

# Until Angela Merkel forms a governing coalition, Greece will continue to be in limbo

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Following last weekend's German elections, [Theofanis Exadaktylos](#) writes on the Greek reaction to Angela Merkel's victory. He notes that the elections received extensive coverage in the Greek media due to their implications for the country's economic crisis. Nevertheless, the general perception is that Germany is unlikely to change its course on Europe. The key concern is therefore likely to be the amount of time it will take for Angela Merkel to form a new governing coalition, as Greece will be unable to carry out key reforms until this situation is resolved.



## “Triumph for the queen of austerity – Pressure to the South for reforms”\*

Angela Merkel's triumph in the German elections on Sunday and her re-election as Chancellor has made headlines across the world. But what does her third term in office mean for Greece, which has been struggling with implementing new measures, taking reforms forward and demonstrating primary surpluses in the budget?

Ever since the election of the new Greek government and the formation of the coalition in June 2012 there was a looming milestone for the progression of reforms and the implementation of austerity in the wider Greek political discourse: the German elections in September 2013. Beyond the negotiations with the auditors of the troika; the domestic reaction regarding new austerity measures and forthcoming reforms; and the struggle to carry on with privatisation schemes and generating a primary surplus in the budget; Greek opposition parties were placing the German elections as a deadline for the viability of the Greek government.

If someone were to follow the Greek media on the subject, they would be able to see an extremely high interest in the outcome of the German elections over recent months. In the final week before the poll stations opened, Greek media had devoted plenty of ink and space as well as special newscasts and talk shows on the matter. In fact, all major media outlets had sent out reporters on the ground in Berlin. One would almost come to the conclusion that elections were taking place in Greece rather than in Germany, with extensive reports on candidates' profiles, scenarios for potential coalition governments, forecasts on the main contenders for new ministerial posts, and other electoral paraphernalia with graphs, expert analysis and huge publicity.

## The days before 22 September

So what were the expectations of the Greek public opinion, media and political elites? The primary expectation was the easing on austerity; perhaps a less powerful Merkel would allow for certain leverage by the Greek government to ask for time to implement the more radical aspects of the proposed reforms. On the other hand, a more powerful Merkel would perhaps entail even tougher implementation frameworks. It might mean that the sustainability of Greek



Front pages from the Greek press in the aftermath of the German elections, clockwise from top left: Ta Nea, Eleftheros Typos, I Kathimerini and Ethnos

debt would no longer be guaranteed, which could therefore lead to a further haircut. It could even mean that the well would run dry on a potential new bailout. In fact, despite the commendation by German government elites on generating primary surpluses and increasing government revenues in Greece, these very voices also highlighted that the bailout days were long gone.

The most important concern for Greek politicians, however, was the position of Greece and its sovereign debt on the political agenda of the new Merkel cabinet. Greece remained high in the debated topics throughout, not as a unique case, but rather as part of a discussion on how to prevent similar predicaments for other countries in Europe and how to accelerate the banking union in the EU. At the same time, there was a concern that the relative absence (or political unwillingness) of Germany to take up its fair share of leadership in Europe had been detrimental to the Greek problem; hence, Merkel's potential return to power would signal a change of focus from satisfying domestic supporters to assuming further responsibility for Europe's future.

In general, there was a climate of doom surrounding Sunday 22 September, which was cultivated by various political elites in Greece. This was not necessarily in terms of trying to assess Merkel's further steps, but rather in the sense of appropriating the electoral outcome as a way to justify certain political claims and discourses at home.

### **The queen returned – with a vengeance?**

The world did not end for Greece on the announcement of the German exit poll data. The media and political Cassandras thankfully went unheeded and the Greek government was not particularly holding its breath on that Sunday evening. Perhaps the political affinity between the Greek PM and the German Chancellor allowed for that kind of breathing space.

Nonetheless, the Greek public were indeed holding their breath for the outcome. Yet, the momentum was cut short when a 34-year-old antifascist activist [was murdered](#) in broad daylight by a member of the vigilante factions of Golden Dawn, making the German elections a secondary topic. While all parties across the democratic spectrum rightly condemned the act and finally began to work on uprooting the neo-fascist monstrosity from the Greek political scene, some political elites were quick to portray this event in a populist, blame-shifting manner, linking the rise of Golden Dawn to the austerity policies that Angela Merkel had imposed.

This kind of political attitude and attempted connection is, in the opinion of this author, senseless. It did nothing but cultivate a climate of ignorance and perpetuate a constant demarcation and scapegoating of particular nations and their political elites for largely domestic faults. At the same time, it has fostered a negative environment where any chance of rapprochement and collaboration to come up with mutually beneficial solutions to the crisis is hindered.

And so, in the aftermath of the elections the queen has returned, but not necessarily with a vengeance. Greek political elites and the media should not be too ambitious when discussing the actual ramifications that a change in coalition partners may bring for Germany's European policy and stance towards the Greek issue. It will be debated, no doubt; but will it make a difference at the end? The FDP, a hardliner concerning the approach towards countries with severe fiscal problems, may be out of the equation. Yet, the German voters have indeed rewarded the fiscal responsibility approach that Merkel had been advocating, giving her the upper hand in setting her terms in the forthcoming coalition government. The rhetoric of the Greens and the SPD will not have more to contribute to an overall change in the grand strategy.

Therefore, the concern for Greek political elites should now be the time it will take Merkel to form a coalition. The longer it takes, the longer the Greek issue will be in limbo and that can delay reforms even further. Yet, the only safe conclusion is that Angela Merkel will persist on pragmatic, cautious and small steps towards a resolution of the crisis. For anything further, we just need to wait.

*\*Greek newspaper headline the day after the German elections*

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*Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.*

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