

Greece Under Continuous Siege: Syriza's Disastrous Political Stance



It's been seven years since the outbreak of the Greek debt crisis, yet Greece — the country that gave birth to democracy — is still stuck in a vicious cycle of debt, austerity and high unemployment. Three consecutive bailout programs have deprived the nation of its fiscal sovereignty, transferred many of its publicly owned assets and resources into

private hands (virtually all of foreign origin), produced the collapse of the public health care system, slashed wages, salaries and pensions by as much as 50 percent, and led to a massive exodus of its skilled and educated labor force. As for democracy, it has been seriously constrained since the moment the first bailout went into effect, back in May 2010, as all governments that have come to power have pledged allegiance to the international actors and agencies behind the bailout plans — the European Commission, the European Central Bank and the International Monetary Fund (IMF) — and follow closely and obediently their commands, irrespective of the needs and wishes of the Greek people.

Unsurprisingly, this includes the so-called Coalition of the Radical Left (Syriza), an opportunistic political party with a great knack for old-style cronyism and little experience in managing national affairs. Syriza has been in power for two nightmarish years now, co-governing with the extreme nationalist and xenophobic political party, The Independent Greeks (ANEL).

In the course of the last two years, Syriza, under the leadership of its populist leader Alexis Tsipras, reneged on its campaign promises to voters (ending bailouts, ending austerity and creating public work programs to reduce unemployment), and converted itself into a counterfeit copy of a social democratic party. Since the internal split with the far-left segment, Tsipras has made big-time overtures to European socialists and has attained an observer status in meetings of EU socialist leaders. In this way, Syriza has sought to fill the gap after the

collapse of the Panhellenic Socialist Movement (PASOK) while signing a third bailout agreement and committing to execute international creditors' plans for the sell-out of the country and its conversion into a neoliberal paradise for multinationals and big business interests, analogous to what took place in Latvia.

It's true that Syriza faced incredible pressure from far stronger adversaries once it was elected, especially given the fact that the Greek state was financially bankrupt. However, the party did not need to pursue the course that it opted to follow — namely, betraying the popular mandate and converting itself into a mainstream political party in hopes of remaining in power for as long as possible. The moment Syriza's leadership realized that it was incapable of resisting the pressures of the international creditors (the EU and IMF), it should have made a direct appeal to the Greek people by explaining the nature of the situation and the anti-democratic proclivities of the euro masters. It could have then stepped down, causing a European crisis, and turned to organizing grassroots resistance and distributive justice from the ground up. But this was never in the works: Syriza's leadership had paid allegiance to the euro masters and the domestic corporate/financial elite even before it won the election of January 2015.

The reason why Greek governments have opted for all these years to become servants of the EU/IMF duo is quite simple: They are part of the capitalist universe and inextricably linked to the economic project of the European Union. As such, they believe there is no alternative for bankrupt Greece to bailout programs, and subsequently, to ruthless fiscal readjustment along the austerity route, coupled with a massive privatization undertaking and the end of the social state. This sad state of affairs applies even more forcefully to the current Syriza-ANEL government, which is now involved in some very awkward discussions over the completion for the assessment of the new bailout agreement. The IMF has yet to commit itself to this agreement, as it has a rather different perspective from that held by the European fiscal authorities both over the sustainability of debt and the depth of the reforms under way.

Specifically, the IMF finds the current levels of Greek public debt to be simply unsustainable (it stands [at 180 percent of GDP](#) and over 90 percent of long-term liabilities are held by public creditors). The IMF has therefore called for a sizeable debt write-off and also pushed for more reforms on all major sectors of the economy (banks, energy, labor market). In fact, the IMF wants the Greek government to commit itself via legislation to measures beyond 2018 — in other

words, beyond the expiration of the new bailout agreement. The IMF contends that Greece's debt levels will explode to much higher levels in the years (and even decades) ahead, and that the reforms proposed by the EU authorities are not specific enough, while their debt sustainability projections are ill-defined.

The European authorities, on the other hand, with Germany at the helm, balk at the idea of a debt write-off and contend that Greece's debt is sustainable with deeper reforms — as long as Greek authorities implement the current ones with full rigor and do not violate the terms of the bailout agreement as they did in December 2016, when Tsipras decided unilaterally to distribute a “Christmas gift” (approximately around \$650 million) to some [1.6 million low-income pensioners](#) whose holiday bonus had been scraped by Greece's international creditors. The response of the EU authorities to this act of “defiance” on the part of Athens was to suspend discussions on debt restructuring.

Shortly thereafter, Greek Finance Minister Euclid Tsakalotos — the neo-Marxist academic economist of sorts who replaced Yanis Varoufakis and has been a most faithful servant of the euro masters — sent a letter to the EU authorities in an attempt to keep Greece in the eurozone at any cost. The letter, which was leaked to the press, said this was “a one-off payment” and reaffirmed his government's commitment to the conditions of the bailout program.

So much for national sovereignty and radical-left politics.

Now, insofar as the row between EU officials and the IMF is concerned over Greece's debt and the third bailout program, it is quite conceivable that the IMF may not join the Greek bailout program. Instead the IMF may simply act in some special advisory capacity, although German Finance Minister Wolfgang Schaeuble and the entire EU choir have said repeatedly that there can be no bailout program without the IMF's participation in it.

In the meantime, the Greek government is in a state of anxiety over these developments and simply prays that current discussions over the assessment of the new bailout agreement will be completed successfully before late February, as cash is running out and the specter of Grexit has returned. It is hard to see any side wishing for Grexit — with the possible exception, perhaps, of Schaeuble. Indeed, if the past is of any guide, the Syriza-led government will accept contingency fiscal measures beyond 2018, and a fourth bailout agreement seems

almost inevitable, as it is highly unlikely that Greece will be able to return to private credit markets by 2018.

To put it mildly, then, Greece remains under continuous siege. Having decided to capitulate to the euro masters just in order to keep the country in a straightjacket, Syriza found out that the only option it has is to go along with eurozone's diktats and seek in the process to dupe the public as much as possible, and for as long as possible, simply in order to remain in power for the sake of serving its members' own interests. However, both the inexperience and the unscrupulousness of the Tsipras government have been fully revealed by now, and Syriza is expected to suffer a humiliating defeat whenever the next elections take place. Indeed, the Syriza-led government is already [widely perceived as the most incompetent government in post-war Greece](#), a sad and tragic development for the Greek left.

The government's noxious propaganda that Greece has turned the corner and that development is already taking place convinces no one and only manages to stir further anger among the citizens, and to condemn the left to historical oblivion. Indeed, the new Minister of Economy and Development, Dimitri Papadimitriou of the Levy Institute at Bard College in New York, is leading the propaganda charge of Greece being on the threshold of a new era of development. The analyses of Papadimitriou's own research team at the Levy Institute, however, have been consistently arguing that the austerity measures that accompany the bailout agreements will only deepen Greece's economic depression and cause further social malaise. But, of course, upon accepting the aforementioned government position, Papadimitriou pretty much declared to the Greek media that the alternative proposal he was advocating in the Levy Institute publications for the Greek crisis (the introduction of a parallel currency) was utter nonsense.

The truth of the matter is that Greece faces anemic growth rates at best (GDP [rose 0.5 percent in the third quarter of 2016](#), but this is attributed mainly to a very strong year for tourism), persistently extremely high unemployment levels (still over 23 percent), low income levels of large segments of the population that fell below the poverty line (in other words, increasing poverty and marginalization), continuous export problems, consumer pessimism, lack of serious investment undertakings and, of course, unsustainable debt ratios to GDP. And who can forget that the economy has shredded over 27 percent of GDP since

the start of the crisis? It could take several decades for the country to recapture this unprecedented loss in GDP, although it is inevitable that an economy that has suffered such extensive damage will, at some point, soon begin to record positive rates of growth. However, no serious recovery can be expected to take place under the existing economic arrangements and without radical changes in the country's political culture.

To be sure, the Greek crisis has its actual origins in two directly related developments: first, in the internal dynamics of Greek political culture; and second, in the fact that Greece was ill-equipped to join the euro when it did. Since the reestablishment of parliamentary democracy following the collapse of the military junta that ruled the country from 1967 to 1973, the Greek economy marched to the tune of an extremely warped type of "state capitalism" in which a small group of families dominated the key industries while the state provided the impetus for its major profit-making activities. But with the introduction of the euro, the competitiveness of the Greek economy began a downfall trajectory. Growth is now based on a model driven by debt-fuelled consumption, which is one of the main types of financial market-based models of economic development, while capital accumulation continues to rely on the looting of public resources and also serves as the vehicle for the transition into a neoliberal-type economy in accordance with the dictates of the EU.

As things stand, the Greek crisis will remain around for a long time to come, even if a debt write-off occurs at some point in the near future, as long as the nation's political culture and public administration system remain inefficient and corrupt, and there is no change of course in the model of economic development imposed by the European neoliberal technocrats. Yet, the prospects for either of these developments to materialize are not promising at all. The disastrous stance of Syriza coupled with the complacency of so-called left-wing progressive intellectuals and academicians have struck a heavy blow to the vision of the radical left in Greece, and it will take a long time and a herculean effort for the country's anti-capitalist forces to recuperate and reorganize a mass movement.

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