






Weekly Briefing

Greece Political briefing:
Political developments in Greece
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The political situation in Greece

Polarisation is the main element of Greek politics in recent weeks. That is because the Greek government launched an official investigation into pharmaceutical giant Novartis. In particular, Novartis is alleged to have bribed politicians in order to approve overpriced contracts and to have made payments to thousands of doctors. This was part of its coordinated efforts to boost sales during a period of ten years, from 2006 to 2015 and Greece is only one of various countries examined. The issue was first discussed in Greece in 2017. In April 2017, for example, Justice Minister Stavros Kontonis had said that the Novartis scandal would 'surpass' the notorious Siemens cash-for-contracts affair. But in February 2018 the issue started to top the political agenda.

A few weeks ago the Supreme Court's Public Prosecution Office submitted to Parliament a case file concerning an ongoing probe into charges. The former Prime Ministers, Antonis Samaras, and, Panagiotis Pikrammenos, the Governor of the Bank of Greece, Ioannis Stournaras and the EU Migration Commissioner, Dimitrios Avramopoulos, and some other politicians (six) were all identified as being arguably beneficiaries of bribes. The main opposition New Democracy party responded by accusing the governmental SYRIZA party of interfering with the course of an investigation into the allegation. Konstantinos Frouzis, who served as vice president of Novartis Greece, also denounced the alleged medical bribery scandal illustrating it as a 'gross farce'.

The alleged scandal is principally based on the testimony of three people who have been included in a witness protection programme. According to their testimonies, as the Greek opinion forming newspaper *Hi Kathimerini* has reported, the largest payments, totaling €40 million euros, were made in the period leading up to 2010, while the sums paid after 2010 ranged between €5 and €10 million. Within this framework, critics refer to some reports that testimonies of three anonymous witnesses were full of inconsistencies. The case

file also includes a FBI report about Novartis. However, the potential investigation of the Greek case by FBI has been a controversial issue sparking political disagreements between SYRIZA and New Democracy.

Amid heated discussion former Prime Minister Antonis Samaras filed a suit against current Premier Alexis Tsipras. In the suit Samaras accused Tsipras of being behind a plot to tarnish opposition politicians by implicating them in the Novartis bribery claims. Specifically, he argued that the government rushed to bring forward allegations that ten politicians accepted bribes from Novartis, noting that the case file was sent by anti-corruption prosecutors to Parliament a day after a large protest in Athens over the ‘Macedonia’ name issue. For his part, former Vice-President of the Greek government and PASOK leader, Evangelos Venizelos also resorted to legal action over the prosecutors’ report. Talking to the Athens-Macedonia news agency Venizelos said he had lodged a legal suit against one of the three protected witnesses on which the prosecutors’ case was built.

On 20 February 2018, Greek Members of Parliament debated whether to launch an investigation into the ten senior politicians questionably involved in the Novartis affair. According to Greek law, the Parliament must first investigate allegations against lawmakers before they can be stripped of immunity and prosecuted by judicial authorities. After a 20-hour session, the majority of Members of Parliament backed the investigation – either in support of the probe or to clear the names of their colleagues. Separate ballot boxes were set up for each of the 10 politicians during the secret vote. Following the parliamentary vote, a committee will be set up assuming the role of investigating judge. It is due to start its work on 6 March and be composed of 21 members, ten from SYRIZA five from New Democracy, one from Independent Greeks (junior government coalition party) and one from each of the other parliamentary parties.

The Greek government and opposition stayed on the offensive following the parliamentary vote to set up a special committee For instance, former Health

Minister, Andreas Loverdos, who is now being officially under investigation, deemed Tsipras as a ‘person who acted like a gang leader’, pinning false allegations on opponents for political gain. New Democracy demanded that protected witnesses who have been key to the case so far be interviewed by lawmakers on the special committee. It claimed the government had overplayed its hand in handling the scandal and had suffered a political ‘Waterloo moment.’ But SYRIZA remains adamant on his position that the Novartis scandal ‘was a carcinoma that had to be eliminated’.

Generally speaking, opposition parties are asking for more investigation time as one month would hardly be enough for the mission of the special committee. More importantly, New Democracy is seeking an expanded investigation into allegations of public health corruption to include SYRIZA officials. So, it sent a request to the Parliament to also investigate the records of current Health Minister Andreas Xanthos, his deputy Pavlos Polakis, and the predecessor of Xanthos, Panagiotis Kouroumplis. The latter said that the attempt of New Democracy could not be well-founded. And SYRIZA attributed the New Democracy’s request to its ‘panic’ and ‘confusion’.

Beyond the Novartis scandal, the Greek SYRIZA government has been recently encountered with significant internal problems. Rania Antonopoulou, who had been Deputy Labor Minister in charge of the unemployment portfolio since 2015, was entitled to a rent allowance intended to help members of government with rent if Athens is not their home. But newspapers referred to a tax declaration form and reported that Antonopoulou and her husband, Economy Minister Dimitri Papadimitriou, had received €450,000 in income in 2015 and had owned close to half a €million in bank deposits as well as properties in Greece and abroad. Subsequently, Tsipras conveyed to Antonopoulou ‘that he did not consider it proper to take advantage of this provision’. As a result she resigned from her position. Papadimitriou also stepped down along with his wife.

Following the resignation of both Antonopoulou and Papadimitriou, a reshuffle of the government was necessary. In January 2018 another politician,

Deputy Education Minister Costas Zouraris, had also resigned. Tsipras decided to keep his cabinet reshuffle to a minimum. Key vacancies were handed to Vice-President of the Greek government, Yannis Dragasakis, who was given the additional portfolio of Minister for the Economy and Development. Additionally, Dimitris Vitsas, took over as migration minister replacing Ioannis Mouzalas. Surprisingly, former leader of the Democratic Left party, Fotis Kouvelis, and a one-time SYRIZA rival of Tsipras became Alternate Defence Minister taking the position of Vitsas. Opposition parties suggested the Greek Prime Minister had picked old-guard leftists in the reshuffle as he perhaps prepares for elections.

Within this context, it is obvious that the Greek government is seeking to play the 'card' of transparency vis-à-vis the supposed involvement of politicians belonging to opposition parties in corruption scandals. SYRIZA is also counting on its questionable moral advantage which is obviously damaged by the cases of Antonopoulou and Papadimitriou. Beyond political cynicism it is straightforward that corruption remained a critical problem for Greece. On 1 March 2018, for instance, the Council of Europe published reports calling upon Greece to do more to speed up procedures for the adoption of laws in parliament and rules for lifting lawmakers' immunity as the number of denials to lift immunity significantly outweighed approved requests. They also said that determined action was needed against delays in judicial proceedings, and recommended that Greece set clear standards of professional conduct and integrity for judges and prosecutors.

All in all, polarisation is expected to increase in the coming weeks. While the future of the Novartis affair remains unknown, SYRIZA is seeking to shed light. For its part, New Democracy is strongly defending its position accusing the government and personally the Prime Minister. The future impact on Greek politics cannot be anticipated at the time of writing. One basic parameter will define this impact. This will be the speed of processing the affair within the special parliamentary committee and the finding of real evidence, if this exists. Alternatively, the affair could function as boomerang for SYRIZA which might

be accused for only serving its political interest at the expense of political opponents.