

# Survival of the weakest?

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The result of the confidence vote in the early hours of Saturday came without doubt as a huge relief to many inside Greece and to most, among those affected by the Greek crisis, outside Greece. A 'no' vote would have gotten the country into an introvert cycle of political bargaining among unlikely partners-to-be, leading in all likelihood to an early election. [I wonder, are we not there anyway?] The result would be new political uncertainties (and instability) which would bring simple policy implementation and the wider reform process to a grinding halt – and, with it, to a collapse in revenue collection and to more political turmoil on the streets.

But the result is not even remotely the kind of normalising political development that the optimists would have been expecting either. The 'rebel' MPs of PASOK voted – one could say, shockingly – along strict party lines; as did all other MPs. Whether the PM managed to inspire the members of his parliamentary group, to frighten them or to convince them with his non-apologetic speech, makes little difference. The fact is that he managed to obtain their support in exchange of a vague promise to start negotiations for the formation of a unity government – under his, or his Finance Minister's, or perhaps somebody else's leadership. But what happens if, as it seems, the opposition parties do not accept the offer? Perhaps Papandreou may feel that he will emerge stronger, as the one who offers a solution that others reject. After all, he can now afford not to try too hard, not to accept any conditions, not to make any concessions and still claim that he opted for unity. The leader of New Democracy, Antonis Samaras, is now politically cornered: insisting on conditions (a technocrat interim government and a snap election) that the PM will resist with ease, will make him seem as the uncompromising narrow-head who leads the country to bankruptcy. Accepting Papandreou's offer will discredit his policy stance of the last two years, as he will have to sign up to, and vote for, all the austerity policies that he had so rigidly rejected so far.

In this sense, the confidence vote was a spectacular political manoeuvre by Papandreou, an amazing victory of tactics and an incredible come-back after the events of last week. As he did earlier in June this year, Papandreou seems to have defied again the Darwinian Laws and to have survived when even some of his own MPs – who at the end gave him their confidence – were declaring him politically dead. Rather, living up to his family tradition, Papandreou seems to have verified Niche, showing that what doesn't kill you makes you stronger.

Well, that's all fine if you are analysing domestic party politics. But where does this leave Greece? Despite the relief and – for the applauding PASOK MPs in the parliament – jubilation, Greece is in fact today in exactly the same place where it was last week. It has to deal with an agreement that maintains austerity for at least another ten years (and recession for at least another two), an agreement that contains very little in terms of a development programme and that relies on some extremely optimistic projections about the ability of Greece to collect privatisation revenues and to implement the austerity measures and the reforms it has promised. More worryingly, Greece has now lost the 'right to negotiate' – as the referendum debacle led to the acceptance that the bailout package is a "take it or leave it" offer: as Sarkozy said, the Eurozone wants Greece in, but if Greece doesn't want to be in, the Eurozone can survive without her.

So Greece is weakened while the economic problems it faces remain unchanged. And so remain the governance and implementation weaknesses that its government has shown over the last two years. Unless a political miracle happens and we are landed with a unity government under the leadership of somebody who can implement domestically and negotiate externally, what we are left with is very much of the same: the same people, the same policies and the same party-political attitudes that brought us where we are.

In fact, one thing may have changed. Maybe, just maybe, the appetite (or courage) of the public to contest the austerity measures and to take its discontent to the streets has withered. Maybe the events of last week and the prospect of a euro-exit have genuinely instilled the idea that "there is no alternative" into public consciousness and

thus the austerity and fiscal consolidation measures can now be implemented with less resistance. If this turns out to be the case, the minimum condition for the survival of Greece within the Eurozone will have been achieved – albeit, through trickery.

But this is certainly not a first-best development. People will still feel how they are pushed into poverty and **will still suffer from the futility of a fiscal consolidation effort that lacks a pro-growth strategy**. The socio-economic problems, the political pathologies and the structural weaknesses of Greece will remain. And, barring a spectacular political change in the next few days, Greece will continue to be a country of surprising contradictions: between the sun-blessed beaches and the snowy mountains, between the hard-working breadwinners and the overcrowded tavernas, between the politicised public and the micro-partisan antagonisms, Greece will manage to survive as the weakest link inside a powerful club. Greece will muddle through yet another crisis, in its quest for the survival of the weakest.