

Greece. Syriza: the denouement

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What a miserable object-lesson. What a miserable end.

Syriza has finally been crushed in the Greek legislative elections, in a vote with the [lowest turnout since 1974](#). Worse, they've been crushed by New Democracy, the party they threw out four years ago. The discredited crooks and pirates whose agenda they eventually adopted. As the *New York Times* [put it](#), no matter who won "the future direction of the country" was "unlikely to change". Greece has been 'normalised'. The [prodigal state](#) has come full circle.

Syriza was elected in February 2015 on a completely reasonable agenda that they had no idea how to fight for. And, it is increasingly clear, no intention of fighting for. On paper, they wanted to replace austerity with an emergency programme addressing the country's humanitarian crisis, and cancel an unsustainable debt agreement with the European lenders. That was not their policy. They lacked any strategy for confronting the lenders, and so they were defeated.

To recapitulate, briefly, the context. When Syriza took office, Greece had been in recession for almost five years. At its worst, the economy had seen growth rates of -10%. Youth unemployment stood at 25%. An overtly neo-Nazi party was on the rise. And austerity policies embraced since 2010 intensified the recession and shrunk wages by a third, while [sending Greeks](#) to an [early grave](#), with increased [suicide rates](#), malnourishment and medical crisis contributing to the excess mortality.

The rationale for austerity had been Greece's "sovereign debt crisis". The Greek state owed the banks €300bn in 2009. The claim was that if Greece tightened its belt and paid off its creditors, it would encourage investors to expect a stable economic climate, and growth would return. But of course, even with the deepest of cuts, Greece didn't have the money to pay the debt. €300bn was bigger than the total size of Greece's economy at that time. Thus, the European institutions rallied, ostensibly to Greece's aid. Offering a 'bailout', they insisted that this be accompanied by deep fiscal retrenchment and structural reforms. It's a truism to say that the 'bailout' was for private northern European banks, not for Greece's economy, which never saw the money. The more complicated truth is that the money also bailed out the large shareholders of Greek banks. This was a class bailout.

As a predictable result, Greece's economy shrivelled, the debt-to-GDP ratio skyrocketed, and the political system began to fly apart. Obviously, the austerity agenda was never about paying off the unpayable debt. Austerity is [never about paying off the debt](#). There is no such thing as 'expansionary austerity'. Austerity predictably, in almost every case, suppressed growth for the duration, making it impossible to pay off any debt. Debt is the political instrument through which austerity, desired for other reasons, is achieved. In this case, austerity was the means by which the social advances achieved by past Greek generations - particularly the leftist movements that arose after the dictatorship - would be undone. And while much has been achieved in that respect, the debt-to-GDP ratio in Greece has barely moved since 2013. Last year it reached a new [record high](#) at 181%, well over the 60% limit that usually triggers the "excessive deficit regime". This after a series of 'bailout' packages came totalling €241.6 billion euros. Even so, Greece's status has been 'normalised'. To reiterate, it was never about the debt. Austerity is *never about the debt*.

Syriza wasn't just facing down private banks. If it had been, their fight might have been easier. But one effect of the bailout of Greece's lenders was that, by the time Syriza took office, 85% of its debt was held by public institutions like the European Central Bank and the IMF. These were the institutions that, in coalition with the Greek ruling class, had been pressing for austerity. They had been insistent, and remained so, that there was no question of restructuring the debt since that would relieve the austere discipline under which Greece was operating.

When Syriza took office, these institutions were determined to break the incoming government. The European Commission began by withholding a €7bn tranche of the 'bailout' money they were obliged to pay under the second memorandum, and which Greece needed in order to keep up payments to the IMF and the ECB. Meanwhile, the ECB let it be known that it would not be repaying the €2bn profit it had made on Greek securities, sufficient to cover most of the emergency programme on which Syriza was elected. Thus, the fiscal asphyxiation began. As European Commission President Jean-Claude Juncker famously put it, "there can be no democratic choice against the European treaties".

What was Syriza's response to this? If you were working on the assumption that they would try above all to implement their programme, you would have been baffled by what took place. Syriza's policy was ostensibly to cancel the second Memorandum, write off the debt and embark on a programme of national reconstruction. End privatisations, restore wages and pensions, nationalise the banks and discontinue austerity. The fact that a party with such a programme had any chance of being elected was a result of near-insurgency levels of political and class struggle in Greece. But Syriza's actual policy was not this. Their actual policy, against that agreed with the membership, was to negotiate a better Memorandum than their predecessors. As a result, they went into 'negotiations' with the lenders, on the basis that they would use their programme as a bargaining chip to negotiate away. They would demonstrate their moderation, their constructive rationality, their commitment to the European institutions, and achieve a sensible compromise on that basis.

Yanis Varoufakis, who claims much of the [dubious credit](#) for working out this strategy with Alexis Tsipras and Yanis Dragasakis behind the scenes, still believes that "the sole reason that the IMF and EU were asphyxiating us" was in order not to admit that their previous memoranda had been in error. But he based that claim on the assumption that these policies were intended to help Greece pay its debts and remain in the eurozone. They weren't. And the lenders weren't negotiating. As a Greek government official put it in an [interview](#) with Mediapart: "It was the government that was coming, coming - coming close to the Troika, without them making any move towards us, and never discussing the debt."

And so, the emergency programme was progressively abandoned. The government abandoned any idea of a debt write-off, and promised privatisations, business tax cuts, and a primary budget surplus. No dice. The lenders wanted more, far more than they had got out of New Democracy. They wanted proof of submission. Tsipras, on the brink of being comprehensively humiliated, had one last gamble. He went to the country with a referendum, asking for a verdict on Europe's proposed agreement. His overt position was that he wanted voters to reject what Europe had to offer. What he actually hoped for was to get a democratic mandate to sign the agreement. Faced with the embarrassment of an overwhelming 'Oxi' vote, he moved quickly to shut down any possibility that this political momentum could be used to sandbag his strategy. He sacked Varoufakis, whom the creditors disliked, and sent a new team of negotiators including delegates from the ruins of Pasok, and the centre-left To Potami, to discuss the terms of surrender. Within five days of his apparent 'victory', he signed the third Memorandum with the lenders.

Cuts. Privatisations. Pension 'reforms'. VAT increases. Recessionary measures. The sell-off of public property at firesale prices. Every policy that had utterly annihilated PASOK, discredited New

Democracy, and brought the Greek state to the point of collapse, was accelerated. The oversight of Greek government departments by the 'troika' continued. The government accepted primary surpluses of 3.5 per cent a year until 2022, and [austerity until 2060](#).

Tsipras portrayed his capitulation as a great victory. Though the defeat split Syriza, and led to a mass defection of party militants, it didn't yet damage them electorally. Syriza went to the polls to get a mandate for its agenda, and won with 35.5%. If elections were about moral capital, the left-wing breakaway, Popular Unity, should have won for having stood against the Memorandum. But elections are about what is perceived to be possible, and the entire preceding process had been about demonstrating to Greek voters just how powerless and precarious their situation was. Just how easy it would be for their economy to be bankrupted. Just how swiftly they could be thrust back into the old poverty. And if Syriza was signing the Memorandum, then there really must be no alternative.

Even with their electoral coalition intact, though, Syriza became yet another party of the state. This was reflected, not just in the predictable results of their management of austerity (poverty continues to [rise](#), the health system is still undergoing perpetual crisis and [shortages](#), etc), but in the wider conservatism of the government. Though it promised to reform foreign policy, democratise the security forces, and support migrants, Syriza went in the opposite direction on almost every front. Never before, at least since the dictatorship, has the Greek state's foreign policy been so [closely aligned to the US and Israel](#). Tsipras referred to Jerusalem as Israel's capital before Trump did. On immigration, too, Syriza has been servile, [bailing Merkel out](#) with a deal favouring what used to be called 'illegal pushback'. It has deployed security forces against refugee rights movements. The old security state, with its record of corruption and far-right connections, has been protected. The government has passed [new repressive laws](#) targeting the very protests and social movements that gave birth to Syriza.

It has been a painful, four-year-long auto-immolation. A failure of political leadership so total that, when called on to defend its record, it now speaks of the enthusiasm of Chinese and German investors for snatching up ports in Athens and Thessaloniki. This, ostensibly the most radical left government elected in Europe for decades, achieved not only the entire fulfilment of the objectives of Schaeuble, Merkel & Juncker, but also the complete revitalisation of clapped out Greek conservatism.

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