

## **SYRIZA: INTRODUCTION TO THE GOVERNMENTAL PROGRAM**

### **SEPTEMBER 2015**

#### **THE LEFT GOVERNMENT UNDER NEW CONDITIONS: A STRONGHOLD TO DEFEND.**

##### **1. Introduction**

The 25th of January marked a political shift without precedent for the political situation in Greece and Europe. For the first time after the 2nd World War a radical left party managed to ascend in government against a backdrop of generalized economic, political and social crisis.

The last 5-year period of memorandum policies dislocated traditional political and social representations and destroyed the social coalition which actively or passively supported the neoliberal process of Greek economy's restructuring and relevant social and political relations of the last 25 years. And all this went on as the mild and gradual restructuring process was replaced by a brutal program of rapid structural adjustments and internal devaluation that did not leave any margin for possible material equivalents (low-rate borrowing, tax exemptions, state-organized evasion, limited wage increase etc) for those social classes that supported the neoliberal power coalition during the previous period.

At the same time, the collapse of the previous social and political alliances coexisted with the rise of popular volition for collective mobilization, both traditional (strikes, demonstrations) and novel ones (Constitution Square, social solidarity initiatives). In this context of rising popular struggles, SYRIZA understood that the time has come for the left to undertake the initiative of representing a new social alliance, which seemed to have the potential to seize governmental power. And this was exactly what happened.

The political program which accelerated and completed the social rearrangement that was taking place was the Program of Thessaloniki with its four pillars: Addressing the humanitarian crisis, restarting the economy, restoring the labor law and reconstructing democratically the state.

It was a program aimed at a redistribution of income and power in favor of classes that had suffered major blows by the Memorandum policy. However, it was always a fact that in order to implement this program, a tough negotiation with the Creditors was required, so as to eliminate the principal leverage for enforcing fiscal adjustment programs: Debt and the Greek economy's exclusion from capital markets.

##### **2. Negotiation**

However, the weapon of financial asphyxiation was used very effectively by the Creditors and the Institutions throughout the whole negotiating process of the new Government. Once SYRIZA assumed power, funding suffocation from the ECB and the constant threat of a collapse of the country's financial system was put on use in order to exercise economic and social pressure on the new Government. The aim was either its overthrowing or its unconditional surrender and the adoption of the previous fiscal adjustment and internal devaluation program.

Despite our limited forces we tried to defend ourselves in any way possible against these pressures while showcasing a novel political ethos and a new social perspective both domestically and abroad.

With regard to the negotiation, despite time wasting and possible tactical failures, we did everything that was in our hand to withstand financial asphyxiation (delaying payments to the IMF, refusing to extend the previous bailout agreement, imposing capital controls so as to protect the banking system from ECB's financial blackmail), as well as all that was needed in order to send a political message to Europe that the internal devaluation program has failed and does not enjoy any popular support.

This political struggle's culmination was the referendum on the 5th of July, a moment of popular uplifting and fighting spirit that will stay indelible in the memory of European peoples and will produce its political results in the near future. A prerequisite for this, however, is that the referendum should not work in the opposite direction, meaning that it should not become a reason for the frustration of the popular classes, since the aftermath did not comply with the initial enthusiasm. The struggle during and after the referendum for framing these events with an interpretation should not be taken lightly as there are political forces distorting the reasons for the referendum and its result with the main objective to usurp it and use it as a political vehicle for surviving as opposition.

It is therefore necessary to remember that the referendum's declared objective was to strengthen the government's bargaining position in an unequal and asymmetrical negotiation. We never asserted anything different; we never said that we ask for a mandate in order to blow up the Eurozone, killing in the process first of all ourselves. We asked instead for the rejection of a program of horizontal cuts and tax hikes accompanied by a politically driven feasibility study of the Greek debt which imposed high primary surpluses and by insufficient funding under the old program (the bailout agreement of 2012) which would be extended for just five more months, thus maintaining the economic uncertainty and simply deferring the risk of a Grexit to the near future.

And it was exactly this kind of mandate that we received from the Greek people: to reject this specific proposal of the Institutions, gaining a better but feasible deal, without endangering a broad social disaster, given the extremely negative European context.

### **3. The blackmailing dilemma**

Following the referendum result, we found ourselves in an absolutely hostile European political landscape while faced with the punitive attitude of the Creditors and the Institutions.

With banks under capital controls, ECB's Emergency Liquidity Assistance suspended, hanging above us the threat of a haircut on Greek bonds that are put as collateral to the ECB to provide liquidity to the Central Bank of Greece and Greek banks, the IMF pressing for the repayment of the delayed June 30th debt tranche under threat of declaring Greece in default, access to markets of course impossible, and all EU governments blackmailing the Greek government, we were faced with the following dilemma: Either sign an agreement that it was improved concerning the institutional framework and the funding provisions (86 bn for three years instead of 5 bn for 5 months) and troubling –to say the least– regarding measures, or lead the country to disorderly default with unpredictable consequences for the future i.e. possible collapse of (some of) the systemic banks, bail-in for the remaining depositors, exit from the Eurozone while lacking any backstop for the new currency, and therefore an acute social and political crisis that would most possibly lead to Government collapse and humanitarian crisis. The dilemma posed to us was not Memorandum or drachma, but Memorandum either with the euro or the drachma (Schaeuble's proposal) or disorderly default.

So, we had to choose either a tactical retreat in order to preserve the hope of prevailing in an asymmetrical political battle or burden the Left with the historic failure of making a social desert out of the country. We bore our part of the responsibility and chose the first. That's why we ask to be judged by the Greek people.

#### 4. The Agreement with the Creditors

What is actually included in the new agreement we signed with the Creditors? Is it really, as claimed by some, the worst of all three Memoranda? Is the allegation true, that it accelerates and completes a program of structural adjustments that will not only maintain poverty and the humanitarian crisis but will also organize the conditions of its management in the future? Without harboring illusions about the content of the agreement, these allegations constitute nothing more than political exaggerations which are obviously understandable given the circumstances. They do not, however, in any case, capture reality as a whole and since they are usually unsubstantiated, they do not contribute to the necessary concrete analysis of the particular situation that has been formed for both the Left and the social forces the latter wants to represent.

This particular agreement, signed under coup conditions, following an unprecedented blackmail during the negotiations with the Creditors, crystallizes the specific balance of forces that was recently formed in the context of the Eurozone. And as it is known, it is impossible for anyone to escape that kind of balance, i.e. reality itself. So in every aspect, in every chapter and every provision, the agreement reflects the results of this asymmetric negotiation, the will of the creditors for a complete dislocation of the social and employment protection system as well as the will of the Greek Government to resist this prospect.

With regard to the first part of the Agreement, the Bailout Agreement, the Greek government managed to avert the plan of a permanent financial blackmail supported by extremely reactionary European circles – mainly the Schaeuble fraction ? and which remained active until the EuroGroup of August the 14th. According to this plan, Greece should either settle for a five-month extension program of the previous bailout agreement or proceed after the 12th of July with consecutive financing-bridges that would prolong the uncertainty and would constantly reinforce the Creditors' blackmailing potential for imposing even more recessionary and antisocial measures.

On the contrary, after strong resistance but also because of particular political initiatives which mobilized any democratic reflexes that remain in the real existing Europe, we succeeded to secure on the one hand a change in the institutional-legal framework with a new bailout agreement and on the other hand a three-year funding covering both external financing needs and domestic liabilities concerning mainly the State's debts to suppliers and contractors.

Specifically, the new legal institutional framework of the bailout agreement ends the disgrace of the previous, of a colonial character, agreements with the EFSF (public limited liability company), since from now on Greece has a contract with the ESM, i.e. an international organization, with whom the contractual relationship of the country is governed by the international and European law, and moreover the protection ensured by the immunities and privileges of the Greek Republic and the Bank of Greece against its international creditors is retrieved. We are dealing here with a completely new relationship which meets all the international protection standards laid down in similar cases.

At the same time, while the second part of the Agreement, namely the Annex of the bailout agreement, is indeed a harsh program continuing the policy of austerity, there are some ?limited of course– benefits for the social majority, where for a wide range of issues, the specifics of implementation will depend on future negotiations between Greece and the Creditors: thus emerges a large field open to policy configurations and social struggles in defense of the wage earners, the self-employed and public property (equivalent measures for pension system, labor relations, tax system and utilization of the public property).

A positive point of the agreement is also the adjustment of primary surpluses achieved after strong negotiating pressures from the Greek government. Under the agreement, the fiscal targets set are a primary deficit of 0.25% for the year 2015 and primary surpluses of 0.5% for 2016, 1.75% for 2017 and 3.5% for 2018. This is an important reduction of the country's obligations as the previous program anticipated primary surpluses of 3% for the year 2015 and approximately 4.5% by the year 2018. And because the size of the primary surplus is nothing else but a numerical index of the size of austerity, we have ensured in comparison a clearly milder adjustment that reduces the likelihood of new blackmails for the application of new horizontal measures for the years ahead.

Finally, for the first time the agreement sets a clear timetable for initiating discussions addressing the reduction of the public debt and the conditions for its repayment. It is precisely in this area where we will have to fight hard in order to achieve a positive outcome that could reshape the framework of the country's relations with its Creditors. That is because a positive agreement reducing Greek debt would erode the technology of power on the basis of which the harsh austerity and internal devaluation programs were imposed during these last five years. In this struggle it is crucial to build on the new political situation taking shape in Europe after the negotiation, as new dividing lines within European political families have emerged this last semester.

### **5. Is there an alternative?**

Many people naturally blame SYRIZA that the choice of signing the new Agreement vindicates the Thatcherite "There Is No Alternative" beyond and against the neoliberal imperatives. In the short history of SYRIZA there has never been a more deliberate and extreme misrepresentation than this. This saying of Thatcher means nothing more and nothing less than neoliberalism, extreme individualism and the hunt of personal gain represents the only way, the only road to social welfare. This quote implies that any other way leads to loss of freedom, totalitarianism and social misery.

SYRIZA and its government have never embraced this political and ideological attitude. It is one thing to accept neoliberalism as a strategic horizon, as the sole road to social welfare and another to accept that in a certain moment in time, with a given balance of political forces, one has to make a tactical and temporary compromise so as to be in a position to keep fighting preserving the possibility and the opportunity of prevailing.

So yes, there is an alternative, there is another way to organize societies and economies. This way passes through the redistribution of wealth and power to the subordinate classes, the wage-earners of the public and private sector, the self-employed and the pensioners; through the reinforcement of forms of social economy that contest the model of unmasked or veiled hierarchy (and therefore power) inside the enterprise and offer a way out to the creativity of the overqualified and unemployed youth; through the protection of the common goods that one by one become the target of capital; through the support of the welfare state but also the extension and deepening of social rights and democratic liberties. This road presupposes an ongoing and

integral relationship with the movements of the subordinate classes, close contact with the theoretical elaborations of Left intellectuals but also an organized mass party, open to the world of labor and the young. This is the kind of party that we should help build, if we want to have chances of success in the long and difficult class struggle that lies before us.

All things considered, the road to social emancipation particularly under crisis conditions is not easy and it will not be short. You may need to accelerate or slow down, it has turns, u-turns and dead-ends, it is not linear, but bifurcated and rough. We'll have to pave the way based on the experiences of the labor and left movement of the 19th, 20th, 21st centuries, but also on our own experiences. On those accumulated during the last six months with our rights and wrongs, our successes and failures.

For our struggle during these six months was hard, painful and avowedly emblematic for all the people of Europe and the world that look forward to and fight for the overthrow of the global neoliberal hegemony. Small Greece gave (and keeps giving) a political struggle that goes well beyond its size and will go down to history.

It has befallen to us to be the protagonists in the resistance against the globalized financial capital, at the dawn of a new historical period that may have started with the financial crisis of 2008. Whether eventually our struggle proves to be the beginning of a new period or the end of the last one, it will not be said but only afterwards and will depend on the outcome of social and political struggles. History produces itself only in hindsight, when the dust of battle has settled and a new balance establishes itself. And this balance is way ahead yet.

### **6. The situation in Europe: Towards a rearrangement of the balance of power**

It was exactly the negotiation of the Greek government these last months that pointed to the current limits of the real existing Europe, the cruelty of the mechanisms enforcing neoliberalism and the utterly disadvantaged political power ratio at the level of the institutions and the various governments.

Despite these, for the first time a government of a member-state of the EU and the Eurozone, has directly questioned this power ratio and the policies it imposes, i.e. aggressive austerity, tough fiscal discipline and internal devaluation. It was exactly this questioning that not by chance monopolized the world's interest for the whole six months and at the same time triggered a great political debate inside Europe and the Institutions.

This debate brought out deep cracks inside European social-democratic parties, polarized parts of European Greens toward the Left, mobilized broader social forces that stood by the Greek government's battle, while at the same time it rallied intellectuals from around the world that not only supported politically, but also deepened theoretically the critique against extreme neoliberalism and austerity.

At the same moment the Greek issue revealed the hegemonic role that Germany plays at imposing fiscal adjustment programs and forced its political elite to spend much of its political capital to create the conditions to effectively blackmail the first left government in the European continent since the 2nd World War.

The negotiating attempt revealed also the deliberate structural constraints and the political nature of the European Central Bank, that since it does not work as lender of last resort for the members of the Eurozone, it serves in reality the role of an institutional liquidity blackmailer for members of the Eurosystem that question the neoliberal direction of European policies.

It is these points exactly that trigger a broad debate as well as political conflicts that may lead in the future to a generalized crisis of the European project given the determination of parts of the European elite to advance the federalization process of Europe (Banking Union, Finance Minister, strengthening of the EU Commission) understood in terms of deepening the neoliberal project. In these conflicts, Greece should play a protagonist role aiming to sharpen EU's and Eurozone's contradictions, mobilizing political and social forces to resist, question and transform European institutions.

A prerequisite though, for this kind of struggle is for the Left to stay in government. For it is only the Left that can act as a catalyst for radical developments in the political battlefield of today's Europe. On the contrary, a restoration of old political establishment forces in our country will exclude for years to come the chance of constructing a large and internationalist pan-european movement with a claim to success in the great struggles ahead of us.

### **7. The political situation in Greece**

The true political dilemma the Left has to face now is whether to shy away from the unfavorable political and social power ratio in Europe, thus allowing for the restoration of the bourgeois political system in Greece or to fight as one in order to achieve a disengagement from neoliberalism and the memorandum policy of austerity from a government position.

The answer to this question must take into account that a possible restoration of the bourgeois parties in the country will prove a defeat of historical proportions for the Left that will likely cancel the prospects opened by the electoral - political victory of January the 25th. This does not in any way mean that the necessary victory in the elections of September the 20th does not entail risks of its own: The risks of the party's political mutation under pressure of an adverse context but also under the constraints imposed by the new Memorandum, the erosion of the party and its cutting off from the working and popular strata seeking to represent, its conversion to just a mild manager of the memorandum neoliberalism.

This is a real danger that we should carefully consider in our effort to play a leading role, all the more from government positions, in the struggle of the Greek people to transform the power relations in our country and abroad. The other option, however, may turn out to be historically devastating for the workers, as a return to power of the old political system would most certainly enact punitive and vindictive policies towards the left and the popular strata, shifting irreversibly the social and political power ratio against the social majority. It is precisely for this reason that despite the really existing problems of our party, we are forced by reality itself to fight with resolve in order to prevail in the upcoming elections; by rallying our base and showing perseverance, while acknowledging both our existent weaknesses and the strategic dilemmas we face after the imposition of the new Memorandum.

The aim of SYRIZA is to implement, though not in the same terms due to the seven-month negotiating and governmental experience, a four-year government program so as to disengage from neoliberalism and austerity, to initiate a radical democratic transformation of the state, while finding solutions to mitigate the effects of the Agreement; to implement policies supporting the social majority and constantly shifting the power ratio in favor of the forces of labor.

It is precisely for the implementation of this program that the Government of the Left constitutes a stronghold to defend. A crucial stronghold in the long struggle against the neoliberal model pursued by the dominant powers in Greece and Europe.

The state is not a fortress but a network, a relationship and a strategic field for the political struggle. It does not change from one day to another, its necessary transformation requires sustained and continuing struggles, engagement of the people, constant democratization. Like neoliberalism that conquered the world through continuous restructurings and breakthroughs that lasted four decades, in the same way the strategic goal of the radical Left, the economy of needs that is interlinked with the broadening and deepening of direct and indirect democracy at all possible fields, takes time, persistence and perseverance in order to gain ground in the real-existing Europe of austerity and neoliberalism, in a world governed by the logic of production for exchange and profit.

Therefore, in these circumstances, SYRIZA's government program tries to provide solutions, find answers and pave the way setting as its non negotiable horizon the social and political emancipation of labor and youth.