

Greece after the election – not a threat but an opportunity for Europe

The political landslide in Greece is an opportunity, not only for that crisis-ridden country but also for a fundamental reassessment and revision of EU economic and social policy.

We highlight once again the criticism already voiced on many occasions in the past by the trade unions: right from the outset, the key conditions under which Greece receives financial assistance did not deserve the label ‘reform’. The billions of euros that have flowed into Greece have been used primarily to stabilise the financial sector. At the same time, the country has been driven into deep recession by brutal cutbacks in government spending that at the same time have made Greece the most heavily indebted country in the entire EU. The consequence is a social and humanitarian crisis without precedent in Europe. One third of the population is living in poverty, the welfare state has been hugely weakened, the minimum wage cut by 22% and the collective bargaining system and other protections for those still in work dismantled; at the same time the burden of taxation on the lower income groups has been increased. Unemployment now stands at 27%, while youth unemployment is as high as 58%. Many people do not have the means to pay for food, electricity, heating and accommodation. A large share of the population no longer has health insurance and can access medical care only in emergencies. The election result is a devastating verdict on this failed policy.

All this had nothing to do with reforms designed to address Greece’s actual problems. None of the country’s structural problems has been solved, but additional ones have certainly been created. This has been a policy of cutback and destruction, not rebuilding. Genuine structural reforms worthy of the name would have led to the emergence of new opportunities for economic development rather than driving a highly qualified generation of young people abroad. Genuine structural reforms would have included serious attempts to tackle tax evasion. Genuine structural reforms would have tackled clientelism and corruption in public procurement. The new Greek government is being challenged to draw up its own reconstruction and development plans, which have to become part of a ‘European Investment Plan’, as has long been demanded by the trade unions, and to create the conditions in which such plans can bear fruit.

Serious negotiations with the new Greek government must get under way, without any attempts at blackmail, in order to open up economic and social prospects for the country beyond the failed austerity policy. This applies in particular to the ruinous obligations agreed with the previous government, now voted out of office, that were the prerequisites for payment of the international loans. Europe must not persist in pursuing, at the expense of the Greek population, a policy that has been decisively rejected by the majority of Greek voters. Just carrying on regardless is no longer an option!

The rejection at the ballot box of those responsible for the previous policy in Greece is a democratic decision that must be respected at the European level. The new government must be given a fair chance. Anyone who now demands that the country simply continue along the previous, so-called ‘path to reform’ is in fact denying the Greek people the right to a democratically legitimised change of policy in their country. And if they add that such a change of policy is, at best, possible only if Greece leaves the European currency union, then that is tantamount to saying that the European institutions are incompatible with democratic decisions taken in the member states. Such statements will merely give a shot in the arm to the burgeoning nationalist movements across Europe.

The democratic deficit at European level, oft-lamented but still not yet overcome, must not be even more firmly entrenched by constraining democracy in the member states. Rather, as many of us emphasised in 2012 in a call for action entitled ‘Founding Europe Anew!’, democracy at EU level must be strengthened if the European project is to gain renewed credibility. The European project will not be furthered by austerity dictates but only by a bottom-up democratic initiative in favour of economic regeneration and greater social justice.

This initiative must be supported now in the interests of the Greek people. At the same time, it will help to kick-start the process of policy change across Europe as a whole. The political upheaval in Greece must be turned into an opportunity to establish a democratic and social Europe!