

Mission Accomplished. But after the Game is before the Game

Wolfgang Streeck

Six weeks after the election of a new European Parliament, while winners and losers in Strasbourg and Brussels were still fighting over the spoils (likely the high point of their political life during the next five years), Alexis Tsipras was voted out as Prime Minister of Greece. In the preceding European election, in 2014, Tsipras had been the top candidate (the *Spitzenkandidat*) and the great political hope of the (more or less) united European Left. One year later he was elected Prime Minister of his country and tried to incite a revolt against the euro austerity regime that was and still is suffocating the economies of Southern Europe. Under his leadership, the Greek government refused to sign the Memoranda of Understanding (the MoUs) presented to it by the Eurogroup, containing long lists of policy measures designed to rescue the euro by strangling the Greek people. But it took no longer than half a year of hardball diplomacy, including the European Central Bank cutting off the supply of euro cash to Greek banks, until Tsipras was forced to cave in. Advised by Angela Merkel on the high art of statesmanship, he ultimately signed a MoU more punitive than anything ever forced on his predecessors, on the day after he had won a referendum in which Greek voters had, at his request, instructed him not to do so.

Tsipras' landslide defeat (with 31.5 percent for his party, Syriza, compared to 39.9 percent for the opposition, the New Democracy Party) cannot have come as a surprise, nor can the record-low turnout of 58 percent. In December 2018, after four years of the Merkel-Schäuble treatment, unanimously supported by Greece's partner countries, including Italy and Spain (and do not think that the so-called "European Parliament" or the European Commission, under the *Spitzenkandidat* Juncker, did so much as to raise a finger to defend the Greeks), unemployment was still at 18 percent (Spain 14.2; Italy 10.5), and at a dramatic 40.4

percent among the 15-24 year old (Spain 31.7; Italy 30.5). Today there is at least one unemployed person in every third household, and four out of ten employees earn less than 700 euros per month. After ever-more pension cuts and tax increases, about 14 percent of the Greek population lives in “extreme poverty”, defined as having to live with less than 176 euros per month. Taxes owed have meanwhile risen to 100 hundred billion euros; and one in two 18-35 year olds still depends for their living on their parents. Given the fiscal austerity package that Greece had to agree to in order to be “rescued”, none of this can come as a surprise: until 2022 the Greek state is obliged to produce a yearly surplus of no less than 3.5 percent in its primary budget, excluding debt service.

The new Greek Prime Minister, one Kyriakos Mitsotakis, is the scion of one of the political dynasties that have ruled Greece ever since the nineteenth century, alongside an oligarchy of ship-owners and bankers. His father was Prime Minister from 1990 to 1993, and in his extended family, we find ministers and mayors galore, similar to the Papandreou family on the left. Between them, the political families of Greece have presided over the ruin of their country’s economy as well as its accession to the euro, the latter assisted by creative accounting on the part of the central bank and the national statistical office, assisted in turn by the book cooking specialists at Goldman Sachs. Mitsotakis had the nerve to run, and win, on a platform that promised, of all things, lower taxes. No European government and no EU authority raised its voice to remind him of Greece’s commitment, signed under duress and duly implemented by Tsipras, to a 3.5 percent budget surplus. Party matters, so does family, and political clientelism governs not only in Greece.

Mission accomplished? The short insurgence of 2015 is now finally stamped out; discipline is restored; the torture instruments for “rescue operations” under the Amsterdam Treaty have been displayed for everyone to behold. But the next uprising is already on the horizon, and this time the insurgent, Italy, is a lot bigger. Compared to what is coming, the war on Greece may have been no more than child’s play. One thing is certain, however: when it

comes to enforcing the euro on Italy – for example punishing it for introducing a second, national currency with which to circumvent the euro’s austerity rules (the design of the so-called mini bots banknotes allegedly already exists) – the new Greek government will be firmly on the side of its euro taskmasters. After all, it will need them to look the other way when it resorts to finagling its accounts to deliver to its voters precisely what Tsipras was not allowed to deliver: lower taxes resulting, or not as the case may be, in higher growth while ending the budget surpluses to which Tsipras had to commit for the benefit of Greek’s creditors and Europe’s governments.