



Commentary

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Greece in limbo: Post-election 2015 scenarios

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In the run-up to the upcoming snap elections in Greece on 25 January 2015, Syriza's struggle to convince the reluctant voters of the party's governing capacity is drawing growing attention both at home and abroad. The scaremongering by the coalition government's representatives (especially by Prime Minister Antonis Samaras), the contradictory positions voiced by Syriza MPs and media sensationalism are all contributing factors, exacerbating what it has become the most prominent schism in the elections: pro- vs anti-Syriza. EU officials and other institutional and economic stakeholders at the national and European level have issued numerous declarations, emphasising the cleavage between hard-liners and soft-liners with regard to the ongoing crisis in Greece. The fact is that negotiations with the troika of international lenders are expected to resume next month, and their outcome is likely to turn on the party that finally succeeds in forming a government after the elections.

According to the latest poll conducted by Alco and published in the Greek daily 'To Pontiki' (15.01.15), Syriza (32.4%) has a lead of 3.4% over New Democracy (ND) (28.9%).¹ The extreme polarisation of the political landscape is playing against the smaller political parties. Under the Greek electoral system, a party needs to surpass the 3% threshold in the popular vote in order to enter the Parliament. Only the centre-left River (5.3%), the far-right neo-nazi Golden Dawn (5.2%), the Greek Communist Party KKE (4.2%) and the coalition government's minor partner PASOK (3.7%) are likely to reach the threshold. According to the polls, the right-wing Independent Greeks party ANEL (2.7%) and the PASOK split KI.DI.SO party (2.5%) would fail to secure parliamentary representation.²

In view of the above developments, this commentary explores several potential post-election scenarios that can be drawn.

¹ Forecasts released last Sunday, 18 January 2015, predicted an even larger difference.

² KI.DI.SO was founded three weeks ago by former Prime Minister and president of PASOK, George Papandreou.

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Scenario 1. Syriza single-party majority government or Syriza-led coalition government with anti-austerity parties

Syriza is most likely going to be the winner of the snap elections of January 25th, but it might be a pyrrhic victory since it is not expected to form a clear majority government.³ That's why Syriza adopted the campaign rhetoric of 'political intransigence', insisting that it has no intention of cooperating with the majority of the smaller parties because of their proclaimed or hidden support for the programme of economic adjustment (PASOK, The River and KI.DI.SO). A grand coalition with ND is out of the question. According to Syriza's MPs, the Greek Communist Party can be their only possible partner, but they have declined that possibility unless the new government requests a debt write-off. If the Independent Greeks right-wing party managed to surpass the 3% threshold, the party would be willing to participate in a Syriza-led coalition government, and Syriza would be forced to form such a coalition. But polls suggest this is unlikely.

Syriza's main objective is to increase ideological polarisation in the Greek electorate and thus to raise its chances to form a one-party government. But it will be difficult for them to succeed in winning the requisite 35-37% share of the votes. The higher the number of smaller parties being excluded from parliamentary representation, the higher Syriza's chances are to get an even bigger percentage of the national vote and to form a one-party government.

In the event that Syriza wins the election and forms a government – alone or in coalition with anti-austerity parties – this new government would probably ask for a further technical extension of the current economic adjustment programme. This would give the government more time to press the EU to grant the country partial relief of its sovereign debt and include a growth clause as a pre-condition to repay the rest.

Scenario 2. Syriza-led coalition government with pro-austerity parties or Syriza minority government

Despite Syriza's reluctance, they might eventually be forced to accept the formation of a coalition government with the newly founded River party or/and PASOK, the coalition partner of the Samaras administration. Nevertheless, River has recently stated that it would not support such a government unless it accounts for at least 51% of the votes. Syriza will have to make huge concessions to secure PASOK and River party participation in a Syriza-led coalition government. Such a coalition government will be rife with tensions from the start and most likely will not be able to complete its four-year term. The River party leader Stavros Theodorakis has insinuated that sooner or later the country would be led into snap elections once again. In a recent pre-electoral speech, PASOK leader Evangelos Venizelos didn't exclude the possibility that the party could support a Syriza minority government⁴ – but not its political programme.

³ The current electoral system in Greece combines a form of [semi-proportional representation](#) with a [majority bonus](#) (reinforced proportionality). In 2008, the relevant law was amended giving the leading party 50 extra seats. Of the 300 parliamentary seats, 250 are distributed proportionally between all the parties that reach the 3% nationwide electoral threshold. The remaining 50 seats go to the first party as a 'bonus'. For Syriza to get an absolute majority on its own (151 seats), a vote of around 35% is required, provided that 13% of the parties remain outside of Parliament. The higher this percentage of parties registered outside of Parliament, the lower is the rate – as long as the minimum threshold of 35% is achieved – needed for the first party to reach a comfortable absolute majority!

⁴ The formation of a minority government in Greece is possible if two conditions are met: first, 61 MPs of the total of 300 MPs walk out on the vote (leaving a total of 239 deputies present) and second, 120 MPs of the new total of

Under either of these scenarios, Syriza will be forced to make a huge compromise concerning the national strategy vis-à-vis the European and international lenders. The party will have to relax its strong position against austerity and in support of a radical debt relief scheme. A more moderate position could consist of accepting a technical settlement by lengthening its debt maturities or/and by extending the moratorium period on the interest rate or the debt reimbursement.

Scenario 3. ND government or ND-led coalition government

The recent polls show that almost half of the undecided voters (48%) come from the centre and centre-right political spectrum. And, therefore, this might affect the result of the elections. It is very unlikely, however, that ND manages to secure enough votes to form a government on its own, but PASOK and the River could join a possible coalition government. Although ND's chances for an electoral victory are limited, if it did manage to come in first, it would encounter less difficulties than Syriza – at least during the first exploratory mandate – to find enough coalition partners among the smaller parties since the majority of them have adopted a less critical, even pro-austerity position towards the EU. An alleged ND-led government would continue working for the completion of the economic adjustment programme and would negotiate a new agreement with the international lenders on the subsequent programme to support a precautionary credit line (ECCL).

Scenario 4. No government is formed

Given the unlikelihood that Syriza or ND will win the majority necessary to form a government on their own and the difficulties of forming a coalition government with those parties that manage to pass the 3% threshold, it could also be the case that no government is formed and snap elections are called again. In this case, the negotiations with the EU and the IMF will have to wait, since the new Parliament will be required to elect a new President of the Hellenic Republic. A caretaker government would be appointed to conduct new elections, probably on February 5th. This government would participate in the scheduled EU meetings that are expected to deal with the Greek economic programme – namely, the Eurogroup meetings on January 26th and February 16th, and the European Council summit on February 12th – but it would not be able to conclude the negotiations with the troika representatives and international lenders. In this scenario, whereas the current Greek programme ends on 1 March 1st, a final decision could only be agreed in late March, unless the new elections lead again to a new political deadlock.

In short, at this late stage in the electoral process, one can conclude that while the flow of voters towards Syriza is increasing and seems irreversible with the passing of each day, the formation of a one-party majority government appears highly unlikely. Greece has to face a daunting series of challenges, beginning with the formation of a stable government. This new government should be capable of convincing people, not only in Greece but throughout Europe, that it has the capacity to effectively negotiate with its EU counterparts and to provide workable solutions to the growing crisis.

239 present deputies should support (vote in favour of) this government. There is disagreement among constitutional law experts if this process applies only to government in the midst of office asking for a new vote of confidence or if it applies to a new government.