



Weekly Briefing

**Greece Political briefing:
Political developments in Greece
George N. Tzogopoulos**


China-CEE Institute

Kiadó: Kína-KKE Intézet Nonprofit Kft.

Szerkesztésért felelős személy: Chen Xin

Kiadásért felelős személy: Huang Ping

 1052 Budapest Petőfi Sándor utca 11.

 +36 1 5858 690

 office@china-cee.eu

 china-cee.eu

The political situation in Greece

In July 2015 the Greek coalition government formed by the leftist SYRIZA party and the right-wing Independent Greeks party signed the third bailout programme for the country after the ones agreed in May 2010 and November 2011 respectively. In asking for financial support by its creditors – the European Union (EU) and the International Monetary Fund (IMF) – the Greek government pledged to apply additional austerity measures, in particular to increase taxes and spending cuts as well as to carry out structural reforms including privatizations such as that of the Piraeus Port Authority. At the political level, its decision of the Greek government to sign a bailout meant that its pre-election and pre-July 2015 revolutionary agenda had completely failed to achieve better terms for the national economy. By contrast, its results were catastrophic including the introduction of capital controls imposed by the then Greek Finance Minister, Yanis Varoufakis, a measure still existing today.

In July 2015 Greece avoided the worst-case scenario: to leave the eurozone and possibly the EU and return to its national currency being adrift in international relations. Greek Prime Minister Alexis Tsipras made the right choice. Despite the cost of his irresponsible stance both domestically and internationally before July 2015 – and especially by organizing an ambiguous referendum which generated anti-bailout and anti-EU paroxysm in the society – he decided to save the country and not allow it entering an unknown adventure. But many of his SYRIZA colleagues were disappointed by his turnaround and left the party to support their anti-bailout cause via other, more radical political parties. So, the third bailout was passed in the Greek Parliament only because traditional pro EU parties – the centre-right New Democracy, the centre-left PASOK and the centrist POTAMI party supported it. The Communist Party and the neo-Nazi Golden Dawn party voted against it.

Subsequently, the political landscape in Greece changed. Populistic promises collapsed and theoretical solutions for an easy rescue of a bankrupted country were not practically realised. As a result, Tsipras had either to continue governing counting on the support of the opposition parties – New Democracy, PASOK and POTAMI – or call a snap election and ask for a clear mandate. He preferred the second way. Considering which party to vote in the early election of September 2015 Greek citizens knew for the first time the truth since the outbreak of the economic crisis. Their decision would not give a mandate to a major party for attempting to renegotiate or cancel the bailout – as in the national elections of May and June 2012 as well as January 2015 – but to better implement it.

Tsipras was a different politician in the pre-election period of September 2015 in comparison to that of January 2015. By signing the third bailout he became a pragmatist. He gave again some easily-consumed promises for the supposed implementation of a parallel economic programme along with the bailout but he, his party members and Greek citizens were well-aware that there was no real alternative. So, he played the card of being himself a fresh figure in Greek politics as opposed to the then leader of the main opposition New Democracy party, Vangelis Meimarakis, an old-guard politician and former Defence Minister. He illustrated SYRIZA as a party determined to fight corruption and bring meritocracy to a country suffering by cronyism for years.

SYRIZA won the September 2015 election with a percentage of 35,46 percent. New Democracy followed with 28.10 percent. He again cooperated with Independent Greeks (3,69 percent) and formed the same coalition government. At first glance, the result of the election cannot be easily explained. SYRIZA failed to implement its revolutionary rhetoric and terminate austerity. Subsequently it had to land into reality and change policy orientation. Alternatively, New Democracy has been a pure pro-EU political force which had correctly warned about dramatic economic consequences in the case of a

SYRIZA clash with Greece's creditors. But in the end the majority of Greeks did not want to authorize New Democracy return to power with their vote. Regarding it - along with PASOK - responsible for the 2010 bankruptcy it decided to give SYRIZA a second opportunity to govern.

By deciding to keep his position as the prime minister and the leader of SYRIZA after signing the bailout, Tsipras certainly betrayed his policy ideas. The term 'bailout' itself had been an anathema for himself before July 2015. Following his turnover, he was honest though. He publicly admitted his failure and asked for a new mandate for governing and attempting to protect low-income employees and pensioners, even under the bailout frame. Politically speaking, he was keen on better controlling his party and impose discipline to strict party lines. The July 2015 split of SYRIZA meant that pro and anti-EU politicians were separated. Afterwards, Tsipras had the chance to choose the MPs he personally liked and the ones who would not jeopardize the cohesion of his parliamentary group in critical future voting processes.

On the whole, the good news for Greece is that the current parliament (300 seats) is largely composed of pro-EU and pro-euro MPs. Immediately after the snap election - with the exception of 18 MPs of Golden Dawn and 15 MPs of the Communist Party - the remaining 267 ones have either voted for the bailout or they do actively support it. These included 75 of New Democracy, 17 of PASOK, 11 of To POTAMI and 9 of the Union of Centrists (which was first elected with a percentage of 3,43 percent) along with the 155 MPs of the governing SYRIZA (145) and Independent Greeks (10). Pro-drachma politicians such as former Finance Minister Yanis Varoufakis and former Energy Minister Panagiotis Lafazanis were not any longer part of the parliament after the SYRIZA split.

The new four-year term of the SYRIZA-Independent Greeks coalition government started with a critical obligation: to come to regular agreements with the country's creditors in exchange for the release of payments. Two

months after the snap election New Democracy elected its new leader, Kyriakos Mitsotakis. In view of the next national election Mitsotakis has decided to invest in a communication strategy of attacking Tsipras, mainly for his pre-July 2015 stance. He often calls upon the government to quit, favors a new snap election and believes that his party can better contribute to country's recovery by strengthening the private sector. Nonetheless, he is not offering a sincerely political alternative. The third bailout is the cornerstone of Greece's course and only allows a small room for political maneuvering. Mitsotakis rather wishes to politically capitalize by the natural damage of SYRIZA, keeping the tradition of all Greek parties while in the opposition.

The initial government majority of 155 MPs was reduced to 153 MPs in November 2015 (Stahis Panagoulis and Nikos Nikolopoulos were written off by SYRIZA and Independent Greeks respectively) but increased to 154 MPs in January 2018 (Theodora Megalooikonomou left the Union of Centrists and joined SYRIZA). Although the government majority is tight, both Tsipras and the leader of Independent Greeks (former Defense Minister under New Democracy Panos Kammenos) have showed a remarkable degree of persuasion ability among the members of their parliamentary groups. Consequently, the Greek parliament has approved additional austerity and reforms and three reviews of the third bailout have been successfully completed.

Notwithstanding the continuous speculation for political instability in Greece fueled by media organisations supporting New Democracy, the SYRIZA-Independent Greeks government has survived. It has also managed to keep demonstrations and strikes to a minimum enjoying good relations to trade unions. As far as future developments are concerned, the Greek Constitution stipulates that a national election should held every four years. But over the last six years four national election rounds were organized as the country lacked the necessary consensus to proceed with difficult political decisions. Tsipras is refuting scenarios for a new snap election. He is publicly saying that the national

election will normally take place in September 2019 according to the Constitution. Some analysts disagree though. In their view an early election might be called before September 2019. The coalition government, they say, has already voted for austerity measures to be applied in 2019 and 2020 and will therefore endeavor to prevent additional political damage when the pain of these new measures will start to be felt by citizens next year,

All polls suggest that New Democracy has a clear lead and could win the new election whenever this will take place. However, cautiousness is required. Polling companies in Greece are unreliable and have miserably failed to predict results in the past (for example the 2015 referendum and snap election). More importantly, there is a tendency of numerous SYRIZA voters to be skeptical which party they will vote next time. If Tsipras manages to rally public support for his party in the pre-election period, it will be a tough fight between SYRIZA and New Democracy. If he does not encourage them to vote for SYRIZA, New Democracy will win. For the time being, it is evident that SYRIZA is losing public support but New Democracy is not gaining ground only counting on its traditional supporters. This element in parallel with an increasing number of undecided and disenchanting Greeks make safe predictions particularly hard.