Greece: the Triumph of an Alternative Narrative

Phillipe Pochet *of the European Trade Union Institute in Brussels sees the recurring Greek debt crisis as emblematic of the conflict between markets and democracy*

After the rush of commentary formulated in the heat of the moment, the Greek election results call for analysis also from a longer-term and twofold standpoint. There is a need to examine, on the one hand, the stakes as represented by the tension between markets and democracy and, on the other, the emerging formation of a new narrative. The two standpoints are interlinked. For the purpose of this analysis, it is necessary to set aside the anecdotal aspects, to disregard some of the most obvious difficulties that lie ahead, and to realise that the value of the inevitably complex compromises in store for Syriza will not be the absolute gauge by which to measure the party's success.

It is interesting to apply to Greece the analytical grid employed by Wolfgang Streeck in his latest book*Buying Time*. Streeck sees the European integration project as a Trojan horse serving to promote at European level, in the absence of a 'European' democracy and in a deliberate attempt to restrict the national-level room for manoeuvre, an approach that gives pride of place to the dynamic of deregulation-driven marketization. While clearly showing that capital has emerged victorious in recent decades, this sociologist of the economy draws attention also to its weaknesses, particularly those associated with the risk of default by the most heavily indebted countries.

While Streeck emphasises the national opposition and resistance to the debt, this quite obviously, carries little weight when placed in the balance with globalised capital. Such opposition, if it is to prove effective, needs to be articulated horizontally (with other nations, for example, Spain and its Podemos party, or Ireland and the water protest movement) as well as within the European context, a process likely to be more difficult.

In the case of Greece, the debt has been massively transferred by private lenders to public actors (states) and the ECB. Insofar as this means that the threat of default is no longer plausible, it becomes necessary to turn to the other facet through which the victory of marketisation has been ensured, namely the narrative that has imposed itself as not only natural but also the only possible way of telling the tale.

At this point it becomes a question of fundamentally calling into question the whole rationale of market confidence. The confidence in question is, according to the conventional narrative, to be won by means of structural reforms designed to downgrade social protection – retirement pensions, subsidised healthcare provision, unemployment benefits – and that entail dismantling the institutions of solidarity and stigmatising as 'behind the times' the collective actors who defend the status quo. The discourse according to which the confidence of financial markets has to be restored so as to reboot and revitalise the apparatus of production in the medium to long term and prevent what Streeck calls an 'investment strike on the part of organised capital' is a priori not demonstrable.

Such 'confidence' can be fuelled, in the absolute, only by the prospect of increased returns on capital and a reduction of tax and social burdens, thereby positing the possibility of structural reforms that would, in combination, give feasibility to the notions of maximum capital yield and zero tax and social security burdens. Capital indeed runs the risk, as Streeck points out, of 'killing the patient', thereby forfeiting the profits to be gained from the market (or the debt), a risk that to some extent explains why over earlier decades the changes in question were enacted in gradualist mode.

The Greek case, representing a 'concentrate' of reforms imposed within a short space of time, is emblematic of an experience far more violent than the successive deregulatory waves seen during the last thirty years in Europe and elsewhere. The declared aim having been to restore the confidence of markets and of the European partners, it was in this instance a matter of applying a textbook remedy concerning the need for radical internal devaluation and of using Greece as an experimental laboratory for testing this theory.

The loss of any belief on the part of citizens in the capacity of these radical reforms to lead to a viable outcome in the medium and long term was the driving force behind the Greek vote.

As such, this is the point at which the revenge of democracy may come into play: voters took advantage of this opportunity to point out and to demonstrate that what the chosen options have in fact delivered is not the confidence of markets but a humanitarian, human and social agony of catastrophic proportions. The incipientconfrontation of opposing narratives accordingly begins here. Have we perhaps reached a new starting point, after the about-turn of 2010 that was geared to reprieving the markets of their responsibility for the crisis by blaming it on labour market rigidities and declaring the State responsible for enacting the reforms supposedly needed to restore confidence?

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