# The Greek Government's programme: an act of defiance or a call for compromise?

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International media described the Greek prime minister's address to the parliament on Sunday as "defiant" (BBC and Reuters for example). Yet, what emerged from the speech was a mildly coherent attempt to bridge the internal policy preferences with the positions of European creditors. The speech lowered reform expectations while at the same time refrained from challenging fundamentally the structure of Greece's model of capitalism. In light of this we examine how progressive Greek government priorities can be deemed and what their underlying political purpose is, especially ahead of Wednesday's Eurogroup meeting.

### An uneasy alliance? The SYRIZA – ANEL government agenda:

The newly elected Greek government is based on the alliance between left-wing SYRIZA and nationalist, europhobic ANEL. As such, the whole endeavor is founded upon maintaining the austerity – antiausterity dichotomy, which forms the only solid common ideological ground between the two. Some analysts believe this alliance is possible based on the populist characteristics of the two partners (quoting a possible link between SYRIZA and Laclau) while others hold mainstream forces to account for not preventing such outcomes.



Given the importance of opposition to austerity for both government partners as well as the dire economic situation of Greece in the past few years, it is of little surprise that this issue comprises most of the speech. The reading of the domestic results of the crisis is one of the few parts of the speech that concentrates on evidence: 1/4 of the GDP lost, 1.5 million unemployed, and the unsustainable levels of debt at 180% of GDP. In its

discussion of EU rules, the speech adopts the mantra that "austerity is not a founding principle of the EU", selectively interpreting Art. 120 and 126 TFEU. Besides, all hopes for creating domestic employment are directed to current EU interventions such as the Juncker package and other EU structural investments. Under this light, Greece's fiscal adjustment program is viewed as lacking "output legitimacy" although this is of second order to its perceived lack of input legitimacy by the electorate.

Most of the measures outlined in the speech are focused on partial restitution of pre-austerity status for salaried and pensioned members of the public. There are also measures that aim at offering relief, especially for the lowest incomes. It is too early to evaluate the credibility of promises to tackle corruption and tax evasion since past political discourse in Greece witnessed plenty of similar statements but limited results. What is missing, or is rather discussed in very general terms, from the government's account of a "humanitarian crisis" is a concrete plan about the young unemployed. The government's economic programme thus does not seem to be firmly based on a notion of intergenerational justice.

There seems to be little emphasis on reform when moving away from economics. There was for example nothing in the speech that indicated the initiation of processes to reform the country's anachronistic constitution, as well as the change of the electoral law to a more proportional one (a long-standing demand of SYRIZA while in opposition). Demands for civil rights remained unaddressed (civil partnership) or partially addressed (naturalization of immigrants, but only for second generation). Separation of the state and church seems to be so far limited to symbolic gestures but there was no discussion in that direction in the prime minister's address.

#### The prospects of negotiation with the EU

The locus of the speech is both Greece and Europe. In fact, a tough negotiation is described as taking place between two sides: The Greek government along with its people on one hand, and Greece's partners at EU level on the other. One important question is whether the prime minister's speech gives away any clues about the Greek approach to the forthcoming negotiations.

Some commentators expressed fears that by having already played its best cards Greece missed the opportunity to achieve the best possible outcome which would involve compromising on secondary issues while maintaining each sides' red lines. All that is left now for Greece, is to blink first. However, there still might be space for compromise along the lines outlined above. Paul Mason for example identified several parts of the Greek programme that might not necessarily conflict with the demands of its creditors. The insistence in maintaining a budget surplus, the proclaimed measures against tax evasion and corruption, as well as some efforts to make savings by selling government cars and airplanes and reducing some of the MPs benefits are likely to perform such a function.

In his speech, Tsipras also gave indication of his red lines: the rejection of the extension of the memorandum and consequently the (even partial) reversal of austerity. Of course the Greek side has not always given very clear signals about what they want from the negotiations, especially as regards the issue of the debt itself. It seems, however, that SYRIZA's leadership is aware that its credibility is at stake and as such their commitment to the above terms should not be underestimated. This, we believe, is outlined in Tsipras' plead to Europe not to repeat the errors of the past. In a message with a clear warning of what might follow if SYRIZA fails (here and here) Europe is asked to respect democracy and not to "lead a whole people to humiliation", lest the horrors of the twentieth century are resurrected.

## **Foreign Policy**

With a few probable exceptions that will be discussed subsequently, the foreign policy priorities Tsipras listed do not radically depart from traditional positions of Greek diplomacy. Left-wing internationalism is absent, apart from a nonideological call for mobilisation of the masses and popular vigilantism in Greece and Europe as a way of managing "the deadlock of the memoranda". There is an emphasis on international organizations as platforms for the peaceful resolution of key issues such as the Cyprus dispute or the Macedonia naming dispute. International law was mentioned too as was the "regional role of Greece as a pole of peace and stability in the North Africa-Middle East-Ukraine triangle". The speech, however, ostensibly lacks a wider vision of global challenges facing Greece such as economic and environmental change.

When it comes to their most important aspects, such positions are in line with the framework of small powers' behaviour discussed by Toje: they are status quo oriented, "law loving" with a high degree of participation in international organization and with a foreign policy of limited geographically scope. The discussion of foreign policy in no specific terms and at the level of general principles signifies a realistic awareness of the limitations faced by Greece at the present juncture.

There are few instances where the change of government seems to signify a departure from previous policy: namely the promise to pursue the issue of German WW II reparations and the explicit rejection of participation in humanitarian interventions, trade wars and Cold War mentality (probably a reference to recent developments in Ukraine). There is no reference to the United States which seems to be closer to the Greek government on the issue of austerity than some of its European partners. Part of the statements, and especially the discussion about the Macedonia naming dispute, probably indicate concessions to ANEL (in principle SYRIZA should lack the nationalistic commitments that prevented a solution to the problem in past years).

The Greek premier's policy priorities focused on the present moment, rallying for national and social support of the government in view of tough negotiations. Little is discussed in terms of a long-term plan. Nevertheless it is premature to consider the announcements as the conclusive statement of the Greek government on the policies it

will follow. Several of the policies outlined will be refined and specified in future weeks and others might be altered or dropped after negotiations. What we offered above is a preliminary reading of the tendencies and potential trajectories that the Greek government seems to be following.

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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