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## **The good news from Greece Can Thessaloniki point the way?**

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He has always been a man of the left. He entered politics with the backing of the Communist Party in local elections in 2002. In his campaigns he promised liberation from a conservative status quo that had kept society “dwelling in darkness.” He assailed the corruption of his predecessor, who is now in jail. In 2010 he won the election for mayor by a mere 300 votes. He rejected his predecessor’s expensive limousine and is often seen on a bike. He never wears a tie. In 2014, he was re-elected as mayor of Greece’s second city by a huge margin.

There are many similarities between Yannis Boutaris (born in 1942), mayor of Thessaloniki, and Alexis Tsipras (born in 1974), Greece’s new prime minister and leader of Syriza, the Coalition of the Radical Left. Both are charismatic, unconventional, proudly secular and ready to defy taboos. Both ran for mayor in local elections in 2006, losing on that occasion by a wide margin: Tsipras won 10 percent of the vote in Athens; Boutaris 16 percent in Thessaloniki. In 2014, Boutaris gained 36 percent of the popular vote in the first round of local elections. Syriza won the same percentage in national elections in early 2015. Both believe that a different Greece is not only desirable but possible, and that democratic politics is the way to get there. Both talk about solidarity and dignity. Both criticized the IMF, the European Commission and the European Central Bank. [Boutaris stated in 2014](#) that the troika “seems to know as much about the reality of Greece as most tourists visiting the Acropolis.”

And yet in one important respect, Boutaris remains in a category of his own: he is a reformer whom both Greek voters and outside observers have embraced as credible. European media tell the tale of a hero slaying fiscal monsters. *Der Spiegel* called him a “reform hero.” *The New York Times* wrote that Boutaris “showed Athens how it is done.” In 2014, *The Economist* praised his city’s “exemplary” transformation. In short, Boutaris came to be the good news story from Greece. How did this happen? And does the story of Thessaloniki suggest a way out of Greece’s current imbroglio?

### **Shadows of the past**

When ESI made a film about Thessaloniki in 2008 – [Alexander’s Shadow](#) – Yannis Boutaris was an opposition member of the municipal council. He was a wealthy entrepreneur, producing and selling quality wine throughout the world. *Time Magazine* had hailed him as a European hero in 2003 for his environmental activism. Boutaris had set up the first sanctuary for dancing bears rescued from the Balkans. He revived his ancestral village through restoration projects and tourism. In Thessaloniki, he had been active in a range of social movements, protecting historical sites and challenging the conservative mayor.

In 2008, it seemed unlikely that Boutaris would ever be elected mayor. At the time, Thessaloniki was more prosperous than ever in its history. It was also generally regarded as one of the most nationalist and conservative cities in Greece. And yet, even then he had a clear vision for the city. If he was elected mayor, he explained, he would want “citizens to love their city” by recovering an identity going beyond ancient glories and other nationalist tropes. Thessaloniki, in his view, deserved to be better governed: traffic was out of control, waste collection was a serious problem and there were persistent stories of corruption in the mayor’s office.

Through its long history, Salonica, as it was traditionally called, has been a political and cultural centre. Co-capital of the Byzantine Empire, it was home to Cyril and Methodius, apostles of the Slavs. For half a millennium, it was also a Sephardic city. The majority of the population was Jewish until the early 20<sup>th</sup> century. Mustafa Kemal Atatürk was born here. Following the first Balkan War in 1912, Thessaloniki became part of the Greek state. A series of disasters followed. Millions of Greeks were expelled from Anatolia and the coasts of the Black Sea. There was a forced population exchange between Greece and Turkey, including all of Salonica’s Muslims. The occupation of Thessaloniki by the Wehrmacht in 1940 led to the murder of almost all of the city’s Jewish population in Nazi concentration camps. Civil war between Greek communists and royalists after the Second World War brought further destruction.

Cold-war Thessaloniki grew from 60,000 to 320,000 people. Today, more than a million people live in its wider metropolitan area, many the children and grandchildren of refugees. In the wake of a century of destruction, it is far easier to focus on the glories of antiquity. Until 1993, when a small, private museum opened, there was nothing to mark the long history of Jews in the city. The city’s Ottoman architecture was left to decay. Boutaris was unhappy about this amnesia. Thessaloniki’s rich history was linked to trade, to its port, to the sea and to the Balkan region. “In the past we had a cosmopolitan identity”, he noted. This, he was convinced, could be revived.

## One step ahead

In 2010, another film was made about Boutaris by Greek director Dimitris Athiridis: [One Step Ahead](#). It showed a determined man campaigning as an independent candidate against the “conservative status quo.” Boutaris promised to clean up the city, in every sense. He challenged wasteful municipal spending. He promised to deal with the garbage problem. He provoked the establishment: if municipal television kept piling up losses, perhaps it should consider a porn channel to make some money, he quipped. His opponents, devoid of humour, struggled to respond. Boutaris defended his vision of an open city: he stated that it should be a pilgrimage destination for Jews throughout the world; an attraction for visitors from Turkey. “Our dream is to make our city extrovert and tolerant,” he declared. Before he came to power, he later noted, the city had been “Turko-phobic, Jew-phobic, Slavo-phobic.” He vowed to change this. Some attacked him as unpatriotic. Boutaris referred to the archbishop as someone acting like a “mujahid”. The archbishop declared publicly that Boutaris “would never be mayor.”

The film also links Boutaris’ life story to his politics. It presented a recovered alcoholic, a husband who first lost his wife, then won her back, before losing her again to cancer. A man who went to a foreign clinic for help and returned with his addiction beaten. An individual open about his struggles and past defeats: “How better to help anybody else than by providing an example?”, he told the director on camera.

In 2010, the debt crisis and the pain of austerity ripped through Greek politics, discrediting the political establishment. The crisis helped propel Boutaris to a slender victory as mayor of Thessaloniki. Now armed with a democratic mandate, he set out to realise his vision of an open city. He visited Tel Aviv, Istanbul, Izmir. He fought for more direct flights from Turkey, for ferry connections to Izmir, for more cruise ships to dock in the port. He went on a tour of Balkan neighbours. He backed commemorations of Cyril and Methodius, still revered in Slovakia and Russia. He pushed for Thessaloniki to have a Durres park, Days of Izmir, a Muslim cemetery and a Holocaust Museum. In 2012, he strongly supported the city’s first gay pride parade, which is now an annual event with growing participation.

These efforts had an immediate transformative effect: the city experienced a tourism boom. The number of Turkish visitors went from 27,000 in 2010 to 72,000 in 2013. Visitors from Israel and Russia tripled. At a time of rising unemployment, this was obviously a good thing, although Boutaris stressed that tourism “was not an end in itself.” According to the mayor’s vision, life was better when a city, its people and the country “accepted differences” and took pride in a cosmopolitan past. In a Europe that had grown tired of tensions between Balkan neighbours, it was a message that resonated loudly. As Boutaris put it in a [speech in London in December 2014](#):

“I wonder if the Greek state could not have been equally bold and initiate a wider policy of friendship towards its neighbours. This could have resulted not only in more income from potential visitors. It could also have reduced the levels of xenophobia as well as Greece’s military expenditure. Despite the crisis, they are still among the highest in the world.”

## Happy City and public service

Boutaris also set out to deliver on his campaign promise to clean up Thessaloniki. He wanted people to “love their city” – to make Thessaloniki a place where citizens could celebrate their urban environment and feel empowered to suggest improvements. He promised improved

services and better traffic control, including bike lanes and sidewalks free from cars, solar panels for schools and the recycling of urban waste. For Boutaris, “making people smile” was a plausible goal of transformative urbanism.

This meant moving from the poetry of campaigning to the prose of governing. Once in office, Boutaris and his team found their worst fears about the municipal administration confirmed. In many agencies, there were no job descriptions and overemployment was flagrant. The average working time in the municipality was just four hours a day. Management systems, from port management to waste collection, were broken. Disorganised finances and weak accountability made theft easy. Tax was not being collected and the city had run up huge debts. In 2013, the previous mayor was found guilty of corruption and sentenced to life in prison (later reduced to twelve years).

Fixing this dysfunctional administration was, so Boutaris, a “matter of survival.” It was also very hard, leading to many confrontations with public sector unions. The ability of Greek mayors to reform the way their cities were governed was also hostage to the central government, as Boutaris recently noted:

“The current system has obliged us to work under excessively bureaucratic rules. An inextricable web of laws determines the framework within which we are forced to operate. The state needs to stop being hostile to its citizens. The central government needs to stop having a dominant role on clearly local affairs.”

And yet, many things could be done right away. As Boutaris explained his strategy in 2012:

“What I am trying to do is to open all fronts and create a huge turbulence. When you propose the slightest change people say no. If you do it all at once it is a different thing. Something has to break through. And you cannot step back. If you step back, you lose.”

Auditors were brought in, job descriptions drafted for the municipal administration and municipal finances reorganised. The number of municipal departments was reduced by a third; the number of deputy mayors cut by half. In 2011, city expenditures were reduced by a third. Arrears were paid off. The budget was balanced, “not because other people say so, but because our principle is to spend only what we have” (Boutaris). There are new plane and boat connections linking the city to the rest of the world. In the end the voters felt that progress had been made and in summer 2014 Boutaris was re-elected by a wide margin.

### **And if he fails?**

Yet Thessaloniki’s problems run deep and cannot be fixed overnight. There are new bike paths across the city, which now boasts twenty bicycle shops, compared to just two in 2010. However, sidewalks are still filled with cars parked illegally. When the mayor asked private companies to repair dozens of broken garbage trucks, a strike broke out. In the end the trucks were repaired, but each incremental change proved controversial. Although there is more recycling now than ever before, waste remains a problem. There are those in Thessaloniki who wonder whether even Boutaris can succeed; and whether, if he does not, anyone can.

These problems are not unique to Thessaloniki. A comparative [assessment by the European Commission in 2012](#) found that Greece had the least efficient waste management system in the whole European Union. There is almost no recycling. Germany and the Netherlands bury less than one percent of their municipal waste; Greece buries 82 percent. Only one of 71 Greek landfills was in compliance with EU norms. This is an environmental disaster, an

economic burden and the result of a state failing at its core responsibilities. In summer 2014, the European Union Task Force for Greece noted that the wage bill of the public administration in Greece had shrunk by 35 percent in four years, and the number of public employees had fallen from 900,000 to 720,000. The challenge is now finding a way to turn this reduced administration, for so long a bastion opposing change, into an energetic champion of reform.

From the outset, Boutaris stressed that Thessaloniki must learn from other cities in Europe: Nice and Salamanca, Barcelona and Vienna, Hamburg and Berlin. He also stressed that he was a “pro-business social democrat.” He warned that “no entrepreneur, either big or small will invest in Greece when the badly organized and uncoordinated state asks you every day to prove that you are not an elephant.” He remains critical of the “demonization of business” by the state and the public. “In order to distribute wealth, you need to create favourable conditions in order to produce it,” Boutaris says. “And to focus on products that you understand and produce them at excellent quality.”

Today, a new Greek government faces Herculean tasks. It has to address a deep social crisis, create new employment, restore the confidence of investors and reform a demoralised public administration, all under conditions of stretched budgets. It also must retain the confidence of other European governments. As Greek’s finance minister told his Eurozone colleagues on 11 February in Brussels: “We must earn your trust without losing the trust of our people.” It remains to be seen whether, when it comes to challenging vested interests, balance budgets, gain international respect and, perhaps, even get re-elected in the end, the engineer Alexis Tsipras will be inspired by the winemaker Yannis Boutaris. And whether Athens will look, for once, for inspiration to Thessaloniki.

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