PHILOSOPHY AND RESISTANCE IN THE CRISIS

Costas Douzinas



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For Phaedra and her generation

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Greece and the Future of Europe

COSTAS DOUZINAS

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PROLOGUE: THE AGE OF RESISTANCE

The strange story of this book

I was born in Greece. I have lived most of my life in Britain. Dual identities create tensions. When I arrived in London in July 1974, after the fall of the Greek dictatorship, I was told in no uncertain terms, by an elderly gentleman walking his bulldog in a park, that Britain does not belong to Europe or indeed to any other continent. Britain stands on her own beyond geographical classifications. By contrast, the Greeks used to be supremely Europhile. Most would have gladly moved their government from Athens to Brussels. The gentleman's denunciation of Europe was part of Britain's post-imperial *tristesse*. Greece's love for the European Union was part of its post-dictatorship search for identity. I could not have predicted that some forty years later the policies of the Union would bring my two home countries close.

My early experiences as a graduate student and young lecturer in my adopted home were positive. Familiarity with the classics and the history of philhellenism, visits to the Aegean islands and the antiquities, and the hospitality and warmth of Greeks had contributed to the welcoming of the young graduate. As soon as my accent betrayed my provenance, people volunteered stories of appreciation for the culture, memorable holidays and strong relationships. I thought that we Greeks enjoyed something approaching positive discrimination: I was treated everywhere much better than my Italian, Turkish or German colleagues.

Suddenly, in 2010, a different cold and hostile Britain emerged. Newspapers and broadcasts kept talking about the cheating corrupt lazy Greeks, a nation I did not recognize. Every aspect of life had failed, every Greek was immoral. The debt and deficit had metamorphosed

a whole people overnight. It was a line of argument propagated by the then Greek government in its attempt to attract sympathy and loans from the European leaders. In lectures and seminars, in conferences and pubs, friends and strangers became distanced, occasionally aggressive. I was trying to explain that many criticisms and attacks were based on ignorance of facts, that the media and the government were presenting a distorted view, that austerity was liable to fail, to no avail. For the first time, I felt a 'racism-lite' affecting me. It was ideological not ethnic.

When, early in 2010, the Guardian asked me to write about the austerity measures that Premier Papandreou had announced I responded eagerly. On 4 February 2010, Comment is Free published an article entitled 'Greeks must fight the neo-liberal European Union.' It condemned the injustice and ineffectiveness of these early 'voluntary' measures, which were a gentle slap compared with those that have been imposed since by the European Union and the IMF. The article predicted their failure, their disastrous effects, the unravelling of the social bond. It concluded: 'The future of democracy and social Europe is in the balance and the Greeks are called to fight for all of us.' Most responses below the line expressed versions of the emerging anti-Greek feelings. Some celebrated the fact that the pending exit from the Eurozone would make holidays in Rhodes and Zante cheaper. Intellectuals could not believe how modern Greeks, 'descendants of the founders of philosophy and democracy', could deteriorate to such a degree. Greece had become the black sheep of Europe and the bar of legitimate attacks had been lowered considerably. The hostile reactions as well as a growing number of supporters of the Greek resistance made me continue the writing. Some thirty articles appeared in the Guardian and other newspapers, charting the trajectory of the Greek tragedy. The early articles were translated into many languages and led to a series of public lectures and conferences in Europe, Latin America, Asia and Greece. Without wishing it, I became an unofficial representative of suffering Greece.

In the process, I reconnected with my country of birth and with friends I had not met since the days of the Colonel's dictatorship. Talking to them, I was shocked by the large number of parties, groups, tendencies and groupuscules on the Left. This acronym soup often expresses ancient enmities and small ideological oppositions. It is the result of the defeats of the Left and the hardening 'narcissism of small differences' that followed it. People from different groups have a broadly similar analysis of the crisis and of the response to it. When I pointed out this fact, they became hesitant, embarrassed, unclear:

'You may be right but you don't know how wrong these people were in 1981/1989/2001.' I tried to organize joint events with the groups that agreed on the basics. I was soon disappointed. As someone who had no link with any of the parties and groups, I was viewed by many with suspicion.

When I was asked to publish a collection of articles and speeches in Greek my response was initially negative. Two events convinced me that I should go ahead. On 25 February 2011, I gave a press conference in Athens in a building called *Hepatia* where 300 undocumented immigrants were staging a hunger strike. I was also an immigrant – a very different 'luxury' immigrant of course, since I came to London for graduate studies with a scholarship. When I was asked to come to Greece to help the struggle of the sans papiers I did not hesitate for a moment. The government's inhuman treatment confirmed my view that human rights are often used to legitimize power while excluding large groups of vulnerable people from protection.² The Hepatia strikers demanded a 'humanity' different from that of rights, courts and government commissions. Meeting the strikers, I recognized in their bright but exhausted faces the dual nature of homo sacer: they were hostages of the state of exception without legal rights or safeguards; playthings and sacrificial victims in the hands of the sovereign. But these legally non-existent people had removed the sovereign's ultimate weapon, which was to control life and let people die. They were the 'last free men' of Athens. The second invitation came from Stasis Syntagma, as I called the movement of aganaktismenoi, who occupied Syntagma and many other squares in 2011. On 17 June, speaking to thousands alongside Manolis Glezos, the man who lowered the swastika from the Acropolis in 1941 and is a world symbol of resistance, I gave the most emotionally charged talk of my life. The thirteen minutes given to each speaker were not enough to explain how the occupations had transformed the political stage, reviving the direct democracy of classical Athens; how they had changed the power balance, thus creating a possibility of victory for the resistance; how the future of Europe depended on the outcome of the Greek resistance. Yet I was able to say all that and more in the limited time dictated by the 'axiom of equality' of the squares. When equality becomes an axiom, public speaking becomes aesthetic performance and political praxis.

Stasis Syntagma changed the pessimism and 'left melancholy' that had descended on Greece. Everything was possible again. Europe and the world started looking at the Greek resistance with hope. The change can be dated. On 16 June, after a huge rally at Syntagma,

Prime Minister Papandreou resigned and asked the opposition to form a government. A *Guardian* leader argued for the first time that the new austerity measures were catastrophic, that the Greeks cannot accept them or bear their effects and that the only solution is to suspend loan repayments and have a substantial 'haircut' of the debt. A few days later most non-Greek media started discussing these options. The change in public opinion was the direct result of hundreds of thousands turning up every weekend in Syntagma and the other squares. The resisting Greeks alongside the Spanish *indignados* were showing a different way out of the economic crisis. An informal international solidarity movement to the suffering and resisting Greeks started taking shape. This book aims to assist this new International.

The original version was written in August 2011 in Dryos, a village on the Cycladic island of Paros. It was published in Greek in December of that year. I returned to the book and wrote this new version in August 2012, again in Dryos. The experience of writing a book over such a short period is strange. With no library and few books around, a life's preoccupations, obsessions and dreams come to the surface and claim their dues. Manic writing, absentmindedness and a solitary daily tour d'horizon does not make for good holidays either. Both in 2011 and 2012, I met friends rarely and kept asking them monotonously about the ideas I was writing that day. Maria Comninou and Angelos Papazissis, Nicos Douzinas and Annic Paterneau, Nicos and Anna Tsigonia were my Dryos interlocutors, informants and critics. They kept telling me that this is not a way to have a break. Daily swimming and occasional visits to the Resalto bar and DJ Apostolos, perhaps the best music bar in the Aegean, recharged the body and replenished the spirit. Akis Papataxiarchis, Chris Lyrintzis, Maro Germanou, Alexandra Bakalaki, Athena Athanassiou and Dimitris Papanikolou gave me advice and encouragement. Costas Livieratos of Alexandria Publications was a careful editor of the Greek version, improving it immensely. Joanna Bourke was the main victim of my daily mood swings, from elation to depression and back. Joanna is a soul companion, an inspiration for ideas and the most insightful critic. Her presence is felt on each page. I am personally responsible for mistakes and exaggerations. We are collectively responsible for continuing to resist the destruction of the country.

The Greek edition of the book was written in outrage and despair. The outrage is still there, a year later, but there is also hope. The bad news, first. Many things have changed since 2011 but most remain the same, a little better here, a little worse there. The burdens on the people have increased hugely. New taxes, salary and pension cuts are

on the way. Unemployment stands at 25%, youth unemployment at 55%. Twenty young men and women with postgraduate degrees have contacted me in the last year to help them find jobs in the UK. This brain drain is undermining the future, whatever happens to the immediate problems. In early September 2012, a 'leaked' troika 'non-paper' suggested that a six-day week should be introduced, the minimum salary abolished altogether and labour protections removed to attract investment and drive up competitiveness. People in employment should not be 'advantaged' at the expense of the unemployed, the cynical gloss went. This was the way successive waves of measures are launched. A stalking horse is sent out to test reactions and when the actual measures are not as awful as advertised, the government is praised for its steadfastness. This time looks different. German economists and industrialists have started arguing that 'special economic zones' with tax breaks and no protection for the workers should be introduced; some believe that the whole of Greece should be turned into a 'special zone'. A special zone is a euphemism for an economic ghetto or company town. These measures test how far the rearrangement of the social fabric can go in conditions of extreme economic crisis. Greek work practices are getting close to those of China. The austerity first tried in Greece is being exported to Portugal, Ireland and Britain, with Spain and Italy following close behind. A return to Victorian capitalism kept in place by an authoritarian state is perhaps what awaits us all. Greece may be the future of Europe.

Now for the good news. In April 2010, I concluded an article in the Guardian that 'commentators fear that the Greek malaise is part of a wider attack on the euro. Now that the measures are proving worse than the disease, their imposition may mark the return of radical politics. The defence of the common good and democracy, a proud Hellenic tradition, shows the political way out, not just for Greece, but also for the whole of Europe. As the Icelandic volcano reminded us, the eruption of life-changing events is still a historical possibility.'3 The back cover of the Greek edition of this book published in 2011 took my hopes further: 'Europe used Greece as a guinea pig to test the conditions for restructuring late capitalism in crisis. What the European and Greek elites did not expect was for the guinea pig to occupy the lab, kick out the blind scientists and start a new experiment: its own transformation from an object to a political subject. The meaning and limits of democracy are renegotiated in the place it was born.'4 Friends told me at the time that I was excessively optimistic or, even worse, I had lost touch with reality. The squares had

emptied, the movement was in abeyance, a new government had been sworn in, the usual left melancholy had returned.

Where did I base my optimism? Meeting people at the Hepatia hunger strike, in Syntagma and the other occupations up and down the country. I was reminded of the scary and thrilling days of 1973. The occupations at the Law School and the Polytechnic in Athens started the process of decay and eventual overthrow of the military dictatorship. The students walked down the streets with their heads held high, weighty academic tomes in their hands, badges of identity and pride. In 2011, in the midst of the catastrophe that has befallen Greece, people smiled at strangers in occupied squares and streets again, with that momentary twinkle in the eye so different from the empty gaze prevalent in Greece today. There is no immediate comparison of course between the ridiculous Colonels of the 1970s and the democratically elected government of 2011. But the will to resist and the determination to bring the country back from the brink are similar. My optimism was confirmed by the astounding results of Syriza, the radical Left party, in the double elections of 6 May and 17 June 2012. The seeds were sown in Syntagma Square, in popular assemblies up and down the country, in the many instancs of civil disobedience and solidarity, in the 'can't pay won't pay' movements. Without the occupations, the power system would have probably survived intact. On 6 May, the occupiers and resisters met again in polling stations and voted for the Left. The radical Left won all the big cities where the occupations took place. In places where civil disobedience campaigns had dominated, it won handsomely. Direct democracy acquired its parliamentary companion.

The book has various points of departure and arrival. The articles and lectures forming its foundation expressed despair, outrage and anger. Their reconstruction attempts to interpret these emotions creatively. The first version was a quick political intervention. The new version is more theoretical. As a result, the book's chapters and sections belong to different genres. Hegel said that the daily reading of the newspaper has replaced the morning prayer. Perhaps a more theoretical approach must complement daily journalism. Parts of the book belong therefore to what we could call 'philosophical journalism' and take the essay form. Vignettes from daily life help to illustrate the destruction of the social bond. The main part of the book uses theoretical concepts and strategies from radical philosophy in order to explore the 'age of resistance'. It also uses the opposite tactic: starting from the experience of resistance, it tests the interpretations of political philosophy. Most chapters bring practice and

theory together, hopefully enriching both in the process. A light psychoanalytical approach permeates the whole as does a concern with jurisprudential themes.

The different styles and schools of thought examined, criticized and synthesized make the book somewhat heterogeneous. Its chapters and sections can be described as a 'multiplicity of singularities'. The book's organization and style 'perfoms' the plural action of the 'multitude', one of its key theoretical concepts. The multitude remained plural and singular in the occupations, united only by a common political desire, and so does the book.⁵ Its narrative starts with the 'state we're in' which examines the political, moral, legal and semiotic aspects of the crisis. The second part is theoretical. It presents disobedience and resistance as motors of social health and political change and moves to theories of political subjectivity. The final part brings the first two together, examining the types and subjects of disobedience in the light of radical philosophy. The reader may plot her own trajectory moving in and out of different chapters and sections, all of which retain a certain autarchy.

A word of warning. After I started my academic career I did not get involved in Greek politics. I am not in a position therefore to advise the Greeks, an attitude of many expatriates that I find morally and aesthetically problematic. But a lifelong exploration of normative matters and my eschatological and soteriological readings (Benjamin, Schmitt, Taubes and Agamben among others) mean that I did not always avoid the temptation. These deviations are effects of a *deformation proffesionelle* instead of a belief that I have the answers others have missed. The long absence from Greece and my academic interests and readings mean that the sociological and anthropological musings of the book may not be fully informed. Errors of interpretation may have crept in; but after the avalanche of ignorant commentary on Greece a considered response is timely. Parts of Chapter 9 appeared in 'Athens rising', 20(1) *European Urban and Regional Studies* (2013).

Resistance spreads throughout Europe as fast as austerity. Greece may become the future of Europe in a second sense. The anti-austerity anger is simmering just below the surface in Italy and Spain and is about to explode. Europe is following Greece both in its catastrophic spiral and in the rise of resistance. Which side of Greece will become the future Europe? Will Europe get mired in austerity and decay or will it join the age of resistance?

The age of resistance

Identity politics and humanitarian campaigns dominated the 1990s and early 2000s. This changed after the collapse of the financial system in 2008 and the imposition of austerity policies. Mass resistance returned to public spaces and marks the politics of the twenty-first century. A series of protests, spontaneous insurrections and occupations and the desire for radical change broke out everywhere. They include the Paris banlieues riots in 2005, the Athens December 2008 uprising, the Arab spring, the Spanish indignados and the Greek aganaktismenoi occupations, Occupy Wall Street, Occupy London and similar occupations around the world. Some uprisings started after an unexpected catalyst, such as the police killing of Grigoris Alexopoulos in December 2008 in Athens, or Mark Duggan in August 2011 London, or the self-immolation of Mohammed Bouazizi in Tunisia in 2010. Others were triggered by what was happening elsewhere. Tunisia inspired Egypt; Puerta del Sol modelled itself on Tahrir Square and, in turn, Syntagma followed the Spanish example and was then imitated by the world Occupy movement.

Unprecedented and innovative types of resistance and revolt now appear regularly. Their timing is unpredictable but their occurrence certain. This persistence cannot be explained simply by technological innovation, such as the "Facebook revolution", nor is it mere coincidence. Standard political science, obsessed with the machinations of governments, parties and parliaments, cannot understand these spontaneous events and dismisses them as non-political. The miscalculations of politicians and commentators are striking. The Arab spring is a case in point. Hilary Clinton stated on 25 January 2011 that 'our assessment is that the Egyptian government is stable'. Mubarak was overthrown a few days later. Peter Mandelson tried to save Mubarak junior, when the Egyptian revolution was almost over, stating that he 'has been the leading voice in favour of change within the government and the ruling party [and not] the putative beneficiary of a nepotistic transfer of family power, the continuation of "tyranny" with a change of face at the top'. 6 Similarly, traditional Marxism proved unable to comprehend changes in the social composition of working people and their influence on the politics of resistance.

A number of radical commentators, on the other hand, argue that we have entered a period of upheaval. For Michael Hardt and Antonio Negri, the movements share certain characteristics: the use of encampments, internal democratic organization, the struggle for the

commons and against private and state property. They are right: the various resistances are linked in an emerging world movement. But what led to the explosion? What made it spread around the world? Alain Badiou argues that history has 'woken up'; we live in 'times of riots and uprisings'. For Badiou, events in Paris 2005, Athens 2008 and London 2011 were 'immediate' non-political riots. Tahrir Square counts as a 'historical' insurrection, albeit with many qualifications and reservations, since it did not rise to his 'idea of communism'. We are still in an 'intervallic' age, Badiou claims, the long stretch between two revolutionary periods. He is right: France and the Western world do not live in revolutionary fervour. But revolutions start only after people have taken to the streets, stay there and challenge the established order. Whether radical change follows and what type it takes depends in most cases on the emergence of a political subject as well as on unpredictable events and contingencies.

The politics of resistance, the 'street' and the square are well ahead and an excellent corrective to both mainstream and radical political theory. We need new theoretical approaches and perhaps new political strategies. Despite differences, the new resistances form a sequence, both because they trigger each other, and also in a more profound sense. Their simultaneous emergence and similarity of form results from common socio-economic and political conditions. The historical variations and political specificities make the insurrections differ in scope and intensity. The Arab spring had different aims from the Spanish indignados, the Greek aganaktismenoi and Occupy. However, the systemic pressures and the political reactions are similar. Biopolitical neo-liberalism and the post-Fordist economy of services treat people everywhere as desiring and consuming machines. Debt for consumption is the main motor of the economy. Intermediate institutions such as parties, unions, even churches have been weakened, as has the principle of representation. People become directly integrated into the economy without mediations. The obedient worker can withdraw abruptly and even violently, however, should the supports of integration fail. The frustration of cultivated expectations and certainties can lead to violent disengagement from dominant behavioural patterns. It can take the form of a violent 'acting out' or of innovative political actions. The riots are politics at degree zero, the occupations an emerging new democratic politics.

A sequence of uprisings will dominate the world political landscape in the next period. Ours is an age of resistance. The possibility of radical change has been firmly placed on the historical agenda. This book discusses its socio-political as well as its ethical and cultural

conditions. I hope that its arguments are widely applicable. Most examples, however, come from Greece, to which I now turn.

Greek tragedy: a chronicle

As the reader knows, Greece has been subjected to a long list of claims and counterclaims about debt and deficit, the state of the economy and its people's moral standing. The beginning was totally unexpected. Late in 2009, George Papandreou, the recently elected prime minister, announced to universal shock and without prior warning that the Greek debt had grown to 120% of GDP and the deficit to 15.4%. Austerity was necessary, the Greeks were told, to bring the country back from the brink of debt default. When a first tranche of voluntary measures failed, the government asked the International Monetary Fund, the European Union and the European Central Bank for a loan. In May 2010, a €110 bn three-year loan was agreed. The guid pro guo was a series of strict austerity measures. A 'troika' of representatives of the lenders was appointed to supervise the application and effectiveness of the measures. The austerity measures attached to the loans were set out in 'memoranda' of agreement between the government and the troika. The first bailout led to an increase of the debt. The country's credit rating fell to junk status and by the summer of 2011 Greece again could not meet its debt repayments. A series of further financial agreements accompanied by new austerity measures. An EU summit in July 2012 partially restructured the debt and introduced a 'haircut' of privately held bonds. In February 2012, a new government agreed a second loan of €130bn which would go towards the payment of private bondholders and the recapitalization of banks who took the 'haircut' and previous loans. The whole package was calculated to bring debt down to 120% of GDP by 2020. Memorandum No 2 was agreed, introducing new austerity and privatization measures.

If the first memorandum was a tragedy, the second looked a farce, which, like all farces and unlike tragedies, does not lead to catharsis but to the endless humiliation of its protagonists. After the 'great success' and 'breathing space' given to Greece by the second bailout, the Athens bourse hit bottom. One more great triumph unravelled before our eyes. The operation 'succeeded' but the patient died. In September 2012, the troika is demanding a further €14 bn of cuts, tax rises, privatizations and further labour law 'liberation' before it approves the payment of the next loan instalment. The story goes

on; political time has been condensed. When this book is published Greece will look again very different from the time of writing. In the meantime, Spanish and Italian bonds reached the levels that had made Greece seek help. Greece was picked as the hare leading the southern race to the bottom.

Austerity aims at rearranging late capitalism in conditions of severe crisis. The contraction of the state through 'fiscal discipline' is only part of a wider project affecting every part of society. The cumulative effects of austerity are staggering. The early measures affected the public sector with a 30% reduction in state spending that was mainly made up of up to 50% salary and pension cuts and an estimated 150,000 job losses by 2015. The private sector, exploiting the civil servants' salary and pension cuts, started applying similar measures in order to improve 'competitiveness'. Economists of all persuasions explained that labour costs played a small part in the improvement of competitiveness, to no avail. Eventually, the second memorandum slashed the minimum salary by up to 32% and abolished collective bargaining and various other long-established labour protections. Sector specific measures were accompanied by increases in direct and indirect tax, a VAT increase to 23%, the doubling of some public transport fares and road tolls, and the imposition of a property tax collected through electricity bills. The economy shrank dramatically by -24% over five years, the largest in peacetime. In 2012, unemployment stood at 25% and youth unemployment at 55%. Austerity led to a developing humanitarian crisis with homelessness, mental illness and suicide at unprecedented and growing levels. Hospitals cannot work for lack of basic medicines, schools have no textbooks or fuel for heating, and tax collection has come to a virtual stop. These measures are part of a wholesale radical restructuring of life. Its effects will be more radical and long lasting than any economic measures. Greek society is collapsing before our eyes.

Let us briefly explore the politics of the crisis. Three governments ruled the country between 2009 and 2012. First was a Pasok (Socialist) government led by George Papandreou following a landslide victory in the October 2009 elections. It was replaced in November 2011 by a coalition of Pasok and right-wing New Democracy led by banker Loukas Papademos. Finally, following two elections on 6 May and 17 June 2012, another coalition of New Democracy, PASOK and the Democratic Left parties, led by Antonis Samaras, the leader of the Right, took office. On the popular side, resistance against austerity grew throughout 2010 and 2011. More than 25 one-day general strikes, sectional and professional strikes, Ministry occupations, non-

payment of new property taxes, of increased transport fares and road tolls and various other types of protest were used. The general strikes were accompanied by marches and rallies in Athens and other cities leading to confrontations with the police. The success of the early campaigns was limited, however, and no major change in government policy was achieved. By May 2011, the resistance seemed to be running out of steam. There were many reasons for that. Regular strikes and demonstration in central Athens had turned many against this type of protest. The leading role of the Left turned away those who had traditionally voted for mainstream parties. The most important reason, however, was the gradual and graded imposition of austerity. Different sectors and groups were picked successively by the government, preventing anti-austerity alliances. The first memorandum in 2010 targeted the wider public sector and civil servants. This was the easiest target. Excessive bureaucracy, the state's limited welfare function and the continual attacks on state corruption and inefficiency by the two parties, which had used it over the years to build their power base, had fuelled traditional anti-state feelings. The government and mainstream media started believing that the worst had passed and a major legitimation crisis averted.

The sense of complacency came tumbling down on 25 May when the Syntagma Square in central Athens, and soon afterwards squares in some sixty cities, were occupied by a motley group of people calling themselves aganaktismenoi (indignant) in a tribute to the Spanish indignados. The Syntagma occupation started spontaneously and drew strength from the mobilizations of the previous period. Unlike earlier occupations, however, it rejected the logic of representation, party belonging or political leadership and opened to large parts of the population who were not politically active or were voters of the established parties. The occupations and encampments lasted for three months. On 16 June, a major demonstration and rally in Syntagma and the heckling of ministers and MPs led Papandreou to the brink. He offered to resign and form a government under the leader of New Democracy who refused, however, the poisoned chalice. It was the first major victory of the resistance movement. On 28 and 29 June, the aganaktismenoi attempted to encircle Parliament and put pressure on MPs to stop them voting into law the measures agreed with the troika. Trade unions and parties had also called for a two-day general strike and a march on Parliament. A huge police operation kept Parliament open and carried out a brutal attack on the protesters, with hundreds of people injured. Despite popular disaffection and the chasm between manifesto promises and government action - Papandreou

was elected a few months earlier, promising to reverse the neo-liberal measures of the right-wing: 'There is money' for redistribution he had insisted – Parliament did not stop the measures. At that point, the right-wing New Democracy was not supporting the austerity packages for petty party advantage. The Papandreou government, assisted by small parties, held onto its large majority. Parliamentary democracy had failed spectacularly to represent the people. Chapters 10 and 11 discuss *Stasis Syntagma* in great detail.

June 2011 marked a change in the government's response. The multitude standing opposite Parliament was now treated not as a peaceful protest but as fundamental threat. The riot police surrounded Syntagma and eventually removed the encampment in late July. In early September, smaller numbers started assembling but police repression showed that the government was determined not to allow the permanent occupation of the symbolic square again. Nevertheless the combination of popular anger and catastrophic economic performance kept the government on the brink. In a 'last chance saloon' gamble, in late October Papandreou announced a referendum on continued membership of the Eurozone. It was neither a late recognition of the repeated humiliations visited on Greeks by their government and European allies nor a reassertion of sovereignty. It was an irrational 'acting out' and an attempt to regain the initiative by a regime that had lost touch with the people. The proposal had two targets. First, it was a threat to the Greek people, telling them that unless they accept the new catastrophic measures, they would be condemned to leave the Eurozone and suffer a further collapse of living standards. Secondly, it was addressed to backbench Pasok MPs, who had started stirring in response to popular pressure and the catastrophic opinion polls. They were asked to give a vote of confidence to Papandreou, under the James Callaghan principle that 'turkeys do not vote for an early Christmas'. Both blackmails failed and turned against their perpetrator.

The reaction of the Greek people to the referendum proposal and another summit agreement on 27 October bringing a new tranche of austerity measures was devastating. The military parade of 28 October in Thessaloniki commemorating the Greek resistance to the Axis powers in 1940 was abandoned when protesters occupied the street and the President of the Republic had to flee. School parades in many cities and towns were similarly interrupted. The political elites, who felt unassailable for thirty years, were now sensing the popular anger physically and were unable to comprehend or contain it. At the same time, the European leaders interpreted Papandreou's gambit

as a veiled threat. The Europeans have been traumatized by popular rebuffs in constitution referenda. 'Referendum' is a dirty word in the corridors of Brussels. It brought back the fear elites feel when the people momentarily enter the political stage. Chancellor Merkel and President Sarkozy called Papandreou to a meeting in Cannes and told him that he could not hold the referendum. The referendum was cancelled, a large number of government MPs rebelled and Papandreou resigned on 9 November. Like many desperate acts, the referendum call backfired and turned into a long suicide note. The European involvement in Papandreou's downfall was highly problematic, however. The picture of a prime minister dragged in like a miscreant by the headmistress to be reprimanded does not augur well for the Union. The decision to hold a referendum is a national political decision and, in theory, Greece remains independent. The 'bailout' is a loan to Greece. A loan to a sovereign state does not give the lending governments the power to treat another country like a protectorate.

Papandreou's resignation led to protracted negotiations between PASOK and New Democracy and the creation of a coalition government by the two erstwhile enemies under Lukas Papademos, a former governor of the Bank of Greece. The resignation was a major victory after the long struggle of the Greek people. Following the Arab spring, it was a reminder that Western governments too can fall when they abandon basic principles of democracy, decency and independence. The second bailout and memorandum agreements were voted into law by the new government and the agreed haircut of privately held bonds was implemented, changing private debt into government loans. Strikes, demonstrations and rallies continued. When Papandreou resigned the leadership of Pasok, Evangelos Venizelos, his greatest rival, replaced him. The second memorandum was the result of backstage negotiations by a government without an electoral mandate. It could not be implemented. Early elections were called on 6 May. Syriza, the Coalition of the Radical Left, saw its vote jump from 4% in 2009 to 17%. The New Democracy and PASOK parties, which had alternated into government with a combined 80% of the vote in the last forty years, collapsed to 32%. PASOK fell from 43% to 12.5% and New Democracy from 32% to 19%. With the mainstream parties unable to form a government, elections were held again on 17 June. New Democracy polled 29% with Syriza a close second at 27%. A second coalition government of New Democracy, PASOK and the smaller Democratic Left party was formed under Antonis Samaras, the New Democracy leader. The new coalition set out to implement the earlier agreed budget cuts, which had by now

increased because of the recession. An extra €14 billion of savings must be found, with a new round of salary and pension cuts, tax increases and job losses. But the political temperature has changed. With the Left as the main opposition, the Greek people are sensing the taste of a possible end to the system that brought them to the edge of abyss.

Greece was the first victim of capitalist correction. Greek GDP amounts to only 3% of the European economy. But the symbolism of the pressure worked. Soon after Greece, Portugal and Ireland followed. As I write in August 2012, Spain, Cyprus and Italy are following the same path. If Greece is the future of Europe, perhaps in another sense resistance might become Europe's future too.

Part I

Crisis