# MEZINÁRODNÍCH VZTAHŮ INSTITUTE OF INTERNATIONAL RELATIONS PRAGUE Centre for European Security

# European Security Spotlight #5

## Syriza: A Greek Trojan Horse?

The leftist party's links to Russia create risks for European security that are real, but manageable.

12 February, 2015

Two weeks after Syriza's ascent to power, fears of another Eurozone debt spiral are echoed by concerns over implications for European security. Syriza's <u>ties to Kremlin</u> operatives and ideologues and the government's opposition to sanctions, have led Athens to be cast (ironically enough) as Vladimir Putin's Trojan horse in Europe. It did not help that Syriza chose the 'Independent Greeks' an overtly pro-Russian far-right grouping as its coalition partner. However, given the country's economic dislocation and urgent need for debt restructuring, Greece's Eurozone creditors will hold greater sway than Mr Putin over its security posture.

### Analysis: Syriza Creates Problems, But Not Threats

Syriza's first days in power show tensions in Europe's strategic consensus on Ukraine at time when unity is at a premium. Depending on whether the Minsk ceasefire holds, EU leaders must decide whether to maintain or alter the sanctions imposed on Russia. Greece's resistance to economic sanctions *per se* undermines the credibility of any threat of further restrictions, including the nuclear option of a SWIFT cut-off and provides cover for other potentially dissenting Member States, such as the Czech Republic, Hungary, Austria or Slovakia, to come out more strongly against them. But Greece's opposition also means that any alternative EU policy to contain the conflict – including relaxation of sanctions – could be perceived as a concession to Alexis Tsipras. This, in turn, would give Russia even fewer incentives to implement the Minsk protocol.

Greece can also complicate EU strategic interests in other areas. In the Western Balkans Athens is a key player and Moscow is busy countering the pull of European integration. Regarding energy security, the government's halting of energy privatization may scupper plans to route Azeri gas to Europe via the Trans-Anatolian pipeline, as the Azeri state company SOCAR may no longer be able acquiring a controlling stake in Greece's gas grid operator DESFA. Finally, Syriza injects an element of unpredictability and brinkmanship into EU foreign policy process —seen in its sudden withdrawal from a joint EU statement just hours after taking office. This could increase the risk of confrontation with Russia or even embolden Moscow to test NATO's response to a small-scale military incursion into Estonia or Latvia, as they could count on Athens to paralyze the decision-making process that should trigger collective action under Article 5.

Despite these concerns, however, seeing the new Greek government as a threat to European security is far-fetched. Syriza's links to pro-Kremlin ideologues or Mr Tsipras' comments on "fascist" government in Kyiv, although disturbing, are symptomatic of an anti-establishment insurgency and are unlikely to translate into a consistently pro-Russian policy. Syriza already showed a readiness to compromise on extending asset freezes and visa bans against Russian individuals during the last meeting of EU foreign ministers.

### Outlook: An Win-Win is Possible for the EU and Greece (but not for Russia)

Greece's dire economic situation and asymmetric relations with Eurozone creditors will moderate Syriza's attitude. After all, the government's priorities lie squarely in economic and social policy, not in foreign affairs. Its overriding objective is to renegotiate the austere terms of Greece's EUR 226.7 billion bailout, not to channel Russian security interests - and it would probably be ready to sacrifice the latter to obtain the former.

Mr Tsipras will probably try to use Syriza's position on Ukraine to press Germany and the Eurozone towards debt relief. But his hand is rather weak on both accounts: compared to 2010-2011, the Eurozone is in a stronger position to withstand the contagion effects of a Greek default (not least after ECB's recent decision on quantitative easing), and, at the same time, Berlin and other creditors care more deeply about the Russia dossier than the Greek government does. Moreover, Mr Tsipras <u>realises</u> that Russia's financial crisis means that he cannot use a Russian bailout as a bargaining chip with Berlin and Brussels.

The EU can therefore use its leverage as a creditor to ensure that Athens does not upend European security policy. It would mean that adherence to a common line on Ukraine becomes an informal element in a broader "grand bargain" between Greece and the Eurozone, ideally based on a partial debt relief conditional on an agreed set of structural reforms, or on a formula whereby part of the debt payments are tied to Greece's future growth rates. Either solution most likely a fluid and continuous exchange rather than a one-off settlement – also has the advantage of being sound economic policy that promotes European security.

### **Recommendations:**

- The EU should use its economic leverage to ensure that the new Greek government does not throw a spanner in the works of its most important foreign policy issue in decades. However, this does not mean that Syriza has it over a barrel, as debt relief needs to be tied to sound economic policy.
- Syriza should assess the relative importance of EU foreign/Russia and Greece's Eurozone status, which will not be
  maintained 'at any price'. Syriza should to get the best deal for the Greek economy (relieving debt and boosting
  growth), while supporting EU Foreign Policy and continuing to reform.
- ◆ The Putin regime should take this as lesson as to the relative attractiveness of what it can offer in comparison to what the EU can offer.

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