

European
Elections monitor

The Greek General Elections should confirm the fragmentation of the political landscape

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(with Stellina Galitopoulou)D-7
7 days before
the poll

It is an ailing country that will be going to ballot on 6th May next to re-elect the 300 members of Parliament. Indeed Greece is experiencing a deep economic crisis that has overturned all of its structures, notably its political institutions.

"This government's main goals have been reached. We have avoided the imminent danger of default and have created better conditions for the reconstruction of our economy," declared outgoing Prime Minister Lukas Papademos on 11th April last as he spoke on TV announcing the next general elections that will be taking place 17 months ahead of time.

"Not only will the choices we make define what kind of government we shall have after the elections, they will also define the country's future for the next few decades. The country has to choose the path that will guarantee its position in the EU and the euro zone, the path leading to the consolidation of the country's economy and to structural reforms," added the head of government.

32 parties are running in the general elections on 6th May next, +9 in comparison with the previous election on 4th October 2009.

The Economic Crisis

In May 2010 Greece was forced to call on the IMF and the EU for aid. The country received €110 billion from the two institutions and had to implement a great number of austerity measures designed to make savings of €30 billion in 2012 (privatisation of several state companies, a 10% reduction in civil servants' salaries and retirement pensions, tax increases, reduction in the number of civil servants etc.). However, weak growth, the slow implementation of structural reforms and the reduction of the budgetary deficit obliged Athens to accept a second aid plan of 130 billion € approved by the EU on 26th and 27th October 2011, which obliged the country to accept economic supervision and to implement an even severer austerity cure that came into force in February 2012. The main target of the aid to Greece is to bring the level of the country's debt, which represents 160% of the GDP, down to 120.5% in 2020, deemed sustainable long term so that the country can return to the markets mid-term.

On 25th April last Athens finalised the restructuring of its sovereign debt held by private creditors (the share held by banks and investment funds).

The Political Crisis

On 9th November 2011 Prime Minister George Papandreou (Panhellenic Socialist Movement, PASOK) was forced to resign after having said he wanted to organise a referendum on the rescue plan to Greece approved in October by the EU. The announcement caused stupor and indignation in Greece and across Europe and led to disarray on the world stock exchanges. On 11th November he was replaced by Lukas Papademos, former Vice-President of the European Central Bank and former Chairman of the Greek Central Bank, who then formed a national unity government after agreement, was reached between the three political parties: the Panhellenic Socialist Movement, New Democracy (ND), and the far right People's Orthodox Alarm (LAOS). Lukas Papademos, who is an acknowledged expert, which reassured Greece's creditors and partners in the euro zone, wanted to succeed in saving the country from default and prevent its exit from the euro zone by completing an operation to cancel out a part of the country's debt and by ensuring the implementation of the euro zone's second rescue plan.

The Greek political class is in disgrace at present. Several politicians, including the President of the Republic, Carolos Papoulias, have been booed by the population and suffered showers of projectiles during public events over the last few months. This rejection mainly concerns the two "big" parties (ND and PASOK), who, in the Greeks' opinion, are responsible for the economic crisis and for having accepted the austerity plan. In the polls these two parties are at their lowest ebb in terms of popularity since 1974, the year in which the country returned to democracy: they share no more than 35% together whilst on 4th October 2009 they won 77.4% of the vote, 79.9% on 16th September 2007 and 86% during the election on 7th March 2004. *"In comparison with 2009 the two main parties have lost around 35% of their electorate: 25% for PASOK and 10% for ND to the benefit of the small countries both on the left and the right,"* declared Thomas Gerakis, director of the pollster Marc.

The Electoral Campaign

The general elections on 6th May should confirm the fragmentation of the political landscape. The two main parties are accused of having managed the State badly and have largely been discredited. The population often has the impression that although salaries and pensions have been reduced and that many reforms have been implemented, the political elites retain their privileges. Guy Verhofstadt, chair of the Alliance of Liberals and Democrats for Europe (ALDE) group in the European Parliament criticised the Vouli (the Greek Parliament) for having granted a €29 million advance to the political parties for the 6th May election. *"Why should we continue with the second Greek rescue plan if the two main parties show no sign of wanting to change the system?"* he asked. We should note that the two main parties attempted to gain parliament's approval for the cancellation of part of their debt held by private debts and to reduce the interest rates on what remained of it (from 8% to 4%). They had to give this project up given the reaction on the part of civil society and the media. On 10th April the President of the European Commission, José Manuel Barroso stressed that *"the cost of Greek politics is scandalous. The cost of funding the political parties is one of the highest in Europe."*

In 2011 they received €54 million: 27.8 went to the PASOK, 17 to ND, 5.2 to the Communist Party (KKE), 4.4 to the People's Orthodox Alarm (LAOS), 3.9 to the Radical Left Coalition (SYRIZA) and 1.8 to the Greens.

ND leader Antonis Samaras blames the country's present problems on its socialist rival. *"We did not do certain things that we should have done but PASOK did things that it should not have,"* he declared. *"We privatised Olympic Airways (the national airline) but we did not privatise enough,"* he struggled to admit. From now on he plans for the privatisation ('or the outsourcing) of the tax services *"If necessary we shall call on private audit companies to help us collate taxes,"* indicated Antonis Samaras, who also pleads for a flat rate company tax of 15% (which is at 23% at present). He wants to bring income tax down from the present 45% to 32% and reduce VAT from 23% to 19% to stimulate consumption and the labour market.

The main rightwing part is trying to ride the wave of Greek discontent but may suffer because of the rescue plan and especially because of the austerity cure that the country is obliged to implement. *"We are just asking for a modification to some policies to promote and growth and to halt the recession,"* declared Mr Samaras, who it seems is trying to play the Irish card: opposition leader Enda Kenny (Fine Gael, FG) won the general elections on 25th February 2011 in Ireland by campaigning on a renegotiation of the restructuring of the Irish banks' debt and the conditions set by Dublin's creditors.

Antonis Samaras is promoting five goals in these general elections. The first is to *"put an end to the climate of despair and misery,"* that reigns in Greek society; the second is to say clearly how Greece will revive growth; the third, assert the differences that exist between New Democracy and the other political parties; fourthly the rightwing leader wants to convince the Greeks that he has the means to bring the country out of this crisis and that he needs a strong majority to do this. Finally he says that he is telling the truth (and will tell the truth) to the Greek population. New Democracy regularly insists that it wants to govern alone, which, just one week before the election, seems impossible.

The party has also revised its list of candidates: only half of them will be first time candidates.

The Democratic Alliance (DS) founded by former Foreign Minister (2006-2009) and former mayor of Athens (2003-2006), Dora Bakoyannis, and the Greek Independents' Party (AE), formed on 24th February by former Maritime and Islands Minister, Panos Kammenos (he and Dora Bakoyannis are both former ND members) may take votes from the main rightwing party. Mr Kammenos declared *"We prefer death rather than working with PASOK or ND in a coalition government."*

The main threat comes essentially from LAOS, a far right party founded and led by journalist Georgios Karatzaferis (former ND members), which approved the first rescue plan in May 2010 but which stood against the second in October 2011. The present rise of the migratory issue in political debate does indeed favour this far right party.

One of the most recent decisions taken by the Vouli, the only chamber in Parliament, on 10th April, was the adoption of an amendment which plans for the creation of a closed detention centre for illegal immigrants just outside of Athens, which is the first of 30 announced by the Minister for Civil Protection, Michalis Chryssohoides (PASOK). The latter qualified the issue of illegal immigrants as *"time bomb for both society and the country."*

Indeed the latest polls show that the neo-Nazi movement Chryssi Avghi (CA, Golden Dawn) led by Nikolaos Michaloliakos, may rise above the 3% mark of the vote necessary to be represented in parliament. The movement which is anti-Semitic and xenophobic, that was founded in the 1980's by supporters of the leaders of the military dictatorship that governed Greece from 1967 to 1974, have formed militia that operate in the poor parts of Athens and on several occasions, have been accused of attacks on immigrants or on *"Greeks of foreign appearance"*. Nikolaos Michaloliakos was elected to the city council of Athens in the last local elections on 7th and 14th November 2010 with 5.3% of the vote. The party that won 0.29% in the last general elections on 4th October 2009 privileges direct communication with the population to whom they offer

real protection against attack, or the guarantee of social services, which in their opinion the State can no longer afford to provide.

"Greek society is a laboratory in the development of the far right. We are in the midst of an unprecedented financial crisis, society is fragmented and there is no a strong civil society, and corruption is rife on all administrative levels," says Nicos Demertzis, a political analyst from the University of Athens. *"Parliament cannot become a venue for fascist or nazi nostalgia,"* declared the PASOK leader, former Finance Minister Evangelos Venizelos. *"We do not want to see the neo-nazi salute in Parliament, we do not want to see those who believe in violence rewarded. We are calling on all of the country's political forces to condemn violent acts, to resist and create a front to protect our democratic institutions. Tolerance helps to hatch the snake's egg,"* said the party's spokesperson Fofi Gennimata.

On the left, the new PASOK leader, Evangelos Venizelos, hopes to turn the page on the crisis as quickly as possible and reposition his party in the centre of the political spectrum. To do this he will however have to gain time and succeed in renewing his party's executive. Although the PASOK is due to be the grand loser on 6th May it might prove indispensable in forming the next government..

"The Socialists are struggling, but will not disappear from one day to the next, just because there is no serious alternative," analyses historian Elias Nikolakopoulos.

What kind of government will there be after May 6th?

One thing is certain: putting the next government together will be difficult. The question runs like this: will Greece have a national unity government rallying the ND and PASOK or will the next government coalition bring together several political parties, i.e. the "small" parties gathered around a "big" coalition of both right and left?

The "small" parties on the left – the Communist Party (KKE) led by Aleka Papariga, the Radical Left Coalition (SYRIZA) led by Alexis Tsipras and the Democratic Left (DIMAR) led by Fotis-Fanourios Kouvelis – have set

conditions that are difficult for the socialists to accept – for a government alliance with PASOK.

The possibility that the general election will not enable a clear victory for anyone and that the political crisis will continue, and even worsen, is the political analysts' greatest fear but it is also that of international leaders and the financial markets. A strong executive is indeed a vital condition for the implementation of the rescue plan and to enable the country to recover budgetary balance and social peace.

In a poll by KAPA Research published on 20th April for the newspaper Ta Nea most Greeks (59%) said they wanted the next government to rally both the left and right. Moreover three quarters of those interviewed (77%) say that the next government should do everything possible to maintain Greece in the euro zone (13% want to return to the drachma).

The tables below show the voting intentions recorded in the last three polls by KAPA, RASS and Marc. The column on the right presents the results won by the parties in the last general elections on 4th October 2007.

If the general elections took place on Sunday for which party would you vote?

	KAPA Research	RASS	Marc	2009 Results
Panhellenic Socialist Movement (PASOK)	19,1	17,1	17,8	43,92
New Democracy (ND)	25,5	24,1	21,9	33,48
Communist Party (KKE)	10,6	8,7	9,2	7,54
Radical Left Coalition (SYRIZA),	9,1	10,3	11	4,60
Popular Orthodox Alarm (LAOS)	4	3,4	4,2	5,63
Independent Greeks Party (AE)	7,7	9,4	10,4	
Democratic Left (DIMAR)	5,4	8,4	8,8	
Golden Dawn (CA)	5,2	4,3	5,2	0,29

Who would make the best Prime Minister?

	KAPA Research	RASS	Marc
Antonis Samaras (ND)	25,8	29,2	15,5
Evangelos Venizélos (PASOK)	26,7	28,6	15,1

Do you support the formation of a coalition government after the general elections on 6th May next?

	KAPA Research	RASS	Marc
Yes	59	40,2	46,4
No	41	59,8	53,6

Source : *Kathimerini*, 20th April 2012

"The last months have shown that in the face of serious problems and enormous risks, we can work together and overcome our differences," declared outgoing Prime Minister Lukas Papademos on 11th April last, adding: *"I am sure that society will invest in creation rather than deconstruction. We must take advantage of the sacrifices we have made over the last few years and not destroy next year what we have succeeded in achieving this year."*

At a time when ten political parties may be represented in the Vouli, i.e. double the present figure, the fragmentation of the political landscape of a country, which has been based on a two party system since its return to democracy in 1974, is the only thing we can be certain of in this election. *"Nothing will surprise me in these general elections,"* insists Takis Michas, a political journalist for the daily Eleftherotypia.

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