

# TSIPRAS IS NOT MIDAS: A BREAK IN CONTINUITY?

Yves Bertoncini | *director of the Jacques Delors Institute*

Syriza's clear win in the general election on Sunday 25 January can be interpreted as an unmistakable rejection of the policies pursued in Athens under the aegis of the EU and of the IMF over the last five years. This democratic event opens a new phase in relations between Greece and "Brussels", a phase which is unlikely to mark a break but rather a change of course - a shift whose extent is going to depend chiefly on developments in Athens' relations with its creditors. Yves Bertoncini takes a stand in this Tribune. This Tribune is also published on the French version of the [Huffington Post](#) and a shorter English version on [EurActiv.com](#).

## 1. Dispensing With the Troika Also Means Going Back to the Money Markets

Syriza is a "eurosceptic" party but it is not a "europhobic" party. Unlike Marine Le Pen, Alexis Tsipras does not want to quit the euro area or the EU, any more than he wants to leave the Schengen area. Syriza is also a "Greek-sceptic" party in the sense that it is unhappy with way in which Greece and its government have been run by the traditional parties both over the past forty years and since they appealed for aid to the IMF and to the EU in consideration of the country's disastrous accounts and of the money markets' lack of confidence.

Wherever the IMF is called on to help, it brings budgetary, economic and social adjustments which are often effective in the medium term but which reap numerous victims and spread discontent in the immediate term. This inevitably earns it a degree of unpopularity which the EU has *de facto* agreed to share and to bear in Greece because it has acted with and beside the IMF, offering aid to the tune of 240 billion euro overall, but in return for painful offsets.

No Greek could be happy with an austerity that has led to a 22% cut in the minimum wage, to a 30% cut in pensions, to hundreds of thousands of civil servants being laid off and to numerous citizens being deprived of access to health care or electricity. 36% of those citizens have now chosen to vote for Syriza in order to reject that approach, and in fact they were all the more tempted to do so because the approach's effectiveness has yet to be proven - despite an encouraging return to growth and a slight drop in the unemployment rate (although it is still hovering at just under the 25% mark...).

Thus Syriza's election win may be seen primarily as expressing the wish to have finished with the implementation of the aid programmes agreed on by Greece's governments and the Troika... but then, that was the plan

whichever party won because only a few billion euro have yet to be paid out of the 240 billion granted. The Irish and the Portuguese have already proven capable of dispensing with the Troika's aid, and it is only normal that the Greeks should wish to close that parenthesis too, for reasons at once political and social.

"Dispensing with the Troika" and its terms, however, presupposes being in a position to return to the money markets in order to find the sums needed to fund the running of the state. Tsipras is not King Midas, he will not be able to turn everything into gold and to shake off economic and financial reality as though by magic. His predecessors' recent efforts have already allowed Greece to put behind it an era marked by the country living beyond its means, given that its accounts now show a primary surplus. But it still has to cope with a huge debt (amounting to some 175% of GDP) and thus to the payment of very high interest rates to service that debt. Over 2 billion euro are going to have to be paid in that connection come March. That is going to be the first and very down-to-earth test for the next government if it wishes to forgo the aid from the EU and the IMF.

## 2. The Need for Constructive Dialogue Between Athens and the EU

In this context, the first challenge facing the EU is to engage in constructive dialogue with the new authorities in Athens by taking on board their legitimate desire for a change of course in the policies pursued by Greece hitherto: Tsipras is not Samaras. Syriza's victory has a "sovereignist" side to it which Europe's other capitals need to take into account in order to avoid giving the impression that they are ignoring an expression of democratic will.

Syriza's programme provides for a number of reforms which will make Greece more efficient and fairer, and which will probably be welcomed in Brussels and

elsewhere, because they will deepen the slow efforts needed to adapt Greece's economy and society. These include the struggle against tax evasion and fraud, the establishment of a land registry, the struggle against toadyism and corruption and so forth. But they also include a review of some of the adjustments adopted in recent years, for instance by substantially raising the minimum wage again and by re-hiring a considerable number of civil servants.

The EU's big problem is going to take on board the announced changes as a whole, while reminding Alexis Tsipras of the pledges made by his predecessors and of the need to work on reimbursing the aid provided by citizens equally deserving of a little consideration, namely the taxpayers in the euro area's other member states.

Greece's failure led Europe to agree back in 2010 to a form of financial solidarity not envisaged under the Maastricht Treaty, and indeed only reluctantly accepted by several countries. It led banks and other creditors back in 2012 to write off large sums lent to the Athenian authorities (to the tune of 107 billion euro). From a technical standpoint, it should prompt their public-sector creditors today to show flexibility in the light of the virtually unsustainable nature of Greece's debt. Without going as far as purely and simply to write off the debt, it does not seem far-fetched to countenance an extension to repayment terms and lower interest rates. From a political standpoint, however, such flexibility is going to depend on the positions and reactions of the national authorities that have become Athens' creditors (to the tune of 40 billion euro for the French, and even more for the Germans), but also on those of their grass-roots electorates. Negotiating a compromise is perfectly possible, but its outcome is going to depend on the goodwill displayed by both.

### 3. Syriza's Win Does Not Herald a European "Revolution"

Is the EU going to be facing a broader ideological challenge, with Syriza's victory heralding the triumphant euroscepticism embodied by the radical European left? Nothing could be less certain, because it appears that Tsipras' election win is primarily the result of very specific circumstances. The political circumstances: Greece

was placed under the Troika's supervision, but only one country (Cyprus) is still in that position, while the other EU member states are all exercising their sovereignty far more freely. The economic and social circumstances: the drastic "austerity" implemented in Greece has hardly been emulated anywhere else but in Ireland, Portugal and Cyprus, while the other EU member states either have been or still are practising a totally different kind of stringency. The party political circumstances: Syriza's victory is due also to the collapse of the Greek reformist left embodied by PASOK, and a collapse of that kind does not appear to be on the cards in any other EU member state.

At the end of the day, Spain may be the only country where a similar set of concomitant circumstances could spark another electoral "revolution" at the general election set for late 2015. But other general elections are due to be held in the EU before then, particularly in the United Kingdom, in Denmark, in Finland, in Portugal and in Poland, and absolutely nothing points to there being a major breakthrough for the radical left in any of those countries. In fact, if anything, several of them are more likely to witness a breakthrough for the eurosceptic or europhobic right.

Alexis Tsipras was already viewed as an emblematic candidate by the radical left in the spring of last year when he was chosen as the alignment's ticket leader in the European elections. But while he has now won the general election in Greece, it is not going to be easy for the radical left to turn that national victory into a Europe-wide success. Tsipras bears as little resemblance to King Midas where party politics are concerned as he does in connection with the economy!

The Troika's departure is already scheduled; an adjustment of the terms governing the repayment of Athens' debt is a distinct possibility; the Greek economy can pursue its return to health; and the win is a marginal development in terms of the balance of party forces within the EU. So Alexis Tsipras' election victory should truly conjugate a break with a certain continuity and thus open up a new chapter in the stormy relations between "Europe" and the country which was its cradle - and which is unlikely to become its grave.

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