

## Oxi in Greece: Saving the European Idea

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*It was never going to be the happiest of results. But there was a sense among a good many that this was the least worst of all. The Tsipras government had been a touch cheeky calling a referendum on the issue, if only to add ballast to the bargaining table over bailout terms for Greece. The referendum ballot itself was vague on what exactly the citizens would be voting for. The result, however, was not – 61 percent voting “No”. Austerity was given a battering, if only briefly.*

All in all, was this a verdict on the actual terms of the bailout – the nasty business of austerity, or did it spell something far more ominous, such as the exit from the eurozone? Europe’ officialdom certainly thought so, as did the Greek opposition parties. But Tsipras himself had not strayed too dramatically from the austerity regime outlined in the Memorandum with the Troika. Much of this seemed to be a grand show to buy time before the forces labelled by Finance Minister Yanis Varoufakis as “economic terrorists”.

The moves by the Troika had been remarkable, a hectoring manner that verged on an unwarranted interference in the internal affairs of another country. More to the point, it showed in all too stark terms that mammon had seized the being of democracy, becoming the weapon financiers and banksters could deploy. Currency rules had become constitutional dictates.

Tsipras was certainly not going to let this one pass. Only five months into government, and already the main target to be unseated by the various finance ministers of Europe, not to mention the ECB and IMF, he spoke of how, “Today we celebrate the victory of democracy.” This had to be seen in broader European terms – Sunday had been “a bright day in the history of Europe,” a reminder that “democracy won’t be blackmailed.”

Other commentators would join in from afar. Nobel Laureate Paul Krugman also saw this as a shot in the arm of democratic legitimacy, or at least what frail manner of its being is left. “I would argue that Europe, and the European idea, just won big- at least in the sense of dodging a bullet.”[1] The fact that Greece had been put into this situation was “a shameful moment in European history, and would have set an ugly precedent if it had succeeded.”

Grudgingly, the voices in Berlin and Paris have also conceded that the vote is not something that can be ignored. German Chancellor Angela Merkel’s office released a statement claiming “that the vote of the Greek people must be respected.”

The unflinching head of the eurozone finance ministers, Jeroen Dijsselbloem was less enthusiastic, calling the result “very regrettable for the future of Greece.”[2] He sees no light at the end of this murkiest of tunnels. In fact, he sees a vehicle approaching. “For recovery of the Greek economy, difficult measures and reforms are inevitable. We will now wait for the initiatives of the Greek authorities.”

Other European politicians were also concerned, defining the problems within the very deficient system Europe's architects had lauded. Slovakia's finance minister, Peter Kažimír was "disappointed with what now seems to be the final result of the referendum in Greece" (Twitter, Jul 6). Falling back on the tyranny of failed orthodoxy, the minister could only see the diet of austerity as necessary "reforms" for Greece. "Rejection of reforms by Greece cannot mean that they will get the money any easier."

Germany's economy minister Sigmar Gabriel vented to the *Tagesspiegel*, accusing Tsipras of tearing "down the last bridges" in the negotiation process. A new bailout program would be hard to envisage. "With the rejection of the rules of the eurozone... negotiations about a program worth billions are barely conceivable." Hamstrung, Gabriel could only refer to the dogmatism of a failed system. No debt forgiveness; no readjustments - the rules had to be worshipped. "Tsipras and his government are leading the Greek people on a path of bitter abandonment and hopelessness."

Meetings are going to have to take place with the central bank and main commercial partners. More liquidity will be sought and observers are predicting that the European Central Bank will rebuff the request by the Bank of Greece. This will then trigger the effective withdrawal of Greece from the zone, if no capital can be found. To save Europe, it may well be incumbent that Greece exit it, at least in so far as the system has failed it.

The markets are jittery, but it would be a mistake to see the issue in pure economic terms. That, it would seem, is precisely the problem. The devilry of the market is ever the enemy of democracy. Currency systems can never constitute political principles of worth. The stock market is no parliament. The problems of Greece go to the failure of the civitas, the lack of representation within the European context. The naysayers have managed to outflank the Troika, if only for a bit longer. They will be plotting the next move.

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Notes

[1] [http://krugman.blogs.nytimes.com/2015/07/05/europe-wins/?\\_r=0](http://krugman.blogs.nytimes.com/2015/07/05/europe-wins/?_r=0)

[2] <http://www.consilium.europa.eu/en/press/press-releases/2015/07/05-statement-eurogroup-president-following-referendum-greece/>

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