

Reflections on Opportunity Lost



IN VERY DIFFERENT WAYS, Helena Sheehan's *The Syriza Wave: Surging and Crashing with the Greek Left* and *Looting Greece: A New Financial Imperialism Emerges* by Jack Rasmus look back over the period of the Greek debt crisis, and the parallel rise and fall of Syriza, and try to take stock.

This period represents an attempt by the left within Greece—including but not limited to Syriza—to offer an alternative to the Greek humanitarian and political crisis, an alternative that was based on an affirmation of democracy and of human needs over the dictates of capital. Its failure in the broadest sense, with its profound international implications, is the obvious subtext of both books.

Sheehan's *The Syriza Wave* is part activist/intellectual memoir and part incisive political reflections. In the blending of personal anecdotes and substantive analysis, she writes with both clarity and partisanship that is scrupulously fair. For his part, Rasmus provides an equally well-written and concise analytical account of the political economy of the debt crisis, its origins and meanings, and the strategic implications for, and the failings of, the Syriza government. For different reasons, and in particular for those who have been following Greek events over the last several years to see

unfolding the full impact of neoliberalism and the anti-democratic reality of pan-European governance and the eurozone today, in Greece and beyond, both books make for invaluable reading.

For activists in solidarity with the struggles in Greece over the last decade, the initial chapters of *The Syriza Wave* read like the diary of a fellow-traveler, in the best sense of the word. U.S.-born Sheehan is an intellectual, academic, and longtime activist of the Irish left. Incorporating these identities, her account of the dynamics of the now famous Democracy Rising conference in Athens provides an example of Sheehan's incisiveness. The conference took place in July of 2015 and opened mere days after the announcement that an agreement had been reached for a third austerity memorandum between the Troika (the European Central Bank, the European Commission, and the International Monetary Fund) and the Syriza government. Among other things, the conference witnessed various defenses of the Syriza government capitulation by prominent intellectuals and academics, offered with greater or lesser degrees of philosophical obscurantism. Sheehan writes,

All through the conference I was conscious of the difference between left academics and left activists (who might also be academics). Not for the first time was I aware of this disparity. I had long ago adopted a participational theory of truth and believed that activism was epistemologically important in how I think and write. It is not only a matter of knowing things we would not know otherwise, but it is a way of speaking and writing about political subjectivity, about concepts such as the people, the movement, or the party, that just does not have traction with those who have a more concrete experience of them (130-131).

As exemplified by her firsthand reflections of the Democracy Rising conference, Sheehan has longstanding ties to Greece (having spent time in the country since at least 1992) and

with (mainly though not exclusively) Greek intellectuals and activists. The book is chock full of accounts of numerous discussions and debates with many of these individuals, from a variety of perspectives and persuasions within the left, throughout the period of which she writes.

There are chapters devoted to each year from 2012 to 2016, during each of which she spent time in the country and very often at crucial moments for the movements and the left. For example, she was actively involved in the struggle around ERT, the Greek public broadcasting channel that was closed down in June 2013 by the coalition PASOK/New Democracy government. Sheehan was present at the time of the closure and provides vivid accounts of the immediate aftermath of this decision: the occupation of the facilities by the station's workers and their allies, the attempts to re-open ERT, and the promises and subsequent walking-back of these promises by the Syriza government in 2015. Sheehan was also involved in building international solidarity for the ERT struggle; she writes of speaking to audiences and news broadcasts in Ireland and trying to draw connections between the struggles there and this struggle against austerity in Greece.

In fact, one of the strengths of *The Syriza Wave* is that in writing as an international activist, Sheehan continually describes the impacts of the struggle in Greece—both good and bad—on the situation in Ireland and the rest of Europe. She writes of the influence of the rise of Syriza on the Irish left and the attempts to build unity out of the anti-austerity struggles there. Similarly, she writes of the scourging impact of the Syriza experience after the third memorandum. For example, in the run up to the Irish elections of February 2016, the right attempted to use its own narratives of the Syriza experience to excoriate the center left. The *Sunday Independent* ran an editorial entitled “10 Reasons Not to Cast a Vote for Sinn Fein,” claiming “Greece is a basket case looking at decades of economic stagnation. ... Why would Ireland

fare any differently if it heeded the siren's call [of the left]?" (205).

Sheehan also writes of the challenges both internal to Greece and internationally to regroup left forces following the Syriza government's final concession to those demanding inhuman austerity. For example, while appreciating the fact that his condemnations of the Troika were right on the money, she is critical of former Syriza Finance Minister Yanis Varoufakis, and his "flamboyant inconsistencies" (201), in regards both to his efforts in government and to his attempt to build resistance from above, at the leadership level, without any coherence, unity, or strength from below. She writes, "It made me remember quotes from Phaedrus about a mountain giving birth to a mouse and from Marx about sowing dragons and reaping fleas." In these assessments she writes much more sympathetically of the efforts and analyses of figures such as Stathis Kouvelakis, Costas Lapavitsas, and George Souvlis.

For me the most riveting chapters of *The Syriza Wave* deal with the defeat in the summer of 2015 and its political aftermath. As an international activist and internationalist, Sheehan provides useful rebuttal to the defensiveness of those sections of the left who, often uncritically, rallied around Syriza after its capitulation to the dictates of the Troika. She writes,

I have struggled through writing this with the issue of what I had a right to say. To the extent that I immersed myself in these events, I could not be detached from them. The fate of the left anywhere is my fate. I have never been able to confine my thinking and my activity to Ireland. I don't only live in Ireland. I live in Europe and the wider world. It is all interconnected. ... Some Greeks tell me that they can discuss Greek politics with me as they do with other Greeks. They tell me, "You are one of us." Others will say otherwise. I hope I know my limitations. I am very aware as I come and go

how alike and different is the crisis in Ireland and Greece. Specifically, I am conscious of things like how many fewer cuts there have been to my pension than to theirs, which is what allows me to come and go (184).

Yet while being self-reflective of her position as a non-Greek activist, Sheehan takes on Tsipras' attempt to bait as "foreigners" those sections of the international left who opposed his actions after July 2015 (147). In fact, throughout Sheehan is clear about her own political allegiances and positions.

She writes,

Some international commentators decided that mainstream Syriza was reformist and had moved to the right and cracked down on its internal left. I did not see it this way. I had strong relationships with both Left Platform and mainstream Syriza. I had great respect for people on both sides. I did not believe that the left was confined to the Left Platform. A party of this size was necessarily diverse and held ideological positions along a certain left spectrum. All of us looking at it had our own ideological positions and affinities to those closest to our own positions. My strongest ties were to ex-Synaspismos and to a position stemming from the tradition of left Eurocommunism. These ties crossed the Left Platform versus Left Unity divide (85).

In this regard, one of the theoretical tensions within the book is worth noting. On one hand, Sheehan quotes Aristides Baltas, a leading intellectual within Syriza and recently minister of culture, as arguing that "the old reform-versus-revolution debate was irrelevant now" (32) and Leo Panitch's claim that in the aftermath of the Syriza experience, the term "restraint" needs to be added between "reform" and "revolution." Both Baltas and Panitch have remained aligned to Syriza following the third memorandum and mobilize these arguments to support their position. Yet Sheehan, despite her

healthy and critical accounts of what holding state power meant for the individuals involved, is sympathetic to some version of this position.

Regarding her previous support of Syriza she writes,

Unlike those who called themselves revolutionaries and denounced reformists, [Syriza] had stopped dreaming of storming winter palaces and bolshevizing the twenty-first century. They were not holding out for an all-encompassing insurrection, which would destroy capitalism one day and inaugurate socialism the next day. They were planning for a protracted process, which would include winning multiparty elections, entering into difficult negotiations, agreeing to unattractive alliances, undoing damage done, building the new inside the shell of the old (84-85).

What Sheehan does not explain is what if any relationship the failure to grapple with the limits of the “protracted process[es],” and the prioritization of winning multiparty elections after the exhaustion of the social movements, had with the capitulation of Syriza. It may be that writing off the reform/revolution problem leaves good-willed revolutionaries without a road map for the necessary work (including electoral) of the revolutionary in a non-revolutionary moment.

While there is much focus on the limitations and motivations of the leading figures, Alexis Tsipras first and foremost among them, the book leaves open the admittedly complex question of why the capitulation happened. Given the way in which Tsipras was able to wrest control over the direction of Syriza from the party members, the Central Committee, and the Political Committee, this is not simply a sterile academic, sectarian exercise. Some account(s) are needed for what allowed for the defeats of 2015 and their aftermath.

In any event, Sheehan makes clear she is not abandoning hope

for the people of Greece and its left. This is not surprising given her decades of commitment.

Sheehan writes,

Among the international left, people like me were subjected to swipes at Syrizamania and then attacked for disloyalty to Syriza, not necessarily by the same people. Those who have stuck with Syriza have not on the whole paid much attention to what has happened to Syriza since July. Many want to be on side with a party that can win elections and not one more party struggling at 2.8 percent. Some of them remind me of members of communist parties who defended the USSR no matter what. I believe that I have been more loyal to the best of what Syriza was by aligning with those who have broken away and begun to rebuild. I have not backed away from Greece when it became so depressing. I didn't end the story with "happily ever after" and leave it there (185).

The last chapter of *The Syriza Wave* provides a balanced account of the state of the struggle in 2016. With regards to the left wing of Syriza, which broke with Tsipras in the summer of 2015 and regrouped as Laïkí Enótita/Popular Unity, Sheehan is in solidarity but not without concerns. She notes that there have been criticisms of Panagiotis Lafazanis' leadership "although everyone thought him to be an honorable and hardworking person" (210). And she notes that the party struggled to be seen as more than the party of the drachma, that is, the party of a Grexit (172-73, 196).

And she quotes favorably Antonis Davanellos, one of the leaders of the left within Laïkí Enótita/Popular Unity,

What we've done so far is to regroup our forces in order to continue to be present, within certain limits, on the battlefield and to not give up on the possibility of victory. ... The reconstruction in Greece of a massive, radical, and anti-capitalist left in the twenty-first century will

continue. ... Therefore, we do not consider the UP [LAE] a "finished party," but a political front in the works (210-11).

Stylistically, *Looting Greece* departs sharply from the memoir-like quality of Helena Sheehan's book. Yet in writing such an analytically clear, historical account of the European and Greek debt crises, Jack Rasmus also has made a valuable contribution.

The book is divided into ten chapters, the first five of which deal with the evolution of the debt crisis prior to the coming to power of the Syriza government in January 2015. Chapters six through nine offer a blow-by-blow account of the failed strategy of Syriza in its dance with the creditors. The last chapter provides a broader overview and comparative analysis of how and why the Troika prevailed. Finally, in an extended conclusion, Rasmus puts forward an argument for financial imperialism as a new and growing form of imperialism.

For Europe, the creation of the European Monetary Union (EMU) and European Central Bank (ECB) in 1999, and the Lisbon Strategy, mark the origin of the current debt crisis. The ECB embarked on a devaluation of the EMU that led to external devaluation, which boosted trade. Simultaneously, internal devaluation occurred through labor market flexibility, that is, reducing labor security, wages, and benefit costs. Germany was the first to engage in neoliberal policies, with internal labor market changes known as Hartz reforms undertaken by a Social Democratic government; these kept German wages stagnant for nearly a decade and created a base for the production of cheap exports. With the German Bundesbank essentially dictating policy to the ECB, and cheap money and cheap goods flowing into the European periphery, the structures of the European economies were transformed. And so long as the money flowed back to the European central economies, primarily Germany, it was a virtuous circle for European capital. However, with onset of the 2008 economic crisis, this dynamic changed:

In addition to bank-provided money capital, German private foreign direct investment into Greece also rose from 1.4 billion euros in 2005 to more than 10 billion by 2008. As the money and capital to Greece was recycled back to Germany and the northern core economies in the form of exports, Germany got business profits, economic growth, and its money capital returned to it. In addition, as financial intermediaries in the recycling of money capital, both core and Greek banks got interest payments from the Greek loans and Greek bonds, Greeks got German and core export goods for a few years, but loaded up on credit and debt in the process for what appears will remain an interminable period of debt repayments well into the future (63-64).

When the banking and financial systems froze up in the aftermath of 2008, the cycle and flow of credit and money stopped between the European core and periphery. And when the peripheral (Spanish, Portuguese, Greek, and other) economies started to slow down, German exports and investment began to shift overseas. This further slowed the flow of credit. As Greece had been running an internal trade deficit with Germany, the initial impact of the credit crunch in Greece was that private banks became loaded with debt, monies that had been borrowed to facilitate imports from Germany.

Rasmus does a good job of showing that this trade deficit was caused neither by higher wages to the Greek working class nor by escalation in Greek consumer spending. Rather the debt was driven up by European Union and ECB policy, in the interest of European capital.

Looting Greece then takes the reader, in exacting if painful detail, through the distinct though compounding circumstances that led to each of the three austerity memoranda.

The first memorandum provided that a total of 110 billion euros was "lent" to the Greek government, 91 percent of which went to bailing out the banks that had been left with bad

loans following the 2008 crash. The initial austerity measures demanded by the Troika were premised on unrealistic economic projections of growth but caused very real cuts in wages, pensions, and social security. And the result was a shifting of the massive debt load, mainly from the private banks onto the Greek government.

Then the second memorandum, argues Rasmus, “was primarily to refinance, pay off, and reduce Greek debt held by ... private investors” (99), many of whom had already taken advantage of the bond markets to ramp up interest rates paid on Greek debt. *Looting Greece* does a great job in explaining the ways in which both the rules adopted by the ECB and the neoliberal ideology of “the German Hypothesis” (91), which drove their adoption, played a role in the cycle of debt and austerity that led to a humanitarian catastrophe in Greece.

Chapters five through nine offer an account of the rise of Syriza and a blow-by-blow telling of their approach to the problem of debt and austerity and the process of negotiations once the party came to power in January 2015. Rasmus’ account of the “institutional taming” of the Syriza government is painful to relive, but offers strong support for his argument that in the run up to the third Greek debt restructuring deal of 2015, Syriza and Tsipras would discover there was no option to return to social democracy and social democratic policies without austerity. The choice was either to leave the euro and the neoliberal regime, or remain caretakers for that regime on the system’s periphery, condemned to some degree of perpetual indebtedness, austerity, and long-run negative economic growth (118).

The last chapter provides an explicit assessment of the relative strategies of Syriza and the Troika and the structural/institutional straitjacket within which Syriza was attempting to negotiate. It also unequivocally answers yes to the likelihood of a fourth memorandum, given the logic of indebtedness and austerity and the current strategic course of

the Greek government:

To have succeeded in negotiations with the Troika, Syriza would have had to achieve one or more of the following: expand the space for fiscal spending on its domestic economy, end the dominance and control of the ECB by the German coalition, restore Greece's central bank independence from the ECB, or end the control of its own Greek private banking system from northern European core banks. None of these objectives could have been achieved by Syriza alone. Syriza's grand error, however, was to think that it could rally the remnants of European social democracy to its side and support and together achieve these goals (228-29).

An extended conclusion to *Looting Greece* is entitled "A New Financial Imperialism Emerges." In part, Rasmus argues that the views found in Lenin, Bukharin, and Hilferding, that finance capital is subordinate to industrial capital, need to be revised. The space devoted to this argument, however, is limited. While he argues that Greece has become a state dominated by the supra-national imperialist state of the Troika, given the degree to which sections of the Greek left have historically argued for Greece as a neo-colony, or one for which national oppression is primary, the full implications are not untangled by Rasmus.

Nonetheless, as with *The Syriza Wave*, *Looting Greece* is a thoughtful post-mortem on the experiment of Syriza as a government of the left in Greece. Bittersweet, but worthy of the experience.