



THE 8TH OF JULY*
PERSPECTIVES ON THE GREEK POLITICAL AND
SOCIOECONOMIC SCENE

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The 7th of July, the date of the national elections in Greece, will come and go. But the 8th of July will not bring happiness to the winner and, indeed, to any systemic party. It will only bring to them anxiety, perplexity and fear, because all those previous years they have failed to prepare the country for an orderly exit from the Eurozone and a carefully designed, multi-vector, international alliance policy for the country in a world that changes with monumental speed.

A couple of weeks ago, Greece's statistical services, ELSTAT, published some interesting data comparing and contrasting the periods of austerity between 2015-18 during the Syriza government, and 2010-15, the period of centrist coalition government. Under Syriza, the rate of impoverishment of Greek society was 20,4%, whereas during the period of coalition governments the rate was 19,1%. In simple terms this means that Syriza will lose the election of 7 July, as indeed it did.

But will matters improve under the right-wing government of New Democracy (ND)? No. New Democracy will honour the country's international obligations, that is first and foremost, the commitment to having Greece under a permanent primary surplus until 2060; intensify the layoffs in the public sector and deepen the medieval regime in industrial relations. This, of course, will have a number of side-effects, including the continuation of migration and the fall in the birth-rate – more than 700,000 Greeks under 40 years old emigrated over the last ten years.

ND, Syriza and the ever-present PASOK that was renamed into KINAL, (Movement for Change) have begun to amalgamate a new government bloc drawing power from Brussels and legitimacy from the Greek people by convincing

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the Greeks that There Is No Alternative (TINA). This locks out the people from the centres of governmental power and any resistance to Brussels-led austerity becomes impossible. The austerity has enduring features and the systemic parties need to make sure that people cannot project their interests onto the power-centres. Thus, given the fragmentation of the anti-systemic Left – the Popular Unity party, the Course to Freedom and the Diem25 – there will be a certain stabilisation of a bi-tri-party system managing a dilapidated state machine, itself a mirror image of those systemic parties registering at the same time their clientelistic and class interests in it. However, the 8th of July will bring the three systemic parties in front of three major and inter-linked problems, which are already under way.

A new Eurozone crisis is not to be excluded

A new grand crisis of the Eurozone is not to be excluded, especially if we take into account the situation in the banking sector across the EE, or developments in Italy with the issuing of a parallel currency there. Brexit, also, is not a simple affair for either Britain or the EE. The City of London is still pondering whether to support a dollar-sterling alliance or to back-up the Euro – just the amount of currency swaps that takes place daily in the City's shadow banking sector is monumental. This has not yet been decided and a better picture will emerge as we are heading towards October. In all, a new crisis in the European theatre is possible and this will bring all European polities – and the West as a whole – in front of new-old tasks, as to what, for example, to do with their debt obligations and whether a return to national currencies is the best solution – something which some mavericks have been arguing since, at least, 2010. And this will be a real issue, because it is not certain at all that the Euro-system will be able to absorb another crisis. Combine this eventuality with the regime of enduring austerity in Greece and the frailty of the new bi-tri-party system becomes more than obvious. This will open up massive space for the anti-systemic parties of the Left – and the Right, but we are not examining this here – pushing peoples' preferences to anti-austerity and demolishing TINA.

It's the geopolitics, stupid!

Let us now give a brief look at geopolitics. A crisis is looming in the Eastern Mediterranean at the centre of which is Turkey's policy not to be excluded from the scramble for the gas bonanzas found around the Republic of Cyprus. Thus, Turkey began drilling in the Exclusive Economic Zone of the Republic's territorial waters. A crisis in the Mediterranean, or a more generalised crisis caused by the USA's attack on Iran with the possible involvement of Russia and/or China, would create a wholly different dynamic within Greek society and politics necessitating an active role of the state in social economy and defence. Further, in case the systemic parties pursue a policy of appeasement towards Turkey, something which is very probable given their subordination to their American master, then the anti-systemic Left would have a massive space for intervention on a socialist-patriotic line. This happened many times in the past, for example, in the late 1950s and 1960s, when the United Left's leader, Elias Eliou, and young Andreas

G. Papandreou, revealed centrist plans to partition Cyprus between the two NATO powers, Greece and Turkey, at the expense of an independent Cyprus Republic as proclaimed by its charismatic leader, Archbishop Makarios. A similar scenario where Cyprus is sacrificed on the altar of keeping the peace with Turkey in a NATO context is not to be excluded if a geopolitical crisis erupts in the Mediterranean and beyond.

The Constitutional issue

Last but not least, there is a Constitutional issue. As we argued earlier, Greece is earmarked by its lenders to be under a regime of enduring austerity for at least another 40 years. This aspect is buttressed by a new state authoritarianism which, as such, is embedded in the regime imposed by three bail-out agreements (Syriza initiated auctions of households that owe money to banks, imposed extraordinary taxation measures, deprived households of electricity in case new taxes are not paid, etc.). The pressure for the revision of the 1974 Constitution is real in that this Constitution is a pro-Keynesian, demand-led document that does not conform to the supply-side austerity requirements signed by the entire Greek political class, what I call here "systemic parties". In general, post-war Keynesian Constitutions across Europe and the de-colonised world, were demand-led legal arrangements with pronounced popular participation and guaranteed social provision and welfare. However, these arrangements, only partially upheld by the EE's so-called *acquis*, are in tatters after the crisis. The new Treaties introduced, such as the Fiscal Compact and the European Semester, dictate deepening of supply-side policies across Eurozone members and strict adherence to the new rules. This can hardly be implemented at state level without drastic changes to Constitutions. Any attempt to change the Greek Constitution in order to legitimise a regime of enduring austerity will be met with staunch resistance. Put this together with the eventuality of a new crisis across the Euro-system and a geopolitical crisis and you will have the perfect mix blowing up the entire bi-tri-party system, pushing left anti-systemic parties to power under national, radical political agendas. From this perspective, the 8th of July will not bring happiness to the winner and, indeed, to any systemic party. The 8th of July will bring to them only anxiety, perplexity and fear, because all those previous years they have failed to prepare the country for an orderly and planned exit from the Eurozone and a carefully designed, multi-vector, international alliance policy for the country in a world that changes with monumental speed.