Greece's government deserves benefit of doubt

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Eurocrisis in the Press By Max Hänska

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Wednesday's Eurogroup meeting managed to underwhelm low expectations, as talks even failed to agree the usual face-saving joint statement outlining a structured agenda for future talks. It appears Varoufakis disappointed Eurogroup ministers by arriving without a written plan, and while several versions of a joint statement were drafted, disagreement over the inclusion of the terms *program*, *extension* and *amendment* meant that the waiting press corps had to contend with a press conference that merely announced that there was nothing to announce.

It may well be that, lacking hard facts, the cacophony of reporting only mirrors the diplomatic cacophony of the new Greek government. Nonetheless, in the haste of the moment we should remember that this young government, with little governing experience, stepped into a political situation that would be exceedingly difficult to navigate even for Europe's political veterans. Yet Europe's media has too often jumped the gun, fostering mistrust, and anticipating its failure.

Inspite of all doubts and risks involved, the Greek government deserves our trust that it will deliver real reforms, and a workable plan (despite Wednesday's



disappointment), in a package that is politically feasible. They have promised so much. And let us not forget that Syriza's alternatives, Pasok and ND, were largely responsible for maintaining a clientelistic-oligopolistic economy, undertaking no real efforts to remedy these ills. Syriza may may well be Greece's (and Europe's) best chance for real progressive reform—if it succeeds, this would be a huge accomplishment for Greece, and Europe.

The German press has largely failed to note the opportunity Greece's new government represents. Instead, reading the Bild Zeitung you may think it the harbinger of doom.

The questions and tone in Varoufakis' News Night interview conveyed similar mistrust and forgone conclusion that this government cannot be trusted. Of course this government may fail, or perhaps it is insincere about the domestic changes it says it will pursue. But as yet its record is untarnished, and as such deserves the benefit of doubt.

On its part, Germany must recognise that its own prosperity can not endure in the long run if current-account imbalances in the Eurozone persist without some mechanism to facilitate fiscal transfers.

In turn, Greece's new government should present concrete plans to build confidence in its ability to deliver reforms. It seems unlikely that the Eurozone would reject measures to boost growth if Syriza demonstrate that it really wants such measures—yet since its election it has fanned doubts.

Debt reduction is currently politically unpalatable (favourable terms mean Greece already spends less on servicing its debt than Portugal, Italy and Spain, while forgiving debt would add to the burden of countries poorer than Greece). Calls for solidarity and mutually beneficial arrangements sound insincere if this context is ignored. A pragmatic diplomat should recognise this.

It should also be recognised that playing the Nazi-card is bad politics. Greece's new governments has done so several times, presumably in an effort to guilt-trip Germany into accepting its terms. This is ill judged, and is more likely to harden German public opinion against Greek demands.

Note: This article gives the views of the authors, and not the position of the Euro Crisis in the Press blog, nor of the London School of Economics.

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