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THE GREEK POLITICAL SCENE : AN UPDATE

SUMMARY

1. A NEW MOOD IN GREEK POLITICS FOLLOWING PASOK SETBACKS. PAPANDEOU IS IN A CORNER. IT WILL NOT BE EASY TO DEAL WITH GREECE OVER THE COMING MONTHS.

DETAIL

2. THE COMBINATION OF DISAPPOINTING RESULTS IN THE OCTOBER MUNICIPAL ELECTIONS, CONTINUING STAGNATION IN THE ECONOMY, AND A SERIES OF DAMAGING CORRUPTION SCANDALS HAS CHANGED THE POLITICAL MOOD IN GREECE SINCE THE BEGINNING OF OCTOBER. THE SIGNALS ARE CONFUSED AND WILL REMAIN SO. THE GOVERNMENT SEEMS TO HAVE NEITHER NEW IDEAS NOR NEW FACES WITH WHICH TO DIRECT PUBLIC OPINION. PASOK IS DIVIDED AND DEMORALISED, AND MANY OF THE RUMOURS OF FRAUD AND CORRUPTION COME FROM ITS OWN RANKS.

3. ALTHOUGH THE MUNICIPAL ELECTIONS RESULTS, WHICH GAVE THE THREE MAJOR CITIES TO NEW DEMOCRACY, WERE NOT FATAL, THEY SPARKED OFF A CRISIS IN PASOK WITH THE FOLLOWING FEATURES:

(A) THE FIRST ELECTION RESULT FOR TWELVE YEARS WHICH PASOK COULD NOT CLAIM AS A VICTORY WAS INTERPRETED BY MANY IN THE PARTY AS THE WRITING ON THE WALL. THE DECISION TO FIELD THE THREE AGING AND LACKLUSTRE INCUMBENTS AS CANDIDATES IN THE MAIN CITIES AGAINST A DYNAMIC YOUNG NEW DEMOCRACY TRIO, WAS A REVERSAL OF PASOK'S SELF-IMAGE AS THE PARTY OF CHANGE.

(B) FOR THE FIRST TIME PAPANDEOU WAS HELD TO BLAME FOR THE DEFEAT AND FOR THE DAMP SQUIB RESHUFFLE WHICH FOLLOWED. HIS POSITION AS PARTY LEADER IS NOT IN DOUBT, BUT HIS AURA OF INVINCIBILITY, PERHAPS PASOK'S GREATEST ASSET, IS BADLY DENTED.

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(C) WORRY THAT THE PARTY WILL NOT WIN THE NEXT GENERAL ELECTION IS OPENING UP DIVISIONS. THE TOP LEADERS ARE JOCKEYING FOR POSITION AS POTENTIAL SUCCESSORS TO PAPANDEOU, AND LOWER DOWN THERE ARE RIVALRIES BETWEEN THE HAVES AND HAVE-NOTS, IE THOSE WHO HAVE FAILED TO USE PARTY POSITIONS FOR MATERIAL GAIN. AND THERE IS AN IDEOLOGICAL SPLIT BETWEEN THE HARD LEFT WHO RESENT THE GOVERNMENT'S ABANDONMENT OF SOCIALIST NOSTRUMS IN DOMESTIC POLICY, AND THE MODERATES AND TECHNOCRATS.

4. PAPANDEOU IS IN A CORNER. THERE IS SPECULATION ABOUT AN EARLY ELECTION. BUT THIS IS STILL AGAINST THE ODDS - PAPANDEOU IS TENACIOUS AND CAUTIOUS AND STILL HAS TWO AND HALF YEARS TO RUN. HE IS UNLIKELY TO LOSE HIS PARLIAMENTARY MAJORITY SOON.

5. PAPANDEOU WILL TRY TO RALLY THE PARTY AT MEETING OF THE PARLIAMENTARY GROUP (3 DECEMBER) AND THE CENTRAL COMMITTEE (13/14 DECEMBER) BUT I DOUBT IF HE WILL COME UP WITH ANYTHING NEW: HE HAS BEATEN THE REFORM AND REORGANISATION DRUM TOO OFTEN. HE NEEDS TO WIDEN HIS SUPPORT AND HAS BEGUN TO APPEAL FOR NATIONAL UNITY. BUT HE HAS ALIENATED TOO MANY GREEKS FOR TOO LONG TO DECEIVE THE VOTERS BY SIMPLE DEMAGOGERY.

WHEN I CALLED ON THE NEW MINISTER OF LABOUR LAST WEEK, I COULD HARDLY MAKE MYSELF HEARD FOR THE NOISE OF A DEMONSTRATION OUTSIDE BY WORKERS WHO HAD LOST THEIR JOBS IN NATIONALISED INDUSTRIES. THE COST OF LIVING GOES ON RISING AND THE FAILURE TO ATTRACT INVESTMENT OR TO IMPROVE PRODUCTIVITY SUGGESTS THAT THE ECONOMY WILL GET PAPANDEOU NO VOTES IN 1987.

6. NEW DEMOCRACY LOOKS AS BUOYANT AS PASOK LOOKS DEPRESSED. FEUDS WITHIN THE PARTY HAVE BEEN PAPERED OVER, AND MITSOTAKIS IS ENJOYING THE SPECTACLE OF PASOK DOING HIS JOB FOR HIM. RUNNING THE THREE LARGEST CITIES FROM JANUARY WILL BE A CHALLENGE, BUT THE NEW MAYORS WILL WORK HARD TO MEET IT.

7. SO WHEN THE PRIME MINISTER MEETS PAPANDEOU IN LONDON, SHE WILL FIND THIS COMPLEX AND CONTRADICTIONARY MAN NO DOUBT AS PERSONALLY PLEASANT AS ALWAYS, BUT DEEPLY WORRIED. FRUSTRATED BY THE LIMITATIONS ON HIS FREEDOM FOR MANOEUVRE, BOTH IN ECONOMIC AND FOREIGN POLICY, HE MAY BECOME EVEN MORE UNRELIABLE AS A PARTNER, EVEN MORE TEMPTED TO STRIKE POSTURES OF INDEPENDENCE WHICH APPEAL TO THE LEFT. RELATIONS WITH THE US ARE ON AN UPSWING FOLLOWING PAPOULIAS'S RECENT VISIT TO WASHINGTON, BUT PAPANDEOU WILL HAVE TO TRY TO SQUARE THE CIRCLE OF THE BASES ISSUE OVER THE COMING YEAR. HE WILL PROBABLY TRY TO DEAL WITH HIS PROBLEMS BY SHUFFLING FROM ONE EXPEDIENT TO ANOTHER. IF HE BECOMES DESPERATE ENOUGH, HE MIGHT BE TEMPTED TO DO A DEAL WITH THE COMMUNIST PARTY OVER PROPORTIONAL REPRESENTATION. BUT NOBODY KNOWS WHAT IS REALLY GOING TO HAPPEN, PROBABLY NOT EVEN PAPANDEOU - AND POLITICAL MOODS CAN CHANGE VERY QUICKLY IN GREECE.

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8. IN THESE CIRCUMSTANCES, ON THE BILATERAL FRONT I AM AFRAID THAT IT WILL NOT BE EASY FOR US TO DO SERIOUS BUSINESS WITH GREECE OVER THE COMING MONTHS. IT REMAINS IN THE BRITISH INTEREST TO GO ON PLUGGING AWAY, AS WE ARE NOW, AT GRAPPLING GREECE INTO THE EC AND THE WEST IN ALL WAYS OPEN TO US. PATIENCE, AND FIRMNESS WHEN NECESSARY, SHOULD REMAIN OUR WATCHWORDS. DESPITE THE AWKWARD DEALINGS OVER THE EC/TURKEY ASSOCIATION COUNCIL, AND THE RESENTMENT HERE OVER DENKTASH'S VISIT TO LONDON, THE GREEKS HAVE RESPECTED OUR HANDLING OF THE PRESIDENCY AND HAVE WELCOMED THE TALKS WITH OUR MINISTERS IN ATHENS DURING THEIR EUROPEAN TOURS. PANGALOS HAS FOUGHT HIS CORNER QUITE EFFECTIVELY. OVER SYPIA, PAPANDEOU BELIEVED, BECAUSE OF HIS IDEOLOGICAL BACKGROUND AND HIS CONCERN TO MAINTAIN HIS SYRIAN LINKS, THAT HIS ISOLATION FROM THE EC WAS JUSTIFIED. BUT MOST GREEKS TODAY RECOGNISE THAT THEY HAVE TO WORK WITH THEIR PARTNERS ON COUNTER-TERRORISM.

THE BRITISH ARMY TEAM TRAINING THE GREEK POLICE IN BOMB DISPOSAL IS HERE NOW AND HAS BEEN WELL RECEIVED. THE VOSPER-THORNEYCROFT FRIGATE BID IS THE GREEK NAVY'S CHOICE ON TECHNICAL MERIT. BUT PAPANDEOU'S DECISION WILL BE TAKEN ON POLITICAL AND FINANCIAL GROUNDS. THE FRENCH ARE EXPENDING MONEY AND INFLUENCE TO UNDERMINE BAE'S PROSPECTS FOR SELLING THE ADVANCED TURBO-PROP CIVIL AIRLINER. TAYLOR WOODROW HAVE PUT TO PAPANDEOU THEIR PROPOSALS FOR THE 8 BILLION DOLLAR PROJECT FOR DIVERTING THE ACHILLOOS RIVER TO IRRIGATE THE PLAINS OF THESSALY. BUT WITH THE TAIN OF CORRUPTION NOW IN THE AIR AND THE SHORTAGE OF FUNDS, IT WOULD NOT BE SURPRISING IF DECISIONS ON AT LEAST SOME OF THESE PROJECTS WERE DEFERRED.

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