

Greece: Syriza's Repressive Turn and its Background

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Alexis Tsipras's government promised to end austerity. Now it's defending the banks against people evicted from their homes — and persecuting those who protest.

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Many on the international left believe that things in Greece are slowly improving, and that the Syriza government remains a left-wing force that is protecting the interests of workers and the poor even despite very difficult conditions. For those who accept this view, recent developments in the country will come as a nasty surprise.

The bitter reality is that, since surrendering to the Troika of Greece's creditors (EU, European Central Bank, IMF) in July 2015, Tsipras and his government have pursued [1] the same radical neoliberal policies implemented by all Greek governments since 2010 [2], when the first bailout agreement was signed with the Troika.

The Tsipras government has undertaken drastic cuts in public spending [3], furthered deregulation, and extended privatization as well as squeezing wages, pensions, and social benefits. It has especially reduced public investment, while raising indirect and direct taxation to unprecedented levels, ruthlessly hitting low- and middle-income households.

The only difference with previous governments is that Tsipras and his party were elected in January 2015 precisely in order to reverse these policies. His extraordinary U-turn in summer 2015 — only days after a referendum in which 61 percent of the electorate rejected the imposition of yet further austerity — was a traumatic shock for the Greek public. In the three years that followed, the cynicism of the Tsipras government has led to a profound popular demoralization that permeates all walks of public life. Passivity and despondency have been the main factors allowing the government to implement a fresh bailout without facing major opposition.

Syriza is thus doing the Troika a fine service. However, such policies of austerity, deregulation, and privatization, which harm the majority of the population, are ultimately impossible to implement without a degree of repression and a broadly coercive framework. It is impossible fully to enforce the cuts in public services, reductions in pensions and wages, tax increases, and extraordinarily exploitative labor conditions, without squelching active opposition and generating a climate of fear about what is likely to happen to those who do not submit.

This has been amply confirmed by the political experience of Western Europe but also of the US and

several other countries over the last four decades. From 2010 to 2015, Greece itself saw an extraordinary proliferation of repressive and authoritarian measures as successive governments implemented bailout packages. Slowly, surely — and inevitably — Alexis Tsipras's government has headed down the same path.

Most notable in recent months is the way in which pressure on the Greek banks has driven a rise in evictions and home foreclosures. If once Syriza itself raised the slogan “no homes in the hands of banks,” today it is cracking down on protestors trying to stop the auctioning of houses. New laws threaten prison for those who interfere with the auction process — in fact, arrests of the government's critics have already begun.

Tightening the Screws

To understand the increasing political importance of the battle over home foreclosures, it is important to consider the perilous situation of Greece's banks, and the pressure which they exercise on the government and Greek society more broadly. Indeed, it is precisely in order to prevent a fresh outbreak of banking instability that the government has resorted to increasingly repressive methods.

Through the crisis, the Greek banking system has come to be dominated by four “systemic” banks which control more than 90 percent of all deposits and assets. These banks have been the strongest supporters of the bailout strategies since 2010 and have deployed their enormous economic and social power to force successive Greek governments, including Syriza's, to comply with the lenders' requirements, in order to avoid banking collapse and to protect themselves from possible nationalization.

Since the beginning of the crisis, there have been two major recapitalizations of the banks, one of which was undertaken by the Syriza government. The total costs have exceeded €45 billion. This was financed entirely through public borrowing, to be repaid by taxpayers. Despite this extraordinary imposition on the Greek public, the banks currently hold the European record for “bad loans” and have effectively stopped actively supporting economic activity. Their “bad loans” include Non-Performing Loans (NPLs), which are loans that already exceed ninety days' delay in repaying principal and interest, but also Non-Performing Equity (NPEs), a broader category including loans that are not expected to be fully honored, even though there are not yet any formal delays in making payments.

Reducing the Greek banks' exposure to NPEs and NPLs has for years been a top priority for the European Central Bank [4]. Since 2016 the Tsipras government has obediently obliged by facilitating a wave of property repossessions, including people's homes, as well as sales of discounted packages of loans to vulture funds. Auctions of properties have played an important role, in this regard.

There is absolutely no mystery regarding the banks' failure to get a handle on this problem, the reasons for which go back to Tsipras's bailout arrangement itself. In a nutshell, Greek banks are expected gradually to clear their balance sheets of bad loans through auctions, sales, and harsher collection practices, a process that will certainly take several years. At the same time, the banks are expected to support economic activity through providing fresh credit. Quite naturally, however, banks have tended to reduce their fresh lending while trying to clear their balance sheets from bad loans. Yet this cut lending has actually undermined recovery and growth, thus making the bad loan problem worse for the economy [5]. The overall decline in lending also means that bad loans represent a higher ratio of the total. This is a perfect example of the economic nonsense at the heart of the Tsipras bailout.

The Greek banks' failure with regard to bad loans has led to a collapse of their shares in the Athens stock market since early summer 2018, over the last month becoming a rout. In effect, the entire Greek banking sector has been dramatically devalued since the Tsipras bailout was signed. As a result, there have been swirling rumors of the need for yet another bout of recapitalization. If that were to materialize, it would be a complete disaster for the government, which faces national elections in 2019.

Therefore, accelerating the program of bad loan clearance has come to the top of the agenda of the Troika, and of their docile enforcers in the Tsipras government. And since the problem appears to be more persistent among residential and consumer loans, they have jointly set extraordinarily ambitious targets of repossessing and selling 8-10,000 homes for 2018, to be raised to 50,000 in 2019.

Targeting Protest Actions

Since the great U-turn, the issue of repossessions has thus become one of the thorniest political problems facing Tsipras and his party. Until 2015 the slogan of "no home in the hands of banks" was one of the most popular cries on Syriza rallies. But confronted by the pressures generated by its own bailout, the Tsipras government has passed legislation to punish any action that aims at preventing auctions of foreclosed properties, with penalties varying from three to six months in prison [6].

This has laid the ground for a major battle between the government and a dynamic movement that is standing up against the auctions of foreclosed properties. This movement has, indeed, taken on new impetus after the relaunching of auction sales in autumn 2016. For many months, the mobilization of determined groups of activists in court rooms succeeded in cancelling hundreds of those sales, significantly slowing down the entire process [7]. This is undoubtedly one further reason why the banks have failed to meet their targets.

The reaction of the government, bending to pressure from the Troika, was to move the procedure of auctions after the summer of 2017 to an electronic platform activated by solicitors within the closed doors of their offices, rather than having the auctions in public. This has, certainly, made protest actions harder to organize. Nevertheless, protests have continued, albeit at a more limited scale, preventing many auction sales and negatively impacting the willingness of notaries to participate in the process [8].

During this period clashes with the police started to escalate at the entrance lobbies of the notaries offices. Activists were filmed during the protests and subsequently charged. Since the start of the year dozens of activists across the country have faced police charges. Among them is Elias Smilios, a municipal councilor in the region of Ambelokipi-Menemeni, which is in the greater area of Thessaloniki, the second-largest city in Greece, and who is also a member of Antarsya, a coalition of far-left organizations. In the small provincial town of Volos, no less than twenty activists are under investigation, as are fifteen more activists in the provincial towns of Argos and Nafplio. The trial of three activists began in Athens on September 21.

The intensification of judicial repression related to home auctions is only the most obvious instance of the authoritarian practices deployed by the Tsipras government. Judicial repression has also been deployed against those trying to defend the environment, as in the police repression of those protesting the open-air mining project operated by a Canadian firm in Skouries, Northern Greece. More broadly, the government has used naked force to suppress all protests against its policies, particularly when there is a possibility that they might spread. The use of riot police against pensioners is only the most egregious example. Finally, there are frequent reports of state officials,

including police, being mobilized to implement government policies in the electricity sector and elsewhere. A definite pattern has begun to emerge in which the government relies on the repressive mechanisms of the “deep state” to defend the harsh realities created by the Tsipras bailout.

Lafazanis

A symbolic threshold in this escalating repression was crossed on September 26, the day Panagiotis Lafazanis, a veteran of the Greek radical left, was called to respond to charges for his participation in weekly protest actions against auction sales of homes by notaries.

Lafazanis was Minister for Energy in the Syriza government before Tsipras’s U-Turn, and the leading figure of the “Left Platform,” which at the time mobilized most of the left wing of Syriza. He is now the secretary of Popular Unity, a political front created in the summer of 2015 mostly by the forces of the Left Platform, which split from Syriza and were joined by other organizations of the radical left.

This is the first time since the fall of the dictatorship in the 1970s — during which Lafazanis was persecuted for his underground activities in the student movement and the youth organization of the then-illegal Communist Party — that a leader of a left-wing party has been prosecuted for political reasons. The charges that he faces are related to presumed breaches of no less than fifteen articles of the penal code, potentially punishable by prison sentences of up to two years. If he is found guilty of all charges, his sentence could amount to up to nine years.

What is equally remarkable is that the proceedings have emanated from the “Department for the Protection of the State and of the Democratic Polity,” a special branch of the Greek Security Services which is supposed to track down activities related to terrorism, or activities that generally threaten democracy. The department was created in 2000, at the time of a “modernization” drive in Greece as it made its way to joining the European Monetary Union, and was upgraded in 2011, after the country entered into the bailout regime. It has been systematically deployed as an agency to monitor protest actions, and legislation by the Syriza government has extended its range of surveillance activities even further. It is notable that since its creation the department has taken no action against the fascist Golden Dawn party, nor any other far-right or terrorist organization.

Lafazanis is not the only political activist to be targeted by the department. Four other activists, among them a member of Popular Unity and two well-known figures of the network “I Won’t Pay,” Leonidas and Elias Papadopoulos, have also been called to respond to a long list of charges. It also has also become clear that Lafazanis has been under constant surveillance by a team of police disguised as journalists filming protest actions. This material has been complemented by photos and videos that the department demanded from TV companies. Facebook posts were also used to identify the activists at various protest events.

What Next?

The rising tide of prosecutions has forced the Greek media to pay some attention to the escalation of state repression. It has also provoked some public reaction, including a parliamentary question submitted by forty-three Syriza MPs to the Minister of Justice. In effect, they have caught wind of the deeply troubling developments occurring in the bowels of the Greek state under the Syriza government and are trying to salvage what little remains of their moral standing. However, the official position of the government is that this matter belongs entirely in the realm of the judiciary of

the police and has nothing to do with political decisions.

The fact remains, however, that the initiative for the prosecutions has not come from the judiciary but from the deepest state, that is, the Department for the Protection of the State and of the Democratic Polity. This department is accountable to the Minister for Public Order. In short, there is government involvement and complicity, which is directly related to the third bailout and the fresh, unfolding crisis in the Greek banks.

Neoliberal bailouts require repression, and the Syriza government has proven no exception to this rule. Great damage has been done to democracy in Greece already, and things will probably to become even harsher in the months to come as elections approach, and the banks' problems likely come to center stage. The economic and social disaster caused by the capitulation of Tsipras has become clear to broad layers of the electorate, and the feelings of contempt are widespread.

Given that this government has already sold its soul by compromising with the lenders, it will have no compunction in escalating repression against all those who actively oppose it. International solidarity is urgently needed to stop this deeply worrying turn of events in Greece. It is rapidly becoming a matter of defending democracy.

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P.S.

- Jacobin, "Greece: Syriza's Repressive Turn), 10.06.2018:
<https://www.jacobinmag.com/2018/10/syriza-repression-foreclosure-banks-tsipras>

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Footnotes

[1] ESSF (article 45883), [Disciplined and Punished – The EU, the European Memoranda, austerity and the Greek crisis](#).

[2] <https://www.jacobinmag.com/2016/09/greece-tsipras-memorandum-privatization-public-assets/>

[3] <https://www.jacobinmag.com/2018/02/greece-mining-syriza-austerity-troika-memorandum>

[4] <https://www.reuters.com/article/us-greece-banks-loans/greek-banks-bad-loan-reduction-in-line-with-target-idUSKCN1LM26F>

[5] <https://www.imf.org/en/Publications/CR/Issues/2018/07/31/Greece-2018-Article-IV-Consultation-and-Proposal-for-Post-Program-Monitoring-Press-Release-46138>

[6] <https://www.thepressproject.gr/article/121452/Perase-i-tropologia-gia-tous-pleistiriamous>

[7] <https://www.theguardian.com/world/2017/mar/11/greek-activists-target-sales-of-homes-seized-over-bad-debts>

[8] <https://www.ft.com/content/e7a5732c-3db0-11e8-b7e0-52972418fec4>