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HOUSE ORGAN

The Struggle in (and over) Greece*

The current global capitalist crisis has unleashed a war against workers and ordinary people around the world. In unleashing that war, capitalist elites are pursuing a simple objective: to make others pay for the crisis caused by the capitalist system that serves their interests. Greek workers and ordinary citizens stand at the frontline of this war, and their struggle to resist the social barbarism that generalized austerity is leading to is becoming a source of inspiration for people around the world.

Meanwhile, Greece is also being turned into an ideological weapon used by ruling elites in other parts of the world to justify the spread of policies that impoverish the majority, while protecting the interests of the wealthy. “We have to cut, cut, cut,” they say, “or we’ll become a failed state, like Greece.” The interpretation of the Greek crisis, therefore, becomes the arena of an ideological struggle that will help to determine how the contradictions of the capitalist system that have led to the current crisis play themselves out.

The prevailing narrative on the Greek crisis is one that focuses on the national “defects” of Greek society, culture and politics, while obscuring the extent to which the crisis stems from the structural contradictions and imbalances integral to the neoliberal capitalist model. The problem, we are told, is that Greece has a “bloated” state, that Greek wages are too high, and that Greeks have for too long lived beyond their means. Having tricked their northern neighbors into admitting them into the eurozone, now they expect to live off the largesse of their virtuous neighbors. This narrative glosses over the failures and contradictions of the neoliberal project that the process of European economic and monetary integration has served in recent decades. The fact that workers even in the economically stronger countries, such as Germany, have suffered from stagnant wages and increased economic insecurity is forgotten, while the focus is shifted onto the need for fiscal discipline.

Thus, the European response to the current crisis represents a regression that is as intellectual as it is economic and social. Failing to learn the lessons of the past, the modus operandi of European policy makers represents a return to pre-Keynesian notions and to many of the mistakes that policy makers made during the Depression

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of the 1930s. The belief that fiscal rectitude is the silver bullet that will solve the current crisis glosses over the fact that some of the European countries in trouble, such as Spain and Ireland, were, before the eruption of the global capitalist crisis, more “fiscally virtuous” than many of the countries, such as Germany, which beat the drum of fiscal rectitude. Given the misrepresentation of what ails Europe, it is not surprising to find that the prevailing strategy does not seem to be working, triggering, in fact, a double-dip recession and placing the future of the euro in doubt.

Meanwhile, the situation in Greece, as I write these lines in early March, is catastrophic. The Greek economy is mired in a state of deep depression, with output having shrunk in 2011 by 7 percent. Unemployment has surpassed 20 percent, while hunger and homelessness are skyrocketing, now affecting even people who, until recently, were solidly middle class. The drastic cuts in pensions as well as private and public sector wages and salaries are leading to a collapse of demand, which, in its turn, is wiping out small businesses by the thousands. As the economy is thrown into a free fall, tax revenues understandably collapse, thus failing to achieve even the fiscal stabilization that the austerity measures are supposed to secure. As the assumptions underlying the austerity policies dictated by the International Monetary Fund (IMF), the European Commission, and the European Central Bank (ECB) are proven wrong, the conclusion drawn is not that a different recipe is needed, but rather that the failed austerity medicine has to be applied in an even more ruthless fashion.

Not surprisingly, this medicine also aggravates Greece’s ecological problems. While the socialist government that first adopted these austerity measures had run on a platform of building a “green economy,” it quickly showed its true face in this respect as well. Opening the Greek economy to foreign investment at any cost has meant that ecological considerations have been thrown out the window, while public investment has again and again been cut to make up for the failure of the government to meet the fiscal targets set by the troika of the IMF, the European Commission, and the ECB.

In this context, it is not surprising that a sense of desperation and fear prevails among large segments of Greek society. This fear is systematically cultivated by political elites and the mainstream media. The only alternative to austerity, they claim, is social and economic chaos. But as the policies they support do not produce the benefits they promise but rather the suffering and chaos they exorcise, Greek political and economic elites are faced with a growing movement of resistance. The response to this movement has been an escalation of police repression and a suspension of political democracy.

The socialist party that first introduced the draconian measures lost popular support so rapidly that it has had to construct a pro-austerity alliance with their long-time political nemesis, the conservative New Democracy party. The purpose of this alliance has been to sign a new loan agreement with Greece’s foreign creditors that would seal the fate of Greek citizens for decades to come. Since all the polls make

clear that neither the socialists nor the conservatives reflect the views of a Greek public that is more and more opposed to austerity policies that make the situation worse rather than better, ordinary Greeks are not to have a say over the matter. Better to leave all the decisions to a government headed by an unelected former banker who enjoys the trust of European economic and political elites!

As I write these lines, the Greek political system is hanging by a thread, and the political, social, and economic conditions in Greece are in a state of flux. As it becomes clear, however, that Greece is not a “special case,” as European leaders would like us to believe, but the future that awaits us all if we don’t fight back, a global movement of solidarity with the struggle of Greek workers and ordinary citizens is beginning to form. Underlying this movement is a sense that, as the crisis continues to unfold, popular movements around the world will have to learn from each other’s experience and rely on each other’s support. As social barbarism closes in all around us, we cannot but conclude that we need to take our struggles to a new level. While Greeks may, in this respect, serve as an inspiration, it is not clear that even their level of resistance is high enough to match the assault on workers and ordinary people around the world that the global crisis continues to generate. In this respect, Greece is only a reminder of the fact that, in view of the bleak and catastrophic social and ecological future that capital has in store for us, defensive struggles are no longer enough. We have to find a way to regroup and go on the offensive against a capitalist system that can only promise us a future of immense human suffering and continued destabilization of the ecological integrity of our planet.

—Costas Panayotakis