

# ELECTION UPDATE



## Europeans have started to realise the damage done by troika tactics

Mr Hollande has indicated that he and Ms Merkel will make representations to troika in order to facilitate the ongoing evaluation of the Greek program. He suggested that IMF and ECB should stop putting more obstacles on the way. It is a historical acceptance of the pitfalls of a failed monitoring process. As I have said often, Greece is not the only one to blame in this falling apart partnership. The damage done to the Greek economy every time the evaluation hit a snag was immeasurable. The stock exchange lost billions in capitalisation and investment plans were shelved. Was it an accident?



*Clouds gathering over Athens*

## Greek Drama Degenerates into Farce

The election of the new President is degenerating into a farce. Five years of crisis and adjustment programs are destabilising the political system. Although it is true that the causes of the debt crisis can be traced to the structural weaknesses of the post dictatorship economic model it is equally true that it is a byproduct of the failure of the political elites to establish a coherent governance and management system of the country.

### Favouritism Nepotism and Corruption

Instead of political debate and argument **favouritism** was used to win over voters. The country where politics have been born has become sterile in terms of ideas and discourse. Superficiality has taken hold of domestic politics and simplistic populist propaganda intoxicated with large doses of self centring patriotism exterminated the last remnants of reason. The public sector became the lute for which the political armies would fight for. The winner in each election

## Mr Tsipras is now giving assurances to the Europeans.

Since his now famous speech in Crete last week where Mr Tsipras said that “the people will play the tabor and the markets will dance to the tune” he decided to learn tango. He now every day proclaims that he will not undertake any unilateral decision on the MOU and the loan agreements and instead he will negotiate with troika in good faith.

This is quite a development. There are though some grey areas. first, troika believes that Greece requires another 2 billion euro in new measures in 2015. But Mr. Tsipras insists on spending about 12 billion (his calculations others put the bill at 20 billion) on hands outs. The difference is alarming. If troika finds an accommodation with SYRIZA following the elections it will be rightly accused of destabilising the current coalition government.

Furthermore, some of his own technocrats believe that his program cannot be implemented within the euro. Mr. Lapavitsas a professor at SOAS said today in a interview that “What SYRIZA wants to do, ie to change Greece, society and Europe, but without the desire for conflict and without a proposal and plan for exit from the euro is not going to succeed”.

So it is nice to tango but Mr Tsipras should learn the steps first!

will take the spoils and the loser will just wait for the next opportunity.

Instead of renewal of the political personnel **nepotism** dominated politics with a handful of families controlling the two major parties. Three generations of the Papandreu family managed to get to the highest post of the country being Prime Ministers for a total of 15 years and Ministers for more than 30 years. Other families have a less illustrious legacy as hundreds of MPs over the last decades have resigned in favour of their offsprings. Very few outsiders managed over the years to break into the system and give some vitality to the political process.

Even the **left** has been afflicted by similar viruses. Instead of fighting for the new they have become the most conservative force in domestic politics. The word reform has been banned from their vocabulary. Populism has taken over. They will support all the so called ‘social achievements’ even those granted to buy off specific social groups of labour aristocracy especially in the public sector companies. Reading through their program it is difficult to unearth a new idea. The top echelon of their party comprises of professional politicians (most being around since the mid-seventies) trade union activists of the public sector defecting from PASOK and several professors of law or economics. SYRIZA has now practically aligned himself with the Independent Greeks a break way party from New Democracy which is headed by Mr. P. Kammenos a ‘sui generis’ politician making a career on real or perceived scandals. In the late 1980s he wrote a book claiming that M. A. Papandreu the then Prime Minister was the head of the terrorist group 17th of November!

### The Farcical Twist

With people like this still around it is no surprise that over the last 36 hours we are witnessing another act of drama involving the alleged corruption of an Independent Party MP Mr. Haikalis (who is an actor by profession) in order to vote for the new president. The so called intermediary was a close associate of Mr. P. Kammenos, advisor on economics and other issues. He had participated in high level discussions with Mr. Tsipras the leader of SYRIZA last year. Before, that he had worked in several private companies and banks. An independent MP (ex prosecutor by profession) has earlier today claimed that as late as October this year the

intermediary, Mr. Apostolopoulos, was still very close to the Independent Greeks and that he called her asking to rejoin the party. These statements were later retracted by her under pressure resulting in the issuing of a written condemnation by 31 journalists who have been covering parliamentary proceedings.

So how is possible someone so close to the leadership of the party to get involved in such an action? Who in his right mind will trust an intermediary like this to act on his behalf?

The target of the alleged corruption instead of going directly to the police has informed his leader and a close friend Mr. Lazopoulos who is a stand up comedian and actor and a vehement SYRIZA supporter. They illegally recorded some of the discussions taking place between the corruptor and the MP and then they submitted the evidence to the prosecutor. The MP refused twice to name the corruptor during his testimony. He named him to the police days later after he failed to arrange a meeting with the corruptor so that the latter is officially taped. So after 20 days and having nearly nothing on their hands they went public. Mr. Lazopoulos revealed it to the public during a morning TV program.



### ***Better days for Greece not yet on the way***

SYRIZA immediately tried to capitalise on the events with the adoption of the allegations at the highest level. Even its leader got involved in this. Today that the whole thing has unravelled SYRIZA tried to distance itself from the case. Is this a serious case of lack of judgement or this is the new morality of the left?

The 'intermediary' has just completed his testimony in front of the prosecutor and has given his own account of the affair. He claimed that he was approached by Mr. Haikalis and asked to resolve his financial problems. His lawyer said that "the penal and political case does not concern my client but the other side" creating more questions for Mr. Haikalis.

These are the facts. Now the average Greek is suspicious that a dirty tricks campaign has started in earnest. No one knows who is the victim and who is the perpetrator of the crime. Is Mr. Apostolopoulos a typical busy body going around offering services? Is Mr. Haikalis a mythomaniac? Is Mr Kammenos involved in the set up of the alleged corruption? We will probably never know. What is certain is that Greece is descending to a chaotic state of affairs and may be by the time of the national elections there will be no politician untouched by this murky incident. The decadence of the parliamentarians has no end.

### **Impossible to Elect a New President**

The probabilities of electing Mr. Dimas as a new president have diminished even further. There is always time to search for an alternative but the climate is so toxic and the general collapse of trust prevents such an eventuality. The ensuing national elections are likely to be the dirtiest in the last 50 years. SYRIZA is leading in the polls and expected to win by a considerable margin but doubts remain about his ability to manage the negotiation process with the creditors and deliver on the promises made to the voters.