

transform!

european network for alternative thinking
and political dialogue

Special Edition of our newsletter focused on the political situation in Greece

“It’s All Greek To Me!”

Editorial

The political situation in Greece has attracted the attention of people worldwide. For the last 2 years the country has been a large political laboratory. The European elites and Greek governments experimented on how the society of a European country would react if severe austerity measures would be imposed on it. But now, the situation seems to have been turned upside down. The former guinea pig,

Greek people, seems really likely to take over the laboratory, since the forthcoming elections of 17 June may have as an outcome a victory of the left party of SYRIZA.

transform! europe has decided to **edit a series of special newsletters, focused on the political situation in Greece**, pointing in informing the European citizens on its details as well

as on the political plans and targets of SYRIZA.

These newsletters are a result of the cooperation with *Nicos Poulantzas Institute* (NPI), from Athens, whose members and associates have contributed to the editing of the articles.

Walter Baier, transform! europe
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Common Sense Radicalism

Hope is Haunting Europe after the Electoral Success of SYRIZA

By Vagia Lysikatos and Michael Nikolakakis

Any interpretation of the Greek Parliamentary Elections of 6 May will find it hard to dispute that there was a clear message for change, a clear message for better crisis management along with a desire to defend democracy and society against the profits of the few. The spectacular rise of SYRIZA should be seen in the context of the pan-European rise of grassroots political involvement. This rise has been fuelled over the last two years by resistances to the barbaric reduction in living standards, the post-democratic centralization of power; and against those who would attempt to revive national rivalries in an endeavour to obscure who really benefitted from the crisis.

The election results mark a point of a new political changeover in a political landscape that had been essentially unchanged since the fall of the military dictatorship in 1974. The austerity policies with their policy of internal devaluation which are undermining the social foundations, exacerbating a pre-existing crisis of representation allowed *Coalition of the Radical Left* (SYRIZA) to break the two party stranglehold on Greek political life.

The message of SYRIZA for a new social contract with a new relationship between state and society seems to have been well received by large groups of Greek society. SYRIZA is continuing to garner support from the groundswell of discontent which has its roots in class based politics.

An analysis of SYRIZA voters bears this out. SYRIZA draws more supporters from public and private sector employees than any other party. It is the first choice among the unemployed, the middle class who have been hard hit by the economic crisis, young people, and women. It is the first choice in the under 55 age bracket with support being par-

ticularly strong in urban areas throughout Greece.

SYRIZA's support from these groups is not an overnight phenomenon; rather it is the result of the political direction of the party, its role in social resistance where it is a prominent defender of social rights.

SYRIZA is a coalition of left-wing forces founded in 2004 in the wake of the anti-globalization movement and of the mobilizations against the neoliberal globalization of the previous period (Genoa, Florence, World and European forums). It functioned as an umbrella organization for a wide range of organizations from the entire spectrum of the Left who agree on the principles of political pluralism and unity in action. The largest component of the Coalition, *Synaspismos*, arose as a union of communists, socialists, euro-communists and ecologists. It is a party in favour of democracy, social justice and European integration; seeing this as a process enhancing solidarity between the peoples of Europe.

The foundations of SYRIZA lie in the labour movement as well as relatively new social movements such as feminism, ecology and the movements for immigrants' rights. It is united in its opposition to all forms of neoliberal reforms such as; flexible working relations and the shrinking of the welfare state which has been implemented across Europe over the last 20 years.

The vote for SYRIZA should not be seen as a protest vote. Instead it reflects its continuous presence on the political and social landscape of Greece for many years. Since the outbreak of the crisis its opposition to the Memorandum (measures imposed by the EC, ECB and IMF) has been constant and at it has been the only realistic voice of parliamentary opposition; always maintaining its

commitment to social goals. This was clearly seen in SYRIZA's grassroots participation in the solidarity initiatives that took place in the streets and squares throughout Greece. During this period the inevitable unity of the peoples' struggle found its political equivalent in the unity of the Left and in SYRIZA's proposal for a government of the Left.

In the eyes of the general public SYRIZA stands in the vanguard of the struggles against the privatization of the universities, for worker and immigrant rights, and was especially active in the street protests against the brutal policing methods that followed the cold blooded murder by police of the 15 year old student, Alex Grigoropoulos.

This radical heritage of SYRIZA meant it was able to withstand the furious assault unleashed by the ruling political elite and its mainstream media in the pre-election period; an assault that saw its rise linked with the rise of the extreme right and an attempt to portray SYRIZA as a danger to Greece's European orientation.

In fact what happened in Greece was the emergence of an "extremism of the political center" (as various scholars have called the phenomenon). Many of the mainstream parties adopted the whole authoritarian extreme right-wing agenda, practices and in many cases personnel. They then attempted to terrify and sow social panic in society in order to shift the agenda from the failed economic policy. This intensified in the pre-election period. By doing so, they opened the door to the public discourse on xenophobic and racist ideas thus bringing to prominence the neo-Nazi party, *Golden Dawn*. This dialogue enabled a legitimization of this formerly marginalized and discredited party acting as a catalyst for them to gain parliamentary representation with nearly 7% of the vote. The electoral success of

SYRIZA and the unambiguous defence of social rights and democracy have forced the old established parties to review their position regarding their dangerous accommodation of right-wing views into adopting more moderate positions.

The allegation that characterizes SYRIZA as an anti-European undermining the country's European perspective does not stand up to scrutiny. Indeed these claims sound preposterous to those familiar with the situation of the Greek Left; for many years SYRIZA has been heavily criticized from other left-wing parties for what they see as excessively pro-European positions.

SYRIZA's criticism of current European economic policy should not be seen as an anti-European stance, since it

is clear that the policies now being applied are the real threat not just to Greece but to Europe. Current policies are sharpening nationalist rivalries in the name of economic competitiveness which ultimately endanger the peace and cohesion of Europe. Furthermore, it is the firm position of SYRIZA that socialist transformation can only be achieved through specified coalitions of left-wing forces in Europe. To this end SYRIZA believes that socialism with democracy and freedom can only be achieved by continuous efforts to form grassroots structures that aim political integration. Only this would help eliminate the curse of nationalism that threatens to rise at this time of crisis.

The implementation of the Memorandum in Greece has resulted to a steep reduction of salaries and pensions, an

increase in youth unemployment to 50%, unfair and arbitrary taxes, tens of thousands of bankrupted small businesses and an increasing number of homeless. It has resulted in mass privatizations, an insidious worsening of the health and educational systems, the destruction of the welfare state, an overwhelming proliferation of suicides and mal-nourished children, the total failure of the neoliberal model and finally the collapse of society. In Greece, in which this humanitarian crisis takes place, it is necessary to express the radical desire for democracy and the radical demand for a life with dignity for all people throughout Europe. It is time for the message of radical common sense expressed in Greece to spread throughout Europe.

Some Conclusions after the Successful Delegation of SYRIZA to Paris on 21 May 2012

Changing Power Relations in All of Europe

By Elisabeth Gauthier

The press conference given by Alexis Tsipras, Jean-Luc Mélenchon und Pierre Laurent in the French Parliament was a tremendous success with journalists from TV- and radio-stations and print media asking a number of questions about SYRIZA's positions regarding Greece and Europe. Obviously it was clear that in Greece something is happening of a European dimension, simultaneously with a change of political power relations in Europe, with the radical Left playing an active part in some countries. In Greece, where SYRIZA, as an extremely responsible left – and by no means left extremist – alliance, came second, way before the Social Democratic PASOK and is still gaining sympathies, the breach with the chain of neo-liberalism could become a concrete chance.

Also in parliament and at the invitation of Pierre Laurent, President of the *European Left* and the PCF, a meeting

took place of the delegation with parliamentarians of *Front de Gauche* as well as representatives of movements and trade unions (FSU, *Solidaires*, CGT, *Fondation Copernic*, *Attac*, *Economistes atterrés*, *transform! europe*). On behalf of the *Parti Socialiste* (PS), only two representatives were available for an informal meeting with the parliamentarians of SYRIZA.* A meeting at the square in front of the National Assembly and an evening event with the Greek Left in Paris completed the programme.

It has to be made clear – as Tsipras says – that it is “impossible to have rain and sunshine at the same time”, which means that the governments and European institutions have to choose between austerity and growth. All throughout Europe, the wage/salary-earning, unemployed, precarious and retired people have a common interest: to form an alliance against “the coalition of the forces of financial capital ruling the

continent”. Thus Tsipras can consequently say in the German Bundestag that SYRIZA's vision also corresponds to the interests of the wage/salary-earning people in Germany. Therefore it is no coincidence that the key points emphasised by the delegation show a great convergence with the ideas of the European Left as well as of social movements and militant trade unions.

After Hollande's election it will be about overcoming any ambiguity concerning the *Fiscal Stability Treaty* and to get Europeans to say a clear “No” to it. A factual growth in the interests of the populations and in the sense of a new model of development – and not one in favour of finance – can by no means be achieved by a continuation of the prevailing logic. In so far, the destructive *Fiscal Stability Treaty* cannot just be “amended”, but must be rejected altogether.

In Greece both the economy and the people are stifled more and more, because the super-austerity policy is barring any way-out. Obviously the European oligarchy is using a country as a test-case whose GNP amounts to 2% of the European GDP (gross domestic product) to see how far it is possible to go, applying avalanches of data and permanent fear-mongering as weapons. However, the Greek population has the power to clearly say: "Stop! Not one step further on this road!" In Italy and Spain the governments – who are by no means leftist, but confronted with increasingly growing difficulties – are using the breakup of the "Merkozy"-axis to announce their doubts. The de-facto expulsion of one EU-country would by no means eliminate the causes of the crisis, but it would create chaos in the economies and the currency in all of Europe, with the situation of the populations deteriorating even further. As representative Giannis Milios said, the question is not "Euro or Drachma", but "Which Europe do we need and want?"

The conflict about Greece today crystallises the European class confrontation which is raging on social, political and

ideological levels at the same time. Vis-à-vis the organised block of the ruling class in Europe (Giannis Milios) it is the order of the day to establish new alliances – a common front (Pierre Laurent) – in favour of an alternative logic, both on national and European levels, alliances based on real convergences between social, cultural and political forces of different natures and backgrounds. SYRIZA is aware that forming a "government" under present-day conditions does not mean to take over "power", but that it creates better conditions for leading the struggle together with the entire population for more power, for democracy and social justice. In that respect, the elections were just the beginning.

The best protection for the Greeks will be the highest percentage for SYRIZA on 17 June

- for the most favourable conditions in the re-negotiation of agreements, and
- to acquire the balance of power most favourable to be heard and respected in Greece and Europe.

In the discussion with the delegation of SYRIZA it became clear that currently several political levers are avail-

able which need to be operated simultaneously to bring about a change in political decisions in Europe:

- The Greek elections which are able to break open one link in the chain of neo-liberalism, whereby any isolation of Greece and the Left must be prevented
- The French elections in which it will be about shifting the balance of power further to the Left
- The upcoming ratification of the *Fiscal Stability Treaty* where pressure can be intensified by the populations on each and every individual representative to vote against it and/ or in favour of a referendum

For all of Europe the concrete question is: Will it be possible to arrive at a new quality in the conflict with the ruling oligarchy by involving an ever greater part of the populations and mobilising numerous social and political protagonists?

** In the delegation's next stop in Berlin, a meeting came about between Sigmar Gabriel, president of the German SPD, and Alexis Tsipras.*

Greece: A Crucial Battle for a European Struggle

For the last two years Greece has been a big laboratory. A laboratory for economic policy (meaning how a program of abrupt internal devaluation would work in face of a severe economic crisis in an advanced capitalist economy), for the margins of social reaction and for the form and magnitude of political evolution.

Is this claim stating the obvious? Not that much so. Whether what is happening in this small country of the European periphery is to be considered as a contemporary story of "crime and (benevolent) punishment" or as a preview of a pattern preparing to be applied all around Europe has been – and still remains – at stake.

Greece has gone through one of the most aggressive programs of economic adjustment applied in the developed world, with an absolutely failing result. The cumulative reduction of Greek GDP between 2009 and 2011 was about 12% while, during the first trimester of 2012 recession amounts to -7.5%. Wages and pensions have been cut in some cases up to 50%, the official unemployment rate reaches 22% and social expenditures are increasingly reduced with the goal of reaching 30% of GDP. This was supposed to increase competitiveness, restore the interest for investments and lead the Greek economy back to the markets supposedly by 2013 (according to the initial predictions). What hap-

pened instead was a pile of increasing debt – still unsustainable after a restructuring of 53% a few months ago –, an uncontrollable recession and a society on the verge of breakdown.

What did the story of "benevolent punishment" make of this? The reply lies clear in the punch line of today's (26/5/2012) *Guardian*: "Lagarde to Greeks – It's payback time, don't expect sympathy". In other words: "It is not the austerity's fault, it is your fault. This is a Greek problem with which we have helped enough. Now it is time for you to pay". It would probably need two or three more articles the length of this one to define what everyone means with the words "help" and "payback", but for the

scope of this narrative it should be enough to take a second look at the previous paragraph in order to realize how helpful “help” was.

What is the Greek story then? Are we denying ourselves in insisting that Greece is not an exceptional case, which needs to be cut off the European fabric in order for the latter to save itself? Quite the opposite. We turn around to note some interesting facts: That the first European country to be hit by the crisis was Iceland, one of the countries with the smallest level of corruption worldwide. That the “Irish miracle” fell into shambles when it had to bailout the huge liabilities of its banking sector. That countries with historically low public debts, such as Spain, are now in the brink of the cliff. That economies with productive private sectors such as Italy

and France face the threat of a possible breakdown.

What the Greek Left is struggling to argue is the urgency for everyone to realise that this is a serious European problem that can only be resolved in a collective European way. That the bail-out-austerity nexus is an irrational, ineffective, socially destructive and dangerous way to deal with the European crisis. That what we are experiencing in our country is a loud expression of the rejection of austerity policies which is not only crucial for Greece, but for the rest of Europe.

After the result of the elections of 6 May in Greece, the reinforcement of the Left in France, the fall of the government in the Netherlands and all other efforts of resistance that we have seen and we will continue to see around Europe, those of us who believe that

another Europe is possible must be more confident than ever that the choice we made about not abandoning the European field of struggle was right.

This is why we should not retreat to isolated national debates when in fact the reasons why we have been arguing all this time for a European Left that communicates, that shares experiences, that tries to coordinate struggles, that influences its bits and parts, proves to be correct.

Maybe, starting from Greece, this is our chance to take advantage of the interrelation between our economies, the communication between our societies, the mutual inspiration we acquire from our movements, the appeal of our electoral campaigns on the peoples of Europe. Maybe this time the pieces of our own puzzle are starting to be put together.

Bloccupy Frankfurt

Attack on Democracy – But Thousands Resist Peacefully

By Maik Henning, Rosa Luxemburg Foundation

Despite drastic restrictions of the right of assembly, massive presence of police forces, encirclements, arbitrary arrests, dispersal orders and unprecedented criminalisation and fear-mongering, *Bloccupy Frankfurt* was a success: On 17 and 18 May, the people conquered many spaces in the bankers’ city of Frankfurt such as St Paul’s Square in front of St Paul’s Church – the location of the first German parliament which was democratically elected –, so as to make visible their protest against the power of the banks and the destructive dictates to cut spending which the federal government wants to impose in Europe, assisted by major parts of the *Social Democratic Party of Germany* (SPD) and the *Greens*.

Both inhabitants and visitors of Frankfurt were appalled by finding their city

in a state of occupation thanks to the *Christian Democrats* and the *Greens* who had thus suspended democratic rights laid down in the German Constitution. The *Greens* will have a lot to answer when asked how they want to explain this massive attack on democracy to their voters. In this context, the reaction to the events in Frankfurt of S. Lemke, the Green party federal executive secretary, is particularly unsavoury and hypocritical: “The right to demonstrate is one of the highest goods of democracy”.

The Left in Europe is Getting Stronger – Growing Resistance to Merkel’s Policy of Impoverishment

On 19 May 20,000 people from all over Europe demonstrated in Frankfurt – with strong participation of *the LINKE*,

including many Bundestag members and members of the party executive board. They all protested against the European Central Bank’s impoverishing policies of redistribution and against burdening the citizens of Europe with the gigantic costs of the bail-out programmes for the banks. To the continuing anti-Greek propaganda in both the media “regulated by public law” and the others – which borders on incitement to ethnic hatred –, they responded with international solidarity, “We won’t be played off against each other!” Expressions of the new resistance against the brutal policy of cuts which in Europe is promoted by Federal Chancellor Merkel in particular, are the election results in France and Greece where the partner parties of *the LINKE*, *Front de Gauche* and *SYRIZA*, met with great approval. Also in the

upcoming elections in the Netherlands and the Czech Republic, a strengthening of the power of the Left is expected.

The *Rosa Luxemburg Foundation* helped the *Bloccupy*-alliance with the organisation and also in a number of other ways, with conferences and information, both of them of a strongly improvised nature due to the bans. Precious logistic support was also given by the

executive board of the students of Frankfurt University and the *German Trade Union Federation* on whose premises, among others, people's kitchens were established to feed the activists from all over Europe.

The peaceful dynamics of *Bloccupy* is yet to spread further: First at the *LINKE* party feast on 16 July 2012 (<http://www.linksfraktion.de/termine/fes>

t-linken-2012-06-15/?rss), at events such as "Europe is Plunging into the Crisis – the German Left between Privilege and Protest" by the *Rosa Luxemburg Foundation* as well as "Europe is Mobilizing against the Power of the Banks".

For further reports and **photo galleries** also refer to:

<http://linksfraktion.de/> and <http://die-linke.de>

Austerity Measures

Breaking the Memorandum Fetish

By Loudovikos Kotsanopoulos

Two years ago the Greek government drafted a memorandum of co-operation (henceforth Memorandum) with the EU, the IMF and the ECB as a precondition to receive financial assistance and to avoid an immediate default. At the outset, the Memorandum was presented as a solution to the developmental impasse of the Greek economy, however it soon became apparent that it is only leading to the latter's destruction. Hence the result of the 6 May elections reflected well the political verdict of the Memorandum and put on the table its very nature and aims. What is then the Memorandum's true content and why Greece has to cancel it?

When speaking of the Memorandum one has to begin with an initial claim: There is an explicit dialectical tension between form and content that bears clear political implications. There is, in other words, a stark difference between what the Memorandum appears to be and what it really is.

Appearances come first. The Memorandum is a loan agreement signed by the partners involved in the financial assistance to Greece, and sets the conditions under which the latter will be carried out. Behind this approach lies a set of political presuppositions: The problem of debt is isolated at the country level and is not pertinent to the Eurozone as a whole, therefore specific

Memoranda are to be drafted in order to put the deficit countries in order. The responsibility of crisis management rests solely with the country in question, and in case of failure the blame is put on the failure of government reform attempts. In this respect, if a government opts out of the Memorandum's iron clad is deemed as a rogue state that breaks its commitments and prefers to plunge into a deeper recession turning its ungrateful back on its self-proclaimed saviours. This is more or less the political narrative accompanying the Greek imbroglio in the European and Global governance fora as well as in international media.

However, a closer look would reveal the essence behind the appearance and then a radically different story emerges. The Memorandum is nothing more than a neoliberal response to the incumbent fiscal crisis. It is a recipe prescribing that the crisis can be dealt with solely by rolling back the welfare state, deregulating labour markets and transfer violently a large segment of wealth from work to capital so as to make out for the latter's losses. In this context, the Memorandum is not country specific; rather it is the last card of neoliberalism ready to be played at every corner of the European continent. Hence cancelling the Memorandum is not an act of defiance, but a decisive step towards the survival of the entire European edifice.

A careful inspection fully corroborates the essence of Memorandum as a neoliberal response to the crisis, applied in Greece by token of a test case. Austerity measures introduced by its clauses precipitate its subsequent application to all European countries, irrespective of their exposure width to the current crisis. Three mechanisms are deployed to consolidate capital. The first is taxation. Corporate tax has been reduced the last five years from 40% to 20% and now is scheduled to be reduced further to 15%. The burden shifts to indirect taxation. VAT was increased last year from 21% to 23% while the taxation on basic-need goods rose from 10% to 13%. At the same time high incomes are to a large extent rest intact. The second is the deregulation of the labour market. Collective agreements have been abolished; lay-off regulations are now lifted, while the wages in the private sector have been scaled down by 32%. The same holds for public sector employees who in some cases suffered up to 60% cuts. The third mechanism is privatizations, which open wide the field for the valorisation of capital. A massive programme of privatizations is scheduled amounting to 56 billion Euros. Along with this comes a deregulation of the social insurance system and the dismantlement of public health and education.

A clear indication that the set of policies described above is an utter failure and that the Memorandum is nothing more than a dead letter, is well illustrated in the timeline of its application. The first Memorandum was introduced in spring 2010. Along with its trimester monitoring came four major amendments, only to result in the creation of a second Memorandum in early 2012.

Apart from this, there is an outspoken break with the initial claims of the whole project. The Memorandum was introduced on the grounds that will bring the economy back on track by 2012, while from 2013 onwards an annual rise in GDP was to take place at the rate of 3.5-4%. Two years after the painstaking implementation of the austerity measures the result was: a decline of the GDP

approximating 20%, a rise in unemployment from 11.1% in 2010 to 21.7% in 2012, private consumption fallen by 15% and total investment ratio by 32% and last but not least public debt rose from 115% in 2009 to 165% in 2012. Numbers speak volumes and the voice indicates that the Memorandum is certainly not the road to salvation.

Tool Box

We want to draw your attention also to the following important documents:

“For Europe’s sake Greece must renege on its bailout commitments”

Yanis Varoufakis’ op-ed in *Le Monde*

<http://yanisvaroufakis.eu/2012/05/25/for-europes-sake-greece-must-renege-on-its-bailout-commitments-my-op-ed-in-le-monde/>

“The Exit From The Crisis Is On The Left”

10 programmatic commitments of SYRIZA

<http://www.transform-network.net/en/home/article/10-programmatic-commitments-of-syriza.html>

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