

THE GREEK CAULDRON

THE ESCALATION OF the Eurozone crisis in the closing months of 2011 has produced spectacular upheavals in the political landscape. Within less than a fortnight, the Greek Prime Minister George Papandreou had announced a referendum on the punitive terms of a loan agreed at the Eurozone summit on October 27, only to abandon the plan after public humiliation by Sarkozy and Merkel at the G20 summit in Cannes on November 4, and resign two days later. On November 10, Lucas Papademos, ex-chief of the Bank of Greece and a former vice-president of the European Central Bank, was installed at the head of a government of so-called national accord. Alongside ministers from the preceding PASOK government, with several key figures— notably the Finance Minister Evangelos Venizelos—keeping their posts, the centre-right opposition New Democracy party has been awarded six cabinet positions, including Defence and Foreign Affairs. Papademos's government also includes a minister and two deputy ministers from the extreme-right LAOS party, which returns to office for the first time since the fall of the military dictatorship in 1974. By contrast, the parties of the Italian centre right, the Lega Nord and Popolo della Libertà, announced their opposition to the so-called technocratic government of the EU Commissioner Mario Monti, formed in Rome on November 12 after the forced departure of Silvio Berlusconi; thus scotching the plans of the centre-left PD, which had hoped to enter office on Monti's coattails.

The outcome in both Athens and Rome was above all determined by outside pressure from the German and French governments, accompanied by relentless assault from the bond markets, which have priced up both countries' debts to unsustainable levels. The installation of first Papademos and then Monti can thus be considered as bloodless coups, conceived and administered by the Eurozone leaders and the bankers, whose authorized representatives they are. Marx's characterization of the 1830–48 July Monarchy in France—'a joint stock company

for the exploitation of the national wealth', run by and for 'the financial aristocracy'—has gained renewed relevance.¹ Yet the social and political situations within the two countries are in marked contrast. For the past two years Greece has been on the receiving end of the most punishing austerity programme ever implemented in post-war Europe, which has produced a cycle of increasingly radicalized mass mobilizations since May 2010, with huge demonstrations, general strikes and the occupation of Syntagma Square.

The 48-hour general strike of 19–20 October 2011 confirmed that this cycle was entering a new phase. According to the most reliable estimates, around 300,000 turned out for the demonstrations in Athens and at least 200,000 in the rest of the country, out of a total population of 10.5 million. The marches were particularly imposing in provincial towns. The strike paralysed the entire public sector and the majority of big enterprises; almost all small businesses and a fair proportion of small-to-medium concerns joined in, often at the bosses' urging. Participants included workers from the public and private sectors, the unemployed, young people, small business owners and entrepreneurs, retired people. The scale, spread and diverse social composition of the demonstrations indicated the support of the majority of society. The two days of protest also included a range of spontaneous actions: occupations of public buildings, including government ministries; refusal to pay the new taxes; prolonged strikes by groups such as dustmen and hospital staff. The largest organization of the Greek radical left, the Communist Party (ΚΚΕ), and its trade union, the All Workers Militant Front (PAME), organized a blockade of Parliament on October 20.

A dynamic of street action had been established, which escalated in the demonstrations that broke out on the national holiday of October 28. Known as the 'Anniversary of the No', it commemorates the Greek government's rejection of Mussolini's ultimatum in 1940 with parades in streets and squares across the country—the equivalent of Bastille Day. This year the demonstrations were turned into a national 'No' to the EU–IMF–ECB Troika and its punishing austerity programme: officials were chased from the dignitaries' stands. The President of the Republic, Karolos Papoulias, a symbolic figure from the old guard of PASOK, had to flee from the ceremonies in Thessaloniki, where he had come to watch

¹ Marx, 'The Class Struggles in France, 1848 to 1850', in *Surveys from Exile*, vol. 2 of *Political Writings*, London and New York 2010, pp. 36–8.

the national military parade. The army march past was cancelled; school delegations, civilians and reservists marched in its place, many with fists raised, to the acclaim of the crowd. Slogans taken up by demonstrators across the country linked the ‘No’ of 1940 with the current situation, likening today’s leaders with the wartime collaborationists; chants and songs from the Resistance mingled with those from the struggle against the military dictatorship, while German and EU flags were burned before jubilant crowds. A symbolic threshold had been crossed: for large swathes of society, it seemed that a connection was emerging between the social and national elements of the protests, linking the present with popular memory. It was in response to this situation that a shaken Papandreou suggested his high-risk referendum initiative, which turned out to be fatal.

Hellenic exception?

Why has Greece—rather than, say, one of the newly integrated ex-Communist countries, Slovakia or Slovenia—turned out to be the Eurozone’s weakest link? The answers lie in its longer-term path of historical development, as much as in its euro-era credit boom. The fall of the Greek Junta in 1974 brought the end of a repressive cycle which had begun with the start of the Civil War in 1946, and arguably dated back even further to the Metaxas regime of the late 30s. The ‘Rule of the Colonels’, who had seized power in 1967, was in that sense merely the final episode of the authoritarian system, marking the agony of this historical sequence. The Junta’s downfall therefore produced a sense of liberation far out of proportion to their seven-year tenure; the period known as *metapolitefsi* was one of particular effervescence and radicalization in Greek society, a cathartic moment quite different to the post-Franco ‘transition’ in Spain—or, indeed, the Carnation Revolution in Portugal.

Yet the social foundations of the *ancien régime* remained largely in place, not only under the conservative New Democracy party in the second half of the 70s, but also during the long rule of PASOK after 1981. Historically, big Greek capital had always had a diasporic-mercantile character. Concentrated in international shipping and banking, it displayed little interest in productive investment at home. At the same time, the devastating defeat of the left in the Civil War meant that post-war Greece possessed nothing comparable to the social compromise forged

elsewhere in Europe in the 1950s and 60s: there was no welfare state, no social-democratic party; wage-levels continued to be miserably low and workplace regimes were very repressive. Unionization was all but impossible in the private sector, and the official public-sector unions were kept on a tight rein: the last leaders to be legitimately elected by the rank and file were arrested and shot in 1946. Greece had also experienced a particularly brutal capitalist modernization: the countryside was dramatically emptied out, in part as an effect of the Civil War; counter-insurgency tactics, applied under close US supervision, brought the wholesale expulsion of villagers. Millions emigrated overseas, while millions more moved to the cities, above all to Athens, which experienced headlong expansion in the post-war period. This largely explains the phenomenal concentration of the population, with nearly half of the national total living in the capital.

The social compact on which Greek governments had rested in the immediate post-war decades excluded the working class and peasantry, instead relying on the support of the petty bourgeoisie—family-run businesses, independent professionals and, as of the 1960s, small proprietors in the nascent tourist sector. This layer was the privileged client base of the conservative parties that ruled the country in the 1950s and 60s, and was offered advantages unavailable to the mass of the population; these included exemption from taxes, access to public-sector jobs—doled out by the main right-wing parties—and a certain level of social mobility through education. Thanks to this compact, the Greek class structure for a long time preserved a distinctive peculiarity compared to other European states: the relatively large petty bourgeoisie meant that wage earners came to constitute a majority of the population only in the 1970s. The narrow tax base and lack of social welfare systems also reinforced another peculiarity: the reduced size of the Greek state, especially small if we leave aside its hypertrophied repressive apparatus.

By the time the Junta left the scene, unemployment had reached chronic proportions, and the defects of the existing model had become evident. While the tensions and conflict it produced could be contained by the previous regime, under the new democratic dispensation it was no longer sustainable. Elements of a social compromise were therefore introduced, first by the conservative government that was installed in 1974; PASOK then enlarged upon these when it came to power in 1981. They included an expansion of the very meagre welfare state; the creation of a national

health system; substantial increases in salaries and pensions; an extension of public services, noticeable above all in the countryside; and significant expansion of the education system. PASOK also implemented progressive trade-union legislation and university reforms. Greece was therefore moving in a social-democratic direction in the 1980s, at a time when most other European states were making a neoliberal turn. However, the PASOK governments of the 1980s did not touch the fundamental pillars of the preceding social compromise. Not only large capital, but even the moderately wealthy and middle layers remained unburdened by taxes. What PASOK did was in effect to add social-democratic accretions to the existing social formation, funded in part by European adjustment funds. Periodic attempts were made to rein in budget deficits; but an unavoidable legacy of public debt remained from this relatively generous social-democratic phase, which helped the country recover from decades of authoritarianism and underdevelopment.

Euro bubble

The neoliberal turn therefore came later in Greece than elsewhere in Europe. It was Costas Simitis, PASOK prime minister from 1996 to 2004, aided by Papademos at the central bank, who set the country on a course of sell-offs and deregulation, while also claiming to cut the deficit, lower labour costs and crush inflation, bringing the country into line with EMU convergence criteria and joining the euro in 2001. Financial deregulation had produced a frenzy of speculative activity, boosting the Athens stock market to unprecedented heights and transferring large quantities of wealth upwards to a newly financialized elite; euphoria rose higher still in the run-up to the 2004 Athens Olympics. In reality, as the world now knows, the deficit figures were rigged: Simitis and Papademos oversaw a fee of \$300 million to Goldman Sachs to shift billions of euros of debt off the public accounts. Yet even when this was revealed by Eurostat in 2004, the ratings agencies continued to give Greek bonds a triple-A investment grade. Like Spain and Ireland, Greece was seen as a Eurozone success story, by contrast to the ‘rigidities’ of France and Germany. Its traditional sectors of shipping and banking were riding high during the globalization boom; Greek banks expanded their operations into Romania and Bulgaria. Growth rates soared, buoyed up by credit provided, not least, by French and German banks, which fuelled a lending boom to Greek consumers. The government debt, too, soared—stabilizing at around 100 per cent of GDP as of 1993—drawing on both

domestic and above all foreign loans, the latter comprising two-thirds of the total. French loans funded an extraordinary arms-buying spree: in 2005–09, for example, Greece bought 25 French Mirage-2000 jets and 26 F-16 fighters from the US, purchases which accounted for 40 per cent of the country's total imports.²

The music stopped with the Crash of 2008 and ensuing worldwide recession. The public debt started rising dramatically, when Karamanlis's centre-right New Democracy government decided to bail out the banks and the Greek economy began to feel the impact of the global downturn. Revenues from shipping and tourism slumped, the flow of cheap credit stopped abruptly, GDP shrank by 2.7 per cent in 2009 and unemployment rose to nearly 9 per cent. Revised figures for the national accounts, as published by Eurostat in the autumn of 2010, would show a 2009 deficit of 15.4 per cent of GDP and public debt of 127 per cent of GDP. Already facing strikes and a national wave of school-student protests after Athens police had killed a 14-year-old boy, Karamanlis balked at imposing the austerity programme Eurozone leaders were now demanding and called an early election. PASOK returned to office under George Papandreou, the Amherst-educated son of Andreas, taking 44 per cent of the vote to New Democracy's 33 per cent.

With the economy plunged into deepening recession, the level of public debt was clearly unaffordable. A structured write-down of Greek debts at this stage would have been an entirely manageable procedure. It was adamantly opposed, however, not just by France, the UK and the ECB—where Trichet shrilled that it would bring a global meltdown—but by the Papandreou government itself. In February 2010 when Yanis Varoufakis, a respected PASOK economist, called publicly for a default he was attacked by the Greek Finance Ministry for spreading 'treasonous notions'.³ Whether out of weakness or vanity, Papandreou refused to countenance a structured default, even on the loans-for-arms of the previous government—'odious debt', by any measure—preferring to put the country through the rack of successive austerity measures in order to continue the drip-feed of EU-IMF loans ('bailouts') needed to roll over the ever-growing interest burden. Two rounds of swingeing budget cuts in February and March 2010 did nothing to slow the rise

² According to the Stockholm International Peace Research Institute, in 2006–10, Greece was the world's fifth largest importer of weapons.

³ Landon Thomas, 'The denials that trapped Greece', *NYT*, 7 November 2011.

in Greek bond yields. With deadlines for refinancing looming—and with debt restructuring still firmly off the agenda—in early May 2010, Papandreou signed a Memorandum of Agreement with the Troika: salaries and pensions were to be slashed by a quarter, and the public sector starved of funds still further, bringing hospitals, universities and basic services to a standstill, as conditions for a €110bn loan that would be dispensed, month by month, to the creditor banks. The parliamentary debate on the Memorandum prompted a massive wave of strikes and popular mobilizations, starting on 5 May 2010. As a telling measure of the party's hollowing out after decades in office, only two PASOK deputies voted against.

Mobilizations

The year that followed brought one of the most drastic drops in living standards that post-war Europe has seen. Workers and the retired alike have lost around a third of their incomes. Wage arrears in the private sector have now reached three months on average, while public-sector pensions—around €500 to €700 a month—are in many cases not being paid at all. Public services are in a state of collapse: schools are without textbooks, bringing teaching to a virtual halt, while hospital patients are being told to buy their own medication from pharmacies. The suicide rate, traditionally one of the lowest in Europe, has increased by 40 per cent in just one year, and the health of the population is deteriorating dramatically.⁴ The actual unemployment rate is said to be around 25 per cent (the official rate is 18.5 per cent), with the figure twice as high among 15-to-24-year-olds, while GDP has declined by at least 12 per cent since the start of the crisis, a proportional drop comparable to the effect of the 1930s Depression.

Successive strikes and protests were given fresh impetus in May 2011, when thousands of people occupied Syntagma Square, taking up the tactic of the Egyptian masses in Tahrir Square and the *indignados* of Madrid. The 'people of the squares' were a heterogeneous group, consisting for the most part of voters alienated from the two major parties, joined by sectors of the population excluded from the traditional representative system (precarious workers, unemployed people holding higher education degrees). But over the late spring and early summer

⁴ See Alexander Kentelenis et al., 'Health Effects of Financial Crisis: Omens of a Greek Tragedy', *Lancet*, 22 October 2011, pp. 1,457–8.

they converged with a re-energized trade-union movement. Though many of them had become bureaucratized under PASOK or ND tutelage, the trade unions remain a considerable force in Greece, with one in four wage-earners a union member. The June 15 demonstration brought 300,000 people onto the streets of Athens, as the Parliament prepared to vote through yet another round of austerity measures. The popular assemblies and unions together encircled the Vouli and other public buildings, the police responding with fierce repression. With the streets of the capital in turmoil, a shaken Papandreou offered to make way for a government of ‘national accord’. The idea was rejected out of hand by New Democracy leader Antonis Samaras who had consistently held out against the conditions of the Troika’s Memorandum. Papandreou undertook a cabinet reshuffle instead, bringing in his old opponent Evangelos Venizelos as Finance Minister. But the episode revealed the logic of a deepening political crisis.

Soft coup

The magnitude of the May–June 2011 ‘movement of the squares’, and even more so that of the October general strike and ‘Day of No’, suggests the conditions of what Gramsci called an ‘organic crisis’, when ‘social classes become detached from their traditional political parties’. Such a crisis comes about when the masses ‘have passed suddenly from a state of political passivity to a certain activity’—‘the immediate situation becomes delicate and dangerous, because the field is open for violent solutions, for the activities of unknown forces’. It now becomes a ‘crisis of authority’—‘the crisis of hegemony, or general crisis of the State.’⁵ Confronted with this situation, the political system seeks to free itself from representative structures and the rules of parliamentary alternation of power. Gramsci spoke of ‘Bonapartism’ or ‘Caesarism’, which can be imposed ‘even without a Caesar, without any great, “heroic” and representative personality’.

In a parliamentary regime, such solutions take the form of ‘grand coalitions’, which directly link the economic and sectoral interests of the ruling classes with fractions of the political elite that have loosened their previous party ties. By comparison to the Bonapartist phenomenon, which was personalized and confined to the 19th century, these solutions offer greater flexibility in constructing a power bloc that bypasses, or

⁵ Antonio Gramsci, *Selection from the Prison Notebooks*, London 1973, pp. 210–1.

significantly alters, representative arbitration and electoral legitimacy, without breaking explicitly with the existing parliamentary framework. It is within this context that the formation of the ‘national unity’ government headed by Papademos should be situated. The idea had been circulating for some time, and was briefly tested, as we have seen, in June 2011. But the issue only became truly urgent with the explosive turn taken by popular movements in October. There were numerous indications at this time that the state machinery had been shaken—from the almost complete paralysis of public administration, exacerbated by a wave of occupations of government buildings, to the sudden removal of the entire military high command, who had made no secret of their opposition to severe cuts in the army’s budget.⁶

In such circumstances, faltering leaders often take initiatives which end up spreading the fire that they were supposed to douse. Papandreou’s announcement of a referendum is a prime example of this kind of gesture. The PASOK leader’s *démarche* sowed panic in the stock markets and brought down the fury of the EU’s Franco-German directorate, understandably alarmed at the mere mention of the word ‘referendum’: the EU had scarcely escaped unscathed from popular consultations of this kind, held in immeasurably better conditions than those of Greece. Papandreou’s humiliation at the Cannes G20 summit of November 3—unprecedented for a European leader—was the logical consequence of this false, although undeniably overdue, democratic naivety.

Domestically, Papandreou’s gesture—followed swiftly by direct pressure from European leaders—indirectly strengthened the hand of the ‘Internal Troika’ faction of the PASOK, who immediately rejected the idea of a referendum and instead called for a government of ‘national unity’.⁷ While Papandreou may have undermined the cohesion of his own party, he scored some points against the right-wing opposition. Faced with the strong possibility of a victory for the ‘No’ to the October 27 agreement, which would amount to a vote for a default, if not for leaving the euro, New Democracy fought vigorously against the referendum proposal. But in the wake of this, it was forced to yield to the demands for ‘consensus’ made by the business world and European leaders since the start of the debt crisis, even though Samaras dug in his heels when instructed by Merkel and Sarkozy to write a letter signalling his agreement with the

⁶ The cuts have so far left the multi-billion-euro arms purchases untouched.

⁷ Its leaders include Anna Diamantopoulou, Andreas Loverdos and Giannis Ragoúsīs.

October 27 conditions. For its part, the far right—which since spring 2010 has championed the idea of ‘national unity’, as a muscular means of imposing ‘shock therapy’—experienced the moment as a triumph, allowing the LAOS leader, Georgios Karatzaferis, to gain the institutional respectability he so craved. Formations on the fringes of the centre-right and centre-left—the small, ultra-liberal and europhile Democratic Alliance; the Democratic Left, which emerged from a rightist split from Synaspismos; the Greens—also offered support, despite rejecting the confidence vote due to the participation of LAOS. Thus the way was paved for the formation of a government headed by the banker Papademos—the natural incarnation of a ruling bloc that is entirely dominated by the interests of European finance.

Educated in Athens and at MIT, Papademos—also a member of the Trilateral Commission—was governor of the Bank of Greece between 1994 and 2002. He was thus one of the architects of Greece’s entry into the euro, alongside his political mentor Costas Simitis, who is thought to have very close ties to the German business world. Papademos was also integrally involved in the financial manipulations that enabled Greece to meet the Maastricht ‘convergence criteria’, and which the EU’s own statistical body criticized so furiously in 2010. This was no obstacle, however, to his becoming vice-president of the ECB from 2002 to 2010. Until his elevation to the premiership, Papademos had served as an unselected advisor to Papandreou.

Indications of the radical neoliberalism that inspires Papademos and his entourage can be gleaned, firstly, from an article he published in the Greek daily *To Vima* and the *Financial Times* on October 23, in which he challenged the proposal to cancel 50 per cent of the Greek debt held by banks and other private institutions that was eventually adopted by the EU summit of October 27.⁸ Instead, he advocated sticking with the 21 per cent cancellation suggested at the summit of July 21, a proposal almost unanimously judged scandalously favourable to the banks and utterly unsustainable for Greece. When it comes to paying the country’s debt, it would be better to bet on Angela Merkel’s ‘generosity’—or realism—than on the new prime minister. Second, one of the primary demands of Papademos and his European supporters, in the midst of their obstinate rejection of the proposed referendum, was to sideline the idea of fresh

⁸ Lucas Papademos, ‘Forcing Greek restructuring is not the answer’, *Financial Times*, 23 October 2011.

elections. This had been one of the conditions on which the ND supported the government of ‘national unity’, and Samaras had mentioned February 19 as a possible date in the statement he made immediately after its formation. Confusion continues to reign on this point; but it is clear that, in line with the Bonapartist logic noted earlier, Papademos and the EU are not looking for a merely transitional team with a limited mission. They wish to install a fighting government, as one of the prime minister’s former colleagues at the ECB stressed in remarks made anonymously: ‘Leading the Greek government, he will have to learn to make hard choices, to make people unhappy.’⁹ Flanked by his LAOS ministers and the zealots of the ‘internal Troika’, he will no doubt learn very quickly.

The EU’s role in all this deserves specific comment. Even the remnants of national sovereignty and democracy that had still existed in Greece, already largely formal, are now a thing of the past. The manner in which Papandreou was forced to retract the promise of a referendum—having had the terms of the question to be asked and even the date of the ballot imposed upon him in the most humiliating fashion—the conditions of his departure and the shadowy manoeuvres leading to the formation of the ‘national unity’ government: all this constitutes a bloodless coup, the first whose planning and execution have been guided by the EU. It scarcely seems necessary to point out the current government’s utter lack of democratic legitimacy. Yet the task it has been assigned—applying the October 27 agreements and carrying out austerity measures even more severe than any to date, under permanent Troika supervision, amid a sell-off of nearly all the country’s remaining assets—will mortgage Greece for decades to come.

Political outcomes

How has the unfolding crisis affected the political landscape? Opinion polls currently indicate an enormous distrust of almost all political parties, around a third of respondents refusing to state a preference. There is an overall tendency towards fragmentation, continuing the pattern seen in the November 2010 regional and municipal elections. In these, there was a pronounced swing away from PASOK, whose share of the vote dropped by 9 per cent compared to the 2009 parliamentary vote. The radical left made notable gains—the KKE moved from 10 per cent

⁹ Cited in Clément Lacombe and Allain Salles, ‘M. Papadémos désigné premier ministre en plein chaos politique et économique’, *Le Monde*, 12 November 2011.

to 14 in the capital region, and polled 11 per cent nationally—but so did the neo-Nazi group Golden Dawn, which scored 5 per cent in Athens. Based on projections from those who did indicate a preference in recent polls, in a national election PASOK would obtain around 20 per cent of the vote, ND about 30 per cent and LAOS 6–8 per cent; while the parties to the left of PASOK, if we include the Democratic Left, would between them garner more than 30 per cent of the vote. If these estimates were to prove accurate, no single party would win a parliamentary majority.

Such an outcome would represent a total collapse for PASOK, which has generally secured around 40 per cent of the national vote since the 1980s. Founded after the fall of the junta in 1974, PASOK became a mass party in the 1980s; it had hundreds of thousands of members, building a party machine that until quite recently was imbricated into Greek society. The party had a strong working-class base, for instance in the industrial belt of Piraeus and the western suburbs of Athens. Most of the trade-union leaderships, especially in the public sector, were affiliated with PASOK, allowing it to bring a sizeable portion of the labour movement under its sway. The bureaucratization of these unions, and the corruption involved, certainly contributed to the ebbing of its support; but by the 1990s, the party had ceased to function as a mass political organization. The principal cause has been PASOK's gradual autonomization from its social base, which gained momentum under Simitis, with the effects of the model he promoted. This process in turn explains the lack of splits within the party—one small parliamentary faction aside—over the Papandreou government's repeated rounds of austerity. The electoral machine to which the party has been effectively reduced, however, is itself now losing substance in spectacular fashion.

New Democracy has thus far held up rather better. Like PASOK, it too became a mass party in the 1980s, with its support base strongest in the more traditionally right-wing parts of the countryside and among the petty bourgeoisie. During the long reign of PASOK, it also managed to maintain a clientelist base; it has its own trade-union wing, which even today is comparable in scale to that of the ΚΚΕ. It was the party's rank and file that was responsible for the election of Antonis Samaras as leader after ND's defeat in the 2009 elections—a complete surprise for the country's political and media establishments, who had seen a victory for the hyper-Atlanticist Dora Bakoyanni as a foregone conclusion. The product of an upper-class Athenian family, Samaras was educated in the

US, rooming with Papandreou at Amherst. He adopted a tough nationalist line on the Macedonian question in the early 1990s, and throughout the debt crisis has consistently emphasized the issue of national sovereignty. Despite an overall neoliberal outlook, and his explicit support for some of the Memorandum's key measures—privatizations, 'structural reform' of the labour market—Samaras did not vote for the austerity programme and continued to oppose the terms of the EU bailouts, to the astonishment of the European political class. In that sense, he is possibly the only remaining figure within the Greek political elite who defends the traditions of representative parliamentary democracy. Only intense pressure from Merkel and Sarkozy seems to have convinced him to back the government of national unity, and even then he pushed very strongly for the Papademos government to give a date for elections, something Papademos—backed by PASOK and the Troika—has so far refused to do.

Fragmented left

The Greek radical left, for its part, has found itself in a paradoxical position since the beginning of the debt crisis. On the one hand, its position in the electoral landscape has been strengthened, from levels that were already high in a European context. Its activists have a prominent presence in popular mobilizations, even if the 'movement of the squares' highlighted its difficulties in widening its influence to social layers beyond its traditional base. However, it has struggled to intervene strategically in the political situation, or to propose any credible alternatives to the barbaric policies being enacted in the face of such widespread opposition.

Two factors weigh particularly heavily in this context. Firstly, the deep division—or rather state of virtual civil war—between the radical left's two main components. The KKE is doggedly committed to a sectarian and nostalgic Stalinist line, which still dominates its electoral activity and grass roots. Syriza, the Coalition of the Radical Left—a grouping of ten parties and organizations, of which the main one is Synaspismos—advocates a united approach; but it has been unable to make its various factions cohere, and tends to fall back on minimal declarations of unity founded on a simple rejection of austerity.¹⁰ Necessary for united action,

¹⁰ Synaspismos, the Coalition of the Left—not to be confused with Syriza, the broader coalition launched in 2004—is the outcome of two splits from the KKE, in 1968 and 1991. It scored 5 per cent in the 2007 elections, compared to the KKE's 8 per cent. Most of the other components of Syriza, which include Maoist, Trotskyist and 'movementist' organizations, are to the left of Synaspismos.

this has proven insufficient when it comes to posing an alternative to the ruling powers. Within Syriza—and especially for Synaspismos—the majority line is that the debt should be renegotiated at EU level, without halting repayments. The questions of the euro and of the anti-democratic, indeed quasi-colonial, structure of the EU are minimized or put off until some indefinite point in the future, when a ‘European social movement’ will supposedly have changed the entire EU system.

Faced with this impasse, elements of Synaspismos—notably the ‘left current’ led by Syriza’s current parliamentary spokesman, Panagiotis Lafazanis—and members of Syriza who have reformed as the Front for Solidarity and Rupture, led by one-time Synaspismos leader Alekos Alavanos, are breaking with the Europhile consensus. They advocate a ‘Kirchner-style’ renegotiation of the national debt, involving cessation of payments, accompanied by exit from the euro and nationalization of the banking sector; this would allow for devaluation of the currency, offering a way out of the logic of ‘internal devaluation’—essentially a dramatic reduction in labour costs—that has been imposed by the high priests of austerity. Such a break with European institutions, without an immediate exit from the EU, is necessary on political as well as economic grounds, in order to release the country from Troika supervision and restore its basic democratic functions. This agenda, strongly argued for by the London-based economist Costas Lapavistas and colleagues, is already promoted by the extra-parliamentary far-left group Antarsya, as the basis of a programme for an anti-capitalist rupture.¹¹ However, despite some important convergences and its growing audience, the ‘anti-EU pole’ of the radical left is finding it difficult to coordinate and gain greater visibility.

Within the KKE, the situation is more sterile still. Traditionally hostile to the EU, the party has long favoured a Greek exit from the Union. But it has nonetheless been cautious on this subject since the start of the debt crisis, stressing that none of the problems the country confronts can be resolved until the ‘power of the capitalist monopolies’ has been overturned and ‘popular power’ established (under the party’s direction, naturally). This ‘leftist’ rhetoric in fact serves to justify a quietist practice when it comes to mobilizations, concerned above all to avoid joining any unified actions of the left, and to portray Syriza and

¹¹ See Costas Lapavistas, Annina Kaltenbrunner et al., ‘Breaking Up? A Route Out of the Eurozone Crisis’, Research on Money and Finance report, November 2011.

Antarsya alike as 'opportunist forces' that are 'playing the game of the bourgeoisie and of the EU'.

In truth, the ΚΚΕ leadership, like that of Syriza, make use of a radical but disembodied discourse, one eye always on the polls. They seem content with the role of passive repositories for popular rage, a shared position which has created a strange complicity, beyond the virulent polemics. In both cases, albeit for opposing reasons, what is excluded is the idea of an alternative built on transitional objectives, responding concretely to the crucial problems raised by the crisis: the debt, eurozone membership, the economic model, the need for democratic reconstruction, the questions of national independence and the relationship with the EU. This perverse complicity explains why Papandreou's referendum proposal placed both Syriza and the ΚΚΕ in a difficult position, above all when it seemed that the question of the euro, and the idea of an escape from the EU's iron cage, would both be raised. Though they ended up calling for a 'No' vote, both Syriza and the ΚΚΕ have now chosen to make the call for early elections their watchword, hoping to convert their high opinion-poll scores into seats.

This routinized handling of a situation that is extraordinary in all senses of the word is fraught with risks. The formation of the Papademos government, which sets the seal on the common front of the Greek and European ruling classes, presents a formidable test for the Greek left. Far from being a marginal force, consigned to the role of witness, it is now invested with a historic responsibility: the construction of a social and political front capable of taking up the challenge presented by an adversary that is unstable, and thus even more dangerous. If the left shrinks from the task, revealing itself unable to alter the status quo, it could well be swept from the scene, as have all oppositional forces in countries that have already suffered 'shock therapy'.

What are the likely outcomes to the Greek crisis? By far the most probable scenario is a default. This now seems unavoidable, and will perhaps occur after the sixth austerity package has been implemented. The austerity measures themselves will trigger further waves of social unrest; here it is hard to predict what forms any upsurge will take, and what their political content will be. But the likelihood that the Greek response to social catastrophe will mirror that of, say, Yeltsin's Russia seems slim: Greece is a far less atomized society than the late Soviet Union, with far

higher levels of popular mobilization. This therefore implies a much more confrontational outcome than that of 1990s Russia, as the regime struggles to maintain control over a desperate population in revolt. The possibility of an authoritarian *fuite-en-avant* then arises; already the far right has discussed altering the electoral law to block the left from increasing its presence in parliament, speaking ominously of Greece becoming ‘the Cuba of Europe’.

The example of Argentina is much discussed in Greece at present, with Fernando Solanas’s 2004 documentary *Memoria del saqueo* enjoying enormous popularity. There is certainly a political void in Greece into which a Kirchner figure could step, perhaps from the margins of the political system—especially if the left continues to be paralysed. And while it lacks the commodity-export base that fuelled Argentina’s economic revival, Greece possesses other advantages: a highly educated population, relatively good infrastructure, a strong tourist sector, its overall level of wealth. There are crucial differences, however, that make it very difficult to see this scenario being realized. Firstly, the extent to which the Greek ruling class is integrated, both politically and economically, into the European project. Secondly, the Greek debt crisis is an organic part of a wider crisis of the eurozone: events in Athens trigger immediate reactions from governments and stock markets elsewhere, to a far greater extent than did those in Buenos Aires.

Greece’s current situation is unlike any we have seen before in post-war Western Europe. In this respect, Greeks may find themselves once more at the forefront of historical developments. In 1821, they were the first continental country to win national independence; by saying ‘No’ in 1940, they were the precursors of the battle against fascism. Their uprising against the military dictatorship in the early 1970s inspired other peoples in Southern Europe and Latin America suffering similar oppressions. Is it conceivable that Greece will once again sound the tocsin? The country’s economic situation, already dire, is steadily worsening. Under these conditions, it seems unthinkable that a government gearing up to administrate a new dose of austerity to an already debilitated population will have an easy run.