

# The bankruptcy of Syriza and of the globalist “Left”\*

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(28.02.2015)

**Abstract:** *The article aims to show that Syriza’s capitulation in accepting a new memorandum, which includes most of the conditions imposed by the Troika in the last four years, is not accidental, nor is it just the result of treachery by the leadership of Syriza. Whatever future government comes into power, as long as Greece remains a member of the EU and the Eurozone, it will have to implement the same policies. Therefore, the Syriza fiasco simply represents the bankruptcy of the globalist Left, to which Syriza belongs.*

A month ago, just before the Greek elections, I stressed the following about the SYRIZA party in Greece (whose victory was widely predicted at the time), and Podemos, its “brother party” in Spain:

Given the commitment (of SYRIZA in Greece and Podemos in Spain to the EU and the Euro there is no possibility whatsoever that they will take any of the radical steps required to really alleviate the appalling economic condition of the majority of the population in both countries, and particularly in Greece, within the constraints imposed by the EU and the constitutional Treaties that institutionalized neoliberal globalization at the European level.<sup>1</sup>

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\* The article was also published simultaneously in Pravda.ru. It was edited by Jonathan Rutherford.

<sup>1</sup> “Left mythology and neoliberal globalization: Syriza and Podemos”, *The International Journal of Inclusive Democracy*, Vol. 11, Nos. 1/2 (Winter-Summer 2015). (19.01.2015)

[http://www.inclusivedemocracy.org/journal/vol11/vol11\\_no1\\_Left\\_mythology\\_and\\_neoliberal\\_globalization\\_Syriza\\_and\\_Podemos.html\\_-\\_edn1](http://www.inclusivedemocracy.org/journal/vol11/vol11_no1_Left_mythology_and_neoliberal_globalization_Syriza_and_Podemos.html_-_edn1)

Clearly, this conclusion was contrary to the prevailing view among the "globalist" Left and its numerous publications all over the world.<sup>2</sup> This is the Left which explicitly or implicitly takes globalization and its institutions (e.g. the EU) for granted and only aims for their improvement "from within" (we used to call this kind of "Left" reformist in the past to distinguish it from the antisystemic or anticapitalist Left). However, the strong anti-globalization movement that developed in the late 1990s, on both sides of the Atlantic, was largely an antisystemic movement, which was crushed by the combination of state violence (Seattle, Genoa etc.) and the systematic effort of the globalist Left that developed at the time, with indirect support of the mass media controlled by the Transnational Elite (i.e. the elites mainly based in the G7 countries). In fact, the role of globalist Left was crucial in eventually managing to emasculate the anti-globalization movement, from an antisystemic movement into a reformist one.<sup>3</sup> The inevitable result was the demise of the entire antisystemic movement against globalization, to the great delight of Transnational Corporations, which were obviously behind this huge campaign.

The main difference between the globalist Left and the antiglobalization movement, which was not explicit at the time but became evident later on, concerns the very object of social struggle.

Thus, for the antisystemic movement against globalization, the cause of the growing concentration of economic power in a few hands is globalization itself that has led to the present unprecedented inequality, which, on current trends, means that by next year, 1% of the population will own more wealth than the other 99%.<sup>4</sup> Furthermore, globalization, as I tried to show elsewhere,<sup>5</sup> in a capitalist market economy can only be neoliberal. That means that neoliberalism, contrary to the mythology of the globalist Left, is neither a "doctrine,"<sup>6</sup> nor the "bad" policy of some baddies controlling transnational institutions like the EU, as Syriza and Podemos assert, in an obvious attempt to disorient working people. No wonder Tsipras and other Syriza cadres have actually participated in the globalist Left, in the form of the World Social Forum, which was the main organ used to emasculate the antisystemic movement against globalization! No wonder also that Thomas Piketty, the great new star of economics, who is massively promoted by the TE media, like the *Financial Times*, as a kind of "new Marx" fighting against inequality, is a prominent member of the same globalist

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<sup>2</sup> See e.g. Serge Halimi "A modest and crazy dream," *Le Monde Diplomatique* (Febr. 2015); "The Greek deal is fair and democratic," *Observer* editorial (22/2/2015); Tom Walker, "No, Syriza has not surrendered," *Red Pepper/Znet* (24/2/2015).

<sup>3</sup> see Takis Fotopoulos, "Globalisation, the reformist Left and the Anti-Globalisation 'Movement'," *Democracy & Nature*, vol.7, no.2 (July 2001), pp.233-280.

<sup>4</sup> Larry Elliott, "Half global wealth held by the 1%," *The Guardian* (19/01/2015).

<sup>5</sup> Takis Fotopoulos, *The New World Order in Action* (published shortly by Progressive Press), ch. 5.

<sup>6</sup> See e.g. Naomi Klein's best seller, *The Shock Doctrine* (Penguin, 2007).

Left explicitly stating "if we don't find a way to convince people that everybody can gain from globalization the risk is that a growing faction of the population will turn away from it, against globalization."<sup>7</sup> However, at least Piketty, as far as I know, did not have the effrontery to call himself a "Marxist," unlike the new "pop star" of economics, again massively promoted by the same TE-controlled media, who is also (both in theory and in practice) a prominent member of the globalist Left. I refer of course to Yanis Varoufakis, the finance minister of Syriza, who calls himself a "libertarian marxist," but, as I shall show below, had no qualms about playing a leading role in breaking the pre-election commitments! In fact, Varoufakis' theory and practice has nothing to do with either Marxist or left libertarian theory and practice, as one could easily conclude from his self-presentation, massively promoted by *The Guardian* (the well known flagship of the globalist Left which supported all the wars of the TE in the globalization era). In effect, he is a "liberal pseudo-Keynesian" (i.e. the theoretical version of social-liberalism which is of course utterly incompatible with Keynes' work!) and a fervent globalist, as statements like the following show:

What good will it do today to call for a dismantling of the eurozone, of the European Union itself, when European capitalism is doing its utmost to undermine the eurozone, the European Union, indeed itself?<sup>8</sup>

Yet, all this did not prevent *Counterpunch*, a leading organ of the globalist Left to publish an article under the eloquent title, "Ironman Varoufakis's Revolutionary Plan for Europe," clearly showing the utter bankruptcy of this sort of "Left," which did not have any qualms about concluding that Varoufakis' plan is "Revolution from within. Just don't tell anyone in Berlin!"<sup>9</sup>

Therefore, for the globalist Left, the cause of the economic catastrophe in countries like Greece is the austerity policies applied by neoliberal and social liberal governments, with whom this sort of "Left" has no objection to compromise, as Syriza has just shown in practice, even on the implementation of neoliberal policies! The usual devious argument they use to justify the obvious u-turns that this implies is that this is a matter of some genius strategy, so that a new "good" Europe of the peoples develops which would abolish neoliberals and the relevant policies. This is why they never raise the issue of exiting from the EU and creating instead a new real Europe of the peoples, and not of capital as at present. This is also why what they fight against

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<sup>7</sup> See Martin Wolf, "'Capital in the Twenty-First Century', by Thomas Piketty," *Financial Times* (19/4/2014); see, also, Thomas Piketty, *Capital in the Twenty-First Century* (Harvard University Press, 2014).

<sup>8</sup> "How I became Marxist," *The Guardian* (18/2/2015).

<sup>9</sup> Mike Whitney, "Ironman Varoufakis's Revolutionary Plan for Europe," *Counterpunch* (19/2/2015).

<http://www.counterpunch.org/2015/02/19/ironman-varoufakiss-revolutionary-plan-for-europe/>

now is the austerity policies imposed by those neoliberal "baddies," despite the fact that such policies are of course the inevitable policies that have to be applied by a government which does not control its open and liberalized markets (as a result of the integration into the New World Order of neoliberal globalization) and bases all of its growth strategy on foreign investment and on improving competitiveness, so that foreign imports do not crowd out domestic production, while at the same time it struggles to expand exports.

However, although such policies may indeed lead to a kind of growth resulting in huge inequalities and poverty for most, it surely cannot lead to restructuring of production so that the economy could become competitive. Thus, domestic workers in EU peripheral countries would in effect have to compete with either foreign workers abroad working under almost slavery conditions (e.g. India, Pakistan, China and so on) as well as immigrants from similar countries, or with workers in highly advanced countries in terms of research and development, associated with much higher productivities (e.g. Germany). No wonder in an economic union consisting of countries at unequal levels of development the peripheral countries have no chance to compete with the advanced countries at the center, where the elites controlling the economic policies of the entire union are based.

It is therefore a disorienting myth that a union like the Eurozone could ever be democratic, as Varoufakis shamelessly declared that he is the co-author of the policies imposed on Greece by the EU! A democratic union presupposes members of equal economic power, i.e. sovereign nations, and Greece has neither any economic nor national sovereignty within the Eurozone and under the neo-colonial rules imposed by the troika (read TE). On top of this, only a liberal cretin (or a crook) could assert that a democratic relationship could ever exist between the lender and the borrower, or, alternatively, between those controlling the European Central Bank's purse and the rest. Systemic writers fully understand this, as when Dominic Lawson wrote that:

"As about a quarter of ECB funds are backed by German taxpayers, Schäuble's opinions count much more than those of Varoufakis. (...) So it is hardly surprising that Varoufakis has been humiliated. The terms agreed late on Friday involve acceptance that the bailout package continues to be set and monitored by the International Monetary Fund, the ECB and EU finance ministers; and that if this troika is not satisfied with Greek commitment to economic reform, the money will be frozen — exactly what Syriza swore it would never accept."<sup>10</sup>

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<sup>10</sup> Dominic Lawson, "Four weeks of Greek hubris, then repulsive humble moussaka," *Sunday Times* (22/2/2015).

On the basis of such considerations, I concluded in a post election article<sup>11</sup> that:

The two main options available to the new Government were: a) the road of submission to the demands of the Transnational Elite (TE) and the EU, with some concessions granted by the elites in exchange, and b) the road of resistance, which involves the immediate unilateral exit from both the EU and the Eurozone that will allow the introduction of strict capital controls and the re-introduction of the national currency, the nationalization of all banks including the Bank of Greece, the socialization of all key industries covering basic needs, as well as those involving the social wealth (oil, lignite, gold, etc.).<sup>12</sup>

Even at that time, just a week after the elections, on the basis of the first signs then available, I was able to write "it is safe for one to conclude that (a) above is the option chosen by the disorienting reformist Left that took over in Greece! The inevitable result is that none of Syriza's promises before the election is on the way to be met by the government." I mentioned then the four major commitments, which were on the way to be "forgotten" at the time and have been transformed as follows in the "list" of structural reforms just agreed with the institutions. Here I will add some more crucial commitments "forgotten" now:

a) The commitment to throw out the Troika (consisting of representatives of the Transnational Elite, i.e. IMF, EU, ECB), which was checking the implementation of the memorandum conditions in the past and actually were involved even in designing the appropriate legislation and then in checking its execution. In fact, far from the Troika being thrown out, it was simply renamed as "the institutions" consisting again of the same institutions (perhaps represented by different personnel. The only (fake) change was that formally decisions will have to be taken in the future by the "institutions" and Greece, as co-authors, according to democratic procedure. Clearly, the Greek Finance Minister wanted us to believe that there could ever be a real democracy (which implies an equal distribution of political power) even without a corresponding equal distribution of economic power, particularly in a capitalist system!<sup>13</sup>

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<sup>11</sup> "Syriza's climbdown or the end of the Left's dream," *The International Journal of Inclusive Democracy*, Vol. 11, Nos. 1/2 (Winter-Summer 2015) (04.02.2015).

[http://www.inclusivedemocracy.org/journal/vol11/vol11\\_no1\\_Syriza\\_climbdown\\_or\\_the\\_end\\_of\\_the\\_Left\\_dream.html](http://www.inclusivedemocracy.org/journal/vol11/vol11_no1_Syriza_climbdown_or_the_end_of_the_Left_dream.html)

<sup>12</sup> See for details of the short and medium term measures required in case of the resistance option being selected, "The imperative need for popular fronts of national and social liberation in the globalization era," *The International Journal of Inclusive Democracy*, Vol. 10, Nos. 1/2 (Winter-Summer 2014). [http://www.inclusivedemocracy.org/journal/vol10/vol10\\_no1-2\\_Popular\\_Front\\_For\\_National\\_And\\_Social\\_Liberation.html](http://www.inclusivedemocracy.org/journal/vol10/vol10_no1-2_Popular_Front_For_National_And_Social_Liberation.html)

<sup>13</sup> Takis Fotopoulos, *Towards An Inclusive Democracy* (London: Cassell 1997), ch. 5.

b) The commitment to tear down the "memorandum" (as the bailout agreement is known in Greece). Today, the Syriza government implements in fact the existing memorandum (now called a list of structural reforms), which was expanded with some painless to the institutions additions, so that the false impression could be created that this is a new program that was in fact co-authored by Syriza and these institutions, as Varoufakis disorientedly stressed. This is why Syriza took care to change its name by deceptively distinguishing between the main loan contract and its appendix in the memorandum, when everybody knows that the latter was simply describing the conditions under which the loan was granted (as it is also mentioned in the main loan contract). So, what Syriza did was to pretend that the list of structural reforms which was agreed yesterday was not in fact the old memorandum reforms plus some painless (to the institutions) reforms but a new program co-authored by Greece. This, despite the fact that Varoufakis himself admitted that 70 percent of the old memorandum reforms are adopted by Syriza. Furthermore, Greece's "partners" demanded that it will not get any more financial help from the EU or the IMF unless and until the present list is completed with some further reforms to be agreed by the end of April and only after an assessment by the institutions, will any further funds will be released! Then, once the present program ends in June it could be replaced by a new program (i.e. a new memorandum) provided the government has implemented the present list of reforms to the satisfaction of Greece's partners.

c) The commitment to have the debt (or most of it) cancelled. This commitment has disappeared completely from the present "bridge program" and was replaced by a vague promise that some sort of debt relief will be introduced in the July memorandum. However whereas the lenders and the institutions refer, at most, to possibly extending the period of the loan and/or lowering interest rates, Varoufakis throws various ideas in his "smart debt engineering" in order to achieve even some sort of virtual reduction of the debt e.g. bond swaps with perpetuity bonds (i.e. bonds of no fixed maturity date yielding only interest), or bonds whose repayment will be linked to GDP growth beyond a certain threshold, etc. — ideas mostly ignored by the "institutions."

d) The commitment (the most important, for them, aspect of their "radical" program) to replace austerity with growth, as they consider austerity mainly responsible for the present economic and social catastrophe in Greece. Yet, the entire list of structural reforms just agreed between the "institutions" and the Syriza government is just the usual neoliberal list of measures suggested by OECD, IMF, the World Bank etc. That is reconsideration of public spending (including even spending on social services like health), with the aim to cut the cost of provided services, i.e. to further cut the size of government spending, on top of the massive cuts imposed in the last four years! This is of course an austerity measure under a different name.

e) The commitment to use fiscal policy for growth rather than as a means of austerity as at present. For a country "under a bailout program" like Greece this requires the creation of significant primary budget surpluses of 4 percent per year or so. Here, all that the hard renegotiation by Syriza achieved was some promise to reduce the size of the surplus required. Yet, the lower the primary surplus the less money will be available to cover public spending including interest payments, which in practice usually means a further cut in public spending. That is, more austerity! But, the TE has no alternative. A drastic cut in the budget surplus requires a significant haircut on the debt,<sup>14</sup> which is anathema to the lenders.

f) The commitment to reverse privatizations agreed by the previous crisis governments, which were considered to be a sell out of social wealth by Syriza itself (e.g. energy industries). This commitment has effectively been shelved. The government is now committed not to touch any completed privatizations or even those "in the process" as long as the procedure has begun. No wonder that when the energy minister who belongs to the left wing of Syriza stated that the government would not go ahead with the sale of the main electricity utility PPC or power grid operator ADIME, that drew an angry response from Berlin, where a finance ministry spokesman said Athens could not decide to delay or stop privatisations on its own,<sup>15</sup> implicitly referring to a clause in the agreement signed that no unilateral actions from Greece would be tolerated, implying that any such actions will be met by a cut off in liquidity.

g) The commitment to protect labor and abolish flexible labor relations. This commitment has been abandoned altogether now and replaced by a new commitment to adopt "the best EU practices," i.e. the best neoliberal practices on the field given that flexible labor conditions have already been introduced almost everywhere in the Eurozone. Even the related commitment to increase immediately after election the minimum wage level to over 700 Euros had now been replaced by a commitment to do so sometime in the future and always in consultation with the "institutions"! This, on top of the usual commitment to further open and liberalize markets "as part of a broader strategy to face established interests" (by which it is usually meant syndicalist interests).

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<sup>14</sup> Wolfgang Münchau, "The skirmish is over: let the Greek debt battle begin," *Financial Times* (22/2/2015).

<sup>15</sup> L. Papadimas and S. Brown, "Greece sees problems repaying IMF, ECB; Germans air mistrust", *Reuters* (25/2/2015). <http://www.reuters.com/article/2015/02/25/us-eurozone-greece-idUSKBN0LR0ZX20150225>

h) The commitment to take care of the humanitarian crisis as a result of the massive impoverishment of the last few years is also emasculated. Thus, the measures to be taken have to be mainly non-monetary (e.g. food vouchers) and, anyway, all this battle against the humanitarian crisis should not have any negative fiscal impact!

It is therefore clear that Syriza has negated all its main commitments which would differentiate it from the previous governments, essentially appointed through the "institutions" (i.e. the TE). This complete about turn by the Greek globalist Left (in Greek, kolotouba) was very simply achieved by the EU through the European Central Bank which used the highly successful "Irish" model for this, which has since been applied in Cyprus as well. Thus, when Ireland was in the brink on 2010 and the TE were pushing the Irish government to seek a bailout which naturally was resisting, it was threatened by a cut in "Emergency Liquidity Assistance" (ELA) to Irish financial institutions, i.e. to cut Ireland off. Last week ECB first made Greek banks entirely dependent on ELA and then it did not approve a request for a 10bn Euros allowing instead an increase of only 3.8bn in full knowledge that with a mini liquidity panic that was developing at the moment the existing cash reserves were going to run out by the mid of this week.<sup>16</sup> With depositors fleeing and markets refusing to do business with them, Greek banks have nowhere else to turn. If the ELA is turned off, they will be unable to meet customer demands and default.

A shrewd BBC liberal economic analyst aptly summarized the bankruptcy of Syriza in an article entitled "Syriza dumps Marx for Blair" describing what he called "the world's fastest reinvention of what is to be socialist":

In the reforms proposed by the Greek finance minister Yanis Varoufakis to secure a four-month extension of its life-or-death bailout, vanished are the party's seeming implacable hostility to privatisation, determination to re-hire sacked public-sector workers, and desire for rapid rises in minimum wages. Or to put it another way, the platform on which Syriza won the recent general election has been significantly reconstructed. In its place are what we might see as "New Syriza" measures: commitments to improve the efficiency of the public sector and eliminate waste, to promote competition with a strengthened competition commission, to reform labour markets, to streamline pension schemes, not to reverse privatisations and take a pragmatic approach to future sales of government assets.<sup>17</sup>

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<sup>16</sup> Philip Aldrick, "It's not the Germans frogmarching Greece into a deal: it's the ECB," *The Times* (21/2/2015).

<sup>17</sup> Robert Peston, "Syriza dumps Marx for Blair," *BBC News* (24/2/2015).

<http://www.bbc.co.uk/news/business-31602579>

However, Peston, sees only the changes in the political "superstructure" and ignores the seismic changes in the economic structure which were the ultimate causes of the changes in the political structure. That is, the emergence of the NWO of neoliberal globalization which makes not only Syriza but also Podemos and any other parts of the globalist Left irrelevant today. But, some may find surprising the fact that even most of the Marxist antisystemic Left make the same mistake, as shown by the following extract from the World Socialist Web Site:

The abject capitulation of the Syriza government exposes the utter political bankruptcy of the myriad petty-bourgeois pseudo-left organizations throughout the world who just a few weeks ago hailed the electoral victory of Tsipras as an earth-shaking event. Far from denouncing Syriza's betrayal, these groups will work overtime conjuring up excuses and justifications. But broad sections of the Greek working class will see the agreement for what it is: a cynical and cowardly act of political treachery.<sup>18</sup>

Clearly, in view of the above analysis, Syriza's stand is not a matter of treachery. Any left party not determined to break not only with the EU and the Eurozone but also with the NWO and its institutions (WTO, IMF, NATO, etc.) eventually will be forced to follow the same policies that Syriza adopts presently. Similar arguments apply to the Paleolithic anti-imperialist Left which sees the conflict as one between the "bad" neoliberal Empire and the peoples. Thus, as James Petras stresses,

The election of Syriza on a platform of recovering sovereignty, discarding austerity and redefining its relations with creditors to favour national development has set the stage for a possible continent-wide confrontation<sup>19</sup>

Of course this is another myth usually promoted by the globalist Left. There was never such a choice between, on the one hand, recovering sovereignty and national development and, on the other, capitulation, unless the people are determined to break with this order — something that this sort of Left cannot understand, as it thinks we still live in the era of nation-states!

On similar grounds one may criticize the "left" minority within the Syriza party (Lafazanis, Lapavitsas et.al.),<sup>20</sup> whose panacea for all problems related with the present Greek catastrophe is Grexit, i.e. the exit from the Eurozone but not also from the EU, let alone a break with the NWO and its economic and political institutions. However, although such a "solution" may in the short term benefit the Greek people,

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<sup>18</sup> Robert Stevens, "Syriza Capitulates to the EU," *Global Research* (21/2/2015).

<sup>19</sup> James Petras, "The Assassination of Greece," *Global Research* (22/2/2015).

<sup>20</sup> Anthee Carassava, "Greek government split on bailout deal," *The Times* (26/2/2015).

as a result of the associated devaluation of the new currency (the drachma) that will be introduced following Grexit, in the medium to long term Greece will be in a similar crisis to the present one, even if it combines Grexit with a cancellation of part or the whole of the Greek debt. This is because this approach is also globalist, i.e. it takes the NWO of neoliberal globalization for granted and therefore can never lead to the restructuring of production and consumption in Greece that only a policy of self-reliance could secure. But such a policy is ruled out when markets are opened and liberalized, which supporters for Grexit also take for granted.

The conclusion is therefore: unless the antisystemic Left which, mostly, lacks any theory and strategy on globalization, urgently tries to fill the gap left by the globalist Left and the Paleolithic antisystemic Left, it is only the nationalist Right that will succeed in doing so, which lately shows very worrying signs of turning from the old anti-Semitism to Islamophobia, supported on this even by Zionists!<sup>21</sup>

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<sup>21</sup> Adam Sage, "French Jews turn to Le Pen after Muslim attacks," *The Times* (24/2/2015).