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Greece

The cradle of what kind of Europe?

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"Everyone" - because in Europe many people still believe that this continent is the centre of the world – is talking about the elections on June 17, 2012 in Greece: the "cradle of democracy", according to a history that is partly fable. The possible results of the election interest not only the "Right" and the "Left" – including the PCF (French Communist Party), put back in the saddle of a tottering horse by the Left Front sponsored by Jean-Luc Mélenchon, who are all "friends" of Alexis Tsipras, the leader of SYRIZA - but also the political institutions of the European Union (EU), the bankers and their "bailed-out" banks, the speculators in the currency market. And, of course, those who make a living from forecasts that are uncertain, but lucrative, of an economic conjuncture which makes the front pages of the daily press: Roubini and Co.

In other words, Greece is no longer just a collection of islands where the sun shines brilliantly, the water is blue (sic) and ouzo is better than French pastis...A place for holidays and tourism. Greece is at the "centre of the political crisis" of the EU. More accurately, of what can happen: either an example of political resistance to the policies of the IMF, the EU and the European Central Bank (ECB), as institutions of finance capital; or an example of the forcible imposition of austerity policies which are destructive for a society and of the resurgence of a far Right accompanying the establishment of a strong state. On this level, we are at the hub of a vast "rail network" where the command centre consists of the hard core of the EU: Germany, Austria, Luxembourg, the Netherlands, France, Northern Italy - with as associates Norway, Switzerland, Sweden, Finland - which will be the strongholds of capital. And this should be put in the context of its plans for the spatial reorganization of the accumulation of capital in Europe, with its peripheries to the South and East.

All of this must be situated in the framework of a globalization of capital, in crisis and developing (the two go hand in hand), with poles that are in competition on the political, economic and military levels. This confrontation is not erased by the transnationalization of the productive chain of added value and its "spin-offs" (industrial, agribusiness, financial, insurance, logistical and land transnationals) which have made spectacular progress in the last 20 years.

Certainly, for the time being, Spain is more at the centre of the systemic banking crisis of the euro zone where the signs of a liquidity crisis (credit crunch) are appearing. But that is not the subject of this article.

A population condemned

Three days before the elections of June 17, a "landscape" is forgotten. Almost every day, there are reports of suicides in the Greek press - in Greek, as French "specialists", or even more, German "analysts" seem to forget - describing these individual tragedies. In fact, these tragedies reflect those of a traumatized society.

On June 12, 2012, a pensioner, a retired soldier, took his gun and left his house, located in the Kifisia upper middle-class neighbourhood, in the North of Athens. He walked a few hundred metres and killed himself in the middle of the street. This chemical engineer, 75 years old, who had joined the army in connection with his profession, left a message to his wife and his two children: he could not face up to his debts, to the economic crisis. He gave them instructions for the management of the family savings. Greece has seen, in two years, some 2000 suicides, the bulk of them men. The reason is often made explicit: private debt, unemployment, the loss of all income. However, Greece was a country, before 2010, that was known for a particularly low suicide rate; less than a third of the European average, according to Eurostat.

Again on June 12, a young man, 36 years old, jumped off his balcony. He died. This happened in the neighbourhood of Sepolia, a suburb west of Athens. The Athenian conurbation contains about 40 per cent of the population of the country. He was a taxi driver, unemployed for two years. He lived with his parents. His father was also a taxi driver, unemployed. The family was besieged by "economic difficulties" - according to the formula used by the respectable press to anesthetize the information. Only the mother had a small income. He committed suicide while his parents were out. It was the third suicide in 24 hours. The other, a small artisan in debt and with no prospects, aged 61, hanged himself in a public park, in the suburb of Nikaia, on the outskirts of the capital. A peasant in Crete, on June 10, in Pyrgos, ended his days by swallowing pesticide.

So, some of them leave messages. The motives for these acts of desperation are similar. However it can be seen that the political options - in a general sense and when they are expressed – of these human beings who are in a state of devastation, as is the country, are very different. We have to understand this in order to really grasp a dimension, which is not sufficiently emphasized, of the situation in Greece. De facto, these are rings of a chain of "punishment" of the Greek economy, a chain that is strangling the population.

On Wednesday, April 4, 2012, at 8.45 in the morning, a 77-year old man put a bullet through his head, in the heart of Athens, in Syntagma Square, the central esplanade of the capital. This retired pharmacist, who was not in debt, Dimitris Christoulas, ended his days on the square opposite the Parliament. This symbol of the two dominant political clans - New Democracy (ND, right) of Antonis Samaras and PASOK (Panhellenic Socialist Movement) of the Papandreou family, currently led by Evangelos Venizelos - which have led Greece, along with their allies of Capital, to the present disaster. Dimitris Christoulas left a letter which, according to the statement of his daughter, "reflected the voice and the political commitment of her father." He had been present at various events on Syntagma Square. He said in a note found in his pocket: "The occupying government [of Georges Papandreou and, before, of Samaras and Karamanlis] in the style of Tsolakoglou [government of collaboration with the Germans, installed during the Second World War] has really wiped out the possibility for me to survive thanks to a decent pension, for which I and I alone paid, for 35 years, without state support. Since I am now of an age which does not allow me to take dynamic individual action - without however ruling out, that if one Greek was to take up a Kalashnikov, I would be the second-, I find no other solution than a dignified end, before I am reduced to scavenging in the rubbish bins to feed myself. I think that young people without a future will one day take up arms and that on Syntagma Square, they will hang the traitors to the nation by their feet as the Italians did with Mussolini, in 1945, on Loret Square, in Milan". Rage and despair, resistance and despondency coexist, as in all crises of this magnitude, for a period at least. On the evening of Wednesday April 4, more than a thousand people gathered on Syntagma Square. They left messages and bouquets of flowers. A call for the gathering was launched via social networks around the slogan: "This was not a suicide. It was a murder. Let us not become used to murder".

At 10 in the evening, the special police - in which the far Right is well established – dispersed those present with special tear gas grenades, which they regularly use. They are delivered by Israel, which uses them against the Palestinians; the BMW motorcycles of the police, which are new, are delivered by the German authorities as a gesture of solidarity with the imposition of a certain order.

Ship-owners, the Church, tax exodus and arms

Before underlining some significant aspects of the situation of Greek capitalism and of the policies imposed by the "Troika" (EU, ECB and IMF), it is useful to illustrate five elements of the socio-political situation, which have important socio-economic repercussions and which are not very much analyzed, or else which are the object of an Orwellian discourse.

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Greek ship-owners have their hands on the biggest merchant fleet in the world. As of May 24, 2012, the daily *Katimerini* confirms that they are still in first position in terms of capacity (in tons, or 2.83 cubic metres). They control 3,225 ships, of which 2,014 are under the Greek flag. This amounts to 39.5 per cent of the capacity of the European Union; and some 16 per cent of the world fleet (more than Japan). In 2010, the reported profits - I stress the word "reported" - amounted to 15.4 billion euros, or about 15 per cent of the country's GDP. In 2011, reported profits amounted to 14.1 billion. However, scarcely a penny of this finds its way into the coffers of the state. In fact, the owners have a legal system in terms of taxation which makes them unsinkable by tax collectors. And, since two precautions are better than one, they install the headquarters of their companies in Cyprus or in London. And their fortune in Switzerland or in tax havens governed by Anglo-Saxon law. The richest of them, Spiros Latsis - the son of John Latsis - has his bank in Geneva (Switzerland). He is also active in shipbuilding and in the oil industry, with Hellenic Petroleum. On the list of world billionaires (compiled by the American magazine *Fortune*), he hovers around 65th place.

He knew the Portuguese ex-Maoist José Manuel Durã̃o Barroso, current President of the European Commission, during his studies in Geneva, at the University Institute of European Studies, and also apparently in London (at the London School of Economics). José Manuel, following in the footsteps of Mao, does not neglect invitations from cultivated and wealthy (or the other way round) persons. It is true that Barroso also knows how to be a host. For the record, in March 2003, when he was Prime Minister of Portugal (from April 2002 till June 2004), he "received", in the Azores, George W. Bush, Blair and Aznar for a declaration of war against Saddam Hussein's Iraq, a few hours before the start of hostilities. His appointment to the Presidency of the European Commission, in 2004, seemed obvious after this feat. As for the invitation from Spiros Latsis, it was made on a luxury yacht. Indeed, Spiros Latsis also presides over a very exclusive yacht club: the PrivatSea, a name that speaks for itself. It seems that Barroso appreciated it. And, interestingly, some time later the European Commission approved a subsidy of 10.3 million euros - a trifling sum, in fact, for the Latsis family - for the Latsis shipyards. The development of Greece required this type of investment for structural convergence in the framework of the EU.

So it is not exactly a "totalitarian" measure - as the Greek Right calls it today - when SYRIZA, the coalition of the radical Left, says that part of the resources to finance its programme can come from taxing ship-owners. And if the Swiss (UBS, among others) bankers have provided the US tax services (IRS - Internal Revenue Service) with 4,000 names of U.S. citizens who have concealed a portion of their wealth in Swiss banks, it would be petty not to give 100 or so names to the tax services of Greece, if SYRIZA wins the elections on June 17, 2012. Which is not yet sure. A government deficit is not only due to expenditure. It is also - and often - linked to lack of revenue, or gifts made to Capital and to large fortunes.

The champions of charity are also the gold medals of the Olympic race for tax exemption. We are talking here about the Orthodox Church and its functionaries. Because priests are paid by the state. In 2001, religion was still mentioned on Greek passports. This reference has been removed after an intervention by the European Court of Justice. The Orthodox Church has very significant financial resources, and not just so-called intangible values such as its churches and monasteries. It is the largest landowner in the country: 130,000 hectares of fields, woods, beaches, mountains. It has hotels, car parks (an important source of revenue in Athens), companies and more than 300 tourist centres. On this fortune and on the income that comes from it, it was not taxed. Faced with a decision in 2010 to tax these assets, the hierarchy put its feet against the sacred walls. The biggest church in Athens had to endure a demonstration of "outraged faithful" whose slogan was: "Jesus said we must share." Jesus does not always recognize his flock! Now it gives alms to the state that maintains it.

Of course, doctors, merchants, lawyers, notaries, etc. pay no or very low taxes. They consider that taxation "is not part of their culture" and that this comes from a long tradition of "opposition to Ottoman rule". The history of the country has its little bits of history which suit certain classes and social strata. But, when the "orthodox economists" talk about deficits, they do not put the emphasis on the ship-owners and the Church and on a crucial fact: wage-earners are taxed doubly, by direct taxation and by VAT (value added tax), the most socially unequal tax.

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Furthermore, we need to bear in mind that the big historical Greek family fortunes and those that flourished in the 1960s (1967-1974: the dictatorship of the colonels) have expatriate status. In other words - a bit like a sector of the Latin American bourgeoisie which has apartments and bank accounts in Miami, as a "precaution" - their money is in Switzerland, London, Austria or in the United States (Delaware), Canada or Australia; not to mention the "Islands" of the English Channel (Guernsey) or the Cayman Islands.

In the German weekly *Die Zeit*, a publication of reference, dated July 5, 2011, in an article entitled "Wo ist das Geld der griechischen Reichen? (Where is the money of the rich Greeks?)" the author, Khue Pham, estimated that the volume of the tax exodus amounted to 560 billion euros, roughly 2.5 times GDP.

We see there the other side of the coin of the impoverishment of an increasingly large layer of Greek workers and unemployed, who no longer have access to health care, who are hungry, who no longer have electricity because they have not been able to pay their bills, who send their children to school on an empty stomach... All things that we saw in 2001-2005 in Argentina and that we are still seeing. But this time, it is happening in "the cradle of European civilization" to sum up the worn-out discourse of certain media and of teachers who shuffle their way through their lessons.

Right in the middle of what is called the public debt crisis (in reality a crisis of private debt, in various forms, passed on to the government), which broke out in 2009, Greece's expenditure on arms was, as a percentage of GDP, the highest in Europe: 3.1 per cent, as against 2.4 per cent for Britain and 2.3 per cent for France.

In 2009, during the summer, the Greek government spent 2.5 billion euros for six French frigates and 400 million for Puma helicopter gunships, provided by EADS, the group that built Airbus. The German ThyssenKrupp enterprise sold it six submarines at a cost of 5 billion euros.

On May 10, 2011, the weekly *Der Spiegel*, in an article by Sebastian Fischer, stressed that the government of Angela Merkel had no objection to attempts to sell "Klasse 214" submarines, the most modern, or Leopard tanks.

In February 2010, the Minister of Foreign Affairs, Guido Westerwelle, was trying to sell the Eurofighter to the Greek Government, while insisting, simultaneously, on the need to drastically reduce spending in the public sector and "social expenditure". Lines of credit for the sale of arms from German or French industry were opened by French and German banks, with export guarantees (so what is involved is a subsidy to the German and French arms industries). And the German or French creditor was going to exert pressure on the Greek debtor to pay up. That meant raising value-added tax and lowering the wages of public sector workers. Or even "privatizing", i.e. by making it possible for Deutsche Telefon, for a very low price, to completely take over the Greek public telephone company, OTE.

If Greece plays an important role in NATO, this is related not only to its geographical location, but to the balancing act between Turkey and Greece set up by the major players in the Alliance. To this must be added the issue of control of the oil and gas resources in Cypriot waters, resources on which Israel also has its eye.

There is in a massive reduction of this military expenditure an element of reallocation of resources and, above all, a further argument in favour of emphasizing the illegitimacy of the debt, with the objective of not paying it. A first step, if it is part of this perspective, could be a unilateral declaration of an immediate moratorium on the payment of the debt.

A debt concerning which a French economist who is absolutely mainstream and therefore recognized in the French-speaking world and even beyond - Charles Wyplosz, Professor at the IHEID (Institute of High International Studies and Development) in Geneva - declared recently in a debate with a banker: "If you eliminate the debt, you reduce the budget deficit, since a large part of public expenditure is today used to pay the interest on the debt.

Therefore, no more need for austerity. If it [Greece] had defaulted two years ago the problem would be solved and its economy would now be growing. The Gordian knot of Greece is not its competitiveness, but its public debt. Once this problem is eliminated, the Greeks will be quite happy in the eurozone". (*Le Temps*, June 1, 2012).

Concerning the other aspect of the disinformation - and therefore the need for revolutionary socialists to put the world the right way up again so as to engage in a large-scale battle for a change that goes to the root of the problem – we must mention the clichés of a xenophobic tone spread by the European media, among others the media in the countries of the "hard core" of Europe. This is no accident. According to the OECD and Eurostat statistics, average annual working time for workers in industry, commercial services and agriculture, in 2008, was in Greece 2,120 hours, 470 more than in Britain. We are far from those clichés. In 2007, the average level of pensions was 617 euros. The minimum wage was 752 euros in 2009.

The slogan "Living beyond one's means" as an explanation of the "debt crisis" is just propaganda which fits in harmoniously with very brutal austerity and with the authoritarian government practices (European and national) that accompany the introduction of new social and moral norms (to use Marx's formula) of reproduction of labour power (wages, unemployment benefit, pension, education, etc.) and of a new norm of utilization of (duration of the working day, intensity of work, flexibilisation of monthly and annual duration) of the labour force. In other words, a sharp increase in the rate of exploitation and a slide towards the absolute impoverishment of a growing layer of workers and unemployed.

Some of them can only feed themselves with difficulty, can no longer have the health care that they did in the past and cannot ensure the education of their children with the hope that they might know better days. Not to mention the migrants thrown into the hell of a daily struggle to simply survive. All this has become visible in Athens or Thessaloniki. In two years, "the world has changed", for the worse.

Since 2009-2010, this Greece has become a laboratory for Capital, which is posing a question, a little "technical", and serving as a test for Europe: what is the level of "social acceptability" (a term that echoes that of employability in relation to unemployment) of a population that has suffered such a shock, and under what form will the regression inflicted on Greek society be expressed in political terms?

These are the two facets of the test concerning the confrontation between classes which has been underway for two years and which found a first politico-electoral expression on May 6 and will experience another one on June 17.

Memoranda for generalized expropriation

When the solvency crisis became obvious, in the first quarter of 2010, a quick and simple solution might have seemed at hand. It would have been sufficient to amend the Charter of the ECB and to allow it to buy Greek debt in the same way as the Fed (US Federal Reserve) does. To become a lender of last resort. It would, including from a general point of view of the ruling classes, have helped limit the sharpness, in its scale and in time, of the adjustment of Greek capitalism. But for decisive fractions of European - and not only German - capital, the dimensions and the unfolding of the crisis of the eurozone, with its specific characteristics depending on the country (from Spain to Ireland, via Italy) had not yet been grasped in all their ramifications.

Furthermore, an operation of the purchase of Greek debt by the ECB would have created an unacceptable situation for the powerful motor sector of German capitalism: the export industry. Why? This sector had been particularly spoilt by Gerhard Schröder, Chancellor of Germany from October 1998 to October 2005. A Social Democrat through ambition, a careerist aiming at the envied (by him) status of capitalist by conviction and a close collaborator of Putin

(again) through financial interest.

Schröder, with the help of Peter Hartz, former Director of "human resources" of the Volkswagen car group, prepared a real deregulation of the labour market (the Hartz IV reforms). The goal: to reduce unit labour costs. They made their calculations by dividing so-called overall labour costs - including social security contributions and benefits - by actual production.

To achieve this goal, one of the most effective instruments lies in the use of the industrial reserve army. Neo-classical economists call this: "activation of labour". Translate: reduce to the maximum the duration of unemployment benefits. After 12 months, the unemployed person is transferred to the social assistance scheme, subject to strict conditions of income and property. If the conditions are met (for example, no income of a partner, no property), a single unemployed person can receive an allowance of 395 euros per month, not enough to eat sausage every day! He must above all accept all job opportunities proposed by specialized agencies. It can be a job at 400 euros a month or a job "of public utility" at one euro an hour.

The goal was not to "solve" unemployment, especially not long-term unemployment. But to lower the wages pyramid, starting at the bottom, with those who get a job for the first time or "come back onto the labour market" after a period of unemployment. Combined with a capitalistic restructuring of enterprises, increased intensity and flexibility of work and a more than cooperative trade union apparatus, the result was clear: labour costs for German employers would be strongly compressed.

However, the export sector of German capitalism must be placed in a broader context in order to provide a realistic assessment of the overall unit costs, i.e. those including intermediate goods: for example, parts imported for the assembly of a car. For this purpose, German companies can use their investments in the immediate hinterland, ranging from Slovenia to the Czech Republic to Slovakia, via Poland, Hungary or Croatia, i.e. countries that have a cheaper and relatively highly qualified labour force. In addition, there is at the disposal of the big firms a dense "local" network of subcontractors (small and medium-sized enterprises), on which the pressure concerning delivery prices is great and which pass it on to their workers in terms of wages, intensity of work and short-term contracts. Thus, German exporters have a double advantage: they are competitive in terms of cost, while their exported products are most often in niches where the factor of competitiveness/quality comes into play.

It remained only to add a euro which does not rise too much against the dollar, the yen or the South Korean currency. A rapid resolution of the crisis of the eurozone, by debt redemption, would have driven the euro higher and thus weakened the position (in terms of exchange rates) for the export of the production that is sold outside the eurozone, which is a little less than 40 per cent of the total, but in expanding areas (Asia, for example).

Therefore, the task of the ECB would remain that of "guaranteeing" the stability of prices and refusing any change of the sort that would turn it into a European Fed. This would have involved other institutional and political changes.

First result: the compression of incomes in Germany led to curbing imports while stimulating exports, thus creating large trade surpluses, while the euro rose against other currencies, thanks to the uncertainties emerging from the South of the eurozone. This is a paradoxical situation, often misunderstood by those who have not mastered the language of Goethe and who make the psychology of Merkel a key element of the policy of the German government and of the German leaders of the ECB, of whom some are certainly tinged with a dogmatism still marked by the "lessons" of the crisis of the end of the 1920s and the 1930s.

â€¢ Another advantage in the 2009-2011 phase: apply super Hartz IV plans to countries such as Greece and Portugal and ensure that the big German banks have time to disengage, without too many losses and with

guarantees, from the riskier positions taken towards shaky countries (bonds and other commercial loans) and firms to which they had extended credits.

It was thus that a Troika – that is, the Germanized ECB, with a Frenchman, Trichet at its head, the IMF and the European Commission - imposed, definitively, on May 5, 2010 a first memorandum. It would be followed by a second in June 2011.

1 ° The first (Memorandum I) list of anti-social measures included: the abolition of various bonuses for civil servants and pensioners of the public and private sectors; a 20 per cent wage cut for civil servants; a three-year wage freeze in the public and private sectors; the cancellation of solidarity benefits for the poor; an increase in VAT and excise duties on fuel (the price of unleaded petrol increased by 63 per cent) and cigarettes; payment of contributions for 40 years and no longer 37 years to obtain a full pension; reduction of the amount of the pension by 35 per cent, calculated on the basis of the last 10 wages and no longer on the best-paid five-year period; abolition of retirement before the age of 60 (mothers and those with three children had the possibility of taking early retirement); the minimum wage went from 750 to 500 euros (and 456 euros for the first year of employment); redundancies were facilitated and compensation for dismissal was reduced.

2 ° The second list (Memorandum II) aimed to change, at the root, "labour relations": the legal establishment of priority for "agreements" at workplace level over those at national level; the possibility of not applying a collective agreement signed by the Union of Enterprises (whereas application of an agreement was obligatory if the Ministry of labour validated it); arbitration in collective labour agreements "must promote competitiveness on the basis of the cost of labour and job creation (sic)"; there are no longer any restrictions on the number of hours of part-time work and on temporary contracts; the trial period is one year for new jobs (previously it was two months), and during that period, employers can dismiss workers without notice or compensation; the minimum wage was again attacked through the new Bolkestein directive (displaced workers have the working conditions of the country of origin); premiums for overtime strongly reduced; unemployment benefits reduced by 500 million euros; the 3836/2010 law transformed the entire system of complementary pensions: so no longer will a single euro come out of the state budget for this purpose and spending will remain stable, even though the number of beneficiaries increases (some 2.8 million workers pay contributions to complementary pension funds); freezing of pensions; the list of hard and exhausting job categories will now concern no more than 10 per cent of the labour force and the workers excluded from this list will see the age at which they have a right to a miserable pension increase from between 5 and 7 years; a sharp reduction in disability pensions; an increase in the price of health care and hospital examinations; an increase in VAT from 11 per cent to 23 per cent for very many goods and to 30 per cent for services; an increase in real estate tax that will hit workers to the tune of an additional 400 million euros; lump-sum taxation of the self-employed; the privatization of strategic sectors (railways, transportation, energy, airports, ports, etc.), with accompanying loss of jobs, all this under the pretext of "filling the coffers of the state" to "repay the debt". In fact, the aim was to offer low-priced sectors of the economy to capitalist firms with surpluses of capital who were seeking new profitable opportunities.

The overall objectives are clear: to thoroughly modify the national rate of exploitation, which was codified in labour and social legislation as well as in institutions structured by the results of class conflict in the post-1974 period.

The lever used was to ensure the service of the debt by arriving at a positive current account balance in the medium term. An exercise that can serve as an example for other countries, it was thought in "high places".

These plans were as such socially and politically inapplicable by a government. And partial implementation could only lead to a sharp contraction of the economy and therefore of the tax resources obtained by the state.

But this shock therapy was above all intended to lead to bypassing governmental and parliamentary bodies and

creating a de facto government, represented by a "Troikian task force" and supervisors, French and German among others, to "reform the state administration". Because the expected failure of the concretization, even partial, of the memoranda led to the resignation of Georges Papandreou (on November 10, 2011 - he took office in 2009) and the setting up, without an election, of a "technical" Government headed by Loukas Papademos. He studied at the Massachusetts Institute of Technology (USA) and his career led him to the Central Bank of Greece - supervising Greece's entry into the euro zone - and to the European Central Bank, of which he was vice-president. A change of institutional paradigm that was repeated in Italy, with Mario Monti, on the same date.

This administration to be reformed by the "task force" is the legitimate offspring of a system of government that the bipartisan regime of New Democracy and PASOK had subjected to their clientelist practices. This clientelism has a name: *Rousfeti*. The system of bribes also has one: *Fakelakia*. Who has benefited? Let us take an example: Siemens, which sold, for the 2004 Athens Olympics, a system of electronic security that was useful for the army and the police, by buying off politicians, civil servants and military personnel, for the most part before the 2000 election. The Olympic Games are prepared in advance... and the 8 billion euro deficit is paid for later. The Mayor of Athens, Dora Bakoyannis, then a member of New Democracy, did not overlook the benefits of this manna. She has moreover rejoined the ranks of New Democracy, after having created her own political party (the Democratic Alliance) and had a disappointing electoral result on May 6, 2012. She is today a leading figure in the offensive against SYRIZA and in support of the European institutions, as an MEP. So there was played out a sort of *Rousfeti* and *Fakelakia* combined which was meant to compensate for the lack of political charisma of Antonis Samaras, an elected representative of the Peloponnese (the constituency of Messinia). We must all the same remember that everything is kept in the family: Doris Bakoyannis is the daughter of Konstantinos Mitsotakis, a historical godfather of the Right. The party-clan network works as well with ND as with PASOK.

Finally, to conclude this episode, we should not forget to recall the role of Goldman Sachs and JP Morgan in the heavily massaged presentation, very professionally done, of Greece's accounts. The financial daily *La Tribune* (19 June, 2010) stated: "When Greece entered the eurozone in 2001, it was known that the statistics were fiddled." On February 13, 2010, the *New York Times* indicated that Greece's accounts had been rendered obscure by the two banks Goldman Sachs and JP Morgan. However, the name of the managing director and vice-president of the European branch of Goldman Sachs was Mario Draghi. He was not ignorant of the "Greek case". Merkel, Sarkozy, Juncker (the Luxembourg Prime Minister at the head of the Eurogroup) and others put him at the head of the ECB, also in early November 2011. Draghi was also educated at the MIT. He knows Monti. He has been the head of Italian public companies in the process of privatization such as ENI, IRI, the Banca Nazionale del Lavoro (BNL)... In a word, the man for the job.

The denunciations of collusion in Greece made by the Troika are like the pot calling the kettle black. The *Rousfeti* in the summits of the EU is dressed up in "good manners" proper to the European oligarchy.

Indebtedness and exclusion of Greece from "Greek national law"

A simple analysis of the growth of the net public debt shows the effects of the devastating austerity measures imposed by the Troika, even if they were only partially applied. Between 2000 and 2008 this public debt was around 115 per cent of GDP; in 2009 it rose to 133 per cent, and then to 150 per cent in 2010 and 165 per cent at the end of 2011.

Since 2010, Greece's "bail-out plan", "100 billion euros of aid", was used to repay the German banks - Deutsche Bank - and their European counterparts. It was also necessary to allocate time to liquidating bad debts (Greek, but also Irish and Portuguese) and allowing them to be "exchanged" thanks to the ECB. In fact, the ECB purchases on

the secondary (second-hand) market, "rotten" debts of these countries. It counts them at face value, not market value. Against these debts sold at a good price - not the market price - to the ECB, the big banks can buy, in part, healthy German or British, or even Swiss bonds, counting on the revaluation of the Swiss currency. On May 15, 2010, the *Frankfurter Allgemeine Zeitung (FAZ)*, markedly on the right, recognized the interest of the operation for the banks, not for Greece and its population. All the banks, at different rhythms, have reduced fairly quickly their exposure to Greek bonds.

In this new situation a long negotiation began - under the direction of Charles Dallara, Managing Director of the IFI (International Finance Institute), an organization responsible for defending the interests of the banks, whose president, today in the process of leaving, is Josef Ackermann. He was then president of the Executive Board of Deutsche Bank. The IFI had to negotiate the discount (haircut) on Greek debt. In early March, 2012, the operation was completed, at least almost completed. Banks, investment funds and insurance companies were to receive in exchange for every 100 euros of Greek debt surrendered 31.50 euros of new Greek securities with longer maturities and lower coupons (interest rates) and 15 euros of European Financial Stability (EFSF) Fund securities, therefore a mutualized state subsidy... to "investors". And, above all, no denunciation of the debt.

In exchange, the European proconsuls strengthened their grip on the running of Greece - of its society and its economy, thus on the daily life of its inhabitants - in the name of the release of 130 billion euros from the IMF and the EU promised in February 2012. This money will only be attributed in thin tranches and under permanent conditions. Out of this 130 billion, 14.5 billion went directly to creditors, since this amount of debt fell due on 20 March 2012.

Those who resist the exchange of debt (haircut and restructuring) are holders of bonds under non-Greek law, on whom therefore the haircut agreement cannot be imposed. They are hedge funds - hedge funds that are part of the shadow banking system, absolutely deregulated - betting on the bankruptcy (default) of Greece, because they are holding CDS (Credit default swaps). The total of these bonds is estimated at 18 billion euros. The opportunities for gains come on the one hand from operations of purchasing bonds cheaply, and, on the other hand, from the legal battle they are conducting to try to force Greece to repay part of the debt at a rate higher than that at which they acquired these bonds. Finally, they can expect activation of CDS as long as these "insurers" have not disappeared, given that the exchanges of CDS, over-the-counter, are obscure.

Their analysis is not necessarily shared by everyone. The banks which received masses of liquidity from the ECB - through two longer-term refinancing operations (LTRO), with a maturity of 36 months, on December 21, 2011 and February 29, 2012 - are doing good business by borrowing at one per cent (and, in reality, at less) and lending at 3, 4 or 5 per cent. They are "recovering". Moreover, they believe that this injection of credit, paradoxically, makes them much less sensitive to a Greek default and exit from the euro. Two events that are becoming, for them, more likely. We will see about that, because to the Greek lightweight, we have to add a heavier middleweight: the Spanish banking system.

We have there an example of speculative operations outside of national law on bonds issued by the Greek state. This is another form of supervision. It is illustrated in an even more striking manner when we consider the establishment of the Hellenic Republic Asset Development Fund (HRADF) under the management of the former banker Costas Mitropoulos. He is not unacquainted with Spiros Latsis.

The HRADF, according to Costas Mitropoulos "was established following consultations between the Greek Government and the Troika, consisting of experts from the European Commission, the International Monetary Fund (IMF) and the European Central Bank (ECB), responsible for two years for advocating economic reforms and overseeing their implementation by the Greek authorities. None of us comes from the administration. We were all in the private sector. For my part, before accepting this position, I was the head of the Investment bank Eurobank EFG Equities, property of the Latsis Group based in Geneva. I accepted this task as a second military service. Our

mission consists of receiving from the state property deeds or shares of assets to be negotiated. We are preparing the dossiers, settling legal problems, making all that "saleable" (*Le Temps*, April 7, 2012). The external consultants of the HRADF are UBS and Credit Suisse, which must have some fortunes of Greek tax exiles in their coffers. Everything is for sale.

Two examples are given by Costa Mitropoulos, the banker-soldier: "The former Hellenikon airport, in the heart of the city of Athens, on the shores of the Aegean Sea, is the biggest landholding on sale in a European capital. As for the National Lottery, which was a division of the Ministry of Finance since 1865, two companies, one Italian and the other American, have already approached us."

When the journalist of *Le Temps* asked what was his preference, for the moment, for the sale of the concessions, he replied frankly: "The advantage of the concessions is that they limit the investment of the purchasers. They will only have to pay for the right to manage the infrastructure, long-term contracts that will ensure profitability."

Finally, facing political uncertainty - since the election of May 6, against the advice of Costas Mitropoulos, the other four administrators of the HRADF have decided to suspend operations until the elections of June 17, 2012 - our banker pulls two arguments out of his wallet. The first: "Our first message to get across is: we are not the Greek state. We are an independent fund responsible for privatizations, and we now own 3 per cent of the territory of Greece. We have a mandate for three years. We are protected against political interference". The second is brandished, after Costas had touted his successes in operations of acquisitions and mergers in Greece: "I know the rules: an investor, to be interested in a Greek privatization today, must expect to triple or quadruple his investment. One euro invested must bring in three or four". There is the real golden rule that the European Commission shoves down our throat with the Treaty on Stability, Coordination and Governance (TSCG).

It is with this harsh reality that the social movement, workers, students, popular layers and the radical left in Greece are confronted.

The planned collapse

The social and economic effects of all these economic measures do not require a lengthy explanation. The contraction of GDP is massive and durable. Thus, the evolution of real GDP (by volume, at constant prices), compared to the previous year, is as follows: 2008: 0.2 per cent; 2009: 3.3 per cent; 2010: -3.5 per cent; 2011: - 6.9 per cent. The drop is estimated at 4.7 per cent for 2012 (Eurostat). The latest figures published by the statistical services of the Greek state (Elstat) indicate a decline of 6.5 per cent (after a first estimate of -6.25 per cent, on May 14, 2012) in the first quarter from the same quarter of 2011. So it is a recession-crisis of the 1930 kind.

Fiscal compression and the reduction of the different components of the social wage resulted logically in a collapse of the internal market, with effects on the sector of small shopkeepers (a cascade of bankruptcies). This is all the more so as the decrease in tourism adds its regressive effects. One in five jobs is related to tourism. According to the Central Bank, income related to this sector decreased by 15.1 per cent in the first quarter.

Carrefour, the number one in the hypermarket sector in Europe, present in Greece since 1999, saw its sales fall by 16 per cent in the first quarter of 2012. With total sales of 2.2 billion euros in 2011, the loss registered was 40 million euros, according to analysts at Espirito Santo Bank. So Carrefour - which must consolidate its positions in France and in other European countries - ceded its share to its Greek partner Marinopoulos, which will operate under franchise. The revamped Carrefour will continue to operate in the region, from Cyprus to Bulgaria via Albania and other countries of the Balkans.

It is therefore misleading to present a trade balance that is improving: if imports are falling, it is enough for exports to shrink proportionally less for the balance to improve. But the drop in investment is there to reveal the cumulative collapse. And the share of wages in GDP is just over 37 per cent!

Officially, the unemployment rate reached 22.6 per cent in March 2012 (revised figures published on 14 June, 2012). It stood at 15.9 per cent in March 2011. The officially registered unemployed were 1.12 million in March, 2012; an increase of 57 per cent in a year. The number of people employed, according to the definition of Elstat, went from 4,548,611 in 2008 to 3,843,905 in 2012!

For the 15 to 24 age group, the unemployment rate jumped from 24 per cent in 2008 to 52.8 per cent in 2012. Emigration thus becomes an option for a fraction of this generation, educated and qualified, as we can also see in Spain and Portugal. According to German statistics, the number of Greeks seeking employment in that country increased by 90 per cent in 2011 (from 23,800 in 2010); but the selection in terms of qualification is strong. Priority to doctors, nurses, engineers, etc.

For the age group between 45 and 54, the evolution is as follows: 4.2 per cent in 2008 and 16.3 per cent in 2012, which amounts to a depressive trauma. This trauma materializes in the rise of hunger among children, the unemployed, pensioners and the elderly. And by increasingly problematic access to expensive drugs for cancer, multiple sclerosis or even diabetes. Indeed, the National Organization for Expenditure on Health Care (EOPYY) has accumulated a debt of 250 million euros to pharmacists. It has committed itself to paying it before a deadline of June 17 (*Kathimerini*, 4 June 2012 and June 6, 2012)! Therefore the pharmacists refuse to sell drugs on credit if EOPYY has not settled its arrears. Otherwise, patients must find the few pharmacies that are controlled by EOPYY. Health centres and hospitals are seeing their budget compressed to the point of no longer having basic "equipment". This emergency is directly related to the fact that of the 5.2 billion euros that were to be paid in May 2012, the IMF and the European Commission held back one billion pending the outcome of the elections of 17 June (*Wall Street Journal*, June 6, 2012). A slight bit of blackmail! A similar situation is looming in the sector of energy and its distribution (DEH, DEPA, LAGHE) where the need for loans is very pressing for the end of June 2012, with the risk of power cuts. Which should make the task of the privatizing vultures easier.

Suffocated by the austerity policies dictated by the Troika and caught in a European turmoil which is far from over – to be more exact, which is for the moment gathering speed - Greek capitalism offers no prospect to majority sectors of the population of respecting their basic social needs, needs which should be concretized in terms of rights, of social security in the broad sense of the term. Which they are denied in the name of payment of the debt and of a "return to competitiveness".

This is a deliberate policy for a fraction of European capital. Even though this option might resemble, to use an analogy, going back, in the Twenty-first century, to the practice of bleeding by surgeons. That is why some economists call it "stupid", without understanding the class objectives that can, admittedly, lead to uncontrolled derailments in the eurozone.

From May 6 to June 17, 2012: a political system gone topsy-turvy

In this context there occurred the earthquake of the May 6, 2012 elections. On the Richter scale what will be the magnitude of the shock of the elections which will take place in two days time, on Sunday June 17, 2012? Impossible to predict.

In any case, these are not, therefore, normal elections. They will be the expression of both an "epochal" crisis on the

political level and the crisis of an economic and political construction put in place by European finance capital.

This finance capital wanted to have a currency, the euro, in order to intervene, with profits, on the world stage of market finance, initially against the dollar and the yen. A single currency in a heterogeneous overall context which therefore made competitive wage devaluation the substitute for competitive devaluations of national currencies (the French franc, the lira, the drachma). These devaluations were the fairly common response to loss of market share, among other things.

In addition, in this EU, there existed neither a large federal budget nor a bank which could act to reallocate resources and as a lender of last resort (therefore an ECB which would have a profile similar to that of the Fed).

Faced with a crisis of over-production and over-accumulation of capital - in a really globalized configuration of capitalism, with the new economic blockages that result - the shock to the economies of the countries of the periphery could only worsen after the crisis began in 2007 in the United States. And there is no reason why, in the course of the 2010 decade, the heterogeneity within the eurozone will not become exacerbated. Unless we imagine a large-scale politico-economic turn - including within a capitalist framework. Which would require a massive upsurge of social struggles and a certain expression of that upsurge on the political level. This makes the Greek elections, and their sequels, such an important moment in Europe today.

On May 6, 2012, the political system established at the end of the dictatorship of the colonels (1967-1974) exploded. The TNT charges are easy to identify.

First, a large number of struggles - multiple and diverse - from different sectors of society, almost all of whom were being attacked. In the course of two years, there were 19 one-day strikes; not exactly general strikes in the sense that they were the expression of an uprising of a major part of society, which would tend to raise the question of power. But these strike days were combined with multiple massive demonstrations in front of the Parliament, which was defended by specialized police forces of great brutality. This gave them a marked character of confrontation politics. They reflected the rejection of the dictates of the Troika and of the servile collaboration of the two historical parties, New Democracy (ND) and PASOK. Therefore, these two parties have collapsed.

ND had 41.84 per cent of the vote in September 2007 and 33.48 per cent in October 2009. It found itself on May 6, 2012, with 18.88 per cent. PASOK won 38.10 per cent of the vote in September 2007, 43.92 in October 2009 and 13.2 per cent in May 2012.

On the other hand, SYRIZA, the Coalition of the Radical Left, formed in 2004, got 5.04 per cent of the vote in September 2007, 4.60 per cent in October 2009 - which led to a rightward split and the formation of the Democratic Left of Kouvelis, which won 6.1 per cent of the vote in May 2012 - and 16.76 per cent on May 6, 2012. SYRIZA became the second party on the Greek political scene.

As for the Greek Communist Party, the KKE, a Stalinist organization compared to which the Portuguese Communist Party cuts a postmodernist figure, it went from 8.15 per cent of the vote in October 2009 to 8.47 per cent in May 2012, after two years of social mobilization. Its sectarianism and its line consist of a simple rejection-denunciation of the EU and the euro, without any concrete "exit" strategy. This seems to be "compensated" by a partisan self-assertion that builds on a strong organizational structure and can be reassuring for some militants in a social crisis of such magnitude.

However to be so evidently outflanked by SYRIZA has provoked questioning in the ranks of the KKE, at a time when its members and sympathizers are waiting for "concrete solutions" to a socio-existential crisis.

Antarsya (Together, a regroupment of four organizations) got 1.19 per cent of the vote in May 2012. It refused to participate in the SYRIZA coalition, despite clear overtures, for the elections of 17 June.

On the other side of the political spectrum, LAOS (Orthodox Popular Alert) got 2.9 per cent of the votes and is therefore not in Parliament, the bar being placed at 3 per cent. However, Golden Dawn (Chrysi Avgghi), a self-proclaimed neo-Nazi organization, Holocaust deniers, made a breakthrough with 6.97 per cent of the vote. Golden Dawn combines a nationalist orientation and a campaign against immigrants, with repeated and very violent physical attacks against Afghan, Pakistani and Bangladeshi migrants. In a tradition that is proper to this type of organization, Golden Dawn seeks to physically occupy the terrain. In various "specialized" police barracks, this party won some 50 per cent of the vote on May 6, which expressed a process of implantation in this milieu. This kind of neo-Nazi political formation should not be underestimated in the context of a deeply wounded society. Its entry into Parliament gives it resources and a springboard to occupy the public space. It can exploit this opening badly. However, it can also learn how to have a media presence that is a little more controlled (for example, no longer, during a TV show, hitting an MP linked to the KKE and assaulting a representative of SYRIZA). Its influence in small towns is real.

In the weeks prior to June 17, ND adopted an anti-immigrant discourse. The institutions of the EU, such as Frontex, make xenophobic and racist discourse respectable and make it possible to draw political advantage from the fraudulent orientation of the governments of the EU concerning the "control of migration flows".

After May 6, 2012, the parliamentary deadlock was total, because it was impossible to constitute a majority of 151 seats in the Parliament of 300. The KKE has 26 seats, Syriza 52, the Democratic Left 19, PASOK 41; ND has 108 seats (including the attribution of 50 extra seats for the party that gets the most votes), the independent Greeks 33, Golden Dawn 21. After various attempts conducted under the direction of President Karolos Papoulias (from PASOK), and taking note of their failure - including the new European magic solution of a government of "technicians" - an interim government was elected in the only session of the Parliament elected on May 6.

On May 16, 2012, the jurist Panagiotis Pikramenos, who did part of his studies at the faculty of Paris II Panthéon-Assas, took over as head of a transition government formed, this time, by "technocrats". Everything seems to be suspended until June 17.

Everything except the formidable multiform campaign of pressure and blackmail by the European institutions, by the central banks of various European countries, by party leaders ranging from Holland to Cameron to Merkel. And by the IMF. With the delicate flexibility of the former champion of synchronized swimming that she is, the boss of the IMF, Christine Lagarde, did not forget to ask the Greeks, in an interview given to the British daily *The Guardian* (May 25, 2012), "to help each other collectively by paying their taxes"; while stressing that "schoolchildren in Niger" deserved more sympathy. So let us bet that she went hunting in London and Zurich for the Greek fortunes that are stashed away. And let us hope that she will one day be reminded, by schoolchildren who have become students and citizens, of the effects of the adjustment plans of the IMF that were applied in Niger.

All these forms of intimidation had a single goal: to secure the victory of a coalition led by Antonis Samaras of ND and to indicate that any rejection of the memoranda (I and II) would lead to chaos, to the strangulation of Greece and its population. Of course, the Troika suggests that a renegotiation of the conditions imposed to ensure the "bailout" is possible. How can it do otherwise when Samaras himself is forced to assert to his own party and to his electoral base his determination to renegotiate? All the more so as the mediatisation of the political debate has imposed as the central theme, artificial but far from neutral: "either the euro or the drachma, and therefore chaos."

The bipolarization ND-SYRIZA, or pro- and anti-memorandum

Since May 6, 2012, political life in Greece is bipolarized: on the one hand, ND (with Samaras and Dora Bakoyannis), on the other SYRIZA with Alexis Tsipras, who cut his teeth in the youth organization of the KKE and the student movement. He is 38 years old. Evangelos Venizelos, the new boss of PASOK, tries to exist by making himself the high priest of a "real organic government of national unity". At its lowest level, PASOK is seeking a space that may not be similar to the size of its leader.

The opinion polls – the expression of a kind of Americanization of "political life" in Europe – have come to occupy an important place in recent weeks. They confirm the upheaval of May 6, 2012. Here is a sample for the period from 19 May to 29 May. These polls indicate the voting intentions at the time the survey was made. Their methodology is not always explicit or explained. But the trend is clear enough. Legal polls were forbidden from June 1, 2012.

INSERT TABLE HERE

The so-called secret polls published in the press since the beginning of June are subject to many interpretations, more or less clearly tainted with propaganda.

They do however indicate the following trends: ND between 26 and 29.5 per cent; SYRIZA: 23 to 26 per cent. PASOK: 9 to 12 per cent; Independent Greeks: 6 to 7 per cent; Democratic Left: 4 to 5.5 per cent; Golden Dawn: 4.5 to 6 per cent; KKE: 3 to 4 per cent. The share of the vote obtained by the formations below the 3 per cent mark (21 political parties and independents are standing) has decreased from 18 per cent to 10 per cent. The duel is still close between ND and SYRIZA.

SYRIZA was formed, in 2004, as an electoral coalition consisting of 11 organizations. Synaspismos (Coalition) is its main component. It is currently called the "Coalition of the Left, Movements and Ecology". Alexis Tsipras is the leader of Synaspismos and spokesperson for SYRIZA. Synaspismos was formed in 1991. Within the SYRIZA coalition are to be found smaller formations of the far Left. Some come from Maoism, such as the Communist Organization of Greece (KOE), which has been marked by a "patriotic" orientation in recent months. Its weight in numbers is significant. There is also DEA (Internationalist Workers' Left) of Trotskyist origin. It has broken with the international current (IST) led by the British SWP. It is close to the International Socialist Organization (ISO) of the United States and the MPS (Movement for Socialism) in Switzerland works closely with it. The organization AKOA, Ecological and Renovator Communist Left, which comes from the former Greek Communist Party of the Interior, is also part of SYRIZA.

If we look at its trajectory Synaspismos has experienced a turn to the left, marked by the arrival as president of Alekos Alavanos, which the leaders of DEA understood. The right wing lost out in the internal debates and finally left to constitute the party Democratic Left (DIMAR), led by Fotis Kouvelis. Synaspismos came out in favour of the Maastricht Treaty signed in 1992. This position has been reviewed and criticized since then. It is one of the elements of its critique of the structuration of the European oligarchy and its institutions, a criticism which does not imply a nationalist retreat, but an orientation towards "another Europe".

The formation, in 2004, of SYRIZA consolidated the more left position of Synaspismos and opened up the coalition to debates in the course of which the numerically weaker formations have their say and influence the decisions taken. The description "Coalition of the Radical Left" expresses quite well its evolution up to now. And SYRIZA explicitly identifies itself with the best traditions of the Greek revolutionary movement.

With the constitution of SYRIZA, changes have occurred, interactively, in the most politically active organizations of

this coalition. And a new coalition, this time between generations, has formed. Within it, the radicalized sectors of the student movement have been given a prominent place. They form part of the immediate entourage of Tsipras, as concerns Synaspismos. They identify themselves as Marxists, sometimes of the Althusserian school. The anti-racist movement has been strengthened by the arrival of youth, whose struggle, in 2008, was strongly supported by SYRIZA and its various components in the face of threats from PASOK and the Right.

SYRIZA's influence in the trade union movement has been consolidated in the 2000s. Its presence in the public sector is stronger than in the private sector. There is however an imbalance between its present electoral audience among workers (and in constituencies like the second division of Piraeus, a big working-class area) and its influence in the historic trade union confederations, GSEE (private sector) and ADEDY (public sector).

The break from collaboration with the leadership of PASOK in the second half of the 2000s encouraged the growing influence that was being established in a trade-union left, reinforced by militants coming from the KKE. But the central trade union apparatuses, which still have real weight as controlled structures – something which is sometimes not well understood by a part of the European "radical Left" - have close links with PASOK, and also, depending on the regions and sectors concerned, with ND.

To have an organized presence in the trade unions is one of the major challenges for SYRIZA. It was able, after May 6, to multiply public meetings in the neighbourhoods so as to reach sectors of the population which are not considered as being made up of just voters, but of active and committed citizens. A wide-ranging discussion was conducted with these people, on all of the topics that are being discussed at this particular moment. This was a new experience, compared to traditional party rallies.

SYRIZA was capable of engaging in the electoral campaign of the month of May on the theme: "We can win; we can beat ND and PASOK; we can establish a left government". This approach was in accordance with the different and numerous struggles in the past two years, with the attacks launched in Parliament. It was not determined by a characterization of the situation as pre-revolutionary and still less revolutionary.

SYRIZA and its left, such as DEA – given the burning nature of the political conjuncture and the place occupied by socio-political confrontation in Greece, compared to several countries in Europe (and including the EU)-, insisted on the need to form a united political front capable of organizing a very broad social base, including that previously captured by PASOK.

In this perspective, a concrete objective was needed: the political and electoral overthrow of the right-wing government, the pro-memorandum government. This objective appeared as a tangible and understandable goal, giving to the analysis of the situation not only a form of narrative, but a projection that was both material and idealized.

After May 6, SYRIZA was immediately confronted with a second test: refusal of a government of national unity, including renegotiating the memorandums. SYRIZA resisted this pressure, which was however very strong and well organized, taken up by all the media and playing on the fear of the future.

The theme that was placed at the centre of the second campaign, which began as early as mid-May, was: "We started our work on 6 May, we have to finish it", by imposing a left government which refuses the memoranda. This was done without falling either into the trap of nationalism (like the KKE), or into an analysis that led to isolating Greek capitalism from a much broader context: the crisis of European capitalism - so visible for a growing number of workers, the unemployed, students, young people – as well as of globalized capitalism. It is on this basis that it is possible to organize more widely and on an international level the working masses against the various "memoranda"

that are put in place in Europe and their institutional expression, including the Treaty on Stability, Coordination and Governance (TSCG).

Developing this approach, the question immediately arises of the denunciation of the debt, with possible transitional stages, provided that the overall aim determines each step: from the audit of the debt to a moratorium and to a denunciation of it. It depends on the relationship of forces, on the dynamic on a European level, including the situation in Spain, France and Portugal. This European dimension was understood at once by Venizelos, who went to see Monti and Hollande, and by Merkel with her threats. A European counter-strategy is beginning to be built by SYRIZA. Its concretization also depends on the readiness to act of the anti-capitalist forces in Europe.

Finally, SYRIZA escaped from the trap of the debate: to exit or not to exit the euro. It is one thing to analyze the EU, its structure, the projects of the "hard core" of the EU, the role of the euro. The way in which we address the specific situation at a given time and in a given country is quite another.

The first step of a left government should be to repeal the memorandum; this has been the subject of a debate in SYRIZA. This choice was adopted. It is a priority that the debate on this issue and its implications – that is, the very hard counter-attack of the Right and the eurocracy - is not confined to a circle of technocrats. But that it is taken up, in the most specific terms possible, by those who struggle to meet their immediate needs.

To finance another policy requires not only a different tax system (concerning, for example, the revenues of the Church, together with the expropriation of its assets) - with the social battle that this implies - but also a reduction in expenditure (the army, for example) and challenging the payment of the debt.

A perspective of collaboration with the workers of Europe cannot justify sacrifices in the name of "staying in the euro". But it will be easier to mobilize against the difficulties, which are inevitable and which will be great, of being "expelled from the eurozone" by the eurocracy, if the double movement of refusal of the memorandum and renegotiation of the debt is rejected by the eurocrats of all kinds who decide to expel Greece from the eurozone. And not the contrary.

Together with these axes it has been proposed to repeal all the anti-union and anti-working class laws, whether they concern workers, pensioners or the unemployed.

Faced with the privatizations, SYRIZA has proposed a programme of nationalization, making it clear that it is not simply a question of changing ownership, but of changing the way enterprises are organized, with real participation by the workers in decision-making and broader social control. Following on from there, SYRIZA raises the question of the nationalization of the banks in order to establish a public pole of credit. Against the stream SYRIZA puts forward a series of proposals on the "difficult" subject, in this crisis, of immigration. The themes range from the right of family regroupment to the removal of all limitations on access to public health and education, from the abolition of the reactionary corps of border guards to automatic citizenship after 7 years of residence, including the right to vote and be elected, etc.

In the present political configuration, the KKE - which has gone through two splits, one in 1968, with the KKE *esoterikou* (Communist Party of the Interior) an Italian-style eurocommunist party, the other in 1992, in the context of the implosion of the Soviet Union - has a hard Stalinist matrix. It organizes sections of workers and students, including with a "mass front", the PAME. The KKE is isolated from intellectual layers by its primitive dogmatism and its sectarianism. It characterizes SYRYZA and its components as traitors who are ready to capitulate to the EU.

The abolition here and now of capitalism is its immediate line, and that reinforces its isolation. The collapse of capitalism is imminent and therefore the KKE is there to take over leadership of society. That is its message. The

decline of the KKE is obvious, in this period.

Nevertheless, SYRIZA and its left maintain a line of making proposals for united action which may have a certain audience, even among organized supporters of the KKE; part of its electorate has already chosen SYRIZA.

The results of June 17, which will be known from 9.30 p.m. onwards, will be important. The most difficult situation for SYRIZA will begin if there is electoral victory. But in any case the situation will be extremely difficult for the workers and the people.

On Thursday, June 14, the EU leaders announced that they would give some room for manoeuvre to the Greek Government – one made up of Samaras and his allies, they hope – in reaching the objectives of the bailout plan. However, no substantive concessions will be made on the main objectives. As early as Sunday evening, June 17, in a videoconference, the finance ministers will discuss the results of the parliamentary elections. An exit from the eurozone is the threat that hangs over Greece, as is the closing down of the various lines of credit.

But the finance ministers will primarily discuss the measures to be taken to avoid a banking shock in Europe, on Monday, June 18. This concern is a priority for them, not the survival of the Greek population.

In case of a victory of SYRIZA, a vast operation of encirclement and co-optation of sectors paralyzed by the difficulty of the tasks will be undertaken. Not only is the road of a "negotiation" of the Memorandum likely to be taken by some people, but following on from that, "realism" could take over, with the idea that we can "deceive the adversary". The brakes on such a course of action will be applied by in priority, the popular mobilization, the influence in SYRIZA of those who want to maintain the orientation which has been the identity of this coalition, which has received the status of "party" from the Constitutional Court. This was in order to qualify, in case of victory over New Democracy, for the 50 seats that can ensure a parliamentary majority. To the mobilization in Greece can be added the internationalist solidarity of the various movements fighting for non-payment of the debt, in various forms.

June 16, 2012