of course, illegal with Law 549/1947 though the party was indirectly represented through EDA. As it was the case with PCE in Spain, KKE retained a highly disciplined underground network which operated throughout the country. Nonetheless KKE was never tolerated by the authorities and arrest warrants for treason were still in effect for most party leaders.

Party Strategies at T1

At the start of the democratization process Greek parties had adopted conflictual strategies. This was certainly the case with the two mainstream parties ERE and Centre Union and, to a lesser extent, with the left wing EDA. ERE had demonstrated that it was prepared to exploit its privileged access to the state apparatus in order to manipulate the electoral outcome and often reverted to scaremongering tactics against its opponents. On the other hand, Centre Union was committed to challenging fundamental aspects of the post civil war regime which was bound to bring it into collusion with authoritarian elements in the armed forces. Although in the past EDA had refrained from adopting a conflictual strategy by the early 1960, it was increasingly pressing for the abolition of Civil war legislation which discriminated against the Left in general and the communist Left in particular.

Direction of Probability

I argue that the probability of democratic consolidation was decreasing in the case of Greece in the mid 1960s. This was the case not only because the risk of democratic breakdown had sharply increased compared with the recent past but also because party elites repeatedly failed to establish a minimum level of trust among them. Although trust by itself could not have saved democracy it would have a positive impact upon the choice of strategy.

Political risk was amplified given the increased tendency of authoritarian elements within the armed forces to plot against the government of the day. My aim

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[11] *Ethniki Rizospastiki Enosis*, (ERE).

[12] Eniea Democratiki Aristera (EDA).

here is twofold, firstly to demonstrate that the threat was credible and secondly that party elites were fully aware of the danger and therefore must have included it in their calculations.

Given the declared aim of Centre Union, to challenge fundamental aspects of the post civil-war arrangement, military elites became increasingly alarmed.[14] In particular, military elites were concerned not of a communist takeover per se but rather of a potential electoral cooperation between the centre-left and the traditional (communist) left. It was assumed that a grand coalition of the Left would lead to the emergence of a government ultimately under communist control. Such a, "Trojan horse", scenario was highly unlikely given not only the particular context of the cold war but also the declared anti-communism of Centre Union leaders. Yet, the perception remained.

The army certainly had a tradition of intervention in Greek politics, both explicitly through "*pronunciamentos*" but also implicitly by making their preferences known to the relevant actors. Yet, the establishment of long-term authoritarian regimes was rare.[15] In the context of the mid 1960's, military interventionism took the form of organised plots with the aim of establishing a military dictatorship. A declassified intelligence report from the US embassy (drafted in 1966) points out to the existence of a group of conspirators from as early as 1963: "[…]. In late 1963 and early 1964 a group of rightist Greek Army colonels (reported at that time as the military conspiratorial group) organized to stage a military coup if Georgios Papandreou accepted support from the United Democratic Left (EDA)." (Foreign Relations of the US, Document 225). Even though, such early attempts were characterised by a lack of consistency and indecisiveness they do point out to the pattern of hostility towards democracy, as well as to the willingness of military elites to operate outside of formal institutions.

By 1964, senior officers were concerned to the extent that they attempted to establish links with US representatives; presumably in order to asses the willingness of the latter to back a potential coup. On October the 8th, the US embassy *charge d'affairs* Norb Anschuetz met with the retired air force general Petros Mitsakos and the retired army brigadier Anthony Skarmaliorakis who expressed their alarm over

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[13] *Kommounistiko Komma Ellados* (KKE).

[14] By the term "military elites" and "armed forces" I refer primarily to army officers. As it was also the case in Spain, navy and air force officers tended to be more moderate.

left wing mobilisation. Mitsakos claimed that he represented a group of officers which "closely monitors the events" and stressed that there is a "possibility of military intervention". Furthermore Mitsakos, somehow self-contradictory, argued that "if the US also concludes that the point of no return has been reached, then it should participate in an operation to save democracy in Greece." Anschuetz argued that there is no politician or political force in Greece which could lead the country to communism through the establishment of a broad popular front. Mitsakos responded that "you [i.e. the US] do not understand the extent of the problem." (Quoted in Papachelas, 142-144:2000).

Party elites were aware that conspiracies were being formed. This was evident both in their public statements and actions. For example, George Papandreou declared in parliament "all those who believe that they belong to another organisation [i.e. IDEA] besides the army and the nation have no place in it" (quoted in Danopoulos, 1984:49). One of the first tasks of the new Centre Union government was to restructure the army by making sure that suspected officers were not to be found in key positions. In turn this provoked an angry reaction from military elites. Senior officers started to openly voice their concerns over the Centre Union government: Retired General Sakellariou, "who was ousted last year as Army Chief of Staff, told Emb[assy] officers openly last week that it is essential Papandreou be "overthrown" before he drags country down to destruction" (Foreign Relations of the US, Document 194). This proved unnecessary as the Centre Union government collapsed by itself. The crisis, incidentally, was caused by the decision of Papandreou to dismiss his defence minister whom he suspected of being in collusion with army officers.

The collapse of the Centre Union government in 1965 did not significantly reduce the risk of democratic breakdown.[16] In fact popular protests, largely orchestrated by Centre Union and EDA, added fuel to the fire by confirming the suspicions of military elites towards democracy. From the point of view of the army, politicians had brought the country to the brink of anarchy.

Even more problematic was the fact that by 1966 conspiracies started to re-emerge in the armed forces. Moreover, officers who had been transferred to northern Greece had now "completed their tours in these areas and are gradually returning to

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[15] In fact, there is only one successful example: the Metaxas dictatorship in the 1930s.

key command positions in Athens" (Foreign Relations of the US, Document 225). Furthermore the same report asserted that the "rightist conspirational group" had already planned an averted coup: "Just before the Centre-Union 16 February 1966 rally in Athens, Lt. Colonel Georgios Papadopoulos came to Athens to contact military colonels in the event a coup was deemed necessary to thwart mob violence instigated by EDA or by Georgios Papandreou at the rally." (Ibid).[17]

A further escalation came in December of 1966 when, following a series of secret meetings, ERE and Centre Union reached an agreement that would eventually lead to elections in May of 1967. Although this was interpreted at the time as having a depolarising effect, in reality it prompted military elites to overcome their indecisiveness. While ERE and the Centre Union were reaching an agreement, a US intelligence report points out to the re-activation of the colonels group (Foreign Relations of the US, Document 245). The army could not fail eventually to see what was the most likely outcome of the elections. Although ERE leaders appeared to be confident of their victory, the general assessment was that Centre Union would have no difficulty in obtaining a strong mandate. After all the party had received almost 50% of the vote three years earlier and polarisation had swelled its ranks. Hence, it made perfect sense for the military to intervene before the actual date of the elections in order to prevent a second Centre Union victory.

There was very little trust among party elites at the time. Party competition took place along the two established cleavages of Greek politics: monarchists VS republican and communists VS anti-communists. Although cleavages were normally not intransitive for individual party members and supporters, they made it particularly difficult for parties themselves to publicly justify inter-party collaboration. The difficulty arose not from the mere existence of ideological cleavages but rather from of their interpretation as forming mutually exclusive political identities. The calculus was that if that was indeed the case, any collaboration would ultimately undermine party claims regarding the validity of the party discourse. Hence the established political culture encouraged confrontation and did little to promote inter-party collaboration.

[16] Following the defection of a significant number of deputies to ERE.
[17] The report continues by listing ten Lt. Colonels as members of the group, including all the main conspirators of the 1967 coup.

This tendency to view party identities as mutually exclusive was not shared by individual members and certainly not by voters. Party discipline was weak, and deputies were often disloyal to the party which helped them get elected in the first place. As a result defections were hardly unheard of. In fact parties frequently encouraged such defections in order to build up their parliamentary strength. From a point of view of trust establishment, the practice strongly undercut any effort to establish inter-party relations.

Crucially, there was no tradition of official inter-party collaboration to build upon. Governments were almost always supported by a single party and the establishment of both electoral and governmental coalitions was interpreted as a sign of weakness. There was no institutional incentive for the establishment of coalitions as the electoral system in use during the 1960's was clearly designed to produce single party majoritarian governments.[18] Formal coalitions apart, the aversion towards inter-party collaboration also extended to informal pacts. There was only one such case and it involved the agreement between Centre Union and ERE to hold, prematurely, national elections in 1967.

Nonetheless, this sole example actually illustrates rather than undermines the general argument. The negotiations were conducted in secrecy out of fear that they would disturb rank and file members and were purposefully downplayed by both parties. Although the alleged aim was to solve the political standoff, the declared five month electoral campaign was hardly the most efficient way of achieving this. Therefore, far from being an exercise in compromise, the agreement guaranteed a renewed confrontation between the two main parties. Moreover, since the agreement was essentially a case of momentary exchange, compliance could be guaranteed for exogenous reasons. Thus, it did not promote inter party trust.

Yet, it is important to stress that the lack of trust was not a pivotal factor by itself. A party system facing a lower threat of democratic breakdown could have absorbed the lack of trust without collapsing. Conversely, the existence of significant potential payoffs could have tempted party actors to cast aside some of their differences in order to conquer a higher prize.

Hence, the overall probability of democratic consolidation was decreasing in Greece during the early 1960's. This was the case not only because there was a

[18] In part due to negative experiences with previous (more proportional) electoral systems.

significant escalation of the threat emanating from authoritarian elements in the armed forces but also due to the complete lack of unity among party elites. Although party decision makers were aware of the threat their response was not a strategy shift towards a less conflictual strategy as the democratisation theory assumes but rather a continuation of the previous strategy. I argue that this was the case given the payoffs associated with each strategy.

Payoffs under Alternative Strategies

What were the payoffs for each strategy? A conflictual strategy would certainly put the survival of democracy into serious doubt. Although democracy had enjoyed two decades of uninterrupted existence, it was far from being consolidated. Given the right conditions, the armed forces had palpably demonstrated their willingness to stage a coup. In terms of benefits, a conflictual strategy would help increase the electoral returns for both EDA and Centre Union by keeping their supporters in a situation of constant mobilisation. In particular for the Centre Union, the long run survival of the party was unlikely given the loss of a significant number of deputies together with their clientelistic networks. However, a renewed strong electoral mandate would offer it a second opportunity to cleanse the state and the army from authoritarian elements and consolidate its power base. In turn, this required a sustained conflictual campaign focusing not only on ERE but also against the armed forces and the King who were, conveniently, bundled all together in the same category.

A consensual strategy could potentially reduce the possibility of democratic breakdown but had little additional benefits. For Centre Union such a strategy could very well end up being counter productive if it failed to secure the survival of the party. Although the party had won a legitimate electoral victory in 1964; it was prevented from fully exercising its electoral program and was essentially forced out of office with the defection of the Mitsotakis faction in 1965. From the perspective of the Centre Union there was little difference between a real coup and, what party leaders referred to as, the “royal coup” they had just experienced. Hence, the party saw little benefit in contributing to the stability of a regime which excluded it from power by adopting a consensual stance. Rather, it sought to maximize its electoral potential with a risky strategy which guaranteed a strong electoral result if democracy survived.

For two main reasons EDA had reached independently a similar conclusion. First, after 1965, it became clear to party strategists that their main aim, KKE legalisation, was difficult to achieve even under a potential Centre Union government. This was the case not only because Centre Union elites were lukewarm to the idea but also because a Centre Union government would be vulnerable to accusations of communist complicity. Moreover, if the demand for the legalisation of KKE was to be taken seriously, it was always absolutely vital that the party demonstrated that it represented a significant number of voters. Yet, by 1967 EDA felt increasingly outflanked by Centre Union. The, almost uninterrupted, daily protest organised by the latter attracted large numbers of EDA supporters. Therefore, as long as the possibility of legalisation was not a realistic option, the party had no reason to adopt a depolarising strategy.

Finally for the conservative ERE, a conflictual strategy was a less attractive option. ERE could not compete with the mobilising capabilities of EDA and its leadership lacked the rhetorical skills that Centre Union leaders used in order to inflame supporters. Moreover, the party, as opposed to Centre Union and EDA, had a realistic chance of satisfying its preferences within the confines of the existing democratic regime. Therefore it made sense to be risk adverse and promote the stability of the current regime. However, strategies are not adopted in a political vacuum, and in the case of ERE, this meant competition in a highly polarised environment. A consensual strategy would have put the party in a serious disadvantage vis-à-vis other parties, especially given the increasing mobilisation of the Left. Therefore, for ERE too, a conflictual strategy was the optimal choice.

Party Strategies at T2

In the case of Greece in the 1960's there was no strategy change. That is party strategies remained conflictual**.** This was the case despite the fact that all three major parties had had little sympathy for an authoritarian alternative. Still, for EDA and Centre Union, their future prospects under the existing democratic regime were only marginally better. Therefore, even by taking into account the increased probability of democratic breakdown, the optimal strategy for all party actors remained the conflictual one.

Spain
The death of Franco in November of 1975 did not force the automatic collapse of the regime as many had predicted. However, it did remove the most serious obstacle to democratic reforms. The decision of the King to appoint Adolfo Suarez as prime-minister, after a brief interlude with the *continuista* Carlos Arias Navarro, opened the way for the institutional transition to democracy.

The founding elections of 1977 produced a party system formed along the lines of two traditional cleavages of Spanish politics: left/right and centre/periphery, pitting a major party of the centre/right against two left wing parties and nation-wide parties against regional ones. [19]

The Right was split between *Allianza Popular* (AP), representing mostly reformed Francoists, and the centre-right *Union de Centro Democratico* (UCD). On one hand, AP emerged as a coalition of small conservative parties organised around high-ranking bureaucrats in 1977.[20] UCD, on the other hand was primarily the personal electoral vehicle of the last Franco prime-minister Adolfo Suarez.[21] Originally founded as a coalition of small centrist parties, UCD relied on Suarez's charisma and status for electoral success. The 1977 elections gave a relatively comfortable victory to UCD with 34.4% of the popular vote and again with 35% in 1979.

Table 1 Electoral Results of Spanish National Elections: 1977-1986

	1977	**1979**	**1982**	**1986**
PSOE	29.3	30.5	48.4	44.1
AP (CD,CP)	8.3	6.0	26.5	26.0
UCD	34.4	35.0	6.7	---
PCE (PSUC)(IU)	9.4	10.8	4.1	4.6
CDS	---	---	2.8	9.2
CiU	2.8	2.7	3.7	5.0
PNV	1.6	1.5	1.8	1.5
HB/EE	0.9(EE)	1.4	1.4	1.7
Other	13.3	12.1	4.3	7.9
Abstention	21.4	32.0	20.0	29.0

NB: Figures in Percentages
Source: Gillespie 1990:126

[19] The two regional parties were the Basque PNV and the Catalan CDC.
[20] Principal among them, the party leader Manuel Fraga Iribarne, a former Franco minister.
[21] Suarez was actually appointed prime-minister under the provisions of Francoist legislation.

The left was dominated by the socialist *Partido Socialista Obrero Espanol* (PSOE) and the euro-communist *Partido Communista Espanol* (PCE). Despite the fact that PSOE could trace its history back to 1870's, by the early 1970's it could offer very little in terms of historical continuity, having largely ceased to function within Spain during the Franco years.[22] However, with the transition to democracy the party rapidly grew, overshadowing the communists and in the 1977 elections emerged as the primary opposition party. In 1979 it was again narrowly defeated but it in 1982 won in a landslide. PCE was originally being founded in 1921 as a socialist splinter group. Unlike PSOE, the party did retain a significant clandestine presence within Spain during the Franco years. As a result by the middle 1970's the party had a wide network of supporters (not always party members) and largely controlled most illegal labour syndicates.

Party Strategies at T1

What were the declared party strategies at the beginning of the democratisation process? Most party actors entered the democratisation process with an established conflictual strategy. PSOE in the twenty-seventh party congress in December 1976, had reaffirmed its commitment both to democratisation through *ruptura* and the "conquest of political and economic power and the socialisation of the means of production" (Maravall, 1982:145). Similarly, PCE was still committed to a confrontational stance through the *Huelga Nacional Pacifica* (HNP) strategy announced at the VIII party congress in 1972. The strategy had some moderating elements (e.g. cooperation with bourgeois forces) but was still largely conflictual. The collapse of the Francoist regime was to be brought through a massive strike and other forms of mobilisation orchestrated by PCE (PCE-Comité Central, 1972:44). This view was not altered after the death of Franco with Carrillo dismissing the King as nothing more than the representative of the dictator (*Le Monde*, 23/10/75). Although some of the party system actors had not emerged formally there was little to indicate the tendency for compromise, which would eventually come to define the Spanish case.

[22] In 1974 PSOE could claim only 4000 members, about half of whom were actually in exile (Gilmour, 1984:103).

Direction of Probability

The probability of democratic stabilisation in the case of Spain decreased during the process of democratic consolidation. A regime breakdown and a reversal to the previous non-democratic order was hardly an unimaginable outcome for the newborn democracy. Yet although the risk was probably higher than any other case examined in this research; a degree of trust was established between party elites as I demonstrate bellow.

The risk of democratic breakdown was substantial in the case of Spain. Where was the threat coming from? Social and political tensions had created a permissive environment, which was exploited by authoritarian nostalgists in an effort to justify their repeated attempts to subvert democracy. Social unrest and demands for regional nationalism increased the suspicion of military elites towards democracy.

Social unrest was made up by two distinctive elements: right-wing violence and labour mobilisation. Aimed both against democratic activists and regime moderates, right-wing violence culminated in arson and bomb attacks against progressive bookshops, newspapers and even *Opus De*i affiliate institutions. Prominent in inciting violence was the extremist press with the dailies *El Alcazar*, *Fuerza Nueva* and *El Imparcial* routinely publishing polemic articles, brandishing reformist politicians as "traitors" and "cowards" (Gilmour, 1984:237-233).[23] Right-wing agitation coincided with a wave of public manifestations and industrial action organised mostly by labour unions. A total of 931 cases of industrial action were recorded in 1973, still under the Francoist regime. The number increased to 2.290 in 1974 and 3.156 by 1975. The transition failed to defuse civil unrest. In 1976, 17,731 strikes took place (Maravall**?**). Between the 6th of January 1976 and the 15th of June 1977, the day of the first elections, a total of 51 large manifestations took place in Madrid (Rodriguez, 1989:99).

Regional nationalism is traditionally associated both with the Basque country and *Catalunya*.**[24]** However, from the perspective of military elites, Basque nationalism was the most problematic of the two; insofar as its more radical nature distinguished it from the Catalan variety both in qualitative and quantitative terms.

[23] For an interesting account on the activities of the extreme right wing press see Rodriguez (1994:231-241).
[24] Even in the 1970 regional sentiment was not limited to the Basque country and Catalunya. However, it was only in these two areas that nationalist demands was strongly organised. For example, in Galicia the *accumulated* returns for the two nationalist parties (PSG/EG and BNPG) were only 11.3 % in 1979 compared to 27.6% for PNV in the Basque country.

ETA exemplified a radical tendency almost from its conception. It represented an alienated and dissatisfied section of the Basque youth which refused to settle for, what was interpreted to be, the conformism of PNV. ETA considered itself fighting an anti-colonial war and therefore violence was seen not only as legitimate but also as the only realistic tool towards independence[25]. Although initially ETA's attacks were neither massive nor indiscriminate by mid-1970's terrorism was becoming a serious destabilising force.[26] In 1973 the organisation carried its most famous attack: the assassination of Admiral Carrero Blanco, second in the regime hierarchy only to Franco himself.

Therefore social and political unrest was combined with growing nationalist mobilisation in order to create a permissive environment. The existence of a window of opportunity however, is not enough by itself for a threat to be credible. Actors willing and able to take advantage of the special conditions in order to bring down democracy are necessary. In the case of Spain, that role was assumed by the military, to which I turn my attention now.

The Spanish military in the late 1970's was in many respects (both attitudinally and operationally) similar to the one that defeated the republican forces in the civil war.[27] It remained a force whose primary focus was counter insurgency operations. For example, the military was often directly involved in counter-guerrilla (in the 1950's against PCE guerrillas) and anti-terrorism operations (against ETA). Moreover, former officers staffed the upper echelons in most security agencies and made up a sizeable proportion of executives in the public sector (Martinez, 1988:318), (Olmeda-Gomez, 1988:249). Although military elites could be safely judged as harbouring suspicions towards democracy,[28] this was not sufficient to justify direct action. This is demonstrated by the fact that the army did not block the transition despite the fact that it was clearly capable of doing so. However, the

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[25] Different ideological factions did exist within ETA. The so called "culturalists" who advocated mobilisation only among *Euskera* speakers, "trotskyites" who proposed cooperation with the Spanish workers and "third wordlists" (*tercermundistas*) who believed that the Basque provinces were in effect Spanish colonies. By 1970, the third wordlists had emerged victorious in the internal debate (Clark, 1984:32-34).

[26] For example only two organised assassinations were committed prior to 1972. All other deaths were unintended.

[27] By "military" I refer primarily to army officers (Ynfante, 1976:324). Officers in the navy and the air force tended to be more progressive (Preston, 1995:181). Furthermore, the army had the lion's share in terms of budget allocation and other resources as well as privileged access to the regime (Martinez, 1988:343).

[28] Best captured in the statement of General Milans del Bosch that "The balance [of democracy] does not seem to be positive: terrorism, insecurity, inflation, economic crisis, pornography and, above all, a crisis of authority" (cited in Gilmour, 1985:290).

growing mobilisation of regional nationalism was seen as a direct challenge to the territorial integrity of the country and therefore it was an area of primary interest for armed forces.

In this regard the interplay of the strategies of two actors, ETA and military elites, proved crucial. As Preston (1995:192) has pointed out the continued terrorist attacks in the Basque country kept the nerves of the army on edge. ETA violence did not stop with the transition to democracy. In fact, attacks intensified both in qualitative and quantitative terms. Not only did the number of attacks increased but also the number of deaths as a result of these attacks rose sharply. For example in 1977 there were only 13 victims of ETA initiated violence. In 1978 the number of deaths as a result of ETA actions had increased to 69 and then again to 85 in 1979.[29]

The ultimate result of such attacks was to push military elites from a stance of open hostility towards democracy to direct confrontation.[30] A correlation between nationalist violence and attempted coups can be established. In 1978, the year of the first coup attempt, there was a serious escalation of violence. In 1980, a few months before the February 1981 coup attempt, ETA conducted its most violent campaign with over one hundred victims. Moreover, as Gilmour (1985:225) has pointed out when the 1981 coup failed, ETA focused its attacks on army officers, "presumably so as to encourage them to try again." The irony was not missed by the mainstream press. As the weekly Cambio 16 put it: "either the regime breaks ETA or ETA annihilates Spanish democracy" (Cited in Carr and Fusi, 1979:252). This is not to argue that the aim of ETA was specifically to provoke a coup.[31] But rather that a successful coup could very well be the unintended result of terrorism.

Consequently, not only the threat to democracy was substantial but a capable and motivated actor willing to bring down democracy existed. This was obvious to most political observers at the time.[32] Party elites were also aware of the precarious

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[29] Comparative figures of ETA related violence from: www.avt.org/eta/

[30] At least two major coup attempts took place, the first one was organised for November 1978. The second one; in 1981 involved a dramatic takeover of the parliament with the government and the MPs taken as hostages.

[31] From ETA's point of view the regime question was irrelevant since both democracy and authoritarianism were seen as illegitimate. The relation between repression and nationalist mobilisation was central to ETA's organisation-building efforts as formulated in the spiral theory of action-repression-action by the leading theoretician of the group Frederico Krutwig. Indicative of this line of thought is an early ETA document: "Repression and torture [...] become the best recipe for the youth's rebellion" (*Documentos Y*: vol. 1p.371).

[32] Indeed, diplomatic observers writing at the time did not rule out the possibility that democracy would eventually collapse. See for instance, Eaton (1981:143-144).

nature of the situation. As Gonzalez himself put it later, “in 1977 we did not know what would [come] at the end of the campaign, [...]” (Felipe Gonzalez, interview to Sol Alameda, 1996:545). But the threat of democratic breakdown created the necessary conditions for a strategy that would minimise such risks. Carrillo argued that “to have endured fascism for over thirty years in order to take power from it and then be defeated again two or three years later is something that would scarcely be worth while” (Carrillo, 1976:197). Thus party elites understood the similarities with the situation in the 1930’s and above all wished to avoid the repetition of such a scenario.

Yet, the threat of democratic breakdown was not sufficient by itself, in order to create an incentive for cooperation. That is, the optimal party position might still have been to adopt a conflictual stance given the absence of a realistic alternative. For the alternative to be realistic, an element of trust among party system actors is necessary. Therefore, risk can became a constructive factor but only in conjunction with the existence of a trustworthy relationship between actors. In this regard, the degree of trust established between party elites during the process of democratic consolidation was crucial. Party elites enjoyed if not a trustworthy relationship at least some form of a *modus vivendi.* How was this outcome reached?

Trust did not emerge spontaneously but rather through a series of implicit and explicit agreements between parties. The motivation was not ideological affinity but rather tactically motivated considerations. Inter-party agreements started before the actual transition to democracy and their cumulative effect was that parties entered the democratic consolidation period with an already established reputation for trustworthiness. I argue that this process of reputation building evolved in three separate cases of social exchange: the legalisation of PCE, discussions between Suarez and Gonzalez and the Moncloa pacts.

Suarez had a strong incentive to accept a legal PCE for two main reasons: firstly, as the primary opposition group it would legitimize the new democratic party system by its sheer presence and size and secondly, if it remained underground it would almost certainly become a serious destabilising factor. Yet, this was bound to be unacceptable to military elites. In fact, Suarez had explicitly promised, as late as the fall of 1976, that his reform plans did not include the legalisation of PCE. Therefore, to do so involved a serious gamble and is difficult to justify in the absence of practical benefits. Suarez opted to proceed only after a series of secret meetings

between Carrillo in early 1977. In the course of the meetings Carrillo agreed to accept the legitimacy of the monarchy as well as the Spanish national flag and made some other, less important, concessions in exchange for PCE legalisation (Gilmour, 1989:177). The meetings took place at the insistence of the communists with Carrillo becoming increasingly anxious to establish contact with the new prime minister (Claudin, 1983:238). The negative experience of the Arias government; when PCE anticipated a relaxation of the authoritarian regime, which failed to materialise, had increased the stakes for the party and its leadership. It was conceivable that a pluralistic party system would emerge with PCE still in clandestinely.

Naturally, electoral participation is a requirement for electoral success. However, the keenness with which PCE renounced core programmatic positions is still perplexing. This is even more perplexing given the possibility of eventual legalisation *after* the first democratic elections.[33] The logic was that tensions would be defused during the transition without, ultimately, denying full democratic legitimacy from the new regime. Yet, the behaviour of PCE can be explained by looking at the benefits that the party expected to derive in a competitive party system. The party was confident that it would perform well in the electoral arena. For example, the party newspaper Mundo Obrero (24/1/77) argued that “we are going to win the elections so that the people can recuperate sovereign control over their own destiny, and open the way to socialism and freedom.” Given the fact that PCE was the largest opposition group this was hardly an unrealistic forecast. Although most political observers at the time did not predict an outright electoral victory for PCE; the general assessment was that the party would emerge as a major party system actor. However, if the party was to be legalised after the elections, then it would have to enter an already established party system, a far more formidable task.

Likewise, PSOE had also started with a conflictual approach requesting a complete rupture with the authoritarian past but eventually found it more suitable to adopt a consensual approach. According to the personal account of a senior socialist strategist; a communication channel was established fairly soon through Andres Casinello an army officer (Guerra, 2004:171). Face-to-face meetings followed between Suarez and Gonzalez; with PSOE leaders becoming increasingly confident that Suarez would proceed with his promises for reform. As a result, PSOE elites

[33] A proposal supported by the vice president of Suarez, Osorio, at the time but flatly rejected by PCE.

started to hint a more moderate approach would eventually be adopted. In the first legal UGT congress Gonzalez warned that “liberty must be recovered first, socialism will come later […] to pretend otherwise is pure demagogy” (quoted in Gillespie, 1989:315-316). Later, in 1977, Gonzalez was to dismiss the *ruptura* strategy as not being realistic anymore (Julia, 1997:454). Hence PSOE was also willing to reject the conflictual strategy. The calculus was based on the fact that, for the socialists, the conflictual option had functioned as a hedge. Given the absence of the mass organisation that PCE enjoyed, the threat of *ruptura* was the only credible weapon that the party had at its disposal. Once PSOE became convinced on the credibility of Suarez, there was no reason to hedge against a threat that was not relevant anymore.

The economic crisis plaguing the economy was addressed in a series of meetings between party elites in October 1977 at the prime minister’s residence, in Moncloa. The main aim of the pacts was to deflate the economy, and it was based on the proposals of Enrique Fuentes, the finance minister. In particular, the pacts stipulated the adoption of higher social security benefits for unemployment and some improvements in housing and education. In return, PSOE and PCE agreed to use their influence with the trade unions in order for the later to accept the limited increases in wages (well bellow the inflation rate) as well as the tight monetary policy and reduce the number of union approved strikes.

For UCD it was important to reach an agreement with the opposition since PSOE and PCE, through their affiliate unions (UGT and CCOO respectively), controlled the labour unions and, consequently, were in a position to bargain with the government.[34] According to Fuentes, Suarez initially considered a parliament vote (where he held the majority) instead of negotiations with the major opposition leaders. (Enrique Fuentes interview with Andreu Misse, 1996:260). Yet, Suarez had apparently already discussed the possibility, in somewhat vague terms, of a pact between various social forces on economic and political issues with Carrillo, from as early as February 1976 (Adolfo Suarez, interview with Sol Alameda, 1996:457).

However, for PSOE and PCE the pacts involved painful concessions on what was their natural and core constituency. In the absence of a reference to the precarious nature of democracy such concessions were unjustifiable for vote

maximizing actors. As Carrillo put it, in a speech delivered at the national stadium of Seville, the party had to deviate from what was effectively the declared party policy "because we have no illusions, [that] we are in a state of emergency and we are (in this state) because we are going to pass from a regime of dictatorship to democracy" (Carrillo, 24/9/1978). Hence the main priority for both PSOE and PCE was to consolidate democracy in order to have the opportunity to contest a more significant payoff in the future.

Some parties remained in the periphery of this *modus vivendi*. AP occasionally did slide to conflictual positions. Regional parties also found it difficult to balance between the need for a national consensus on one hand and the demands of their voters on the other. Yet, although the influence of such actors in specialised electoral groups was substantial; the three main party actors cooperated. This is not to argue that party actors were not attempting to maximize their electoral gains or that unbridgeable ideological differences did not exist. As Carrillo put it in parliament: "we did not do it (sign the Moncloa pacts) in order to save the government, it is well known that we ourselves believe that this is not the best government" (Carrillo, 1978:64). Rather, inter-party cooperation must be seen as an attempt to temporarily suspend mutually detrimental activities in order to have the opportunity to compete for a more significant payoff in the future.[35]

Payoffs under Alternative Strategies

What were the potential payoffs associated with the available strategies? There were two possible strategies: One conflictual the other consensual. A conflictual strategy would almost certainly lead to democratic breakdown. As Carrillo put it to adopt a position "to the left of PSOE [would force PCE to] the clandestinity" (1979:24). Although such a strategy might have helped some parties, especially within the Left, to maximize electoral returns in the short run by satisfying some of the demands of their core constituency; in the long run it was bound to be counter productive given the likelihood of democratic breakdown. In this case payoffs would be null for parties.

Party leaders were conscious of the repercussions of their actions. That is, they were aware that their choices could lead either to democratic consolidation or

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[34] According to Schmitter (1995:300) the combined strength of UGT and CCOO in 1977 was about 3,400,000 members. The number dwarfed the independent USO (644,476 members.

breakdown[36]. Even in the late 1970's, most senior party members had either experienced personally the civil war or were influenced by individuals who had. For example, Carrillo was already a leading member of the of the socialist youth organisation (JSU) in 1936 (Threlfall, 2000:53). In fact the overwhelming majority of senior PCE members in the late 1970's were also politically active during the civil war (Gunther et al., 1988:146). Generally, this was not the case with the party elites of the other main national parties. Both Suarez (born in 1932) and Gonzalez (born in 1942) were too young to actually remember the civil war. Still, they had experienced its consequences. For example, Suarez has argued that, (after reaching the decision to legalise the communist party) "my number one objective during the first months of the transition was to make sure that this legalisation would not turn out to be a reason for political reaction […] the civil war was against communism […] and this was inscribed to everyone's consciences for 40 years" (Adolfo Suarez, interview with Sol Alameda, 1996:457-458). Thus, collective memories from the civil war acted as a constant reminder of what a conflictual strategy could potentially involve.

A consensual strategy, on the other hand, was much more appealing. A stable democratic regime was not anymore a vague possibility but rather an attainable goal if the existing volatile situation was defused. According to Carrillo "the struggle of the classes can not be reduced to frontal attacks of one class against the other [...] rather it can be a policy of limited compromises in order to obtain intermediate objectives that approximate the ultimate objective (Carrillo, 1979:40). Hence, it made sense to suffer minimal defeats in order to have the opportunity to contest a much higher prize later on.

However, payoffs were not uniform across the political spectrum.[37] The three largest national parties were the primary beneficiaries of a consensual strategy because it was they who had a governmental or coalition potential. Nonetheless there were important differences between them. In the aftermath of the first democratic elections UCD was in government and therefore had clearly the most to

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[35] In Carrillos' words "For the Communists, the essential question is not Monarchy or Republic; it is democracy or dictatorship, and we are predisposed to subordinate our preferences in favour of consensus" (Carrillo, 1979:51).

[36] A member of the PCE executive committee captured the spirit very well. "After more than a century of civil wars and a vicious cycle of massacres among Spaniards […] this is the moment when it is possible to end this cycle and open a period of civilised life, politically speaking" (quoted in Gunther et al., 1988:147).

[37] That is only for a consensual strategy. For a conflictual strategy payoffs were non-existent and therefore uniformly applied.

lose from a return to the previous order. PSOE had demonstrated with its strong electoral results that it had a realistic chance to win the next elections. Finally PCE had done poorly but party elites at the time had, to some extent justifiably, interpreted this to the inexperience of the electorate and claimed that the electoral fortunes of the party would soon improve.[38] In 1977, when PCE was legalised there was an added reason to assume that a euro-communist party could emerge as a leading electoral force in a western European party system. In 1976, when PCE strategists were contemplating the electoral chances of their party, the Italian PCI received 34.4% of the popular vote; fairly close to the 38.7% of the dominant Christian democrats. The possibility of a clear PCI victory was still rather remote in the context of cold war politics but nevertheless the implemented moderate strategy had tangibly succeeded to attract increasing numbers of voters. The events in Italy were closely followed by Spanish communists.

Party Strategies at T2

Hence, parties switched to a consensual strategy due to objective reasons. The probability of democratic consolidation was decreasing. This was the case because there was a clear and visible threat to Spanish democracy stemming from anti-democratic military elites. Yet, a degree of trust had been established between the leaders of the main national parties. The development of this special relationship in conjunction with the payoffs that parties were expecting to collect from a consensual strategy can account for the choice of strategy.

Conclusion

Both nascent democracies were threatened by pro-authoritarian domestic actors. The reaction of Spanish party leaders was to moderate their discourse while in Greece there was no corresponding change. Why? Two crucial elements differentiated the cases. The first one involved the difference in expected payoffs: in the case of Greece, for most party actors, potential payoffs from a consensual strategy were not significantly greater compared with what they were already collecting. In contrast, in the case of Spain, payoffs were substantial enough in order to tempt parties.

[38] Needless to say parties normally do not downplay their electoral prospects, at least in public. Nonetheless in the case of PCE the initial disappointing results did point out to a strong potential for electoral growth.

The second element differentiating the two cases involved the probability of actually achieving these payoffs. Strictly speaking, military intervention was equally likely in the two cases given the intransigence of military elites.[39] However, in Spain a *modus vivendi* had emerged among party elites which made possible the adoption of consensual strategies. Party elites were able to compromise knowing that they would have a fair chance to satisfy their preferences later on.[40] In turn, this reduced conflicts and, by extension, opportunities for military intervention. Hence, it made democracy an attainable outcome.

In terms of theory, this paper has demonstrated that contrary to the assumptions of the relevant literature, under certain conditions, parties will not moderate their strategies in the face of an imminent threat to democracy. Furthermore, I have argued that since party strategies are not adopted in isolation but rather depend on objective factors; they can change in the course of the democratic consolidation process, reflecting changes in the environment. Finally, it was shown that the concept of political risk is a relevant factor in the calculations of party elites.

The approach presented here raises some further theoretical questions relevant to the process of democratic breakdown. Intuitively, some of the variables examined here can not be independent of such a process. For example, conflictual strategies probably do contribute to democratic breakdown. But do they constitute sufficient or merely necessary conditions for the collapse of democracy? The formal causes of democratic breakdown are beyond the scope of this paper and were not addressed here. Nonetheless they comprise a logical area for the expansion of the present research.

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Therefore, the optimism of party elites was not illogical. Indeed in 1979, the party made some modest gains and collected 10.8% of the popular vote.

[39] Hence, the existence of actors with anti-democratic attitudes is not important by itself. What is important is to minimize the opportunity that such actors have to challenge democracy.

[40] As a leading Catalan politician, who is hardly known for his moderation of demand, put it when describing his decision not to press for a greater degree of autonomy early on: "We were not defeated in Madrid though, rather in Barcelona [we decided] not to be veto players" (Jordi Pujol in conversation with the author, London:8/2/05).

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