

# PASOK: Pan Hellenic Socialist Kleptocrats

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*“George Papandreou is not bought, he is rented. He sells public enterprises to the multinationals. He reduces wages, pensions and employment at the behest of the IMF. He turns over the public treasury to the European banks. He supports NATO’s war against Libya . He directs the Greek Coast Guard to enforce Netanyahu’s blockade of Gaza .” According to a demonstrator in Syndigma Square , Athens , July 3, 2011*

## Introduction

A self-proclaimed “Socialist” Government in Greece is imposing by ballots and clubs the most far reaching reversals of wages, pensions, jobs, educational, health and tax programs in the history of Western Europe.

The Pan Hellenic Socialist Party (PASOK) has totally abdicated any pretense of being a sovereign government, handing over present and future macro and micro policymaking to the European Central Bankers, the IMF and the power within the European Union/Germany, France ). The so-called “austerity” program includes the pillage and auctioning of all the strategic lucrative public enterprises and large scale public land covering all historic and recreation sites. Never has any regime, socialist or not, so blatantly and brutally reverted an independent country to the most unadulterated form of colonial rule.

## The Parliamentary Road to Colonial Pillage

Greece’s Great Leap Backward has taken place under the leadership of a “socialist” Prime Minister (George Papandreou) backed by the vast majority (97%) of “socialist” Parliamentarians and the entire “Socialist” Cabinet, with less than 4% defections.

While the parliament debates and votes to debase the country’s sovereignty and degrade the people, hundreds of thousands demonstrate in the streets and plazas. The elected leaders and legislators of PASOK totally ignore the protests, heeding only the directives from the Prime Minister and his appointed party bosses. Parliamentary politics is clearly totally insulated from the people it is supposed to represent.

What kind of government is capable of such a vehement repudiation of the popular will? What kinds of legislators are capable of systematically driving down living standards for the past three years and for the next ten years?

PASOK always was a party of patronage – not a party of programmatic change. PASOK, from its first electoral victory in 1981, offered public sector jobs, credit, loans and favors to its electoral constituency. At the beginning in the early 1980’s, the addition of new public functionaries was ostensibly to implement the socio-economic reforms, which the right-wing public bureaucrats were sabotaging. But as the momentum for ‘reform’ petered out, job

appointments continued to multiply, as part of a process of building a large scale electoral party machine.

Thousands of under-employed university graduates with organizational skills crowded the Party offices and over time secured a permanent place in the bloated public bureaucracy. They contributed to securing votes for the PASOK candidates, following the practices of the right wing New Democratic Party. The public sector became the major employment office for several reasons: Most 'public employees' held 'multiple jobs', some as many as four and five, including self-employment and jobs in the informal economy. Secondly, the so-called private sector in Greece never developed a capacity to grow, invest, innovate, apply technology, compete and create new markets. Most leading Greek businesspeople depended on political links to the Party of Government to secure loans for projects that never materialized, credits that they used to import capital goods from the European Union and loans to import consumer products.

Entry into the European Union (EU) provided PASOK and the Right with huge transfers of capital and loans ostensibly to "modernize" the economy and make it competitive. In exchange Greece lowered its tariff barriers and EU goods flooded the local market. EU funds financed PASOK's patronage machine; private business borrowed EU funds and passed payment onto the state, with complicit politicians. Professionals and the middle class secured easy credit to buy pricey imports. The regime economists and politicians "cooked the books", showing positive growth and hiding liabilities. Everything was mortgaged. The European banks collected interest; Western European manufacturers exported consumer goods. According to the experts, Greece was "integrated" into the European Union ... unfortunately on the basis of becoming as dissimilar as any country could be from its dominant partners.

PASOK was built around an elite and mass constituency that never paid taxes but extracted and depended on state handouts. Billionaire ship owners avoided taxes as they operated under foreign flags ( Panama ) but agreed to hire Greek ship captains and contribute to Party coffers. Professionals, lawyers, doctors and architects, barely declared any income, receiving under-the-table cash payments as undeclared income far exceeding any salaries. Business leaders, real estate speculators, bankers and importers all paid off Party leaders in order to secure tax abatements while securing EU loans, which they recycled into tourist properties and overseas accounts. What passed as the Party and business elite were in fact an organized network of kleptocrats: They plundered the treasury and left it to wage and salaried workers to pay the bills, since the latter suffered obligatory payroll tax deductions. Greece is the worse country in the world to be a wage worker - as it's the only sector that's taxed and exploited.

Greece is a country of self-employed small business people and independent small farmers, some of whom lease land from urban professionals, small tourist hotel owners and restaurateurs: The overwhelming majority of them pay only a small fraction of their taxes while demanding full public services. They are part of the 'patronage' apparatus of PASOK, mostly the recipients of unregulated credit and loans, which were used to increasing personal incomes rather than productivity.

EU loans financed the modernization of Greek living standards, increasing the importation of German appliances and automobiles, as well as Danish and French feta cheese (cheap imports substituted for local products). In other words, Europe captured Greek markets

increasing its trade deficit while the bureaucracy became the employer of last resort. These EU practices and relations allowed PASOK to retain a solid patronage base of business kleptocrats, small business tax evaders and new layers of state functionaries.

The EU bought Greece 's increasing politico-military subservience: Greece supported the Afghan, Iraq , Libyan and Pakistan wars. Especially under George Papandreu, PASOK's subservience to Israel and its US Zionist backers exceeded all previous regimes

### **The Bills Come Due . . .**

Greek public and private kleptocrats falsified the national accounts turning mounting deficits into positive surpluses, till the system imploded. The EU banks presented the bill and demanded payments. The Greek state and capitalist class, under PASOK, immediately proclaimed a program of 'austerity' and 'tax reforms'. In fact, it only would enforce the former, since it did not want to undermine its tax-evader elite and social base.

Massive cutbacks in wages, pensions and jobs were imposed and enforced. PASOK legislators toed the line, since their inflated salaries, pensions, perks and payoffs depended on submission to the Prime Minister, who, in turn, was dependent on the imperial bankers and bourgeois kleptocrats. PASOK's existence as a Party depends on the flow of EU loans, bailouts and sell-outs to sustain its clients. The PASOK regime is the great example of an authoritarian party: Groveling at the feet of the EU bankers and leaders while ripping at the throat of millions of impoverished Greek pensioners, wage and salary workers. PASOK's tax-evader and patronage base is barely affected by the fiscal reforms: Tax revenues have actually decreased because of the deepening recession and non-enforcement.

As the PASOK regime deepens and extends the savaging of incomes and as mass resistance multiplies, young unemployed people (55%) have become more desperate and confrontational toward a government, which is ever more repressive and prone to violence.

Totally committed to extracting marrow from the bare bones of workers remuneration, PASOK literally agreed to allow the EU/IMF to oversee, price and sell the entire public patrimony. In other words the debt payment has become the lever for transferring sovereignty to the imperial countries and for maximizing the extraction of wealth from labor. What remain of the " Greek State " are the police and military assigned to forcibly impose the new imperial order on the exploited and impoverished majority.

In the midst of this catastrophic turn of events, of pillage and poverty, the PASOK legislators hold the line: They still count on the mass base of 25% of self-employed professionals, bankers, consultants and tax-evaders to continue to back the regime because they are barely affected by the sell out.

The bailout will allow for the PASOK legislators to collect their lucrative pensions if they are voted out and the self-employed and professionals will continue to cash in on non-taxed tourist rents and revenues from property even as their local clientele is impoverished. PASOK, Papandreu and his coterie have demonstrated that electoral politics is compatible with the most abject surrender of sovereignty, with sustained and savage repression of the majority of the working population and with a deep, long-term reduction of living standards. The Greek experience once again demonstrates that, faced with the demise of the capitalist system, the differences between conservatives, and social democrats vanish. Democratic freedoms exist only as long as the majority submits to the rule of imperialist powers and

their local kleptocrat capitalist collaborators.

No doubt new elections will take place, even as living standards plunge, the debt payments increase and the country is stripped of all of its assets. Probably PASOK will be voted out of office. Their conservative adversaries will simply follow their example as police enforcers and debt collectors.

For the vast majority of Greeks there is no future and no solution in the existing system of street protest and parliamentary politics. The latter ignores the former. This impasse raises the question of what kinds of extra parliamentary action are necessary and possible to end the rule by de-factor imperial rulers and kleptocratic collaborators.

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