

GREECE 2019
A NEW BEGINNING -- OR IS IT?
Q & A

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The newly elected Mitsotakis administration is gathering praise from foreign media, investor interest is increasing, and the EU appears willing to review the strictures put upon Greece via the bailout agreements now that a new government is broadcasting all the right signals. Furthermore, Greek public opinion seems upbeat for the first time in a decade. Are we experiencing a genuine new beginning or is there a question mark attached to all this?

Every new beginning has its ups and downs. As of this moment, PM Kyriakos Mitsotakis rides the crest of enthusiasm over the ejection of the radical leftists from power. But enthusiasm is a flitting phenomenon. The election result has not eliminated the many dire problems, created over the past 4- and 1/2-years, facing Greece. If anything, crises, like, for example, the yet again burgeoning invasion by “irregular” migrants, are here to stay for an indefinite time. Mitsotakis faces, first and foremost, the challenge of “managing” situations which, for all intents and purposes, appear (and, usually, are) unmanageable. He needs time and time he does not really have; Greek voters are exhausted after nearly five years of scandal upon scandal, horrendous mismanagement, and bone-crushing lies, and are thirsting for a breather.

How’s the overall climate now that the new government is under way? What are the major issues Mitsotakis needs to tackle without delay? Is the economy about to experience a “Greek Spring?”

The way things are right now a more pertinent question could be: “What major issues Mitsotakis can afford to put on the backburner?”. All the major fronts are bubbling

hot: the economy, defense and foreign policy, domestic security and public order, education, social security and pensions and so much more.

Having little control over the negatives, the new government has chosen to cut a gingerly course in sending out the message of a “new beginning.” By necessity, this broadcasting is rich in promises but rather thin on the concrete sweeping action necessary. The announcement of corporate tax cuts, for example, gave rise to positive reactions in Greece and abroad—but those concerned should be patient until next year, at the earliest. Similarly, the police, after 4-and 1/2 years of being muzzled by a government openly sympathetic to street thugs and outlaws, have been given the go-ahead to begin evacuating “irregular” migrants, squatting in abandoned buildings, and staging low-intensity operations in the notorious anarchist-terroristic hub of the Exarchia neighborhood in the middle of Athens.

On the other hand, though, the Athens stock exchange remains anemic and fragile. Market watchers are concerned this is a clear indication there is no lasting rebound in the offing, something that should be of great concern to the government. With a frail stock exchange, the banks, already in dire near-zombie straits, won’t be able to begin lending again to fire up “the locomotive of business expansion.” Experts everywhere, meantime, warn that the next global recession is almost *ante portas*; and this mere fact should give anxious pause to Mitsotakis against the backdrop of Greece’s stubbornly mammoth sovereign debt, the junk rating of Greek paper, and the overall fragility of an economy that produces little and needs constant import injections.

One of the persistent major maladies of the Greek politico-economic system is the overwhelming public sector presence in the economy. Is there any concrete Mitsotakis initiative to drastically reduce this presence and open the door to true competition, unencumbered private investment, and the flexibilities, and job creation, associated thereof?

Mitsotakis’s personal reputation, business experience, and oft-repeated personal comments suggest he is a strong believer in a private unencumbered economy. Yet, there is a huge distance separating the PM’s personal ideas and the public sector stranglehold on the economy.

When the government is the single largest employer in the country; when public sector labor union fiefdoms erect insurmountable obstacles to even the slightest whiff of reform for fear of “labor rationalization,” i.e. real cutbacks in the numbers of idling “workers” collecting paychecks they have not earned; and when these

fiefdoms, in close collaboration with politicians of *all sides*, sabotage plans and initiatives to loosen the Soviet-like public grip on the economy, the future is dim.

Mitsotakis's reputed reform beliefs and desire to push for liberalization will collide with three major adversaries, who have survived intact the decade-long crisis:

1. a minority of big private business interests, hovering close to organized criminal, are dedicated to "milking the cow" via corruption, direct payoffs of public "servants" and politicians, and sabotaging *any* viable investment proposal, especially from outside the country;
2. those *close to this government* who are willing to discuss, and promote, the resurrection of bankrupt public enterprises so that, the argument goes, to "revitalize" job creation and "secure" Greece's tomorrow in case of a global recession as if the presence of the government would be able to negate the brewing storm;
3. and those declared "friends" of private investment who, however, insist on complex government guarantees and intricate bureaucratic licensing procedures. These "friends" aim at delaying private entry to the market until the potential outside investor "comes to an understanding" with the aforementioned minority of semi-criminal local private business interests "to the benefit of all."

It will take much more than Mitsotakis's personal wishes, and those supporting him, to break the public sector's stranglehold on the economy and clean the Augean stables of the "milking the cow" intertwined special interests.

Coming to illegal immigration, what are the new government's proposals of dealing with the crisis?

Unfortunately, the signs so far are that the administration has no determined policy in place to break the impasse created by the previous government that threw the country's borders wide open. As we speak, there is a growing stream of thousands of illegal aliens coming across the land border with Turkey delineated by the Evros river. These thousands proceed unopposed since the border is literally unguarded. Turkey is openly blackmailing Greece by sending tens of thousands more via dinghies across the narrows separating the eastern Greek islands from the Turkish coast. Already, the "hosting" of these multitudes in the larger islands is a health and public order nightmare endangering the Greek local population.

Pressing measures that *must be implemented* include:

1. Declaration of a state of emergency to allow Greek law enforcement and other departments to push back on this wave of undocumented arrivals.
2. Severe limitation of the right to apply for asylum and deleting the right to appeal a negative determination; serious tightening of criteria determining who is a “refugee” and who is not.
3. Launching of a massive effort to barricade the eastern land border with defenses in depth and a border wall. Mobilization of the army to assume the primary responsibility for guarding the frontier, with police and border guards in active reserve.
4. Saturation patrols beyond the 20-km zone from the land border to stop and apprehend illegal aliens.
5. Acceleration of deportations, especially of those who are economic migrants and overwhelmingly single men under thirty.

So far, there is no indication the new government has the intention to apply all or, at least, some of the above recommendations *urgently* –or formally declare illegal immigration a **national security threat** and mobilize all available resources to deal with the crisis.

Since you mentioned Turkey, is there any indication of how the new administration will manage the perennially hostile Greek-Turkish relations?

Mitsotakis has announced he plans to meet with Turkish president Erdogan supposedly for a “comprehensive” talk of bilateral relations. The announcement merits little enthusiasm. Erdogan makes his plans clear with every passing day by throwing threats of war against Greece. Athens has been consistently in retreat in the face of this growing Turkish intimidation campaign threatening invasion and snatching of territories. Greece is also openly reluctant to support the Republic of Cyprus beyond the usual verbiages against Turkish constant threats of military action over the exploitation of hydrocarbon deposits in Cypriot waters upon which Turkey has no legal claim. All indicators so far show the Mitsotakis administration has nothing new and/or proactive to offer in response to Turkish belligerence and threats of war.

In conclusion, is Greece truly making a new beginning?

In administrative terms, yes, the country is indeed on new footing after the 4-and 1/2-year disaster called “radical left.” At closer scrutiny, however, various statements by both Mitsotakis and members of his cabinet allude to the government’s wish to avoid pursuing those involved in unpardonable scandals and grossly illegal acts during the radical left years. In other words, this government seems prepared to do what all previous governments have done when it comes to “cleaning house” and punishing those criminally responsible for various unsavory acts i.e. very little or nothing.