

## Can the Left Save Greece?

by Yiannis Milios, Yiannis Baboulias

For the fifth consecutive year, Greece is mired in deep, morale-shattering recession. In those five years the country's GDP has [plummeted](#) by nearly 20%, and few expect 2013 to bring an improvement.

The crisis exposed what all Greeks knew was there, but found themselves unable to influence: a corrupt, nepotistic political system, reflecting an equally corrupt and untouchable financial elite. Often, they were one and the same, and we knew this.

Following Greece's collapse, the European Union was more concerned with containing the crisis than in helping the country recover. Solutions supposedly designed to cure our ailing economy instead exacerbated the pain: to reduce a deficit created by the political class, the country's people were forfeit. Deep austerity, massive loans, neoliberal policies to make most Thatcherites blush, and a society in permanent nervous breakdown followed.

Three memoranda of understanding, or loan agreements, signed between Greece and its Troika of lenders (the EU, ECB and IMF) were supposed to restore the economy's competitiveness by trimming its "fat" (i.e. welfare). Growth would pick up and the country would begin to recover as soon as... last year. This, of course, didn't happen. The massive loans Greece receives serve only to [recapitalise banks](#), which [hoard](#) them (when they're not giving out suspiciously large loans to [pro-austerity TV stations](#)) in order to meet new regulations imposed by the ECB and to repay previous loans.

Meanwhile increasing numbers of households can't afford heating this winter and cities [suffocate in the smog](#) of burned wood. Some [20,000 people remain homeless](#) on the streets of Greece while thousands of homes remain empty, repossessed by banks widely viewed as complicit in creating the crisis.

The country grows more isolated by the month, as firms (whether Greek or multinationals like [Coca-Cola](#)) leave for greener pastures of lower taxation and greater access to capital. Though a 'Grexit' (i.e. Greece leaving the euro) is no longer on the cards, Greece these days is hardly perceived as an EU country. In a gloomy international economic environment, in which even emerging giants like India are seeing their economies slow down, Greece leads the way as a paradigmatic example of capitalism's inability to grow itself out of trouble, an unwilling front-line fighter in the battle for the future.

A collapse of social cohesion has transformed Greece. Fascist gangs roam the streets, assaulting MPs and theatre-goers in the presence of a police force that stands shockingly complicit. The coalition government is ridden with scandal, involving some of its most high profile ministers. But, amidst the banditry and the despair, we've also seen cause for hope.

Popular mobilisation from solidarity movements, co-operatives and the occupation of Syntagma has been strong. A left-wing party—the [SYRIZA coalition](#)—has for the first time mounted a serious challenge to decades of managed competition between faux-socialist [PASOK](#) and the right-wing conservative [New Democracy](#). SYRIZA now polls at an impressive [23%](#), making it the most likely winner of the next elections as things stand.

Greek liberal and right-wing pundits claim SYRIZA lacks international allies. They mock the visit of its leader, Alexis Tsipras, to Latin America and his meetings with politicians there. But as Prime Minister Antonis Samaras, "Merkel's man in Athens" and newly coronated [Politician of the Year 2012](#) by German daily *Die Handelsblatt*, has achieved little more on the international stage than to establish Greece as a beggar-country, these criticisms fail to resonate.

Yet, if Greek liberals and rightists are in no position to ask it, the question nonetheless merits serious

consideration: given the Greek economy's relative weakness and its dependence on international lenders, is it realistic to think that a future SYRIZA government could chart an independent economic route out of the crisis? More bluntly, can the Left find its place on the global stage, and can it save Greece?

For an answer, we spoke with SYRIZA's head of economic strategy Yiannis Milios, a professor of economics at the Polytechnic University of Athens known for his often controversial policy proposals (including a 1% flat tax rate imposed on all suffering Greek businesses). He heads a group of economists including Yiannis Dragasakis, Giorgos Stathakis and Efklidis Tsakalotos, who collectively shape SYRIZA's economic policy.

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*How feasible are left-wing economic policies in Greece, within the current international economic framework?*

The current climate is without a doubt hostile in most European Union countries. They are mostly governed by neoliberal parties, while their socialist [parties] are actually neoliberal as well. But this reality, which looked so sturdy before the crisis, is now in doubt.

There is obviously intensification in class struggle, not just in Greece but also in Italy, Spain and Portugal, which slowly de-legitimizes the neoliberal spin on the crisis. Therefore, it's the class struggles themselves that change the circumstances and create this new situation in which the Left perspective steadily gains ground. At this point the paradigm is Greece. No one expected a party that combined so many different factions and commanded such a small percentage of votes before the crisis to find itself a serious candidate to win the next elections. Something similar could happen in other European countries as well, and in a very short amount of time. The historical time of the crisis is very "condensed".

*The Greek government and mainstream media portray SYRIZA, and the left in general, as simply a revival of the old PASOK and its socialist policies of the 1980s—but with greatly reduced funds and borrowing options.*

There is indeed an attempt to paint SYRIZA and the European left in the colours of old socialist parties, of clientelism, scandals and unions involved in [shady] dealings with the state. Noteworthy in this is the fact that when the conversation turns to the money PASOK borrowed in the '80s, we forget that it is the *current* government that is tying the country in to endless dependence on its creditors. The Left has a very clear position on this: only through reshaping the social and production models can European societies get through this crisis. As my colleague Yiannis Dragasakis mentioned recently, if the crisis of 1929 was dealt with through Keynesian economics, and the crisis of the 1970s [was solved] when the markets took over, this crisis will be dealt with through the direct intervention of the base of labour that will finally take the economy and society in its own hands.

The model of a social co-operative economy, operating in a more democratic context, is the one that can take our societies out of this crisis.

Returning for a moment to PASOK, what PASOK was in the '80s has nothing to do with what they are today—essentially a neoliberal, corrupt party. Still, even back then, they favoured capitalist interests over the interests of the vast majority of the people, through the establishment of dependency on foreign centres and the infamous slogan of "Greece for Greeks". Our lead is what society needs and not the imaginary "foreign ties of the country" to its lenders. We say "people over profit".

*If we accept that the international climate is not conducive to the implementation of left-wing policies*

*in Europe, how should parties of the Left deal with this?*

Our positions on this are well known. We represent the social front created in Greece against austerity policies and our ambition, together with the affiliated forces of the European Left party and others who will join in the process, is to enable the establishing of a European front against austerity. Once we're in power after the next elections, we will no longer be the ones who react but those who can take initiatives towards a different direction. This is what we'll do, not only in Greece, but also on the international level.

As Alexis Tsipras has said in the past, we will call upon all European governments to re-examine all the treaties signed in the past few years, which drove Greek society to the situation we find ourselves in today. At the same time we will call for an international forum to discuss the viability and targets of Greek and European debt and budgets, rather than simply the short-term management of the debt crisis we've seen to date. We also intend to take up initiatives in the direction of re-examining the European Union treaties that make up the pivotal points of what brought us to this. The neoliberal model has failed and it's time for a change. This is the horizon of the European Left politics.

*Is there room for co-operation between Conservative/Liberal governments, like those in Germany and Britain, and a future SYRIZA government?*

It depends on what we mean by "co-operation". It won't be the first time governments with different strategies have co-existed in the EU. Governments always work together in the context of European institutions. In that context, there's room for debate and the possibility to, again through debate and negotiation, reach a level of co-operation.

*In terms of economic policy, what would be SYRIZA's first moves in Greece, if elected?*

First of all, SYRIZA would legislate for the relief of those worst affected by the crisis. It is inconceivable for the basic wage and unemployment benefits in a European country to be below the poverty line. This will have to change. Wages, for once, will be decided through free negotiation between social institutions that represent the productive classes, as is fit for a democratic country. It's obvious that this is not neglecting the target of erasing our budget deficit.

SYRIZA considers increasing revenue from taxation to be a major priority. We think that what is happening today, and especially the size of the fiscal crisis, is directly related to the general practice of tax-evasion and tax-avoidance of the upper-class of the Greek society. This immunity [from taxation] will end. There will be negotiation, we will use tools like the newly established assets list, we will establish a code that will discourage tax-dodging and we will achieve a dramatic (according to current data) increase in revenue.

We also think it imperative to restructure public expenditure. It's unthinkable that in a society facing a humanitarian crisis, expenditure is directed towards repression and military spending instead of covering basic necessities like feeding the population and heating schools and hospitals.

*Those plans are likely to meet fierce resistance from traditionally powerful lobbies, like ship owners.*

*Could a left-wing government, such as SYRIZA in Greece, gain sufficient traction to overpower these interests?*

I think that societies can definitely help with piling up the pressure and supporting governments “from below”. With this support for instance, SYRIZA managed to turn into a unified party instead of many smaller fractions, as it used to be. The party’s relationship with these lobbies will be shaped soon, depending on their willingness to finally shoulder some of the weight the crisis has imposed on the Greek people. It’s certain that the prosperity they enjoyed for decades, the immunity from taxation, has created enough “stock” the powerful could and need to share in order to restart our society.

*How would you fund the reconstitution, in the short term, of the productive basis of the Greek economy, currently in ruins in the wake of austerity? And do you think you’d find any allies in these efforts? To put this another way, do you think the Left can initiate or handle a new “New Deal”, especially its first crucial steps?*

There certainly need to be new ways to finance our dying economy. For instance, apart from the savings from structural adjustment, special purpose banks will be founded, to operate essentially as investment funds. Point is, this New Deal can’t look anything like that of the 1930s. This New Deal needs to reflect the messages popular movements themselves articulate, the movements in Egypt, Spain, the USA, Greece: young people with the potential to take the world forward. They want to take the means of production in their own hands, to use them in order to shape a future that is now taken from them simply because in a crisis capital tends to end up in very few hands that hesitate to invest it, accustomed as they are to the high revenue figures of the last decades. This vision was expressed through the Syntagma square occupation in Greece, it can take shape in SYRIZA and parties of similar identity all over Europe.

*Is the Left in Greece against all investment, as has been claimed many times in the past few months?*

It’s impossible to provide a simple answer to this. The only “easy” answer is the one provided by the current coalition government that stands for any and all investment, regardless of the benefits it will bring to the public.

The Left is more realistic. If we define “investment” as a fund coming to buy up businesses which have found themselves in a tough spot because of the crisis, downsize them, fire staff and sacrifice its long-term prospects for short-term profitability, then we are categorically against this. I think that in situations like these, we’d rather see workers themselves taking over the production means, and we will establish the framework for them to be able to do just that.

If, though, we define “investment” as providing capital for the development of activities that respect our society as a whole, that in order to produce profit make use of what modern technology can provide, that respects the worker’s rights and the natural environment, if they cover basic social criteria like jobs creation, then yes, we are for that kind of investment.

*Considering the treaties Greece has already signed, though, would SYRIZA have enough room for manoeuvre to achieve these objectives? Haven’t previous governments effectively “locked” Greece in to the current set of policies?*

The last four governments have done everything within their power to subjugate Greece to the

country's lenders, especially by giving up [vital immunities](#) countries usually enjoy. This choice was deeply ideological and classist in nature.

The typical obligation is there for our side. But relations between states are primarily political rather than commercial. A negotiation between a bank and a company is not the same thing as negotiating a loan agreement between states. The most important element here is the political. The negotiation is carried out depending on the position the country's citizens adopt. If a left-wing government is backed by the people who, in the past, flooded Syntagma square and demonstrated their dissent against austerity policies in every city in Greece, then we have nothing to fear. This negotiation will prove to be of benefit to the vast majority of the Greek society.

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