

# Greece: The Dilemmas of Democratic Socialism

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*Greece is experiencing a triple crisis which has a profound impact on the economy, society and political system. The economy has experienced a deep, prolonged depression lasting six years and continuing. Workers and employees have suffered a 40% loss in income and a commensurate decline in medical, pension, educational and welfare benefits. The political system has witnessed a precipitous decline in electoral support for previously dominant right and center left parties and the rapid rise of radical democratic-socialist and fascist parties.*

The socio-economic effects of the crash of the economy have been exacerbated by the “austerity programs” imposed by the European Unions’ triumvirate. The economic cuts have undermined any economic recovery and accentuated the reductions in employment, social welfare and public investments.

The political consequences resulting from the extremely harsh policies of the EU and their forceful implementation by the right and center parties have been dramatic. A vast upheaval has shaken the entire political system. Previously dominant mainstream parties have been increasingly rejected, while formerly marginal democratic socialist and radical right wing parties have made major advances.

The political consequences of the demise of Greek capitalism require a closer look at the prospects for an electoral victory for the democratic socialists in the immediate future.

## The Rise of Syriza

The rise of the democratic socialists, more specifically Syriza, has been rapid and substantial. Between October 2009 and 2014 it has grown by a multiple of five: In the elections of October 2009 Syriza got 4.6% of the vote (315,665); in May 2012 16.8% (1,061,928) and in the most recent elections for the Euro parliament 26.16% (1,516,699). In contrast the two previously dominant parties, the rightwing New Democracy (ND) and the Panhellenic Socialist Party (PASOK) have experienced a precipitous decline. In October 2009, combined ,they got 77.4%, (5,308, 261); in May 2012, 32% (2,025,555); and in the recent Europarlimentary elections 30.7% (1,753,592).

The Greek Communist Party has also declined, despite the crises, and the militancy of its trade union sector. In the October 2009 elections, they got 8.4% (428,151); in the June 2012 elections 4.5% (277,227); and in the 2014 elections 6.1% (347,487).

In contrast the neo-fascist Golden Dawn has grown substantially over the same period. In the October 2009 elections Golden Dawn got .5% (23,566); in June 2012 7% (440,966); and in the Europarlimentary elections of 2014, 9.4% (536,442).

The demise of the neo-liberal right (New Democracy) is accompanied by the rise of the radical nationalist right. The collapse of the neo-liberal social democrats (PASOK) is accompanied by the rise of the radical left (Syriza) and a new self-styled “center-left” party calling itself “The River” (POTAMI).

The current electoral map of Greece is not defined by a dominant party or coalition. The bi-party break-down is accompanied by fragmentation and polarization. Moreover, the most intransigent opponents of the European Union’s austerity program and its executors in Greece are profoundly divided. The Communist Party and Golden Dawn are mortal enemies of Syriza, thus eliminating any possibility of an “anti-EU” coalition.

The same problem is evident on the Right. New Democracy and allied parties combine for only 27.4% of the electorate and are on a downward slope.

PASOK’s embrace of the neo-liberal agenda has led to the loss of nearly 85% of its voters (2.5 million) over the past 5 years. Many of their supporters among public sector employees have turned to Syriza.

The new ‘center-left’ party, “The River”, which gained 6.7% of the electorate has yet to decide which bloc to support, essentially bargaining to see with whom it can gain the most government posts.

Given the current dynamics of declining pro-EU support and increasing radicalization, what options does Syriza have, if it is to come to power?

### Syriza: Perspectives and Options

Syriza is the only realistic political vehicle on the Left with mass support, trade union backing and the electoral machinery for forming a government. Its political trajectory has been in ascendance – up to point.

The fundamental problem is that after its spectacular rise between 2009 and 2012, it has stagnated. In the June 2012 elections it got 26.9% and in the May 2014 elections 26.6%. It appears that Syriza has hit an electoral barrier. Despite the fact that it is Greece’s leading electoral party; it appears to be unable to advance further and secure a parliamentary majority. This raises the question of alliances with political parties to the Left or Right. Moreover, the internal divisions within Syriza complicate any overtures to possible electoral partners. Syriza has drawn leaders, cadres and supporters from the former Maoist, Trotskyist and radical left. Numerous PASOK middle level leaders and electoral supporters have flocked to Syriza. Many defected as a result of PASOK’s responsibility for the crises and support for the “austerity” pact with the EU. In addition a number of ex-Communist trade unionists are now backing Syriza as the only realistic alternative to the Right; many have repudiated Communist Party sectarianism and hostility toward other leftist formations. The current leadership of Syriza has, so far, been able to maintain cohesion by balancing harsh critiques of the austerity pact, which satisfies the radical sectors, with a refusal to exit the EU, which accommodates the social-democratic wing of the Party.

At some point in the coming period Syriza will have to make some hard choices, if it is to form an alternative government. Each of the following options has advantages and disadvantages, costs and benefits.

## The Radical Option

Syriza opts to ally with the Communist Party. This is a very difficult choice as the CP demands full compliance with its program, an equal sharing of key posts in a future government and recognition of its vanguard role. Given the fact that, electorally, the CP represents less than one-quarter of the voting strength of Syriza these are totally unacceptable terms to all sectors of the democratic left. The CP would have to accept that it will be a minority partner and that it would have to moderate some of its radical demands. The CP fears that Syriza is just another version of PASOK – a party that gives left signals and makes right turns. Its basic argument that Syriza's refusal to exit the EU is a sign of its basic opportunism, has some merit. But it refuses to even consider tactical electoral alliances, or offer critical support in forming municipal governments.

In any case, even if the CP and other smaller radical left groups joined a Left coalition, it would only add 8.6% to the electoral total, resulting in a precarious parliamentary majority subject to defections from the social-democratic wing of Syriza and face constant threats of defections by Communist maximalists.

## The Moderate Option

Syriza could form an alliance with the so-called center-left parties – PASOK and River parties – on the bases of a minimum program which would involve a commitment to remain in the EU based on renegotiating debt payments and the austerity programs, increasing public spending and ending the privatization of strategic economic sectors. This opening to the Right, would endanger the internal equilibrium of Syriza: it risks a split with the powerful radical sector, thus reducing its overall representation in Parliament.

Even if the Syriza left were to be pacified by offers of ministerial posts and promises of 'hard negotiations' with the EU, it is not likely to succeed in securing substantial concessions from the EU. Sectors of the latter are likely to welcome a Greek exit. Others will insist on full compliance with only slight modifications regarding the size of budget surpluses, increases in public spending and the terms of privatization. For the EU, the substance of the austerity program, the scope and depth of privatization, and the obligations to meet interest payments are non-negotiable. In other words to remain in the EU, Syriza would have to continue the basic policies of its rightwing predecessor. To remain in the EU Syriza would have to capitulate and become an updated version of PASOK – and lose its mass base in the next elections. Syriza leaders could procrastinate, with phony promises of a future break with the EU when 'the time is more propitious' or it could exit from the EU, losing its center-left allies, but hoping to recoup new supporters through alternative policies.

## The 'Middle Road'

Syriza could continue as an independent political movement, without radical left or center-left coalitions, working to accumulate forces from the stagnant Communists and the disintegrating right-center regime. It could use its leadership of local and regional governments to demonstrate its effectiveness and capacity to govern and ameliorate harsh national policies. It could transform its voting pluralities in Athens and Attica into majorities via community based councils, administering social programs, food kitchens, public works, clinics and public security.

## Conclusion: Perspectives

Syriza, in government and out of the EU, could re-allocate debt payments, based on a debt moratorium, to public investments. It could revert to a national currency and end the fiscal constraints of the EU strait-jacket on budgets, incomes and employment. Control over monetary policy would allow Syriza to devalue, to raise the effective taxes on the kleptocratic millionaires. It could stimulate the economy and end the deflationary effects of the austerity programs. Protective tariffs, foreign exchange controls and revitalization of public sector enterprises could stimulate the local market. Flexible monetary policy could increase tourism. The cut-off of funding from the EU could be compensated by a 50% cut in military spending and an exit from NATO. The government could finance start-ups of high tech, small and medium size enterprises by the large numbers of educated Greeks currently overseas or unemployed. Greece could increase its ties with non EU countries across the globe. Greece would pay a price, especially from the financial markets. In the immediate period liquidity, external financing and capital flows would dry-up. Internal opposition from sectors tied to EU markets and imports would intensify.

No doubt sectors of the old right will turn to the neo-fascist Golden Dawn Party, as part of a sharper political polarization. Sectors of the police and army, with the support of NATO, will conspire to destabilize.

But with mass support in civil society and the civil bureaucracy, with a majority in the armed forces and police backing the constitutional government, a Syriza led recovery of sovereignty and a robust stimulus package could defeat a destabilization conspiracy.

The key to a successful Syriza government is unity and internal cohesion, and sound and equitable economic policies which balance economic growth and job creation with the gradual recovery of social benefits.

Above all Syriza should resist the populist-clientelistic policies which some of its followers will demand. It must not take the easy and disastrous road of expanding the public bureaucracy. There must be greater reliance on highly skilled professionals and entrepreneurial local innovators who produce useful goods for the market. Public firms must be reformed. The trade unions must understand that the first priority of the economic recovery is to create jobs for the 60% of unemployed youth.

Syriza is Greece's last best hope . . . because waiting in the wings are the EU aligned oligarchs, fascists and disloyal NATO military officials eager to take advantage of any misstep in order to seize power and turn Greece into another Egypt, Thailand or Ukraine.

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