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Struggle looms to form Greek coalition

7

By Kerin Hope and Joshua Chaffin in Athens

Greece's centre-right New Democracy (ND) party was poised on Sunday night to win the country's second general election in six weeks after pushing the leftwing Syriza coalition into second place.

Antonis Samaras, its leader, now faces an uphill task to put together a viable coalition government to try to rebuild credibility with European partners and revive the country's flagging bailout programme.

His proposal for an inclusive government of "national salvation" was rejected out of hand by Alexis Tsipras, the Syriza leader, saying his party would play the role of "an honourable opposition."

Mr Tsipras's own call for a "continuing struggle against the bailout", reinforced by an impromptu late-night outdoor speech on Sunday in central Athens, suggested he was also preparing to take opposition to the streets.

Mr Samaras was due to receive a mandate to form a government from President Karolos Papoulias on Monday and start a first round of meetings with two potential coalition partners.

"There will be no new adventures . . . or political games," Mr Samaras promised. "We will work with our European partners and add to our obligations the needed policies for growth and combating unemployment."

Mr Samaras's task is made all the harder by the Greek political leaders' lack of experience in seeking compromise. The country's post-second world war tradition of confrontational politics has meant that recent coalition governments have been short-lived and headed by technocrats, with only a single purpose: to take the country to another election.

He will also have to overcome his own past practices. Lucas Papademos, the technocrat premier who led a six-month coalition partnership until April between ND and the Panhellenic Socialist Movement (Pasok), struggled to overcome constant friction between Mr Samaras and Evangelos Venizelos, the Pasok leader, although both party leaders nominally committed to agreeing a partial sovereign default and a second €174bn bailout.

During the election campaign, the Syriza, ND and Pasok leaders all failed to acknowledge that they would be obliged to form a coalition government, although it was clear from opinion polls that no party would win an overall majority.

There are few choices of coalition partner available to Mr Samaras. Independent Greeks, a rightwing nationalist party set to win about 7 per cent of the vote, is opposed to the bailout and wants to seek economic assistance from Russia. Recreating Greece, a small liberal party, failed to enter parliament as it fell below the 3 per cent of the vote threshold.

The conservatives will have to negotiate with the two moderate leftwing parties, Pasok and Democratic Left, in order to secure a workable parliamentary majority of about 178 out of 300 seats.

On the basis of interior ministry projections, the three pro-reform parties together would rack up 47.6 per cent of the ballot – “just enough to give such a coalition legitimacy in the eyes of Greek voters”, according to a senior Pasok official.

Under Greece’s electoral law, each of the top three party leaders has a three-day mandate to form a coalition, but Mr Samaras has made clear he would like to accelerate the process and have a government in place this week.

Democratic Left has already made clear it is ready to become the junior partner in a coalition government and, if necessary, act as a buffer between the Pasok and the conservatives.

“This time there has to be a government with a specific political mission that would be binding on adopting specific policy measures,” Fotis Kouvelis, leader of Democratic Left, told the Financial Times on Saturday. “We are prepared to participate provided a serious programme is agreed.”

He said the coalition could have a specific two-year mandate, ending with the European parliamentary elections of 2014, to complete a modified fiscal and structural reform programme.

Before the election, Mr Venizelos appeared to rule out participating in a coalition, though several veteran former cabinet ministers from Pasok were keen to join. But within minutes of New Democracy’s emergence as the winner, he changed position, and proposed a meeting of party leaders on Monday to form a government immediately.

“We’re fully aware of our party’s role as a guarantor [of a coalition] . . . and we undertake our responsibility,” said Mr Venizelos.

One sticking point could hold up the process: both Pasok and Democratic Left are reluctant to accept Mr Samaras as prime minister. But with New Democracy likely to finish first by almost 2.5 percentage points, it would be hard to prevent the leader of the winning party from heading the coalition government, said one conservative aide.