

Debates on strategy (Lessons from Greece): To Grexit or Not to Grexit

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Amid accusations of “capitulation” and “left extremism,” panelists at the Democracy Rising conference heatedly debated what it would mean for Greece to stay in—or leave—the eurozone.

Athens, Greece—For weeks now, a high-stakes drama with global implications has been playing out before our eyes, calling forth emotional highs and lows that might qualify those of us following along for a collective diagnosis of bipolar disorder. The “Greek crisis” compresses so many head-spinning realities: the contradictions of (late?) neoliberal capitalism, the challenges of left government, the exposure of the European Union’s coercive and oligarchic underbelly, the fraught relations of parliamentary and participatory democracy, the political stakes and social consequences of monetary and fiscal policies.

From July 16 to 19, the Global Center for Advanced Studies (GCAS) [\[1\]](#) brought together a lively assortment of left academics, public intellectuals, and activists in Athens to ponder and debate these realities at a conference called Democracy Rising [\[2\]](#)—a title chosen before it became obvious that a question mark might be needed. Less than two weeks earlier, the Greek people had voted overwhelmingly to reject the latest austerity plan on offer from the “troika” (the European Commission, the European Central Bank, and the International Monetary Fund). But before the celebrations had petered out, Prime Minister Alexis Tsipras brought back an even more draconian austerity plan for the Greek Parliament to sign. At the conference, the sense of shock slowly settled into lines of debate based on necessarily limited information about rapidly changing events.

GCAS is an open-education project, providing online and in-person classes offered by prominent and emerging progressive and left scholars at minimal cost. The conference was free and open to the public. It had no budget, paid no honoraria, and collected no registration fees—so planning was necessarily ad hoc. People joined and dropped off panels; some panels were canceled, and some moved. But despite the confusion, the conversations brought the issues into focus. This was not just another conference. This was a meeting of European leftists and allies confronting current conditions at a moment of dramatic uncertainty. Will global financial capitalism continue its slide into illegitimacy? Or will it reassert itself in its most brutal incarnation, as a neoliberal vampire on steroids? And is there anything any of us can do to shape a more democratic and economically just future?

Two very different plenaries at Democracy Rising illuminated the broader landscape for discussion and debate in Europe right now. The July 17 plenary, “The End of the World as We Know It,” featured four male professors explaining it all to the packed auditorium. Despite the over-long presentations and the very short period for discussion that turned into shouting matches and near-fisticuffs, the reigning testeria did not prevent a very focused engagement with the core questions of the moment: What is to be done by the Greek government now? Two of the speakers, Leon Panitch and Costas Lapavistas, offered the most pointed engagement with the strategic and tactical stakes

that I have heard to date: to sign the draconian memorandum on offer from the troika or not to sign? To stay in the eurozone and keep the euro, or leave and convert to the drachma? To honor the referendum's resounding OXI vote, or to honor the desire of most Greeks polled to stay in the eurozone?—now that it seems increasingly clear that the Syriza government cannot do both.

Panitch, a professor of comparative political economy at York University in Toronto and co-editor of *The Socialist Register*, began in a mournful tone, pointing out the difficult, contradiction-strewn path before Syriza. Confronting the failures of European social democracy and Western communist parties, along with the brutalities of neoliberal financial capitalism, Syriza emerged from strong social movements in Greece. The party took the reigns of government committed to the “European project” of integration based on communal “values,” hoping to connect social movements and the government in newly transformative ways.

But Lapavitsas, a professor of economics at the School of Oriental and African Studies (SOAS) of the University of London and a Syriza MP affiliated with the party's Left Platform, insisted instead that the dream of European family values is as dead as social democracy, displaced by the now clearly exposed dysfunctional cabal of rapacious European elites. After four years under the troika's memoranda, Greece has become a kind of debt colony. The greedy resource sucking of the elites and their bankers, who lend money that primarily pays the interest on their previous loans rather than supporting the Greek economy, is being disguised with familiar racializing moral language. The Greeks, and the other southern countries of the euro-periphery, are increasingly represented as lazy benefit suckers and beggars—the “welfare queens” of the 21st century. Lapavitsas and others argue passionately that the troika regime is neocolonial and will deepen Greek poverty and intensify inequality.

Panitch and Lapavitsas share the goal of Greek exit from submission to the troika, but differ on how and when to do that. Lapavitsas, author, co-author, and co-editor of a series of books on the European crisis, has long recommended Greek exit from the eurozone. Drawing on work with his associates at the SOAS group Research on Money and Finance, Lapavitsas recommends a program of defaulting on the sovereign debt, nationalizing the banks, converting the currency, stabilizing the exchange rate, and organizing supplies for the population to get everyone through a rough transition period. Only then can the Greek economy hope to recover with the priorities of social and economic justice intact. This is not a program he hatched since the election of the Syriza government, but one he has been advocating for several years.

Panitch, on the other hand, cautioned the audience that neither the government nor the population is unified or prepared to carry such a program through while avoiding catastrophic bank failures and economic collapse. Lapavitsas responded that waiting would only make conditions worse and that the new memorandum's conditions rule out ameliorating action by the government.

The debate thus reflects wider disputes within the Syriza government and within the European left between those who support signing the memorandum now versus those who are pushing for an OXI response. This debate often degenerated at the conference and on social media into accusations from one side of “capitulation” to the troika versus, from the other, accusations of irresponsible left extremism. But as Panitch pointed out, this is a false polarity. No one on the left is advocating true capitulation, and those advocating some kind of exit from the eurozone have been planning for a managed, if not quite orderly, exit. Details of Plan B meetings organized by former Syriza finance minister Yanis Varoufakis have recently been leaked to the press, and Lapavitsas' extensive publication record demonstrates a clear vision of plans for an inevitable Grexit. Discussion and debates within Syriza have for the most part avoided a stark binary and disabling split, but they are also now proceeding in an increasingly toxic political and media environment. Rumors of charges of treason against Varoufakis for his Plan B meetings are circulating, as fear of the troika-supporting

parliamentary opposition intensifies. Much strategizing necessarily goes on in secret. There is fear, doubt and uncertainty—about the impact of one course or another on living standards, on the possibility of a coup. These anxieties are sometimes owned and sometimes suppressed in fits of ill-founded self assurance about what path is best.

This first plenary was broadened on Saturday by a gender-balanced panel of European activists focused on the question of participatory democracy and the social solidarity movements. In the house were representatives from Sinn Fein of Ireland, the Left Bloc from Portugal, the United Left of Slovenia, Podemos of Spain, and Left Ecology and Freedom from Italy. Catarina Principe of Left Bloc/Portugal laid out the dilemma for left organizing in Europe. In fighting for state power, the left is taking up the space evacuated by social democrats as they join the neoliberal consensus that Tariq Ali describes as the “extreme center.” In doing so, they must behave like a political party in order to make credible bids for former social democratic votes. But new left parties like Syriza and Podemos come out of the social movements and social solidarity structures that eschew the conventional forms of electoral politics. The parties cannot transform Europe without the support of fully engaged social movements. And the social movements cannot protect themselves from attacks by police and neoliberal adversaries without access to state power. Syriza is now poised on the very horns of that dilemma. Elected to ease austerity and provide social services to a desperate but newly hopeful population, their survival within the government depends on the ability to somehow navigate the shoals of too much compliance with the troika, or too little. As Athena Athanasiou, a professor of social anthropology at Panteion University in Athens, pointed out on another panel, Syriza has been offered a deal that to either accept or reject may destroy them.

The generously expansive analyses of the members of this plenary contrasted with those of the Friday plenary in their humility and responsiveness to the audience. Presentations were kept short; there was maximum time for discussion, and there was no rhetoric or grandstanding. When a questioner demanded to know which side of Syriza their organizations are on—the capitulators or the revolutionaries?—the panelists all rejected the question. And the representative from Italy, Giovanni Paglia, was hilarious! The panel presentations were followed by Stelios Elliniadis, a member of the Syriza Central Committee, who offered a self-critical statement of remorse for the failures of Syriza—most pointedly the failures of internal democracy. The majority of the members of the Central Committee support rejection of the memorandum, but opportunities for discussion with government ministers are scarce. He also made a call, echoed by nearly every speaker at the conference, for a deeper engagement between the government and the social movements despite the tensions so clearly outlined by Principe.

Speakers on many panels made comparative references to Latin America and the Caribbean, to South Africa and Egypt. But there was little sustained analysis of the global context. Understandably the focus on Europe right now is rather tight and tense. This may (or may not) not be a crucial moment of push back against neoliberal austerity as forces confront each other within the European Union right now. But the global context provides unique illumination. As Vijay Prashad has recently noted, Greece is being decimated but not in the same brutal and unaccountable ways that Western powers and the IMF expropriated the resources and trashed the political institutions of what was once called the “Third World.” Leftists of the euro-periphery have a lot to learn from the long experience of postcolonial states and decolonial movements around the globe. It might be illuminating to see Southern and Eastern Europeans clinging to the European project, maintaining the desire to remain or become “modern” cosmopolitan Europeans despite the wrecking of their economies, as sometimes a form of identification with European whiteness. As in, “You can’t do that to us! We’re Europeans, not [fill in the blank].”

It might also be useful now to closely investigate global institutions being created by the associated BRICS (Brazil, Russia, India, China, South Africa) countries, who met recently in the Russian city of

Ufa. In Prashad's view, this alliance may offer an institutional if not an ideological challenge to the Bretton Woods institutions, especially the IMF. If financial aid is not forthcoming from those sources, then perhaps ideas for other collaborations might emerge? In 1973, Castro addressed the BRICS' predecessor, the more politically pointed Non-Aligned Movement, calling for a global debt strike. He was applauded, but his proposal ignored. Might it soon be time to try again?

Lisa Duggan

P.S.

* "To Grexit or Not to Grexit". The Nation:

<http://www.thenation.com/article/to-grexit-or-not-to-grexit/>

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Footnotes

[1] <https://globalcenterforadvancedstudies.org/about-us/>

[2] <https://globalcenterforadvancedstudies.org/?s=Democracy+Rising>