

## Owen Jones: The elites are determined to end the revolt against austerity in Greece

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Europe's great powers won't be satisfied until they break Syriza, and stop an anti-austerity movement spreading across the continent.



Pro-euro protesters hold European Union flags during a demonstration in front of the parliament in Athens on June 30, 2015. Photo: Aris Messinis/AFP

Contagion: this word sums up how the Greek disaster has been allowed to descend into catastrophe. Not economic contagion, or any real fear that Greece is a Hellenic Lehman Brothers-in-the-making, whose implosion will send dominoes toppling from Berlin to Lisbon, but political contagion. An attempt is being made to suppress the contagion of its anti-austerity movement. In a eurozone where more than 11 per cent of the citizens are without work, including half of all young Spaniards, the social devastation endured by the poor has been sustained by a simple doctrine: "There is no alternative." If Greece threatens that narrative, it has to be punished.

After France's François Hollande abandoned his left-wing mandate almost as soon as he marched into the Élysée Palace, Syriza's dramatic triumph in January represented the first time Europe's anti-austerity movement had seized power in a national election. Since then, Europe's great powers – the European Union, the eurozone's unaccountable Central Bank, the IMF, the German government – have all conspired to make an example out of the party. Greece is a rebellious eurozone province, and if its democratically elected insurgents are allowed to succeed, the doctrine of "There is no alternative" will be shattered and a growing populist left will be emboldened. Why wouldn't Spain's austerity-weary voters give a decisive mandate to the radical left Podemos in a general election due by December? And why not then Ireland, Portugal, Italy, the Netherlands and so on?

Syriza has to be broken, or so the EU great powers decided long before it was even elected. But how? First: compel it to impose another dose of disastrous austerity, in violation of the party's clear electoral mandate. This would inflict on it the same fate as the Greek social-democratic party Pasok, which so alienated its support base that its vote plummeted from 44 per cent in 2009 to 4.7 per cent by 2015. A second possible strategy: strangle Greece's economy until the people decide that the lesser catastrophe would be to resign themselves to endless austerity within the eurozone. This is the current course of action.

The third strategy: force a default and drive Greece out. However, this might expose the eurozone's Achilles heel. A precedent would be set: the eurozone would no longer be an indivisible currency union, but a club that weaker members can leave or from which they can be de facto ejected. Italy, say, could find itself the subject of extreme market speculation.

And there is another danger for the elite: although defaults are invariably followed by the ejection of the ruling government – so, goodbye, Syriza – what if a temporarily hobbled post-euro Greece enjoyed a recovery comparable with Argentina's after the default of 2002? Other countries locked in economic misery would have an example to emulate. For these reasons, a Greek default will have to be as painful as possible, pour encourager les autres.

Syriza's fate will also be used to hammer opponents of austerity. Resisting the prevailing economic common sense of our time (it will be claimed) is demonstrably futile and self-defeating. Greece's woes are the product of overspending, and so on. That the likes of Goldman Sachs helped to massage Greece's books to allow it to enter the eurozone in the first place will be forgotten. The irresponsible lending of German and French banks will be forgotten, too.

The global financial crisis is generally not blamed on low-paid Americans for accepting sub-prime mortgages, but on those who lent to them irresponsibly. The same should apply to Greece: greedy banks, acting in the short-term interest, which lent money, setting aside risk for the sake of profit. As the Jubilee Debt Campaign has pointed out, it was German and French banks that were bailed out, not the Greek people.

Since then, successive bailouts with ruinous austerity measures attached to them have shored up private-sector institutions while slicing a quarter off the Greek economy. Poverty rates have more than doubled to over 40 per cent, unemployment is now a quarter and debt consumes 177 per cent of the country's GDP. Greece has been instructed to extend policies that have so far achieved only ruin. Yet such is the pressure being exerted on the Greek people that acceptance of (or rather, resignation to) the creditors' demands is surely likely.

Whatever happens, opponents of Europe's disastrous policy must keep calling for an international debt conference; not only for Greece, but other countries, too. This debt is an unpayable accountancy fiction that is strangling growth, and inflicting a terrible human cost. A new strategy – informed by the likes of Nobel Prize-winning economists such as Joseph Stiglitz and Paul Krugman – based on public investment, growth, and quantitative easing aimed at infrastructure and new renewable industries must be championed.

But Syriza is cornered, and so are the embattled Greek people. Any concession to the troika will be used to clobber anti-austerity forces. "The Greek people don't want to let down the EU," the Commission president, Jean-Claude Juncker, has pleaded. Austerity, Greece, the manifest lack of democracy and accountability . . . all are spreading disillusionment about the EU among the left. A pro-EU centre may continue to shrink, chipped away by left and right. Today, we witness hubris: but tomorrow, the EU may meet its nemesis.

Owen Jones discusses the politics of hope with Suzanne Moore and Georgia Gould in an NS event at the Latitude Festival on 16 July. [latitudefestival.com](http://latitudefestival.com)