GREECE — THE DECEMBER 2008 UPRISING

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Not much more than a year after the December 2008 uprising Greece is once again making headlines around the world. And once again the crisis that is making Greece the center of the world's attention is the product of the explosive mix of contradictions of a neoliberal capitalist model that is not unique to Greece, on the one hand, and of a socio-economic structure that disintegrates partly as a result of pathologies that are by now turning Greece into the racialized Other of the exclusive Euro group.

The fire this time revolves around the intensifying fiscal crisis of the Greek state and the policy responses that this crisis is eliciting. The possibility that Greece, a member in the Euro zone, could be forced to default on its sovereign debt, have to submit itself to a structural adjustment program under the auspices of the International Monetary Fund, and/or be unceremoniously expelled from Euroland has been fuelling speculative attacks against the euro and raising questions about the future of European economic integration.

The current trials and tribulations of the Greek economy are eliciting an ambivalent response by Greece's European 'partners'. On the one hand, Europe's political and economic elites recognize that the Greek problem is hardly unique to Greece. Levels of deficit and national debt far exceeding the criteria prescribed by the European monetary union are common within Euroland and the European Union, most notably among the countries of the European periphery that are derisively described as PIGS (Portugal, Italy/Ireland, Greece, and Spain). As speculative attacks on other Southern European countries have made clear, should the Greek domino fall, other larger ones would immediately follow, with unpredictable consequences for the European and global economies. Greece may be a small country but, in joining the Euro zone, it has managed to make itself 'too big to fail'. It is for this reason that Europe's political and economic elites find themselves compelled to assure the world markets that, should the need arise, Greece will be bailed out.

On the other hand, this assurance is far from resounding, in view of the backlash, on the part of the German and Northern European public, against the very idea of bailing out those 'irresponsible' Greeks living beyond their means and cheating on their taxes. The way these contradictory imperatives are currently negotiated by European and Greek economic and political elites is by predicating any European support for Greece on draconian austerity measures imposed on an economy that already finds itself in the midst of a deep economic crisis.

To understand the magnitude of Greece's economic crisis and the criminal nature of the austerity measures imposed upon it, a comparison to that beacon of neoliberalism, the United States, is in order. When President Obama came into office a few months ago, the official unemployment rate in the United States was around 7 or 8% and the U.S. economy was shedding 500-600 thousand jobs a month. Obama's response was to push for a Keynesian stimulus package. As liberal and progressive economists, like Joseph Stiglitz and Paul Krugman, pointed out at the time, this stimulus was not sufficient, leading to the even higher levels of unemployment that we are experiencing now. Nonetheless it was a stimulus. Greece, by contrast, is adopting draconian austerity measures, even as its economy is in worse economic shape than the U.S was when it adopted its stimulus package. According to the latest reports, the official unemployment rate in Greece in November 2009 was 10.6%, while the country was shedding jobs at a rate of 40,000 a month. Given the fact that the population of Greece is only 10 million, this is double the rate of shedding jobs that the U.S. experienced when it adopted its stimulus. Its membership of the exclusive Euro group notwithstanding, in terms of economic policy making, Greece is now becoming an official member of the global South. In line with Stiglitz's (2003) critique of neoliberal globalization, Greece has economic policies imposed upon it that rich capitalist countries would not dream of imposing upon themselves.

The list of austerity measures adopted by the Greek government is long and is growing longer by the day. They include a reduction of salaries in the public sector, across-the-board cuts in government expenditures and the country's puny welfare state, rising indirect taxes, an upward revision of the age at which Greeks can retire and reforms that in effect privatize the pension system and liquidate its solidaristic components.

Interestingly enough, these draconian measures have not been adopted by the Conservative government that was ruling Greece during the December 2008 uprising. Fatally weakened by that uprising, this conservative government limped along until the Fall of 2009, when it was routed in an early election by the Socialists. After campaigning on a platform of strict austerity measures needed to overcome the crisis, the Conservatives received the lowest level of electoral support in a long time. The Socialists, by contrast, won with a surprisingly high 10-point margin after making the reasonable argument that drastic austerity measures in the midst of a deep crisis would be counterproductive, even from a fiscal point of view, since the deepening of the crisis they would cause would inevitably lead to the collapse of tax revenues. In other words, the socialists have now opted for the type of policies that the Greek electorate explicitly rejected when voting them into office.

In trying to justify this turn-about, socialists have argued that they had underestimated the seriousness of the fiscal crisis because of the misleading accounting practices of their conservative predecessors. This excuse is laughable in view of the fact that 'creative accounting' has become a staple of Greek politics, making shocked denunciation of the accounting practices of its predecessors a rite of passage for every new Greek government in recent years. That socialists are hardly innocent in this respect is borne by the recent report in *The New York Times*, which disclosed that the socialist government in office in the early 2000s had been admitted into the Euroland only after cooking the books with the help of none other than Goldman Sachs (Story et. al, 2010). There is something surreal about hearing the current prime minister and minister of finance express their dismay about the conservative government's statistical malfeasance, in view of the fact that the former was a prominent member of the socialist government in the early 2000s and the latter was also a key member of that government's economic team. Were we to take their current claims seriously, we could only conclude that their Keynesian promises while in opposition were predicated on the assumption that the conservative government they were denouncing at the time could not possibly be as duplicitous as they had themselves been while in office in the early 2000s.

Adding insult to injury the socialists are now asking ordinary Greeks, and especially the Greek workers and employees who have always been the ones to make a disproportionate contribution to the fiscal revenues of the Greek state, once again to tighten their belt in the name of 'honesty' and the need to address the damage that 'Greek statistics' have inflicted on the country's credibility with the capitalist elites running the European Union and the global financial markets. Confirming Samuel Johnson's old saying that 'patriotism is the last refuge of a scoundrel', the socialist government, with the assistance of the political Right and mainstream media, is now elevating the new, even more brutal, phase in the ongoing neoliberal restructuring of the Greek economy as a question of national survival. To shore up the support of their program by the Conservatives and the extreme right, the socialists have also watered down the initially liberal immigration reform they had proposed.

It is hard to imagine that the long-term impact of all these developments will not be to advance the delegitimation of the Greek political and economic elites that was highlighted by the December 2008 uprising. It is a telling comment on the undemocratic nature of capitalist society that the trust that the Greek prime minister (who also doubles as the president of the Socialist International) is seeking is not that of the voters who put him into office to do the opposite of what he is currently doing. His only concern is with the trust of financial markets and the rating agencies that contributed to the current massive economic crisis by giving an AAA rating to anyone willing to pay for it. In other words, Greek workers and ordinary Greeks from all walks of life are now called upon to make brutal sacrifices, so that the corrupt, inept and parasitical political and economic elites in Greece can regain the trust of the similarly corrupt, inept and parasitical economic and political elites in Europe and North America that were most responsible for the crisis. Capitalism turns everything upside down. The more responsible one is for the system's dismal failure, the more likely he (and it is usually a he) is to pass judgment on others and to impose 'solutions' that shift the cost to those least responsible for the system's recurrent crises. Conversely, the more victimized one is by the system's brutality, the more likely one is to be vilified as a PIG.

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