

'It's Not Only the Pensioners; Everybody in Greece Feels Unsafe'

Dean Andromidas interviewed a prominent Greek political figure and scholar of social dynamics on Dec. 2. The speaker's name is being withheld on request. He states that his own observations are supplemented by statistics and reports from Eurostat, the OECD, and Lancet, as well as the international and domestic press of varied political orientations. The interview has been edited and abridged. He begins with the unemployment situation:

The situation is quite dramatic, particularly in the drastic reduction in employment—over a million people lost their jobs in a very short period of time—and a very minimal number of these people are receiving any kind of benefit. It's usually one out of eight who receives unemployment insurance. At the same time, vocational training is one of the Achilles' heels of the system: There is very little of it in evidence.

The total collapse of the labor market has created an unprecedented social chaos. A report by a well-known economist from the Economic University of Athens says that 10% of the population is without any kind of political or social support, from either the local or central government. This is a new development. The Church has been providing food, and shelter to a lesser extent, in association with other agencies.

But there is very limited support from the state institutions to deal with this drastic reduction in employment, and the lack of unemployment insurance is characteristic of what is happening. This has also impacted the health system—why? Over 2 million people aren't insured, have no coverage, including children, and these people mostly are from small and medium-sized enterprises.

We have changed our tax law six times at least in the past three years; it's a very unstable system. Where did the money go? It goes out of the country, to pay the exorbitant debt. This year, over EU7.5 billion went to pay the interest on the debt.

So basically, this accumulation is externally invested, and at the same time, there is very minimal level of support for those who have lost their jobs, and also for the care of the weak or the handicapped. A lot of institutions for the care of the mentally unstable, or people with special disabilities, institutions that have never closed in the past 150 years, are slowly closing down. And because the government has been heavily taxing the so-called "voluntary contributions" for institutions for special needs, these contributions have been drastically reduced.

Mass Exodus

We have a crisis that's particularly hit children: Child poverty is over 30%; and drastically went from 24% to 30% in three years. The poverty is badly in evidence in schools. There's also hunger, as people have difficulty in making ends meet. Greece has the highest price of milk in Europe—it went up 33% in the last three years. And we don't have institutions for social protection at present; this is one of the reasons that extraordinary pressures for migration exist.

Both those who have jobs and have seen their salaries reduced drastically, and also youth, those who can make it out of the country, have done so very fast in the last few years. We have a mass exodus of the young population, and also of educated people and professionals. In the last three years, from Athens alone, 6,500 doctors left and went to Germany alone; and we have a lot of doctors in Sweden and other European countries. The health system is losing its most valuable resource, because the salary reduction of the doctors has been so drastic. At the same time, the whole health system is in tatters.

The government is thinking of shutting down the so-called public-health system, EOPYY, by the end of the year. There is strong opposition to this, including



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The poor in Greece have been left without any safety net, as unemployment deepens and children go hungry. Shown is a street in Athens, 2011.

other. There are also penalties that are imposed retroactively. Imagine if you have to pay a tax for the previous three years! That creates huge instability. No company wants to invest in the quicksand of a system that is not providing some taxation stability. This is a very toxic situation for everybody, including businesses, including competitiveness, including investment.

The main problem is how to stabilize society. The so-called Memorandum [signed by the Greek government with the Troika—the IMF, European Commission, European Central Bank], with its stabilization measures, has been doing quite the opposite.

from conservatives. The head of the Athens Medical Association is also against it, along with the whole medical profession.

But the basic conditions for social dialogue don't exist. Our Economic and Social Committee functions as a dike; it's not really engaging in any discussion or presentation of what is really happening.

And so, we have a total catastrophe, because of the loss of employment—over 1 million in such a short period of time—and the lack of any kind of support for them; so in Greece, you go back to the family. The 66% youth unemployment is not seen as a big cost to the government, because it looks like it's a cost to the families! It seems like the cost is being privatized.

And this is another Greek pattern, because, when you marginalize the youth, and its engagement in work is drastically reduced, you simply have no future. They are now slowly beginning to think how to protect themselves.

Instability at All Levels

So this is the basic issue. It is not a question of rational choice of what to do. The youth seem to have been attacked by a system which is overpowering them, and by the amount of taxation that exists from different agencies that don't coordinate with each

EIR: I think the general impression outside of Greece is that they're implementing austerity, they're trying to cut the budget deficit, and yes, there's pain, but this is just an austerity program until you get this under control, and then, things will go back to a new normalcy.

A: Certainly, this is the rationale. But that doesn't mean reality, because normally, when you have fiscal restructuring, you also apply the alternative. But it looks like there's absolutely no alternative in place! Austerity, as it's presented, is an end in itself. And why doesn't the state have coherence, in terms of who are the employed and who are the unemployed? Because we have also a half-million people who are working, but they're not being paid!

What is the minimum to keep the system running? You need to have minimal general services, for children in poverty, for instance; you have to have to have them covered by health insurance; you have to make sure that they go to school. There are certain human rights, based on basic issues, like food, like accommodations, and you have to have certain social rights. The question is, how can suspension of these rights be rationalized as something temporary, for the purpose of meeting the austerity requirements? This is metaphysical! I stop eating for three years, in order to do what? Am I saving by not eating?

A Political Vacuum

The dependence of Greece on importing food has continued, and this has really augmented the social inequalities in the country, creating a big gap between those who have and those who have not. The middle class has shrunk, is being overtaxed, and at the same time, you have a large, marginalized population who, in order to support itself, is attracted by the sweet siren song of alternative political groups, who are very strongly defined as Nazi, because they offer some symbolic or maybe token real support for people's daily lives. In the past few years, the black market has increased. The withdrawal of civil authority and the increase of these alternatives also means underground criminal gangs, who are into prostitution, who are into drugs, into protection [rackets], which have become widespread to an unprecedented degree!

Last week, two killings with Kalashnikovs occurred in Athens, by the Albanian mob. We have one of the biggest police forces, but what can the police do? You have to find out and understand the causes of poverty and crime; this is standard sociology. And it's not a legal issue, but a social issue. People have to survive, and the withdrawal of the state because of some abstract economic principles of this Memorandum, is certainly not recognizing basic social conditions.

We have also the shrinking of the middle class, which has no alternative but to stay, and it's in a very dramatic situation. This creates a political void in representation, such as the collapse of the Socialist Party. A few years ago, it was supported by the majority of the population, at least 50%. Now we are in a state of collapse, because of the party's total alliance with the Memorandum and the Troika.

We need more democracy in Greece: basic democratic rights that are real. And the withdrawal of the state also makes it unable to perform. It becomes like a ventriloquist's puppet. It cannot do anything, unless it's approved by the Troika.

But in the long term, even the Troika won't be satisfied with its performance! And this is actually happening now. There is a conflict between the government and the Troika. And of course, that was inevitable: This is one of the paradoxes of this total surrender to the demands of the creditors: You reach a point at which you



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The economic crisis and attendant marginalization of youth are feeding the rise of fascist groups, such as the Golden Dawn party, shown here in Athens, June 2012.

won't be able to perform at all, because you have bled the population white!

'The Social Body Is in a Coma'

There has never been a campaign in Europe, for instance, to buy Greek products. They say that Greeks are too lazy to produce anything—okay! We produce a lot of good things, but there's no market for our products in Europe. Why? How can you borrow continuously without exporting, or without including also the sizable tourist market in Greece? Most of the supplies for the tourist economy are from abroad, outside Greece.

And the lack of vocational training in Greece has created a situation in which the country now has turned into a producer and exporter of unfinished goods, which then come back to Greece as finished products. That is, we don't really process: Nearly 80% of our agricultural production is unfinished goods which are exported, like cotton, like tobacco, like oranges; and a lot of our food is not available in the markets in the big cities, but is exported and then reimported into Greece, by arrangements that are justified by the fact that skilled labor is not available in the agricultural sector.

So basically, the expected comparative advantages

of Greece, within the European division of labor, have been drastically reduced throughout these 30 years of the European Union, and the fact is, that Greece is a third world economy which is not able to add value.

It looks like the system still wants unskilled workers, who are in competition with migrants and foreigners. This is one of the reasons for the rising racism, as well, because now it's very evident that we have as many foreigners as we do unemployed, as the Prime Minister said a few weeks ago.

So, we have a confluence of a lot of contradictions. Right now, nobody can sell their property, for instance, to pay their debt to the government. Nothing is moving: Greece basically is in a stasis. It's frozen and there's no exchange, there's no economy. And the whole social body is in a coma. It's not only the pensioners; everybody feels unsafe, because of the collapse of the health system!

The Economic System Kills

EIR: The Pope made a statement that the current economic system kills, and what you're describing is that the current economic system is, in fact, killing Greece. This is not a metaphorical question, but Greeks are *dying* who otherwise would not have died, because of this system. Would you agree with that?

A: Yes. I think Greece is a concrete example of what the Pope has said, and certainly also the Greek Church is aware of it, because it bears the burden of these unintended, so-called, tendencies of the system. Certainly, the system kills. It's not only the high rate of suicides; there's a lot of collateral damage. People are not able to maintain their medical treatment, because they cannot afford to pay for medicine, because they've lost income, or their pensions have been reduced. At the same time, you have a drastic increase of epidemic diseases. TB is on the rise: It's exploded in Athens. And you have a lot of rat-borne diseases that did not exist in Greece before.

There was a report from Cambridge University the other day, that in Greece we have the rise of a lot of diseases that used to exist before the 1930s. You also have mothers who commit suicide: If you see a mother with a child jumping from a window, or from a balcony, you know something is very wrong.

And now, you have the depletion of resources of the country; it is not only capital that moves out, but also human resources. And Greece has lost a generation now. Before the EU, we used to be more sustainable in our economy, but now it is the EU that is imposing these

sanctions. It's very ironic that Greece will become the head of the EU presidency in a few days.

Greece and Glass-Steagall

EIR: Would you like to say something on the Glass-Steagall in Greece?

A: Yes. Well, certainly Greece needs to reconsider its financial system, and it has to separate the commercial banks from investment banks. That is an essential intervention that was created by Roosevelt in the 1930s, as a way of addressing the issue of the collapse of the economic market. And I think the Roosevelt development of policies for collective consumption, health and education, and also public works investment—it's essential!

Greece is a country that still lacks basic infrastructure. Its transport grid [is supposed to go now] between north and south, because of the new axis of the Eurasian economy that is emerging, as opposed to the North Atlantic; so that Greece becomes like Holland. In the existing system which is declining now, Greece has a tremendous potential, but it has to find resources to invest in, for instance, the transport network; and it has to improve its energy. One of the main reasons for the decline of industry is the high cost of energy.

It has to find solutions to the energy crisis; it has to also use its position in terms of transport corridors with the East, which is strategic. So Greece needs to divert resources to these infrastructure projects. At the same time, it has to capitalize on its culture, on its heritage; it has to improve, for instance, its agriculture, because, as I said, it has the potential and capacity, but the system is primitive, because the agricultural economy is infiltrated by big multinational chains, and somehow the system was derailed.

Right now, we have a collapse of productive capital: Basically, financial capital has destroyed industrial capital. The biggest industries are moving out of the country; they are voting with their feet. So the financial system has to change. We have to develop, also, a local credit system that is much healthier, and creates the assets that give opportunities and jobs to local people.

At the same time, we have to structurally separate the banks, but I hope this will also be enforced with developments in the United States, where Glass-Steagall seems to be gaining momentum. The United States is also facing a dramatic collapse of its resources, because of this strangulation that exists with financial capitalism, which seems to be generating wealth out of



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One of Greece's economic strong points is its cultural resources (like the Caryatides on the Acropolis in Athens, shown here), which are in need of investment as well as the training of skilled labor for the tourism sector.

nothing, but feeds on the real economy. This is exactly where its energy comes from.

So, we have to go back to the real economy. And also we need to understand the importance of labor mediation; as Roosevelt created the Wagner Labor Relations Act, so we need to have some kind of assurance and social security system, that stabilizes the population and gives incentives to stability between capital and labor. Right now, this relationship is basically evaporating, there's absolutely no stability. We have 2 million unemployed—there are more people unemployed than working in Greece! And the amount of value added by labor is declining.

So yes, the restructuring of the financial system, which I think is the cause of the problem, because now it looks like we are a state held captive by the banks, and this captivity is taking valuable resources. That is, until they go somewhere else. They don't care! The market is global, so they'll go to greener pastures, in Italy, or Spain, or somewhere else.

Greece has to meet its destiny in a sense, has to create an alternative, and perhaps, since Greece is an epitome of the crisis in the world system, we need to realize that the impact of this crisis requires a total

turn-around of the financial system. Because it seems like this upside-down reality is already killing Greece.

I don't know whether I'm optimistic or pessimistic. As it is now, we have a continuous crisis, and now we're evolving into a political crisis. There is also a crisis in the European Union regarding the euro. If it's against the people, as the Pope said, something has to be done.

I remember that there was a French professor who was asked, two years ago, what would Pythia, the sage, say—because the Greeks used to consult the Delphic Oracle—what would she say to you regarding the euro and the European Union? And the professor said: Pythia would tell you, okay, if Europe abandons you, maybe you should abandon Europe!

So we have to make a choice, and these issues have to come to a point in the European elections in May. And I think other European countries, particularly in the South, will have the same questions. So Europe has to become more realistic, and the financial situation creates a toxic relationship. If a relationship becomes so drastic and it's eliminating the people, I think this is the end of it! If it reaches 34% unemployment, it means that the system doesn't work.