Economic and Ecological Crisis in Greece

written by Natassa Romanou | February 2, 2014

Many misconceptions still exist in the mainstream about the ongoing economic crisis in Southern Europe. First, the crisis is often considered a direct result of the 2008 banking sector collapse in the United States, but it is becoming abundantly clear that it is a by-product, an expected outcome, of the current economic system, capitalism, which relies on continuing growth and competition, profit maximization, power and wealth accumulation by the oligarchy, commodification of public goods and resources, and the voracious exploitation of the environment. In the late 2000s the system reached a serious downturn, a situation that persists in Southern Europe in particular.

A second misconception has to do with the impact of the crisis on our societies. Discourse and response typically focus on the economic impacts alone, where the most immediate emergency is created by rising unemployment, severe wage cuts, and deteriorating conditions and benefits for the working class. Other attributes of this crisis, however, receive less urgent attention. The societal crisis manifests itself with growing, uncontrolled consumerism, which leads to overconsumption of natural resources, but also to the emergence of hyper-nationalism and eventually racism as competition for resources becomes tighter. The political crisis reflects a democratic deficit, when growing public discontent and resistance cause abuse of authority, police brutality, and state repression.

Another major side effect of the crisis, however, is the ecological contingency, the frantic race to extract ever more natural resources (oil and gas, but also gold and other precious metals), using increasingly more dangerous methods such as the extraction of oil from tar sands, the search for deep ocean oil and increased gas drilling, and the development of fracking. Massive land grabs and resource privatizations also lead to increasing environmental degradation. Above all, however, climate change due to greenhouse gas emissions into the atmosphere appears to be the ultimate triumph of capitalist greed over nature. Human activities such as fossil fuel burning, unsustainable transportation systems, rapacious deforestation driven by overconsumption, unrestrained resource exploitation, and the desire for profit maximization have led to unprecedented levels and rates of global warming that threaten life as we know it on our planet. Capitalism is responsible for climate change and is waging a war against rationalism and science to avoid dealing with it.

The impacts of climate change—perhaps better known as “global warming”—are expected to be huge, particularly in areas such as Southern Europe. Projections show desertification of subtropical zones following significant annual rainfall decreases of 10%–20% and temperature increases of about 3 degrees Celsius. More droughts, water shortages, heat waves, and flash floods will become the norm. Economies, like those of Greece and other coastal countries in Southern Europe, which rely mainly on tourism and fisheries as well as shipping, will be heavily impacted by the projected sea level rise, the changes in the ocean’s chemical balances (acidification), and droughts leading to soil erosion and forest fires. Given the magnitude of these impacts, which threaten the survival of the system itself, one would expect that societies would readily address global warming and seek mitigation strategies to combat it.

Climate change is not the first ecological challenge that capitalism ever had to face. Smog-related deterioration of air quality became a serious threat to human health in London, Pittsburgh, and Los Angeles in the late nineteenth to mid-twentieth century, as it is in today’s Chinese metropolitan and industrial complexes. The stratospheric ozone depletion in the 1970s and 1980s was attributed to the man-made introduction into the atmosphere of chlorofluorocarbons, artificial substances that

were used in refrigerants, aerosol sprays, and chemical solvents. Acid rain is a third example of man-made pollution, resulting from emissions of sulfur dioxide and nitrogen oxide during electricity generation from coal, factories, and motor vehicles; it has caused widespread ecological damage.

Unlike global warming, these previous occurrences of more localized climate change were addressed quickly and effectively. Legislation such as the Clean Air Act was designed to restrict airborne particle pollution in the United States and succeeded in doing so through a series of amendments that spanned the period from the 1960s to the 1990s. The Montreal Protocol, a UN treaty that aimed to protect the ozone layer by phasing out the production of substances responsible for ozone depletion, was signed in the late 1980s by numerous countries as well as polluting industries, in what is an example of exceptional international cooperation. With regard to acid rain, several regional treaties and protocols were agreed upon to force the polluting industries (mostly coal-fired power plants) to seek and enforce technical solutions that remove sulfur-containing gases from their emissions.

All these measures, and the international cooperation they required, were achieved because the problems (smog, ozone hole, acid rain) were occurring in real time and were local to the sources of production, endangering business and profits and, coincidentally, the people who lived, worked, and voted in the areas that were polluted. Capitalists were essentially protecting their own businesses by seeking solutions. By contrast, global warming is a more complicated issue. It is a problem created by the greenhouse gases emitted by industrialized countries which are typically northern, developed, and affluent, but it harms most countries in the tropical and subtropical regions (the global South) that make comparatively little contribution to the problem. Moreover, the impacts of global warming, such as desertification, sea level change, water cycle changes, and extreme events such as heat waves, take time to manifest themselves in everyday life, and the most serious impacts are expected in the upcoming decades. There is therefore no local or temporal urgency for the problem to be addressed by those who cause it, primarily the rich countries.

The Greek Reality

As global warming mostly impacts the low-latitude (Global South) regions of the world, Greece, located at the tropical-subtropical boundary, is one of the few industrialized countries that has the most to lose from climate change; it also relies heavily on coal for the production of its electricity. So Greece should be at the forefront of climate change mitigation efforts.

Such efforts have to involve energy solutions. Greece imports about 64 percent of the energy it consumes, while the European average is 46 percent. Furthermore, 91 percent of the energy Greece uses comes from fossil fuels (coal, oil, and gas), which are among the most damaging energy sources for the environment, and Greece has higher releases of carbon dioxide per capita (8.4 tons) than any other country in the EU and significantly greater than the EU average (7.2 tons). The current government in Greece, serving the neoliberal directives of the Troika (the IMF, the EU Commission, and the European Central Bank) instead of turning towards renewable energy sources, is planning for more fossil fuel exploitation in the eastern Mediterranean, south of Crete and in the Ionian Sea, through large-scale, privately funded projects and further privatization of existing national energy companies. There are also plans for “green energy” production (solar or wind) on a massive scale, but again under the neoliberal directives: private funding and ownership, and no public control. Such mitigation strategies, together with highly unsuccessful market-based approaches such as carbon emission trading, carbon credits, and carbon markets, or geo-engineering solutions, essentially represent the efforts of the capitalist system to reinvent and save itself. This so-called “Green Capitalism” is a false systemic solution that will eventually lead to the same problems and crises inherent in capitalism today.

A Radical Left Solution

At the same time, one very encouraging prospect emerges: the spontaneous but powerful environmental movements against extractionism and privatization of natural resources. These movements are based on grass-roots activism with little political affiliation and guidance, self-organized along the frontlines of capitalist expansionism.

New and old lignite-fired power plants have been strenuously opposed in several regions of the country with some success, particularly before the onset of the recent crisis. Privatized waste management plans and new landfills such as in Keratea, a small town 40 kilometers west of Athens, were finally disrupted after the local community united against them, despite an extreme display of state authoritarianism. Other flashpoints of opposition were the privatization of the public water supply company in Thessaloniki and perhaps most notably the anti-gold-mining movements in Skouries, a village in northern Greece, as well as in Milos, a picturesque island in the Aegean Sea. Similar social movements opposing state or private plans to downgrade the environment, public spaces, and natural resources have occurred globally: in South America, the United States, Canada, and perhaps most powerfully in the massive anti-government demonstrations that spread across Turkey in 2013, ignited by an initially small protest against erecting a shopping mall in a historic park in the heart of Istanbul.

The rise of environmental activism is very encouraging, because it focuses on the degradation of the natural environment, opposes private interests and state oppression, and empowers people to fight for a better quality of life. These movements, however, are not politically conscious and mature, in that they do not frame or even seek the deeper causes that lead to the systemic degradation of the quality of the environment and ultimately of life. They are regional and fragmented both in scope and in regional extent, they lack political leadership and political awareness, and they do not establish connections among themselves on a larger scale—i.e., they do not articulate explicitly the fact that effective global environmental activism and climate change mitigation require limiting overconsumption and abandoning fossil fuels and the associated lifestyles, all of which are in the end threatening capitalism itself.

Unlike other examples worldwide, in Greece a new political power of the progressive left has taken heed of the urgency of the situation and the message of the grass-roots movements. Syriza, a coalition of radical left parties, has been present and an ally in the struggles of local communities against the neoliberal demands for land and resources. Syriza in its programmatic plan advocates ending austerity and reversing the policies that led to more taxes for the middle and lower classes, layoffs, privatizations, and reductions in worker rights and benefits. Syriza has pledged to rebuild and radically transform the economy in a way that is both societally and environmentally balanced and fair.

A decentralized, small-scale, local, community-controlled renewable energy model could then be at the heart of Syriza’s energy proposal. The state’s role would be to coordinate regional, municipal, and worker-owned energy cooperatives; to rebuild and maintain a modernized energy distribution grid; and to oversee price and export regulation. Syriza must commit to phasing out fossil fuels by a certain date, say 2025, which is consistent both with European and international protocols already adopted by Greece and, more importantly, with the ideology of the left and the fight against the exploitation of nature and the degradation of the environment. Syriza must pledge to develop and promote solar, wind, and perhaps geothermal as the primary energy sources, support energy diversification, and aim to achieve energy self-sufficiency for the country. Natural resource exploitation must be carried out judiciously, with public consent and control, while minimizing the impact on the environment. All fast-track decisions made by the present government must be reviewed and reversed, and any regional alliances (for example, those with Russia, Turkey, the

United States, and Israel) must be reviewed and appraised against geopolitical gains and costs. The sale of public property and spaces to private interests must be blocked, forests and natural reserves must be protected, and tourism cannot be used any longer as an excuse for ever-expanding development, construction, and privatization of public land. Public dialogue and transparency must be institutionalized, and control should be handed over to the people, the workers, the consumers. Such a model would motivate public participation and provide jobs and a new vision for the country. Greece, given the small extent of its energy requirements compared to other countries in the region and its lack of significant fossil fuel reserves other than coal, could and should try to make this plan work.

In conclusion, the left worldwide, and in particular in Greece, has to make ecology central to its discourse and struggles. Climate change is a global problem but requires local solutions. Syriza must continue to add to the momentum of the activist movements in Greece, gain from them, and help them grow into a resistance movement and a political force. As more people participate and connect the pieces of the puzzle, i.e., local ecological catastrophes, to the larger picture, i.e. climate change and capitalism, the political awareness of these ecological movements will be awakened and will be successfully expressed through the left.

Footnotes