



# The SOCIAL CRISIS IN GREECE

**Ta Paidia Tis Galarias / March 2017**

## **INTRODUCTION:**

### **The Capitalist Crisis in the European Union**

Before discussing on the conditions under which the social crisis in the South of Europe has been developing, we should refer first to the more general context of the crisis in the EU itself.

For us, the global “economic recession” and the “financial” crisis of the recent years are only forms of appearance of the permanent crisis of capital reproduction which started in the early 70’s, that is, the crisis of reproduction of capitalist social relations. Despite the fact that there were periods of “recovery”, e.g. the partial restoration of non-financial profit rates in many major capitalist economies from 1982 to 1997, no long-term solution to the crisis has been found.

In the EU, the Economic and Monetary Union process and the adoption of the euro played a pivotal role in capital’s strategic long-term actions to counteract the crisis of reproduction. A hard, common currency would discipline and harness state expenses and working class demands and expectations, increasing at the same time competition amongst European workers, while it was the euro-mercantilist fraction of the European capital (capitals of the “core” states and notably Germany), oriented towards exports, that would benefit the most by becoming more competitive in foreign trade.

As the financialization of the European economy was promoted at the same time (through the lifting of restrictions in capital movements and the unification of the European money market), the creditworthiness of the “periphery states” increased. The surplus capitals of the “core” states found a profitable outlet in investments in ever expanding credit there - in the form of sovereign and private debts- and thus the “core” states’ surpluses were transformed into the “periphery” states’ deficits. Actually, within the Eurozone and with currency depreciation not being a viable option any longer but with interest rates becoming lower, it was mainly through the extension of debt that the European South’s capitalist accumulation became possible in the first decade of the 21st century.

With the outbreak of the crisis of the subprime loans in the US in 2008 and its extension to other countries, the already existing divergencies in the hierarchy of the EU states became even bigger. The less competitive “periphery” states found themselves with huge debts, mainly owned by German and French banks, and an ever increasing cost of borrowing. The infamous bail-out programmes were in fact measures to save the “core” European banks and at the same time they plunged the “periphery” states into the vicious circle of debt-loans-austerity-recession-loans-debt through the “socialization” of private debts, that is, through the assumption of the banks’ debts by the state.

Especially in Greece, the debt-crisis and the ensuing bail-out programmes are nothing less than huge devalorisation processes which are still underway, aiming at the decomposition of the proletariat and the destruction of the less productive capitals.

The EU was meant to be a new political form to promote economic integration and to deal with recurring crises of capitalist reproduction, and as such it has been assuming more and more the function of the regulation of certain economic aspects of capitalist reproduction, leaving the sphere of legitimization of this regulation to the nation-states within it. However, nowadays, in its effort to overcome the deterioration of the crisis in the years following 2008, the EU is identified with the political form of imposing austerity while the nation-states, especially the “periphery” ones, are burdened with the thankless task of enforcing it and mediating class struggles against it.

In this process, this very integration is in danger though, with the recent case of England (i.e. Brexit) to signal a possible increase of centrifugal tendencies.

# 1. THE SO-CALLED “DEBT-CRISIS” UNFOLDING IN GREECE

Coined in bourgeois mystified terms as a “crisis of competitiveness” and a “crisis of sovereign debt”, the crisis of capitalist reproduction in Greece led to an explosion of all its contradictions with the global recession in 2008.

After the outbreak of the global recession in 2008 Greek economy was driven into a deep recession, profits collapsed, while the deficit of the balance of payments, the public deficit and the national debt soared.

In this context the manipulations of both the Papandreou government and the European Central Bank (ECB) that exacerbated the “debt crisis” were strategic: both the Greek and the European political personnel of capital saw the crisis as an opportunity to implement a tough policy of “internal devaluation” aimed at the decomposition of working class power in Greece and the devalorisation or destruction of unproductive capital.

The policy of “internal devaluation” that was followed through the mechanism of the infamous “memoranda” should better be characterized as a policy of (constant and variable) capital devalorisation. Its basic components are the vast reduction of direct and indirect wage which has led to a reduction in the value of labor power; the huge increase of the reserve army of the unemployed and all forms of “flexibility” that further depress wages and contribute to disciplining and work intensification of those who still have a job; a new process of primitive accumulation through the privatizations and the proletarianization of a significant part of the petty bourgeoisie; the increase of the tax burden on the working class and the establishment of permanent austerity mechanisms. The result of this policy was the continuation and the deepening of the recession, the destruction of hundreds of thousands of small businesses and, finally, the centralization of capital. Under the previous governments, the economic measures were combined with the formation of an iron “state of emergency” in which the social and class struggles were suppressed and criminalized while capital on the other hand enjoyed the freedom to violate the civil -and even constitutional- legality, in order to exploit the working class and nature in the most efficient and appropriate way. Nowadays, the rhetoric of the “state of emergency” has not been abandoned but the state of emergency has been partially democratized: initially this was made possible through the defusing policy of satisfying some demands of emblematic struggles lasting since the period before 2015 and the (still existing although diminishing) connection between parts of the movement and the Left government.

Without a doubt, the selection of Greece as a laboratory for the implementation of a “shock therapy” policy is related to the big problems, which the imposition of neo-liberal restructuring faced throughout the last

25 years due to the persistent eruptions of class struggles: in Greece the crisis of exploitability and disciplining of the proletariat has been more intense than in any other country in Europe.

This was explosively demonstrated by the proletarian rebellion of December 2008 which broke out simultaneously with the unfolding of the global economic recession. Even if only a minority of the proletariat participated in the rebellion, it brought about, however, a complete delegitimization of the New Democracy government and a delay in imposing the restructuring measures necessary for capital.

Apart from the consequences of the reduction of global economic activity during 2008 on the exports of Greek capital, especially in the shipping and tourist sectors, the profitability of capital in Greece had been continuously slowing down after 2004 because of the slow growth of productivity in relation to wages. It is surely a fact that Greek capital and its state had made continuous attempts during the '90s and the 2000s to deal with the crisis of exploitability through repeated reforms of the welfare state; through the flexibilization of labour relations for young workers; through continuous legal interventions for the imposition of discipline among immigrant workers and the control of the flows of migration; through the cuts of allowances, wages and social benefits in combination with the expansion of consumer credit. In spite of the significant successes achieved by Greek capital in the period between 1996 and 2004 when the rate of exploitation and profitability rose, the crisis was not definitely resolved in favour of capital. As indicated by the available statistics, the rate of increase of productivity of labour had been continuously slowing down since 2004 to reach a negative growth figure of -0.5% in 2009, while real wages had been going up since 2007.

Productivity had risen in the period between 1995 and 2008 because of the public investments related to the Olympic Games, the influx of EU structural funds leading to the increase of constant capital investments and imports of capital goods, as well as the proliferation of a specialized work force through the rapid increase of workers with a university education. However, according to a report prepared by the Bank of Greece in 2009 the boost provided by these factors had been exhausted by the end of the 2000s. This was attributed by the capitalist think tanks to the relatively big size of the agriculture, trade, construction and public administration sectors. The first three sectors are characterized by low capital/technological intensity, while the third one is attributed with a chronically low productivity performance. Also, they referred to the relatively small size of Greek enterprises, the limited connection of wages to productivity in individual workplaces, as well as the "failures" of the education system. Furthermore, they did not hesitate to openly assert that the profitability

slowdown was caused by “our [meaning the workers] maladjusted attitude” towards the aims of “national development”, in other words by our indiscipline, by the “exalted” wages in the public sector and by the “excessive” raises agreed to by the Greek General Confederation of Labour (GSEE) and the Hellenic Federation of Enterprises (SEV) in 2008. The same report also added that the privatizations of public utility companies, and deregulation, in general, had not proceeded as they should have, as well as that the labour market remained “rigid”, aggravating the economic situation, and what’s more, in a more or less permanent way. On the other hand, public expenditures related to wages in the public sector, health care, and so-called “social protection” (that is money for benefits and pensions) were continuously increasing in the last 2000s.

As a result, profitability started to fall from 2006 onwards, until it collapsed in the first half of 2009 by 51.5% in relation to the same period of 2008, because of the global recession. The fall of the turnover and of the profitability of private enterprises led in turn to a significant reduction of investments because of the increasing inability of private enterprises to get credit from the banks. Moreover, banks were directly affected by the recession since their profits dramatically declined due to the significant increase of losses stemming from the overdue loans or even from the non-repayment of loans, having, in addition, a more general liquidity problem because of the global financial crisis. Naturally, the state did not stay idle. It hurried to confront the problems that emerged due to the outbreak of the crisis by increasing its expenditures by 10.9% in 2009 in order to support capitalist accumulation, thus contributing to the GDP by 1.7%. At the same time, the state provided banks with funds of 28 billion euros, an amount that corresponded to 11.5% of the GDP of 2008, in order to save their profitability. This policy was continued by the government of PASOK which provided an additional amount of 40 billion euros in 2010. Besides, public expenditures were increased for other reasons as well, such as, for example, the payments of unemployment benefits since the number of unemployed workers started increasing in 2009, while revenues from taxes and contributions decreased because of the recession, i.e. the decline of GDP (and what’s more because of the consecutive decreases of the rate of taxation of profits until 2016, when it was slightly increased again. Unsurprisingly, the result was that both public deficit and debt rose steeply to reach 13.6% and 115.1% respectively as a proportion of the GDP, according to the 2009 figures from EUROSTAT.

However, the “debt” noir literature is an old affair in Greece, even if the hack writers of the ruling class have tried to present the “problem” and the “necessary sacrifices” for its reduction as something new. In fact, debt skyrocketed during the 80s. Until the end of the 70s, the New Democracy

government had managed to limit public expenditures related to wages and pensions. This tendency would be completely reversed in the beginning of the 80s, since the “socialist” government of PASOK was forced to increase both the direct and the indirect wage of the workers under the pressure of class struggles of the previous decade. Bound to balance between two basic, but contradictory state functions, the reproduction of capitalist accumulation and the legitimization of exploitative social relations, the governments of that period agreed to “generous” wage increases in the public sector that also swept along the wages of the private sector. At the same time, they made investments in social welfare without securing new revenue through increased taxation of private capital or trying to reduce the shadow economy and tax evasion. Thus, the income policy and the creation of a rudimentary “welfare state”, contributed to the expansion of public debt from 22.9% of the GDP in 1980 to 57.8 % in 1985 and to 79.6 % of the GDP in 1990.

Despite the increase of public expenses and debt, one cannot argue that the formation of social capital was carried out in the same way as in the developed capitalist countries. It seems that the aim of the welfare state during the 1980s was not so much the guarantee of the social conditions for the expansion of capitalist accumulation, but the management of the “social costs” of the reproduction crisis of the capitalist relation caused by the reduction of external revenue, the increase of social demands and class struggles and the advancing deindustrialization. The low increase of productivity in relation to wages during the 1980s forced the PASOK government to change direction initiating an austerity programme in 1985 that was combined, on the ideological level, with a frontal attack against the “excessive demands” of wage workers, denouncing the workers of public utility companies as a “labour aristocracy” and trying to impose separations by blaming the workers of the public sector for enjoying “fat salaries” at the expense of the low paid workers of the private sector.

Initially, this policy led to a wage reduction of 12.5 % and to a profit increase of 150% in the period between 1985 and 1987. Nevertheless, this policy was confronted by intense struggles of the supposedly privileged parts of the working class (teachers’ strikes, strikes at public utility companies, bank employees’ strikes, etc.), that continued to have offensive demands pushing the whole class upwards. These struggles forced PASOK to take back the austerity programme, thus leading to a reduction of the wage cuts by a half of their initial size. Although the “national unity” government in 1990 and the subsequent neoliberal governments took on the responsibility of the capitalist counter-attack, the “debt dynamic” was not checked, leading thus, to further debt increases.

By the mid-90s, debt had climbed to a figure of 97 % of the GDP and was stabilized until the end of the decade around 95-100% of the GDP. In 2000 debt climbed to 103.4% of the GDP and in the following years it fluctuated around 100% of the GDP. It doesn't require much effort to understand that the common motto that politicians and journalists have repeatedly used during the last twenty years is to ask us to work more for less money in order to "save the country from bankruptcy".

But let's return to the developments that led to the "internal devaluation" policies. In 2008, world financial institutions decided to invest mainly in government bonds, which almost everywhere were multiplying because of the global state policies of bailing out banks. After the sovereign "debt crisis" of Dubai in October 2009 and the failure of the credit rating agencies in forecasting it, these agencies went frantic to downgrade Greek government bonds. This led in its turn to the rise of the CDS prices and spreads.

The fact that the European Central Bank initially planned to raise the minimum credit rating for the eligibility of government bonds as collateral in liquidity provision from the start of 2011 encouraged the financial institutions holding Greek government bonds to dump them, precipitating the "debt crisis" and raising the interest, which in its turn raised the cost of debt refinancing. Thus, public expenditures related to the payment of interest, as well as forecasts for the increase of public deficit and debt, rose up. The so-called "financial stabilization mechanism" created by the EU and the IMF to "support" Greece through the provision of loans with a lower interest rate than the one that was determined in the market in "exchange" for the imposition of a strict structural adjustment programme should be seen in this context.

It should be added that the so called "bailout of Greece" was in fact a massive bail-out of the French and German banks paid by the European proletarians of the South on the whole, presented under the disguise of "solidarity" to the "profligate and work-shy" Greeks shown by this imaginary creature, the "European taxpayers": only €9.7 bn or 4.5% of the total amount of €215.9bn being disbursed during the first two Economic Adjustment Programmes, have been directly used to cover state budget needs.<sup>1</sup> The rest of the money went back to lenders and banks, fuelling the fictitious capital bubble based on sovereign debt speculation.

Germany is a key example of the way "core" Eurozone countries have profited from the rapid contagion of the debt-crisis across the PIIGS states,

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<sup>1</sup> J. Rocholl, and A. Stahmer (2016). *Where did the Greek bailout money go?* ESMT White Paper No. WP-16-02. Regarding the 3<sup>rd</sup> and more recent €86-bn programme, its structure and targeting do not diverge at all: most of the money are going to be used for the debt and interest (re)payment to existing creditors, that is good ol' ECB and IMF.



as the former's government bond yields pegged at low levels, even before the implementation of the asset purchase programme by the ECB in the autumn of 2014. According to the *Leibniz-Institut für Wirtschaftsforschung Halle*, the German state saved approximately €100 bn between 2010 and mid-2015, as a result of lower interest rates for federal government bonds and bills issued. The cheap finance of public expenses and service of state debt goes hand in hand with increased tax revenues, record low unemployment rates, and swelling deposit and skilled immigrant workers inflows from the "peripheral" EU countries. At the same time, the previously mentioned ECB's quantitative easing programme has further squeezed down interest rates across the EU and weakened the euro. The continued depreciation of the latter is among the main factors contributing to German exports massive boost to a record high of €1.2 tr in 2016 (+1.2% compared to 2015) that has resulted in a €252.9 bn trade surplus (+16.5%), the highest in the world. It is not surprising, therefore, that Germany has been enjoying steadily growing current account and budget surpluses. In 2016, the budget surplus increased to €23.7 bn (from €19.4 bn a year earlier). By achieving such surpluses, the German state aims to have its total public debt reduced to less than 60% of GDP by 2020, for the first time since 2002. It also aims at continuing its debt restructuring: between 2009 and 2012, according to the German Ministry of Finance, the proportion of short-term debt issues with maturities of less than three years fell to 51% (from 71%), while the new debt, issued by the German government, was €73 bn less than planned.

Apart from (re)financing sovereign debt with low, if not negative, actual interest rates (at the same time that, according to the first memorandum, Greece was obliged to interest payments of 5-6%), Eurozone "core" countries have also been profiteering in a number of ways. During 2009-2013 e.g., both Germany and Netherlands had registered the highest increase in new foreign direct investment (FDI) projects among all Eurozone countries. Germany, in particular, has surpassed France and still ranks second among all European countries (after the UK), and fifth in the world as a recipient of foreign direct investments.

## 2. RESTRUCTURING THE REGIME OF ACCUMULATION IN GREECE

The implementation of “internal devaluation” politics has partially reshaped the local regime of accumulation, by accelerating the restructuring of both labour market and production base of the Greek capitalist state.

- There has been a 27% reduction of the GDP. The fixed capital investments suffered a further reduction by 8.4% the period 2014-2015.
- The gross fixed investments have been continuously decreasing since 2008, with a decreasing rate, though, after 2012. On the other hand, the consumption of fixed capital increased by almost 25% in the period between 2006 to 2015, due to the large-scale destruction of non-sufficiently productive capitals. More specifically, since 2010 the consumption of fixed capital has been exceeding gross fixed investments, resulting in negative net fixed investments ever since. However, the rate of fixed capital consumption has been lately decreasing, possibly signaling the gradual ending of the devalorization process. This may also be suggested by the recently increased fixed capital rate of return and capacity utilization rate.
- The position of Greek capitalism in the international division of labor deteriorated since the share of the exports of the high tech sectors in the economy was reduced from an average 27.5% during the period 2005-2009 to an average 20% for the period 2010-2014, while the share of the low tech sectors increased from 72.5% during the period 2005-2009 to 80% during the period 2010-2014.
- In the period 2010-2014 the share of the investments in the high-tech sectors of the economy was reduced to just 13.4% from 21.6% in the period 2005-2009 due to a) the unstable macroeconomic conditions b) the deregulation of the labor market and the reduction of the labor cost at the private sector, which have encouraged investments into labor-intensive industries.
- Productivity of labour fell by 10.2% in the period 2010-2015, mainly due to the increasing share of precarious labour relations, but also due to the negative net fixed investments.
- The unit labor cost fell by 17.7%. This reduction, however, contrary to the wishful thinking of the advocates of austerity measures, did not improve the competitiveness of made-in-Greece products or services, as it simply led to the gross profit margin increase as well as the increase of the rate of exploitation.
- After the outbreak of the crisis tourism, agriculture and fishing emerged as the most dynamic sectors of the economy.

- There has been creative destruction of small or unproductive enterprises and simultaneous attempts at centralization of capital in a number of key sectors like retail and wholesale, manufacturing, tourism, catering. This has also been promoted by means of legislative reform like the abolition of Sunday holiday for retail shops throughout the year and “liberalization” of the sales periods (i.e. permitting shops to put on sales -i.e. price reductions- whenever they wish). Around 250,000 small businesses that employed 800,000 employees have shut down since the outbreak of the crisis, while during the first quarter of 2016 the number of small enterprises that shut down increased by 78.1% in relation to the first quarter of 2015. Before the crisis, small enterprises represented 75% of total employment and 55% of domestic added value.
- Other measures that favour the concentration of capital are a) “liberalization” of truck licenses, beverage and alcohol production, dairies and bakeries, pharmacy ownership, points of sale of non-prescribed pharmaceutical products and b) opening of the restricted professions of engineers, notaries, actuaries, and bailiffs, and “liberalization” of the market for tourist rentals and ferry transportation.
- Between 2008 and 2015 the percentage of the self-employed small business people was reduced to 3.1% (from 10.4%).
- From 2008 to 2016 500,000 persons, aged 15-64, emigrated from Greece. Main destinations: Germany, UK and the United Arab Emirates. It is important to note that lots of these emigrants are high-skilled workers, like doctors, engineers etc.
- 64.2% of total job loss during the period 2008-2015 is concentrated in three sectors: manufacture, commerce and constructions.

## **Privatizations**

According to the third memorandum an independent Privatization Fund (“Sovereign Wealth Fund”) was created similar to the model followed by the German state and its “Treuhandanstalt”, the agency that promoted the massive dispossession and privatization of fixed capital and other real-estate property of the former People’s Republic of Germany. The Privatisation Fund consists of bank assets (e.g. subsidies, real-estate property, mortgages etc.) and all assets that have already been transferred to the Hellenic Republic Asset Development Fund (TAIPED), according to previous memoranda, such as state-owned shares (e.g. shares of the Telecommunications Company, Piraeus and Thessaloniki Port Authority, OSE Railway Company, Athens airport, Hellenic Gas Transmission System

Operator, the public gas company, the Public Power Corporation, the electricity company, the Greek Post-Offices (ELTA), the Public Utility Companies etc.), various infrastructure (airports, marinas, regional ports) and state-owned immovable property (the ex-airport of Athens in Elliniko, various buildings, public land etc.).

Till now the privatization of 14 regional airports -leased to a Greek-German consortium (german state-owned Fraport AG and Copelouzos Group) for 40+10 years-, the leasing of Piraeus Port Authority to Cosco until 2052, the sale of the greek passenger and freight railway transportation operator TRAINOSE to the italian state-owned Ferrovie Dello Stato Italiane and the sale of the former Elliniko Airport estate to Lamda Development, which is planning to construct a large-scale residential area there, have been completed.

The recent recapitalization of the Greek banks by private speculative funds, which led to the devouring of the percentage acquired by the Greek state in the two previous recapitalizations, should also be seen in this context. Such a development might prove crucial in strengthening the already observed tendencies of capital centralization, since these funds now practically control the majority of the greek companies, with non-performing loans (non-performing company loans amount to ca. € 64 bn). They, thus, also control the assets connected to those loans (private houses, fixed capital like plants and machinery, shares etc.), further increasing their ability to promote large-scale looting.

## **Decreasing workers' direct and social wage**

### **Direct wage**

- There has been a 22% reduction of the minimum wage by decree.
- From 2010 to 2015 the overall reduction of the gross nominal wage amounted to 26.1% and the reduction of the average real wage to 28.1%.
- The reduction of the purchasing power of the workers is estimated at around 32% per worker or at 50% for the whole variable capital, if the indirect wage and taxation are also taken into consideration.
- The purchasing power of the minimum wage decreased by 24.7% and those under 25, who get an even lower minimum wage, saw their purchasing power decreasing by 34.3%.
- 50% of the employees at the private sector earn less than €800 per month.
- The percentage of employees in the private sector that earn less than €700 has increased from 13.1% in 2009 to 36.5% in 2015, while the

percentage of those who earn between €900-1.300 has decreased from 35.7% in 2009 to 16.9% in 2015. Bear in mind that, before the implementation of the “internal devaluation” politics, the minimum gross wage in Greece was €751.

- The number of public sector employees that earn less than €1.000 per month has increased from 18.9% in 2009 to 35.8% in 2015, while there has been a sharp decrease of those who earn from €1,100 to €1,600 (34% in 2015 from 46.5% in 2009).
- According to a recent research of the Greek Statistical Authority, 22.2% of the population are unable to satisfy their most basic needs; that is, they are underfed, they cannot cover extraordinary expenses, they cannot have vacations of even one week per year, they cannot repay loans, they face difficulties in paying utility bills, they are deprived of basic consumer goods like a washing machine or a telephone. The percentage of “poor people” in 2005 was 12.8%.
- There has been expansion of precarious labour: most of the “new” jobs created pertain to part-time or precarious labour (55% of the “new” contracts in 2016 are part-time ones). The share of part-time or precarious labour reached 23% of total employment (from 14% in 2010) while at the private sector it reached 28.9%. From 2009 to 2015 part-time contracts increased by 329% and other forms of flexible work increased by 707%, while the transformation of full time contracts to part time or other flexible contracts increased by 237% for the period 2009-2015. During the same period, the obligatory unilateral transformation of full time contracts to flexible ones increased by 1,645%. By the way, “unilateral decision” is a derogatory term used by international creditors against Greek governments every time the latter vote for small temporary wage benefits or are slow in implementing “reforms”; it is never used against bosses’ decisions like the one mentioned above.
- The above mentioned deregulation of labour legislation was promoted through the actual annulment of sectoral employment contracts and the abolition of collective bargaining for the determination of the minimum wage. In a total of 262 contracts signed in 2015 only 8 corresponded to sectoral or national employment contracts.
- There has been a sharp deterioration of the working conditions in the period 2008-2015. The percentage of employees doing unpaid overtime work went up to 85% in 2015 due to widespread violation of labour legislation by the bosses. Besides the increase of the working time, there has also been an intensification of work. According to Eurostat, the percentage of employees doing shifts in 2014 increased

to 25.7% from 19.1% in 2008; the number of those working during the night in 2014 reached the 6.3% from 3.7% in 2008; the number of those working on Saturdays during the same period increased to 31.2% from 24.6% while the number of those working on Sundays increased to 12.7% from 5.8%. Almost 1 million employees remain unpaid for 1-5 months or even more. After the implementation of the capital controls in 2015, the 12% of the employees receive ca. one fourth of their salary in... super-market coupons.

- The income of the poorer 10% of the population has been reduced by 86% compared to only 17-20% for the richer 30% of the population.

Further flexibility in the labour market and (even) lower minimum wages is to be expected according to the forthcoming labour reform that is to be voted by the summer. Likewise, massive lay-offs restrictions will be eased, while workers' right for association and strike will be further undermined.

### **Taxation & private debt (or other means to further compress the direct and indirect wage)**

In order for the greek capitalists to amass enough cash for their international loan-shark counterparts, direct and indirect taxation has rapidly increased, also resulting in increased private debt.

- There has been a very high increase in direct and indirect taxation of the working class. Especially for poorer households, the increase has been tremendous, reaching 340%, including income and property taxes.
- The VAT rate has been increased from 13% to 24%, thus affecting a series of basic items: coffee, tea, sugar, chocolate, biscuits, canned food, legumes, veal, and a number of other commodities. VAT for these basic commodities was "only" 9% before 2009.
- The VAT rate has also been increased from 13% to 24% in public transport (bus and ship tickets, taxi fares, etc.), hotels, catering and restaurants, foreign language and remedial schools, further decreasing the (already decreased) direct wages.
- The 30% tax reduction on the islands was abolished.
- The property tax (ENFIA) was maintained at the same level for 2015, 2016 and 2017 contrary to Syriza's promise to abolish it.
- The so-called "solidarity surcharge", another means of per capita taxation, has remained the same for all annual incomes lower than € 30.000.

- Farmers taxation has increased, while various subsidies they enjoyed have been abolished.
- As a result, the private debt has increased, as manifested by the sharp rise of non-performing loans to the banks and debts to the pension funds and/or Tax Authorities. The percentage of non-performing loans has reached 45% of the total. Non-performing loans nowadays amount to more than €100 bn or more than 11% of the total non-performing loans in the Eurozone, even though the Greek economic activity represents only 1.5% of Eurozone's one. Debts to pension funds reached €16.9 bn and those to Tax Authorities reached the staggering €94 bn.
- It is not surprising, therefore, that according to a recent survey by the Hellenic Confederation of Professionals, Craftsmen & Merchants (GSEVEE) 21.3% of the households are indebted to the Tax Authorities and 58.2% of the debtors have made some kind of settlement with the Tax Authorities. 430.000 households are late with their payments to the banks. Furthermore, the income of 75.3% of all households in 2016 was reduced in comparison to 2015.

## Indirect wage

The attack against the indirect wage of the proletariat in Greece was mainly achieved by means of the massive restructuring of the pension system in 2016. As the direct wage cuts and the over-taxation of property have already targeted the Greek "familistic welfare regime", which has so far been complementary to the underdeveloped official welfare state (due to the low-taxed domestic productive regime of accumulation), the pension reform and the corresponding pension cuts furthered increased the pressure against this familistic "safety net". By doing so, the capitalists aim at restricting social mobility and lowering social expectations, while setting the material basis for the production of even more disciplined double-free workers. According to this new pension reform:

- There has been an increase of retirement age to 67 and a further passing of health care costs onto pensioners and workers.
- There will be a closer connection of personal contributions to the pensions given. This means that the pension system will gradually be transformed from fundamentally redistributive to increasingly compensatory.
- The pensionable earnings are calculated according to the total amount of social contributions, throughout one's working life ("pensionable service"), leading to smaller pensions.

- Smaller replacement rates are introduced, further squeezing all pensions.
- All pensions, current and new alike, will be re-calculated according to the newer/stricter rules, leading to the downward adjustment of all pensions.
- All pension funds will be unified in three main ones.
- A zero deficit clause was introduced so that all pensions will be further decreased if the pension funds do not have enough cash reserves. This decrease will be applied even to the “national/guaranteed pension” of € 384 (for those retiring at 67 with a pensionable service of more than 20 years).
- The Subsidy of Social Solidarity for Pensioners (EKAS) is being gradually abolished and its abolition will be completed by 2020. More than 200,000 pensioners of low net income (less than €664 per month) nowadays are entitled to the EKAS pension supplement.
- The penalty for early retirement has increased from 6% per year to 16%.

Having said the above, it should come as no surprise that the average pension had been reduced to €800-850 by 2015 (from €1,500 in 2010), while a further reduction down to €500-600 is to be expected in the near future.

As if the above were not enough, according to the last (3<sup>rd</sup>) Memorandum, signed in 2015 by the left wing of the capital:

- Automatic cuts on public spending will be implemented in case the general fiscal goals are not reached (e.g. budget surplus of 3.5% of GDP).
- The overall reduction of pension spending (including invalidity pensions) by €23.5 bn over the period 2014-2015 will be supplemented by new €6.5-7 bn cuts for the period 2015-2018. This new reduction will be partly achieved by means of freezing state subsidies to pension funds at the 2015 nominal levels until 2021, even though the number of pensioners will have been increased by then.

Apart from the above:

- Social expenses have been acutely decreased since 2009 (and are not expected to increase...): -35.6% and -38% for the educational and health expenses, respectively. Furthermore, state expenses for heating allowances were reduced by 50%.



## Unemployment

- The rate of unemployment has increased from 7.7% in 2009 to 23% in 2016 (45.7% at the ages 15-24), further compressing the average real wage (see above). The long-term (i.e. more than a year) unemployment rate is 53.2%. In absolute terms, the latter corresponds to a loss of 1 million jobs. By early 2011, actually, unemployed and idle or retired proletarians had surpassed those being employed, resulting in being 1 million more by 2012 (a development which is not necessarily bad if you can have a guaranteed income - which is not the case, of course).
- In November 2016 only 102,101 out of the 913,044 registered unemployed received the €360 subsidy.

## Workers' subjectivity and general mood

As far as the “general mood” of the working class in Greece is concerned, the responses given to a poll conducted in June 2016 are rather indicative:

- 86% of the interviewed people replied that the “country” is heading towards the wrong direction (69% of them had voted for Syriza in the recent elections).
- 28% of them feel anger or indignation; 27% feel disappointed and 8% feel stressed.
- When asked about the general economic situation, 70% replied that in the next 12 months their personal economic situation will get worse and 69% replied that the economic situation of the country will worsen. 61% of them think that the economic situation is the biggest problem and it doesn't come as a surprise therefore that 34% of them are concerned about unemployment.
- 80.5% of the population abstain from activities organized by political parties or other organizations of local interest, from political consultations or protests because of lack of interest in politics, compared to 9% because of lack of time. It's true that de-politicization has increased during the last two years, the period of Left governance.

### **3. CLASS STRUGGLES AGAINST THE “INTERNAL DEVALUATION” POLITICS: New forms of struggle and their effectiveness/limitations in counterattacking capital’s restructuring**

After the implementation of the devalorization policies in Greece, the working class moved to a wide range of forms of struggle from traditional ones, like strikes, demos or occupations of public buildings, to more or less new ones, like the occupation of open public spaces, self-reduction of prices and the constitution of “popular assemblies” in the cities’ neighbourhoods.

Although in the beginning of the movement (already in 2009 and especially in 2010) there was an impressive series of strikes and general strikes, and although they were often accompanied by mass demonstrations and clashes with the police in the streets, those struggles remained isolated one from the other, they were largely controlled by the leaderships of the unions and could not overcome the sectoral-corporatist divisions. Furthermore, the content of these struggles was basically oppositional/anti-government and not a class one. This became particularly evident in 2013 in a series of struggles which had been embraced by Syriza unionists: the limited satisfaction of their demands after 2015 led them to disappearance from the public sphere (see National Radio-Television workers, cleaners, Vocational Secondary School teachers, etc.).

a) No doubt, one of the most important struggles was the occupation of the Syntagma Square, and the occupation of central squares in Greece’s major cities, from May to July 2011, as an attempt to block the voting of the Medium-Term Programme agreed by the Greek government and its lenders.

It must also be noted that the “movement of the squares” was effective in the sense that it managed to widen the field of opposition to the government’s austerity policy, something that the conventional general strikes and the isolated sectional strikes had not managed to do, obliging the discredited GSEE to call general strikes on the day of the voting of the Medium-Term [Structural Adjustment] Programme.

After the voting of the Medium-Term Programme the occupation of Syntagma square declined and finally it was repressed by the police that removed the tents of the few remaining squatters in August 2011.

b) The “popular assemblies”, some of which pre-existed the Syntagma square occupation and were rooted in the 2008 revolt or residents’ committees created on the basis of local issues, proliferated after the repression and exhaustion of the mobilizations at Syntagma square (there were over 40 only in Attiki). Their political composition was mixed, ranging from many disappointed, conservative voters of the traditional parties, leftists of all kinds and anti-authoritarians to quite ordinary workers or unemployed, who were not acquainted with any political procedures and

usually frequented the assemblies in the beginning of certain struggles to abandon them later - delegating thus power to the militants.

Such struggle was the one against a property tax (ENFIA), which was integrated within the electricity bill in September 2011. The struggle was an opposition to the state blackmail with the electricity, it expressed certain legal claims of unconstitutionality of the tax and it was for a certain period the privileged ground for the movement of collective refusal of payments from below. For all these reasons it soon took on the characteristics of a country-wide movement, organized mainly through neighbourhood assemblies. Faced with mass indiscipline (around 30-40% of the households did not pay this particular tax at that time), the state seemingly retreated by making the tax payable to the Tax Office instead. Not long after, without the immediate threat of the electricity cut which moreover offered the ground for the collective struggle, the movement would decline and disappear.

Another terrain of struggle was the one against the increase of the city transport fares. Popular assemblies promoted the blocking of the metro obliterating machines and fare-dodging, organizing the distribution of leaflets outside metro stations or at the bus stops. They also organized solidarity actions towards workers that had been fired from local businesses or got involved in local issues. Although there has been recently a surge of violent acts by anarchist groups against the fare increase, the widespread and collective character of the previous movement has long ago vanished.

## **Limits of the local struggles**

### **The major limits of the Occupation of Syntagma Square**

1) Although the composition of the movement of the squares was predominantly working-class, the proletarians that gathered in Syntagma were not able to develop the conditions for a struggle against the politics of devalorisation according to their social needs. Consequently proletarian practices remained limited and weak. Abstract calls for “direct democracy”, “national independence”, “cancellation of the odious part of the debt” and “self-management” were easily recuperable by Syriza and they were then reformulated in order to promote its political agenda and boost its claim to legitimacy.

2) In a movement which was inter-class from the very start, favoured both by various right wing cliques as well as by left parties and leftists, nationalism (mostly in a populist form) was dominant. In this context, it was Syriza that mostly gained from the propaganda of an alternative and more patriotic path for the “development of the

country”, which was later to be turned into a left version of the “state of emergency”. (The most well-known proposal for a left management of the “national debt” came from the Greek Audit Commission which consisted of various left politicians, academics and union bureaucrats and favoured the idea of the cancellation of the “odious part of the debt” by a left government, following the Ecuador model. Its proposal was put forward by the former president of the parliament after Syriza came to power in January 2015 and was supported by leftists of all kinds until it was abandoned after the approval of the agreement between the Greek government and the international “institutions” in July 2015).

## **The limits of the popular assemblies movement**

The responses to the crisis developed by the popular assemblies were varying and rarely of a class antagonistic character. There was a growing tendency -mainly within neighbourhood assemblies or “citizens’ networks”- of promoting projects of co-operative commodity exchange (usually avoiding intermediary sellers), service exchange, soup kitchens, self-sustained farming or even local self-organised social programmes for unemployed in an era when the welfare state is disintegrating and the social wage is under constant attack. As such activities remained isolated and lacked any strategic class character that would generalize them as part of a movement based both on wage demands and expropriations, they proved to be a fertile ground for Syriza’s tactics. Actually, in the first term of the Syriza cabinet and later during the so-called refugee crisis there was an informal cooperation between the government and some of these wide solidarity networks which functioned as a poor equivalent of the violently restructured welfare state.

The major drawback of the assemblies, however, was their predominant citizenist ideology. Their most active leftist and anarchist members were content to be dressed-up as “neighbours”, an identity which was in accordance with the assemblies’ direct democratic form and their vague “popular economy” content. This could conceal the various contending political affiliations and class interests inside them for a certain span of time. The result was that the assemblies fostered an intra-class melting-pot, which was the prerequisite for the affirmation of “civil society against the state”. As this would help blunt all class differences, it’s no wonder why they were embraced by Syriza and its sympathizers and why they have almost disappeared today after having paved the way to the dreadful social pacification organized by Syriza-in-power.

## 4. Lack of an internationalist direction

Overall, the previous cycle of struggles was, unfortunately, almost completely confined within national and sectoral borders as it was predominantly waged either in isolated workplaces or against the results of the so-called “debt crisis” in Greece, without any substantial links with similar struggles abroad.

Supposedly, the initial call for the demonstration at Syntagma square, which was later transformed into an occupation, was a response to a banner in Spain during the 2011 mobilizations saying “Shh! Don’t wake the Greeks up!” but apart from such anecdotal remarks or some abstract calls for “European solidarity”, mostly promoted by Syriza cadres in an effort to make alliances with their counterpart parties, no serious internationalist direction with a material base was to be seen.

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The above mentioned political insufficiencies (sectionalism, lack of international perspectives etc.), in addition to the gradual adoption of individualistic survival strategies have led to further consolidation of intraclass fragmentation and competition among proletarians. They have also led many people to depression and withdrawal from the terrain of class struggle. This is evident from the decline in the number of strikes: from 232 strikes in 2012 down to 141 by 2014. The cumulative duration of the mobilizations has been fluctuating (159 hours in 2014, compared to 145 hours in 2012 and 186 in 2013), yet workers’ participation has been constantly decreasing, even during general strikes or demos against reforms affecting the whole working class (i.e. pension system restructuring).

## **5. THE EFFECT OF “DEBT CRISIS” AND CLASS STRUGGLES ON ALL MEDIATIONS: The legitimation crisis and how they got over it**

To sum up: As the Greek political personnel has made the strategic choice of remaining within the Eurozone and under the constant pressure of the debtor-states, the radical and violent restructuring of the productive and reproductive mode of accumulation, the gigantic devalorization process is getting deeper and deeper. On the social terrain this is manifested as an inability for the majority of the proletarians to satisfy their social needs which provoked a legitimacy crisis of the traditional mediation channels (old type parties and unions). This crisis deepened with the eruption of a series of class struggles (mostly in the state sector) against lay-offs, the introduction of an evaluation system, the attack on the direct and social wage etc. While such parties either shrank or collapsed and the previous right-wing government had to leave, bearing the brunt of the social indignation, especially after its short flirting with the neo-nazi thugs of Golden Dawn, the unions had to transform themselves and adjust to the new geography of capital accumulation and class relations. Thus, under the previous government, they maintained their mediation role and the control over their clientele guaranteeing the application of “the lesser evil” principle (through bargains for less lay-offs etc), facilitating the violent process of lowering social expectations.

The left faction of capital, the party of new type called Syriza, came triumphantly onto power, having invested largely on the movement against austerity to which its rank’n’file belonged. It nurtured the hope of “something better than this” - something that supposedly only a left (capitalist) state can guarantee. With a fresh mixture of ingredients consisting of

- an (already in early 2015 watered-down) programme of “national sovereignty” having the “productive reconstruction of the country” as its main motto,
- an encouragement of “self-organization” of social needs (a programme recuperated from the popular assemblies movement, adapted to the politics of austerity and served again as charity measures and promotion of volunteer work),
- a support of self-management experiments and “social economy” enterprises seen as the “third pillar” of restructuring-through-devalorisation,
- a Popular Front tactics against fascism,

- the double-faced management of the immigrant flows comprising a heart-breaking antiracist rhetoric and practice on the one hand and the signing of the agreement with Turkey on the other (see more on that later),
- a form of co-management of the state by the party and parts of the “social movements”, which was abandoned after July 2015 and
- the partial satisfaction of some demands of certain past struggles (by the first Syriza government)

Syriza managed to bring about a condition of pacification much-envied by a lot of its European colleagues. Two years after its election to power, its reliability has been confirmed by its European debtors and partners as its profile is changing fast - although its legitimacy is increasingly under question among its voters.

However, when we talk about the legitimacy of the state and the left government in Greece in particular, we focus on the dialectical relation between the movement and the state. Having a limited political scope, consisting mainly of antiracist practices and an ideology of “small victories” of isolated struggles in workplaces, and deeply pervaded by the effect of the “social and solidarity” economy, the movement had lost sight of the big picture and abandoned the struggle against devalorization long before the elections of January 2015. Therefore it offered the left government the possibility to continue devalorization politics - this time with a “humane” face.

## 6. THE STATE MANAGEMENT OF THE REFUGEE-IMMIGRANT INFLUX: Recent struggles and their limits

Let's start with some necessary general remarks first: the capitalist state ensures the subjugation of workers in general to capital in general. The capitalist state protects and develops productively both capital and labour power, in general, or at least it is forced to do it. Capitalist accumulation is therefore dependent on the abundance, mobility and availability of labour power, while, on the other hand, during crises of reproduction of capitalist relations that end up in the devalorization of surplus capital, labour power may be made redundant to a large extent. Migrant populations, whether they are refugees or not, or whether they have left a middle class life behind or not, are part of the global working class, driven away (mainly) by local or global devalorization policies. Therefore, an analysis of their use or non-use by capital should be placed within a broader analysis of global, supra-national and national processes of capitalist accumulation. Consequently, any analysis which is dominated by a discourse on "anti-immigrant" or "pro-immigrant" state policies is quite misleading and irrelevant - in the same way that it would be misleading and pointless to claim that the state could be either "anti-worker" or "pro-worker".

On the other hand, if it is true that each capitalist state needs and breeds divisive or even racist ideologies (that may also emanate from below) to keep the working class fragmented and trapped within nation, race or gender categories, it is equally true that it can not allow civil wars among the separated parts of the working class. That is why it uses unifying, integrationist and antiracist practices to further the accumulation process. It's obvious that the tension between its conflicting policies are contingent in a given period upon several factors, both economical and political.

More concretely now, while the vast majority of the left and anti-authoritarian analyses regarding the state management of immigration focuses on physical or geographical *exclusion* (mainly through an excessive use of the term "borders"), we are more inclined to look into the differentiated capitalist strategies adopted for the *inclusion*, control, regulation and exploitation of superfluous in the countries of origin migratory populations to suit the needs of capitalist accumulation in the



countries of their destination.<sup>2</sup> Therefore, within the EU hierarchical structure of divergent capitalist policies, the varied management of the recent migration influx reflected different and even conflicting aims of the separate nation-states.

According to Eurostat, in 2015, EU member states received over 1.2 million first time asylum applications, a number more than double that of the previous year.<sup>3</sup>

The highest number of first time applicants was registered in Germany. In August 2015, the German government announced that it expected to receive 800,000 asylum applications by the end of the year.<sup>4</sup> Between January and December 2015 almost a million of asylum seekers were registered in Germany (although the actual asylum applications in 2015 were only 476,649 because many asylum seekers had not formally applied for asylum yet, knowing that they will not get it, or because they moved on to other EU states). According to the German central register for foreign citizens, from October 2015 the migrant population had increased by 820,000 people (of

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<sup>2</sup> *“Critical approaches to national and international efforts to manage the flows of poor migrants into advanced Western economies over recent decades have tended to be premised on the notion of physical or geographical exclusion. Accordingly, nation-states, transnational regions and even whole continents have been described as striving to solidify their borders against migration from impoverished or otherwise disadvantaged parts of the globe. This claim appears to contain a significant element of truth when one considers, for instance, that irregular migrants are often forced by border regimes to navigate risky border zones and, indeed, that many of them die as a result. There is increasing recognition in the literature on migration, however, that borders can be far more permeable than usually assumed, and they are thus better described as points of variable intensity than as strictly linear and rigid structures. A considerable number of scholars working in this vein have sought to explain the permeability of borders from the perspective of political economy, extending their focus beyond practical factors that may undermine effective border control as such (e.g., extensive borderlands or limited availability of financial resources) and, rather, privileging the role played by governing elites inside nation-states in adopting policies and promoting practices that essentially relax border controls so as to enable mass import of exploitable migrant labour according to domestic market needs and dominant political interests”.* Leonidas K. Cheliotis, *Punitive inclusion: The political economy of irregular migration in the margins of Europe*. This interesting analysis shows how an exclusion approach to “irregular” migration control can be wrong since restrictions are imposed on outflows of migrants to secure an exploitable workforce to serve labour market needs, as it has been the case of Greece. This was made possible in various ways, trapping in a sense migrants within the country to have a highly exploitable reserve pool of workforce. Ironically, however, the analysis stops just before Syriza comes to power, thus, leaving it safely untouched, while it is through Syriza that “refugees” are now trapped in the country, although for quite different reasons...

<sup>3</sup><http://ec.europa.eu/eurostat/web/products-press-releases/-/3-04032016-AP>

<sup>4</sup> <http://www.telegraph.co.uk/news/worldnews/europe/germany/11813485/Germany-expecting-up-to-800000-asylum-seekers-this-year.html>

them, 340,000 come from EU states, 260,000 from war regions and 120,000 from Western Balkans).<sup>5</sup>

These figures make Germany the most sought-after final destination for migrants and refugees in the EU. Germany even used the derogation possibility of article 17 of the Dublin III Regulation for humanitarian reasons:

Any Member State should be able to derogate from the responsibility criteria, in particular on humanitarian and compassionate grounds, in order to bring together family members, relatives or any other family relations and examine an application for international protection lodged with it or with another Member State, even if such examination is not its responsibility under the binding criteria laid down in this Regulation.

So, why has the German state adopted such a policy and how has it implemented it?

Immigrants are significantly younger than the domestic population. Given Germany's major demographic problems (the domestic labour force is shrinking and aging), this is welcome news. Various researches by German think-tanks have stressed the importance of immigrant "flesh", pointing out either that thousands of new workers (not from the EU alone, as immigration from there is estimated to be declining but mainly from third countries) will be needed annually,<sup>6</sup> or that, as immigrants currently living in Germany pay more to the state than they receive in social benefits, the long-term advantages to public finance and pensions can be substantial.<sup>7</sup>

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<sup>5</sup> [http://www.wildcat-www.de/en/wildcat/99/e\\_w99\\_migration.html](http://www.wildcat-www.de/en/wildcat/99/e_w99_migration.html)

See also:

[https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2016/03/PD16\\_105\\_12421.html;jsessionid=4AB21217731D387C3FF8C08B02F65565.cae4](https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2016/03/PD16_105_12421.html;jsessionid=4AB21217731D387C3FF8C08B02F65565.cae4)

[https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2016/09/PD16\\_327\\_122.html](https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2016/09/PD16_327_122.html)

[https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2016/07/PD16\\_246\\_12421.html](https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2016/07/PD16_246_12421.html)

<sup>6</sup> <https://www.bertelsmann-stiftung.de/de/publikationen/publikation/did/zuwanderungsbedarf-aus-drittstaaten-in-deutschland-bis-2050/>

The conclusion of this paper states bluntly that "*in the next 36 years, an annual average of between 276,000 and 491,000 people must arrive from third countries if the potential labor force is to be held at a constant level*". This strategy should be applied in combination with an "activation" of the unemployed, longer working hours and longer working lives...

<sup>7</sup> <http://www.zew.de/en/das-zew/aktuelles/der-beitrag-von-auslaendern-und-kuenftiger-zuwanderung-zum-deutschen-staatshaushalt/?cHash=379d94a982c6ef93f253467caa34cd4b>

In general, none can seriously deny the fact that capital in Germany needs immigrants/refugees to use them not only for capitalist development in an aging country but also for the continuation of lowering reproduction costs of labour power and the intensification of the restructuring of labour markets: since August 2015 refugees' "integration into the labour market" starts with work below the minimum wage through long-term internships to obtain basic skills which can be extended so that they continue getting low-paid jobs.<sup>8</sup> For German capital (and its state) the above measures are necessary preconditions for securing the successful continuation of its mercantilist-based strategy. It is precisely their importance for capital that dictates their disciplined absorption within an already segmented and fragmented working class.<sup>9</sup> Proletarian migration needs to be controlled so that the reproduction of a disciplined, cheap and grateful labour power can be successful. Merkel's strategy of fostering a "culture of welcoming" consisted in both a pragmatic calculation of capital needs and a paternalistic manipulation in order to control any refugee initiatives and show who the boss is. By early 2016, as soon as the main bulk of refugees was allowed to enter amidst celebrations, a more selective and restrictive process started in respect to asylum granting, social standards deteriorated and the rhetoric of the political personnel changed again to signal that the objective had already been achieved (and the "doors" should close).<sup>10</sup>

Any analyses that would resort to geopolitical reasons behind Germany's recent *calculated* absorption of immigrants or even worse to the particular mentality of certain political personas are merely pointless and confusing.

If we dwelt at some length upon Germany's strategy on immigration, it was because the Greek state's management of the refugee influx in 2015 was not just closely connected but also conveniently adjusted to it by letting

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<sup>8</sup> [http://www.wildcat-www.de/wildcat/99/w99\\_migration.html](http://www.wildcat-www.de/wildcat/99/w99_migration.html)

<sup>9</sup> Such an absorption may be slow though, however, it would not be wise to assume that capitalists do not tend to make long-term planning. See, [https://www.diw.de/documents/publikationen/73/diw\\_01.c.519306.de/diw\\_econ\\_bull\\_2015-45-4.pdf](https://www.diw.de/documents/publikationen/73/diw_01.c.519306.de/diw_econ_bull_2015-45-4.pdf)

<sup>10</sup> *"Certain aspects of German asylum legislation have been made more restrictive in recent months. The aim of these changes has been to dissuade people from countries with low protection rates—those highly unlikely to have their claims granted—from making the journey in the first place, and at the same time to streamline the asylum process for those who are likely to be granted protection. Recently implemented measures include simplifying the process by which rejected asylum seekers are deported, suspending family reunification for those with subsidiary protection (meaning that the person does not qualify for refugee status, but it would be unsafe for them to return to their home country) and expanding the list of safe countries of origin".* <http://webcache.googleusercontent.com/search?q=cache:KqKPtVuMroJ:www.bfna.org/publication/germanys-response-to-the-refugee-situation-remarkable-leadership-or-fait-accomplis&cd=2&hl=en&ct=clnk&gl=gr>

thousands of immigrants (mainly from Syria) pass the borders (in the north) heading for Europe, with the first massive wave starting in early 2015 and culminating in the summer of the same year.

A diversion here to let us remind certain prior movements of the first Syriza government, when it came into office in January 2015, when, although the numbers of immigrant workers in Greece had started decreasing due to the devalorisation policies, the flow of refugees started to rise. The first measures the government took, keeping Syriza's leftist rank'n'file almost satisfied, were to halt deterrence policies in the Aegean Sea, apply the legislation at the detention centers (maximum incarceration being 3 months) -thus letting the majority of the detainee immigrants out-, vote in Parliament a law granting citizenship to immigrants' children (applied to those with a legal status) and also "abolish" the term "illegal immigrant" from state authorities' official discourse by passing the antiracist law.

Then, in the summer of 2015, the 3rd memorandum was voted and the management of immigration became more NGO-based (Mouzalas, the Deputy Minister of Immigration, is one of the co-founders of Doctors of the World). The management of the "refugee tragedy", as government officials heartbreakingly called the growing immigrant influx, proved to be a win-win situation for Syriza, whereby getting rid of the main bulk of undesired migrant labour would at the same time cause the least possible blows to its antiracist profile and thus not further alienate its "progressive" supporters - however difficult, if not impossible, this seems to be as time goes by.

In this context of the EU and mainly Germany's policy of absorbing immigrant labour power, particularly from non-EU countries, which nowadays means war zones and global areas where harsh primitive accumulation processes are taking place, and in accordance to such a policy, the Greek left government followed certain steps in the unfolding of its own part in the European management of immigration: first, it allowed masses of refugees pass the borders without registering them<sup>11</sup> (over 850,000 immigrants and refugees found themselves then in Greece),<sup>12</sup> thus satisfying both a need to get rid of a surplus population that could not be exploited in any way inside Greece given the devalorization politics it continued to exert, and to avoid, as much as it could, to be in a position where it would have to apply repressive methods of confinement on an extended level.

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<sup>11</sup> On January 27<sup>th</sup> 2016, the European Commission accused Greece of neglecting its obligations under the Schengen agreement to carry out external border controls, saying that a visit by EU inspectors in November 2015 found that Greece was failing to identify and register arrivals properly, to fingerprint everyone, and to check travel documents for authenticity and against security databases.

<sup>12</sup> <http://reliefweb.int/sites/reliefweb.int/files/resources/GreeceOperationalUpdate%238-29Nov-31Dec2015.pdf>

However, in its eagerness and haste to let hundreds of thousands of refugees cross the borders, the left government did not even apply the basic state border control or registration. This would jeopardize (mainly, if not only) Germany's strategic plan of a regulated and calculated immigrant inflow, let alone undermine the EU political stability. Therefore, gradually, more pressure was exerted upon the Greek state which led in autumn 2015 to the creation of the first hot-spots (first "reception" detention centres) in order to register, filter and categorize immigrants and refugees into those eligible and those not eligible for asylum. The term "illegal migrant" was also reintroduced in public documents, thus basically restricting the right to a refugee status only to Syrians. With the agreement of the EU with Turkey,<sup>13</sup> a necessary means to create a buffer enabling the European states to regulate the immigrant flows to more or less desired numbers,<sup>14</sup> a further division was created within refugees/immigrants in Greece: a division between those who arrived before the 20th of March and after the closure of the border and have been since then stuck in the Greek mainland and those who arrived after the 20th of March and have been blocked on the Greek islands. For the latter category of immigrants, the existing hot-spots were turned actually into congested closed camps to keep them detained for indefinite time. As applications for asylum started following fast-track procedures, deportations of the so-called "irregular migrants" have already started, too.<sup>15</sup> Indicative of the impact of this agreement to the over 60,000 trapped immigrants in Greece is the fact that while in 2015 the number of asylum seekers in Greece was only 13,195, in 2016 51,091 immigrants lodged applications for asylum, as this seemed their only, albeit undesired, alternative. At the same time, in 2016, the rate of asylum recognition fell, compared to 2015, while about half of the applications remain pending.<sup>16</sup>

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<sup>13</sup> On March 20<sup>th</sup> 2016, there came into effect the agreement between the EU and Turkey to restore control on the migrant movements. As the deal outlined, migrants arriving in Greece would be sent back to Turkey if they did not apply for asylum or their claim was rejected. Any Syrian who was returned to Turkey would be replaced by a Syrian resettled from Turkey to the EU, preferably the individuals who did not try to enter the EU illegally in the past and not exceeding a maximum of 72,000 people. Turkish nationals would have access to Schengen passport-free zone by June 2016 but this would not include non-Schengen countries such as Britain. The talks aiming at Turkey's accession to the EU as a member would start in July 2016 and a promised \$3.3 billion aid would speedily be delivered to Turkey. Under the deal the EU would send around 2,300 experts, including security and migration officials and translators to Greece who would help implement the deal.

<sup>14</sup> According to the official data, while asylum seekers in Germany in 2015 reached 890,000, in 2016 their number fell to 280,000.

From those “lucky” ones of the first category, the ones who entered Greece between January 2015 and before the agreement with Turkey, some 27,000 have gone through the so-called pre-registration process and were given thus the ability to live legally in Greece and access basic services while waiting for asylum and possible relocation. The Greek government’s policy for them consists of an attempt to confine them and offer them together with dozens of NGOs charity-like services, oscillating between a restrictive management of an entrapped, totally needless and mostly segregated population and a piecemeal semi-inclusory/semi-ghettoised politics, which is mainly characterized by rudimentary special educational programmes.

After evacuating forcefully Idomeni in May 2016 (the largest informal refugee camp on the Macedonian border which, at its peak, when Macedonia shut its border in March 2016, housed more than 14,000 refugees) and transferring them to “official” camps, the Greek state went on with the evacuation of the makeshift camp in the port of Piraeus and plans to do the same with the predominantly Afghan refugee population at the “temporary” settlement at the dilapidated former airport in Elliniko. In these violent actions as well as in others, even before the signing of the agreement with Turkey, it met with refugees’ as well as solidarity groups’ resistance. After having institutionalized its cooperation with dozens NGOs and even given them increased responsibilities in managing the refugee influx in various aspects,<sup>17</sup> the Greek state’s strategy regarding non-institutionalized

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<sup>15</sup> By the end of October 2016 about 700 persons had been forcibly returned to Turkey. At the same time, the EU Commission blames the Greek state for inefficiency, since this number accounts for “only” 4% of the total and none was ordered back after being recognized as a refugee.

<http://uk.reuters.com/article/uk-europe-migrants-greece-idUKKBN12W4DP?il=0>

There was a slight increase in the number of deportations by the end of January 2017, raising the number of those migrants who have been returned to Turkey to 865, a number considered unacceptably “low” by the EU. Thus, plans for drastically increasing the number of deportations and hardening the terms of immigration management are under way.

See, <https://www.newsdeeply.com/refugees/articles/2017/01/30/greece-plans-to-fast-track-asylum-claims-to-save-e-u-turkey-deal>

<sup>16</sup> See <http://www.eliamep.gr/wp-content/uploads/2014/10/2016.pdf> , p. 4 and <http://asylo.gov.gr/en/wp-content/uploads/2017/02/Greek-Asylum-Service-Statistical-Data-EN.pdf>

<sup>17</sup> On the islands and especially on Lesbos there were more than 200 NGOs operating on spot, ranging from small “citizens’ initiatives” to huge professional organizations! The role of NGOs in general in managing immigrants’ needs (reception, accommodation, catering and transportation) was promoted by the state both for the privatization of some of its functions and for the de-politicization of the causes of immigration. At the same time, NGOs get their core funding from UN.

solidarity activities followed a flexible pattern depending on differentiated criteria. On the islands, because of the forthcoming agreement between EU and Turkey and given their proximity to the borders, it would not tolerate any non-institutionalized activity, even if this came from small NGOs. Thus in mid-January 2016, certain solidarity structures (including NGOs, like rescue teams, which, until then were in cooperation with the coastguard) were excluded from official refugee agglomeration sites and in some cases their members got criminalized. Then, in February, the Greek government asked for the registration of all rescuing volunteers and the others active in and around Moria hot spot. It also demanded from the NGOs active in the respective areas to hand over lists of members and volunteers working for their organizations and register with detailed information on their own structures and funding.<sup>18</sup> Repression was again the path that the government followed in Thessaloniki when in July 2016, satisfying the demands of the church, the university and the council authorities, it evacuated three anti-authoritarian squats which housed refugees or in some cases it did the same with NGOs.<sup>19</sup> However, there is a different attitude regarding some big squats in Athens, as they both facilitate the state in managing the “refugee crisis” and at the same time are run by people either close to Syriza or who used to be close to it before its “betrayal” but have never cut their ties with the Syriza party, with which the government would wish to restore their relations. Vacillating between humanism and repression, charity and confinement, the Greek government handled the “refugee crisis” as an exemplary part of the more general “humanitarian crisis” in Greece.

The management of the remaining surplus immigrant labour power trapped within Greek borders should be considered within this very general context of the continuation and deepening of the devalorisation politics in both material and ideological terms: refugees are to remain idle labour power, to survive on meagre resources provided by the state and the “civil society” (as long as it cooperates and takes its place within the state plans on immigration).<sup>20</sup> Above all, they are to be used as a model for deploying

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<sup>18</sup> <http://infomobile.w2eu.net/2016/04/03/solidarity-structures-greece-confronted-with-criminalization-control-and-diverse-obstacles/#more-3776>.

At this site this differentiated strategy of the Greek state is condemned as hypocritical and ungrateful: *“These activists are now partly criminalized, while in the same moment they are still asked to provide food for the open camps on the Greek mainland when there is a lack of food or even for those detained, what solidarity groups denied”!*

<sup>19</sup> In September 2016, after a three-day protest of refugees at Katsikas camp near Ioannina demanding to be transferred to a sheltered place, the police detained members of NGOs and volunteers for some time “recommending” them not to instigate refugees to revolt.

the dominant state strategy, “glorification of charity and humanitarianism”, which is applied on *the working-class in general*. Immigrant and local proletarians are expected to accept their fate, lower their expectations and depend on “social / non-commodified” charity-like measures which are meant to alleviate the depreciation of labour power (unpaid or underpaid work, widespread unemployment / working in the black, etc.) that tends to become a permanent condition. The aim of this cheap but “humane” strategy of the left government is to preserve the profitability of the Greek and European capital and at the same time maintain the local and immigrant/refugee working class in a state of availability for exploitation without the risk of rusting and becoming utterly useless. If we look at the state antiracist campaign of solidarity to “refugees” in 2015 from this angle, then we will understand that the overstressing of charity is revealing of capital’s strategy to establish the idea that during “crisis time” not much more than crumbs is to be expected.

Refugees indeed were the ideal means to strengthen the ideology and practice of “solidarity from below”, which took later the form of a state orchestrated campaign celebrating “civil society’s sacrifice”. The “refugee crisis” management was a continuation and intensification of Syriza’s cunning recuperation of the previous movement against devalorisation and in particular volunteer self-help practices which by 2012 had already substituted the self-management of poverty for an aggressive demanding proletarian movement. Thus, unlike Germany where refugees were instrumental into the imposition of a direct wage below the minimum one, the refugees who were to be trapped within Greece were used by the state not to put pressure on the labour market themselves but mainly as a medium for the legitimization of the further encroachment on the social wage. The condition of the refugees was used by the state as an exemplary - even if extreme- case where social reproduction and its cost is left to a large extent to NGOs and “social networks” of volunteer work. As a matter of fact, in many cases the NGOs’ paid work and civil volunteer engagement were not just complimentary to the state management of the “refugee crisis” but instrumental into taking the initiative in providing care work, thus filling up the state’s absence - with the state then to follow, imposing its own way of controlling, restricting and channeling refugees’ ability to move.

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<sup>20</sup> There are about 45 provisory mass refugee “official” camps all over mainland Greece, most of which are tent camps, difficult to reach from cities/urban centres and often ruled by the army.



The educational programs planned for about 18,000 refugee children are indicative of such tendencies: after the registration of refugees in the “official” camps, the Ministry of Education set up a Committee for the Support of Refugee Children which registered the educational activities already organized and run by dozens of NGOs and even certain solidarity collectivities of volunteers in order to trace the holes the state would fill in with its interventions. Thus, the Ministry has launched an educational programme whereby nursery classes are hosted only at the camps and children of 7-15 that stay at camps, hotels, squats etc. either go to nearby state schools in the afternoons (*after* the end of the normal classes) or have classes within the camps. For this segregated programme (funded like in many other cases by the EU) predominantly temp, part-time teachers have been hired who are also flexible enough to be transferred to whichever school the Ministry may like. As for the teaching of the refugees’ mother tongue, this will be left to NGOs together with all sorts of other educational activities at the camps while the training of the teachers of English will be “kindly sponsored” by the US embassy. Solidarity leftist and liberal teachers’ actions -being in indirect communication and cooperation with the Ministry through Syriza affiliates or ex-affiliates- were important in pushing the state to adopt this kind of semi-inclusionary policies, however they were more orientated towards *lobbying for* the refugees rather than placing the demand of education for the refugees *within a more general framework of a reversal of the attack on the social wage for the whole working class* (let alone having any practical critique of state education). This can also explain why when offering their volunteer help to refugees they made no differentiation between NGOs, municipal authorities or their own self-organized activities.

As we said before, the state has used the management of the “refugee crisis” to further deepen the attack on the social wage and also to consolidate the attack on the direct wage. To this end, it launched “community service” programmes for unemployed to work at refugees’ centres and hot spots, underpaid and for short duration - a slight progress compared to unpaid, volunteer work also praised by the state!

The basic content of refugee struggles against either deportation or confinement was to escape the desert that Greece is nowadays. If we limited our focus on the period between early 2015 and mid-2016, during which the influx of refugees/immigrants rose enormously, then we could easily say that the main demand of their struggles was freedom of movement so that they could cross Greece in order to get to Western Europe. It is difficult to cite all pertinent struggles which consist of hunger strikes, demos or riots against the dire conditions in totally overcrowded detention centers, against their confinement, against their state of illegality, against deportations and for better living conditions for the brief, as they would wish, period they had to be in Greece. A list of the most important of them would certainly include:

- riots at Amygdaleza detention centre
- hunger strikes at Corinth and Paranesti detention centres and at Ritsona camp
- blocking of the railway track, hunger strikes and clashes with the riot police at Idomeni,
- demos in the centre of cities (Athens, Piraeus, Thessaloniki etc)
- demos near camps (Kilkis, Preveza, Ioannina, Konitsa etc)
- riots in the hot-spots on the islands (Lesvos, Chios, Leros etc)
- occupations of the ports of Piraeus and Chios

The blocking of the railway at Idomeni cost around 4 million euros (to export companies mainly but also to companies which import commodities and raw materials from Central Europe) due to extra charge on transportation through alternative routes and delays of deliveries. By pitching their tents directly on and around the train tracks for over a month, the immigrants were trying to put pressure on Greece and Macedonia to open the borders.<sup>21</sup>

The response of the Left and the majority of the antiauthoritarian milieu to the “immigrant/refugee question” should be considered in the broader context of the low and totally inadequate level of class struggles in Greece nowadays and in connection to the double impact of Syriza as first an oppositional power and later as the government. The recuperation of that part of the struggles of the previous period which was more and more oriented towards self-help, as the main response to the crisis of reproduction of the capitalist relations, gave the Syriza government the power to present itself as the charitable state that embraces self-organized, solidarity networks. Thus, in the case of the “refugee crisis”, the Syriza government applied the same humanitarian strategy guiding from above the “hospitality movement”, organizing campaigns for the collection of food and clothing and capitalizing on the party’s anti-racist components reaching out even into parts of the anti-authoritarian milieu through long-lasting political relations and cooperation. Without doubt, Syriza’s humanitarianism did not only have an ideological target but also a very material one: apart from the NGOs of all sizes, solidarity support was welcome, its self-organized form, to a great extent, included, as a way to minimize the state expenses, as far as the “refugees” reproduction of their capacity for future labour was concerned.

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<sup>21</sup> <http://www.middleeasteye.net/in-depth/features/refugees-close-greek-macedonian-railway-train-943462753>

So, since the solidarity movement has fitted within this broader condition to a great extent and even against its intentions, certain questions are legitimate:

How can common struggles among locals and immigrants develop given that solidarity initiatives are either exclusively oriented towards “help” to refugees or when the intentions of the refugees themselves are different than staying within the borders so that they could put their struggles under a common, less temporary perspective? How can possibly class solidarity develop, which is in principle horizontal and mutual, given such sharp objective and subjective differences between the different layers of the proletariat?

On the other hand, when the overall political content of their activity was not in fact, as we saw above, an indirect affirmation of Syriza’s humanitarian policies, certain initiatives by solidarity activists to house refugees by occupying buildings were a material contestation of bourgeois property and thus went beyond humanitarianism. But even when there are no such actual political connections to the government, rarely has the content of these initiatives taken an orientation towards merging struggles of local workers (meaning here both Greeks and second or first generation of immigrants) and refugees, surpassing the unilateral “offer” from the solidarity activists to the “dispossessed” refugees. And this is basically because subjective motives differ and the material conditions for the creation of communities of struggle are also absent. Notwithstanding the intentions of even the most radical activists, class solidarity as a mutual support in a common struggle was not the case. Given this, most solidarity activities were thus limited to end up being “radical” versions of charity no matter what their intentions were. And this should be considered as a *self-critique first of all and of the radical movement in general*, as the case of the refugee children’s semi-inclusion to state education exemplifies: faced with racist reactions from parts of parents supported or guided by Golden Dawn, the movement’s response (and ours included) faced its own contradictions and inability to assert class politics as it did almost nothing more than *practically* supporting and facilitating a semi-inclusory government project. Isn’t it a proof of the fact that when class struggles are weak, the dominant attitude will be the affirmation of the “lesser evil” logic, particularly when the most vulnerable part of the proletariat is concerned?

It remains to be seen whether a movement of common struggles could develop addressing common, social needs once the entrapped refugees/immigrants have no other place to go and therefore be obliged (and wishful) to break their separation from local proletarians, who are certainly better off but demoralized, under constant attack by the capitalist devalorisation process.

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