

TSIPRAS' BOLD MOVE SHOULD BE PRAISED BY EUROPE

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IN THE END, even in Greece, the euro crisis has resulted in a de facto change in government. As was the case in the past for Berlusconi, Zapatero, and Papandreou, crisis management forced Athens to change both its negotiating stance and its representatives at the table. This observation might seem counterintuitive considering the significant political boost Prime Minister Alexis Tsipras received after his victory in the referendum, but it becomes clearer once one considers what actually happened in Athens last week.

Conventional wisdom is that the referendum had been intended as a way to reinforce the negotiating position of the Greek government with respect to its European interlocutors. But following this logic fails to explain why the PM had embraced the grave risk of conducting a massive survey, one that could have also been interpreted as a vote of confidence, or lack thereof, for his government. Moreover polls conducted before Sunday 5, showed a majority of Greeks not in favor of Tsipras' call for a "No". What would have really happened if "Yes" had won?

A revealing tale is found in the direct recounting of German finance minister Wolfgang Schäuble, who, during the final Eurogroup meeting before the referendum, where negotiators had searched for ways to find a compromise between the relative positions of Athens and the Commission, had expressed surprise when faced with the Greek government's choice to campaign for a "No." He recounts: "Each of the finance ministers had asked Yannis Varoufakis what would happen if 'Yes' wins? Your government said that it will respect the vote of its electorate, but how would you remain credible if you need to adhere to the 'Yes' after having campaigned for a 'No?' How can you think that we will wait around until you affirm the agreements that you did not want to subscribe to?" Varoufakis, Schäuble recalls, remained mute.

Most likely, in that moment, the former Greek finance minister, who had nursed personal political ambitions to become a landmark in the uncompromising wings of the Syriza party, had realized that he might have become the true victim of the referendum. The popular vote was not primarily meant to reinforce Tsipras' position in his confrontation with European interlocutors, but to shore up his domestic support. In the case of a "Yes" victory, the extremist left-wing of Syriza would have lost, and Tsipras would have been able to negotiate with pro-Europe political parties. If "No" won, Tsipras would have united the radical coalition behind him, reinforcing his personal leadership, and silenced the party's other prominent figures, which is exactly what happened.

Victim of one of the “games” played by negotiators, Varoufakis had to submit his resignation on the eve of the referendum at Tsipras’ behest. At the same time, the PM opened talks with pro-Europe political parties, while obtaining the resignation of Antonis Samaras, Greece’s former prime minister and leader of Nea Dimokratia, as well as universal ratification of a document in favor of an immediate return to negotiations. The basis of the agreement with European partners is close to the document the European Commission had almost agreed to the week before, as if the referendum had no bearing on Athens’ position. Revealingly, Tsipras sent the proposal to the Greek pro-Europe parties even before he sent it to Brussels, informally looking for the type of grand coalition that had characterized the 2011 political shifts elsewhere.

This episode in Athens disproves the theory that changes in government that take place during the euro crisis follow an undemocratic logic. On the contrary, in the case of Greece, as with the Spanish one in 2011, the change in negotiating position followed a consultation with the public. The logic that can be applied to the developments in Athens pertains to the necessity and capacity to negotiate with the European interlocutors with the spirit of cooperation instead of antagonism between sovereign states. From both a political and personal stand point, a change in government predisposes new leaders to return to a negotiation from a position that is not necessarily softer. Mario Monti hadn’t been an easy interlocutor for chancellor Angela Merkel, with whom he had parlayed with an iron fist. Not wanting to make Italy seem isolated, his dealings had gone more or less unnoticed by the public, but it culminated with the threat of an Italian and Spanish veto at the European Council in June 2012. As negotiators, Mariano Rajoy and Lucas Papademos had not been any softer than José Luis Zapatero and George Papandreou.

From a personal standpoint, past leaders—Berlusconi, Zapatero, and Papandreou—appeared physically exhausted in their final hours, at the summit in Cannes at the end of 2011, and resigned to their own departure. Papandreou was substituted through a maneuver orchestrated by his finance minister on the plane that took them back to Athens, while the PM had fallen fast asleep due to stress. Berlusconi talks of “relief” in the moment he threw in the towel. As recounted in my book “Saving Europe”, in October 2011, without any warning, Italian government representatives failed to present themselves at a crucial ECOFIN meeting because they could not handle the pressure. The same unsupportable pressure is also found in the recollections of Zapatero. During the Cannes Summit, even chancellor Merkel burst into tears, overcome by the strain of negotiations.

In the days before the referendum, Greek negotiators have been described as exhausted. But beyond their personal failures, it is evident that, at the heart of each national political system, lies fallen representatives of the people who are unable, due to lack of credibility or personal weakness, to remain part of the negotiations, in a context where negotiations will never end for as long as Europe exists.