Assessing Syriza's first month in office: why Greece remains a long way from a break with austerity

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The new Greek government, led by the Coalition of the Radical Left (Syriza), won power on 25 January. **Theofanis Exadaktylos** *assesses the government's first month in office. He notes that while Syriza won the election with a commitment to renegotiate the country's bailout agreement, the subsequent negotiations have proven even more challenging than might have been expected, not least due to internal opposition within the party itself.*

It is already over a month since the new Greek government took office amid high expectations among the electorate: namely that it would renegotiate the terms of the bailout agreement with the EU and no more constraints would come about as a result of the memorandum of understanding with the Troika – in fact, the promise was that there would be no Troika at all. Led by Syriza and accompanied by the right-wing Independent Greeks, the new government brought forward proposals to the country's European partners to amend the agreements, move away from a policy of austerity and focus more on moving towards development and growth.

The state of play in Greece on the day after the election was the following: the electoral campaign period had postponed a number of reforms that were under way; it had halted tax payments by people hoping to receive tax relief; it had given hopes to a number of public sector workers who had been made redundant that they would be able to return to their positions; and an overall sentiment of optimism for the capacity to renegotiate with Europe was prevalent. While that sentiment had given Syriza a boost on Election Day, it had created a largely sceptical European and international climate, as well as fret and irritation amongst its lenders.

Assessing Syriza's performance so far

Syriza commenced its term in office on a populist programme and set out its financial plan. It placed a highly visible academic, Yanis Varoufakis, in charge of the Ministry of Finance and at the driver's seat of the negotiations with the EU. From the outset, Varoufakis was certain that the propositions of the government to the country's European partners would be so good that they would not be able to deny Greece a chance. In the first round of meetings, Syriza 'killed' the Troika and argued that from now on it would be speaking only to institutional representatives.

During the second phase of negotiations, discussions were held with European partners without reaching a conclusion and with the Greek government providing a highly vague narrative as to how it proposed to settle the matter. The government also refused to sign off on the extension of the Greek programme, which was seen as the extension of the memorandum. Given that Syriza was elected under an anti-memorandum platform, there was a considerable political cost to pay if it accepted an extension without a fight.

Finally, after dramatic meetings, battles over the wording, significant anxiety for the future of Greece, nervous market responses and a few staged protests of support for the new government, the ministers of the Eurozone agreed to extend the programme for another four months. The memorandum was still alive and kicking, although it now had a different name: a bridging agreement until a new deal could be struck with Europe.

On the day after the new agreement was reached, the government in Greece therefore found itself fighting on three fronts: one internal to the party in office, a domestic struggle to maintain support, and the external dimension to change the government's image in Europe.

The internal front

In a previous EUROPP article, I had flagged up the potential U-turn that Syriza would effectively be making in several of its pledges to the electorate. To that extent, I argued that given the radical factions that exist within the party, Syriza would have a hard time tailoring its policies and messages to its own members and MPs. The party is a conglomerate of a number of different left-wing factions who had come together under a unitary organisation for electoral purposes. While Syriza represented the radical left in terms of its position in the ideological spectrum, its electoral victory had turned it into a typical mainstream party of the centre-left, effectively replacing Pasok as the alternative pole for office.

Yanis Varoufakis, Credit: EU Council Eurozone (CC-BY-SA-3.0)

The exhilaration of the first few days following the electoral victory has now turned into restlessness for some of the more radical key members of the party, who, since the agreement was reached with the country's European partners, have started to become more vocal, expressing stark opposition to the way the negotiation process has been handled by the government. There is already a group of 30 or so Syriza MPs (including the president of the parliament) who have declared themselves to be against the new agreement with the Eurozone, creating a sense of friction among the party's ranks.

In addition, an important historical figure of the party and MEP, Manolis Glezos, was quick to apologise to the electorate for the new agreement, criticising it on the basis that it was nothing more than giving a different name to the old one. This internal opposition is not likely to fade out – especially among those hardliners who wish to remain loyal to their ideological principles. This may lead Syriza to try to bypass a vote in Parliament to suppress the visibility of this internal opposition in the media.

The domestic front

Syriza is still searching for a way to manage the articulation of the party's political messages to the Greek people. As it stands, the new agreement will be the roadmap for cooperation with the EU institutions until June. Citizens are expecting to see Syriza maintaining its promises; however, it now seems highly unlikely that any substantial alternative measures can or will be taken prior to that deadline. Syriza claims that its programmatic platform was on a four-year horizon rather than immediate and that is likely to cause some further friction.

As with any party in government, there is an expectation that Syriza's popularity will drop and support for the party will go down. The case in Greece however, is that the opposition is so highly fragmented and voters are so disillusioned with the previous parties in government that it may take a while for a significant rhetorical resistance to appear and for support to start declining.

The good intentions of the government are not being questioned in this sense; what is doubtful is whether Syriza has enough prior experience of handling difficult messages without failures emerging in its communication strategy. When the government could not reach an agreement a few weeks ago, it was still shifting the blame on to inflexible European positions, while at the same time articulating a vague message at home as to the actual position of the government or the result of the negotiations process.

With the new agreement in place – which effectively replaces the old one but continues on the same path in terms of the associated measures – Syriza's task of tweaking its message to keep the electorate on side will be extremely challenging. This is particularly true given the internal opposition within the party, as the burden of the political cost will begin to weigh heavily on some of the more hard-line radical left MPs.

The external front

What now for the future of Greece within the Eurozone and the EU? Certainly, relations remain tense. There are a number of domestic political games taking place across EU member states – small or large, old or new. Britain is considering its own future in light of this agreement and the inability of a government to easily renegotiate terms in Europe. The Spanish government, fearing the potential victory of Podemos in elections later this year, is holding its breath until the issue is resolved. Alongside Portugal and Ireland, Spain has a stake in the easing of the rules for Greece, given that these countries have been able to push reforms forward and manage their debt better.

In some of the new member states, the negotiation process has also been closely followed, particularly in those countries which have just entered the Eurozone following certain rules of the game in terms of fiscal discipline. France, on the other hand, not wanting to disturb its relations with Germany and challenge the Franco-German nexus within European integration, did voice some concerns that led to a more favourable wording (if not more favourable measures) in the agreement document.

Finally, Germany has its own domestic political issues to contend with. Angela Merkel is currently tied into a coalition government with the SPD, but must also ameliorate the domestic populist rhetoric that has introduced Euroscepticism into the country. Alternatively, in the Netherlands, the Dutch government has become the latest victim of populist narratives surrounding the Greek crisis, with Jeroen Dijsselbloem now playing a central role as the President of the Eurogroup, which requires maintaining a hard line in negotiations.

This external front is therefore far from straightforward for Greece: what has been portrayed as a struggle for dignity at home has less charitably been regarded as begging for favours at the European level. This has definitely placed the country in an onerous position, where European political leaders have to defend their choices both at home to their own electorates and to their counterparts in Europe. For the time being, things seem to have quelled down, but they are likely to pick up again as we head towards June. Syriza had its moment following its electoral victory, but when reality hits home, it will undoubtedly be consumed by mainstream politics.

The emperor's new clothes

The Syriza government has already back-tracked on several fronts and continues to reshuffle its agenda and priorities in light of the political realities it now faces. There is undoubtedly a steep learning curve for the government, and the inexperienced party leadership deserves some time to adjust their style as they acquire the tricks of the trade. However, the pressure is immense not only because of the domestic front, but due to the global scrutiny under which Greece is being placed.

For all the carefully constructed messages articulated by Syriza, the 'new agreement' is indeed still a memorandum in disguise, the discussions with the institutions are still being led by a form of 'troika', and Greece has not managed to unhook itself from its obligations and commitment to austerity. The emperor simply has new clothes.

Syriza should keep in mind its commitment that the people of Greece should no longer suffer from the crisis. Instead of playing political games, it should concentrate on the areas where it can make a genuine difference in people's lives. Failure to do so will consign the party to playing yet another role in the wider domestic and European political theatre that continues to play out around the Eurozone.

About the author

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