No Exit? Greece's Ongoing Crisis

Mark Mazower *March 13, 2013* | *This article appeared in the April 1, 2013 edition of The Nation.*

When the New Year kicked off in Athens, a pall of smoke hung over the city. Steep hikes in fuel prices had pushed people to burn wood to stay warm, and even discarded Christmas trees were being fed into the fires. At the same time, a series of small explosions targeted the offices of the two major parties, New Democracy and Pasok, as well as the residences of several prominent journalists. Most shocking of all was a series of brutal beheadings across the capital that quickly became fodder for headlines, with the victims including a former central banker, a Dutch credit ratings executive and the CEO of a small debt collection agency. Well, not quite—the beheadings are described in *Lixiprothesma daneia* (Expiring Loans), the first novel in a new crisis trilogy by the leading Greek crime writer, Petros Markaris, whose detective hero, Inspector Costas Haritos, is as shrewd a reader of the mood in Athens as anyone. Greece is now sunk in its sixth straight year of recession, and with social and political disintegration reaching extremes not seen since World War II, it is no longer easy to separate fact from fiction.

Lixiprothesma daneia
By Petros Markaris.
Gavriilides. 432 pp. €22.

Oikonomiki krisi kai Ellada
Edited by Adriana Vlachou, Nikos Theocharakis and Dimitris Mylonakis.
Gutenberg. 411 pp. €25.

The Global Minotaur
America, the True Origins of the Financial Crisis and the Future of the World Economy.
By Yanis Varoufakis.
Zed Books. 296 pp. Paper. $14.95.
Buy this book

Sozetai o Titanikos?
Apo to Mnimonio, xana stin anaptyxi.
By Nikos Christodoulakis.
Polis. 233 pp. €12.50.

22 Pragmata pou mas lene yia tin elliniki krisi kai den einai etsi
By Christos Laskos and Euclid Tsakalotos.
Kentro Psychagogias Monados.
238 pp. €13.85.

To agnosto paraskinio tis prosfygis sto DNT
Pos kai yiati ftasame sto Mnimonio.
By Panagiotis Roumeliotis.
Livani. 383 pp. €16.50.

Anonymoi chreokopimenoi
By Christoforos Kasdaglis.
Kastanioti. 248 pp. €12.

Kati tha ginei, tha deis
By Christos Ikonomou.
Polis. 264 pp. €15.20.

Levga
www.levga.gr
€3.

Hard though it is to believe, around four years ago commentators and politicians were expressing relief that Greece, like the rest of Europe, had managed to escape the worst of the financial crisis. There were good reasons to be cautiously optimistic: the country's ratio of debt to GDP had worsened a bit but not substantially, and levels of personal indebtedness were relatively low by international standards. There was no looming mortgage crisis on an American or even a Dutch or Irish scale. (The growth in housing prices in Greece between 1996 and 2008 was only 80 percent compared with 170 percent in Ireland, for instance.) Yet in the six months following the summer of 2009, everything unraveled with bewildering speed, catching the Greeks—and the rest of the world—by surprise. Following the elections that autumn, the incoming government of George Papandreou's socialist Pasok party announced that the books had been cooked and the country's plight far worse than anyone had foreseen. Then the credit ratings agencies piled in, downgrading Greek bonds and helping to send the government's borrowing costs through the roof. As the panic spread, negotiations got under way among Greece, the European Union and the IMF, and the first in a series of bailouts was negotiated in exchange for the imposition of austerity.

Since then, Pasok has fallen from power and all but imploded. The government is now headed by the center-right party New Democracy; meanwhile Syriza, a coalition grouped around the old Euro-communist left (and once a happy member of the radical fringe), finds itself occupying the unaccustomed role of official opposition, and a thuggish neo-Nazi party called Golden Dawn sits third in the polls. Greece remains a member of the eurozone, but at an exorbitant cost: three years into the austerity regimen, the country's unemployment is likely the highest in the EU at 27 percent, with youth unemployment exceeding 60 percent. Reports suggest that one out of three Greek households is living in poverty. Greece has become the epicenter of the worst crisis of capitalism since the interwar depression.

Rather in the spirit of Neville Chamberlain, who in 1938 expressed consternation at the prospect of a really important nation like Britain being plunged into a European war because of a "quarrel in a faraway country between people of whom we know nothing," commentators outside Greece have been alarmed that the debt problems of a country whose GDP makes up less than 3 percent of the entire eurozone could become an international issue of such consequence. But how could they have been surprised? What's happening in Greece is the dark side of the extreme globalization of finance that began in the 1990s and accelerated in Europe with the creation of the euro. Their surprise is part of a more profound ignorance exposed by the crisis: as financial globalization has accelerated, our knowledge of the world and its interlocking parts—political, financial, economic—has failed to keep pace.

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Mark Mazower

For months, the European media's chief response to the eurozone's travails seemed to be facilitating a mudslinging match between creditor and debtor nations, and even now the scale of mutual incomprehension remains staggering. But the ignorance is not Europe's alone: as a long line of debt crises dating back to the 1980s has shown, nothing reveals the superficiality of Western "knowledge" of the globe better or more painfully than when some stricken nation finds itself obliged to go cap in hand to the IMF and other international creditors, and to hear what their economists in particular have to say. In 2010, representatives of the so-called troika (the IMF, the European Commission and the European Central Bank) had to make a quick diagnosis of the roots of the Greek predicament in order to devise a cure, and the country has been suffering ever since. At the same time, foreign journalists passing through Athens have provided their own very partial story lines, focusing on corruption and malfeasance and the strains of a bloated public sector.

What the Greeks have thought about their situation, on the other hand, is not a subject that has bothered many people outside the country. Photographers flock to the demonstrations, capturing confrontations between the populace and the police in Syntagma Square in Athens and snapping photos of protesters with handmade placards likening German Chancellor Angela Merkel, austerity's most hard-nosed advocate, to Hitler. Journalists focus on the rise of the extreme right and the appalling treatment of immigrants, or for contrast and local color file stories about aged and ruddy islanders whom the crisis seems to have passed by. In consequence, the country's enormous resilience, and the strength of the popular desire to remain within the euro, almost at all costs, have been systematically underestimated.

What has also gone unnoticed abroad is the stream of high-quality books and essays about the present crisis that have been published in Greek. For all its many calamities, the country still possesses a cosmopolitan cultural and intellectual elite, widely read in most major languages. Economics flourishes as a discipline, retaining connections to politics and the social sciences that have disappeared in the United States. (It has also been the professional proving ground of most of the country's recent finance ministers.) Economists in Greece still engage seriously with the Marxist inheritance, as tends to be the case in countries that cannot afford to take capitalism's merits for granted. And political satire and social critique are alive and well, as Markaris's *Lixiprothesma daneia* , among others, suggests. Reading some of these recent Greek-language publications, one finds a far richer and more nuanced picture of the crisis starting to emerge than anything currently found on this side of the Atlantic.

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Plenty of old scores are being settled in these books and essays, just as plenty of claims are being staked to the future. But this is simply to say that crisis literature has become one of the main venues for a country trying to think its way out of the current impasse. Most striking, perhaps, is the degree of consensus on some important issues. All of the works reviewed here divide the responsibility for the crisis between the Greeks themselves and the European elite, with the Greeks being largely (though not entirely) responsible for weakening the country's position up to the onset of the crisis in 2010, and the Europeans making things far worse than they needed to be thereafter. And all of them implicitly or explicitly reject the view that the reasons for the country's woes can be traced to the deep past; there is almost no interest here in the Ottoman inheritance and its supposed impact on Greek attitudes about the state (namely, distrust).

The suggestion much discussed abroad, notably by Kenneth Rogoff and Carmen Reinhart in *This Time Is Different* (2009), that Greece is a serial debt defaulter is also given little credence, and parallels with the Greek debt defaults of 1893 and 1932 are quickly dismissed. Wall Street may have needed to be reminded, at least before 2008, that states can default. But what the larger history of debt default shows is not that some countries should never be lent money, but rather that international capitalism has developed on the basis of systemic global inequalities and has tended to use debt crises as one of the means of adjusting capital imbalances. There is nothing peculiar about the Greek experience that could not be paralleled in numerous other countries in Latin America, Africa and the Middle East.

The crucial date for almost everyone in Greece is 1974, when the colonels' junta finally collapsed and democracy was restored. For the first time in the twentieth century, the country enjoyed constitutional stability: the former king was in exile, eventually settling in London's leafy if boring Hampstead Garden suburb, and a two-party system emerged that alternated peacefully and without military interruptions. Ever since I first got to know Greece in the early 1980s, I shared the common view that the post-junta arrangement was, in the context of the country's history of political turbulence and midcentury violence, a considerable achievement. I still think so. But there is no doubt that the present crisis has laid bare a quite different side of the "transition to democracy" and all it entailed.

Even though Greece had long been plagued by chronic balance-of-payments difficulties, it was only from the mid-1970s on that rapid growth occurred in the public sector. And though the country's tax system had always revealed a disturbing and regressive dependence on indirect taxes, this new public-private balance posed an unprecedented challenge for the state's limited revenue-raising capacity, one that it signally failed to meet. In the era of the drachma, the combination of fiscal stasis and increased social expectations— a desire for Greece to move closer to postwar European norms of welfare provision, healthcare and education—required constant devaluation and borrowing abroad, causing chronic inflation. Thus the seeds of the current problem were being sown well before the single currency and the emergence of a new fixed-exchange-rate regime that was to lock in the euro nations even more effectively than the old gold standard. The deindustrialization that occurred in the 1990s, including the reversion to a manufacturing base characterized by low-tech, food processing and handicrafts, only made things worse.

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This is the picture that emerges in the valuable collection of essays *Oikonomiki krisi kai Ellada* (The Economic Crisis and Greece). The volume was published in 2011 by the newly founded Scientific Society for Political Economy and reflects the powerful revival of Marxist theory in Athens in the midst of the crisis. The approach can also be followed in English through the work of Athens University professor Yanis Varoufakis, whose *The Global Minotaur* , also from 2011, attributed the chief cause of the 2008 financial crisis to the systemic breakdown of the postwar model of international capital accumulation. *Oikonomiki krisi kai Ellada* contains an abundance of data and arguments that illuminate the nature of postwar democratization in Greece.

In what is perhaps the volume's outstanding essay, the economist George Stathakis (recently elected to Parliament with the left opposition Syriza) makes an intriguing observation: he suggests that the austerity programs mandated by the troika from 2010 onward are best seen as the latest in a series of stabilization programs that date to the mid-1980s. All of them have attempted to solve the country's economic woes by cutting spending and slashing wages, and all have failed—not because they haven't been adequately implemented, but because, based as they were on neoliberal dogma, they have misdiagnosed the disease and prescribed the wrong medicine. In Greece, it is easier to cut spending than to raise the proportion of state revenues derived from direct taxes on individual incomes, which currently languishes at roughly half the European average. The post-junta transition to democracy, says Stathakis, created a deliberately engineered system of legalized tax exemption for vast swaths of the population. It is the dearth of state revenue, more than the eye-catching issue of corruption per se, that forms the country's main political challenge. In the 1980s, Greece expanded its national healthcare system and its higher education—but far from spending too much on these things, it didn't spend enough to guarantee proper services. At the same time, it spent very heavily on weapons: Greece is proportionally one of the biggest arms purchasers in the world. If we compare the Greek fisc with the European average, spending is well in line with the norm; it is the revenue that falls short.

Although these problems emerged in the 1980s, most of the contributors to *Oikonomiki krisi kai Ellada* focus instead on the decisions made in the 1990s and thereafter, when Greece moved away from the drachma-based, relatively autarkic economic model that Andreas Papandreou had supported to a more globally integrated form of development that would require closer integration with Europe. Read together, several contributions to the volume offer a serious critique of Papandreou's generally respected successor, the reform-minded Costas Simitis, who led the country (and Pasok) between 1996 and 2004. A veteran of an earlier stabilization program (as well as a sober contrast with the demagogic, leather-jacketed Papandreou), Simitis took it as his mission to modernize the country and make it a full member of the new eurozone. The benefits of joining the single currency would, in the view of his team, more than compensate for the austerity that would have to be imposed to cleanse the Greek economy of its inflationary tendencies.

Indeed, the monetary and fiscal discipline that convergence to the euro demanded was considered a good thing in itself. From the perspective of most of the contributors to *Oikonomiki krisi kai Ellada* , however—who are well to the left of Simitis, and even more critical of the new reformist Pasok than they are of the radical, statist original—Simitis's policies amounted to a marketization of the Greek economy far more sweeping and effective than anything carried out by the conservatives of New Democracy. There's no doubt that privatization really got under way with Simitis, and that as downward pressure eroded wages (abetted by the influx of large numbers of migrants), the government and Pasok created close new ties to the business and financial sectors. There was little structural transformation of production, but Greek firms exploited the new Balkan hinterland, establishing bank branches in Romania and Turkey. This was the dream: Greece as a Balkan Singapore, a European financial hub in the Levant. The precondition: entry into the euro, which eventually took place thanks to some creative accounting. The seemingly happy result: the country's *annus mirabilis* of 2004, in which it won the European soccer championship and successfully hosted the Olympic Games.

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Yet the underlying problems of the economy not only remained unresolved; they were about to become much worse. Financial globalization, easy access to European and international funds, and large state disbursements combined to create the perfect conditions for a new, deeply unhealthy interpenetration of the state and the private sector. It was not true that Greek-style neoliberalism meant a weakening of the role of the state. On the contrary, while some sectors of Greek society were getting worse off, the state (and behind it, the ruling party) was cozying up to new bedfellows like Goldman Sachs, the few large Greek banks that emerged triumphant from the mergers and takeovers of the 1990s, and foreign telecommunications and armaments firms.

It is perhaps only now that the true dimensions of the Siemens corruption scandal unfolding during these years can be appreciated. Long established in Greece, the Munich-based manufacturing giant—with sales amounting to $96 billion in 2010–11—supplied the country's telephone and radio networks, ran the capital's traffic signals and streetlights, and enjoyed a close and lucrative relationship with the spectacularly money-losing state railways as well as with the military. In 2005, Greece began an inquiry into the security system that Siemens was supposed to have put in place for the Olympic Games the previous year. Shortly thereafter, an investigation by the US Justice Department brought to light a worldwide pattern of corruption by Siemens executives. One of the Greek politicians involved is the Pasok veteran and former Defense Minister Akis Tsochatzopoulos. In April 2012, even as popular outrage over the scandal was exacerbated by the misery of austerity, Tsochatzopoulos was photographed being led away in handcuffs from his central Athens mansion to face charges of money laundering. But his was not an isolated case: Siemens appears to have had numerous politicians from both parties on its payroll. The company's chief executive in Greece, Mihalis Christoforakos, fled the country in May 2009; he was arrested in Germany and ordered jailed by a Munich court later that year. After paying a large fine to secure his release, Christoforakos has since disappeared from public view.

The Siemens case not only reveals the close connections between German business and Greek politicians; it also confirms how deeply the rot of corruption spread into the privatization process and state procurement policy in general. But as several of the authors in *Oikonomiki krisi kai Ellada* stress, an even bigger problem than corruption and money laundering is the fiscal irresponsibility of the Greek state itself. Siemens was ideologically neutral, paying off politicians on the left and right alike. But on the larger issue of budget policy, ideology was a bankable asset, and the Simitis era looks like a model of probity and common sense when set against the New Democracy government that followed it between 2004 and 2009.

The scope of the damage done in these years can be gleaned from *Sozetai o Titanikos?* (Can the *Titanic* Be Saved?), written by the economist Nikos Christodoulakis, a former finance minister under Simitis. The title refers to an unfortunate remark made at the onset of the crisis by George Papakonstantinou, who was finance minister at the time (and was recently expelled from Pasok after charges of malfeasance): he compared his task to "trying to change the course of the *Titanic*." Christodoulakis argues that the real damage was done on New Democracy's watch; naturally, he claims that Greek finances were in good shape when the Simitis government fell in 2004, which the contributors to *Oikonomiki krisi kai Ellada* would dispute. But Christodoulakis is on much stronger ground in attacking New Democracy's record. At least under Simitis, revenue growth outstripped increases in spending. Under his successor Karamanlis, the opposite happened: an even more business-friendly government lost all interest in boosting tax collection and eased off on several sources of revenue for the sake of encouraging entrepreneurs to invest. The result was not a business boom but a splurge on Porsches, fancy yachts and mega-villas with huge swimming pools on water-starved Greek islands.

It was a lot worse than that, however. With very bad timing, the government proceeded to go on a pre-election spending binge at exactly the moment that the global financial system went into meltdown. Christodoulakis is surely right that it was the policy decisions made by the Karamanlis government in 2008 and 2009, and not those made any earlier, that left the country horribly exposed when the sentiment suddenly shifted in the international money markets and the credit ratings agencies took fright. Even after the first ratings downgrade, the Karamanlis government poured "petrol on the flames" in 2009 by passing an extraordinarily lax budget as well as by its handling of the banking crisis: forcing sound banks to take government assistance and thereby exacerbating the debt problem. In short, the sheer irresponsibility of the 2009 budget was almost designed to cause the country serious problems abroad.

Like several former Pasok members, Christodoulakis doesn't spare the rod when analyzing the actions of the incoming government of the time. George Papandreou was late, he charges, in sizing up the scale of the problem, and his team was both excessively alarmist in its public announcements to its European partners and excessively complacent with the Greek public. For Christodoulakis, the prime minister was out of his depth: the Pasok founder's much less charismatic heir, "Georgaki" kept promising all things to all people, buffeted between the reformers and the restive currents of the so-called "deep Pasok," which wanted a return to full-throated support for the public sector.

Straight out of the Syriza playbook, but nonetheless interesting for all that, is *22 Pragmata pou mas lene yia tin elliniki krisi kai den einai etsi* (22 Things They Tell Us About the Greek Crisis That Aren't So). Recalling Ha-Joon Chang's *23 Things They Don't Tell You About Capitalism* (2010), Christos Laskos and Euclid Tsakalotos's book sets about dispelling some common myths concerning the Greek economy. The authors score a number of direct hits: Greek productivity levels are not particularly low, and Greek export volumes grew quickly after 1995. The Greek state is not especially large, and there is little evidence for any "crowding out" of private investment. They also underscore the profoundly inegalitarian impact of the privatization and financialization that got underway with Simitis: in a relatively short period, Greece has moved from being one of the most equal societies in Europe to one of the most unequal. And as they rightly point out, many of the criticisms leveled at Greece (deindustrialization, the reluctance to improve revenue collection or raise taxes) are problems found across the developed world and not peculiar to that country. The implication here is that the troika's medicine will not work—not only because it has tipped the economy into a self-defeating recession that ensures old targets will be missed time and time again, but more fundamentally because the troika's pro-business, anti-labor approach ignores some vital truths: that the country needs more taxes paid by businesses and the wealthy, not less, and that productivity growth will not come unless there is much more investment (both public and private) in research and development.

At the start of the crisis, Panagiotis Roumeliotis was chosen by Papandreou to be Greece's representative to the IMF, mostly on the strength of his longtime friendship with Dominique Strauss-Kahn, then the organization's head. In *To agnosto paraskinio tis prosfygis sto DNT: Pos kai yiati ftasame sto Mnimonio* (The Unknown Background to the Flight to the IMF: How and Why We Arrived at the Memorandum), Roumeliotis provides a blow-by-blow account of his experiences as well as a revealing chronicle of the IMF's role in the crisis. Strauss-Kahn comes off well, sympathetic to the Greeks and immediately worried about the larger implications. The Europeans come off badly: fractious, slow to respond. Merkel simply does not get it for a very long time, causing the Americans in particular much aggravation. The book lays bare the ideological shift taking place inside the IMF: the Russian, Chinese and Brazilian delegates are all sympathetic because they have so little confidence in what once passed as the Washington Consensus. In this respect, the IMF's approach to the Greek crisis may well prove the harbinger of a new kind of institutional response in the future. But for the moment, we shouldn't make too much of it, because the traditional prescription was dispensed nonetheless: cutting wages (as though this were the magic road to improved productivity and competitiveness); fostering entrepreneurship by eliminating red tape, no matter the likely environmental results; and focusing on spending cuts rather than raising taxes to improve the health of public finances. The main difference between Strauss-Kahn and the other Europeans was over the length of time it would take Greece to return to something like financial stability; on much of the prescription itself, they seem to have agreed.

Unlike the Europeans, the IMF, with its more global perspective, was at least willing to admit that German balance-of-payments surpluses were as much a cause of the eurozone's basic problems as Greek deficits. (Currently topping China's, the German surpluses—accumulated throughout the crisis and showing no signs of diminishing—simply siphon capital from the impoverished, indebted periphery to the wealthy eurocore, and testify to the debtors' inability to earn their way back to solvency anytime soon. And the currency union prevents competitive devaluations, thus making the latter's recovery even harder to bring about.) As Keynes enjoys a revival internationally, commentators are returning to his original conception of the IMF, back at Bretton Woods in 1944, as a value-free agent righting the global disequilibrium in trade and capital flows that, as he understood it, capitalism invariably creates. We must probably wait until after the German election later this year to see whether the penny has dropped in Berlin; but until then, the chorus denouncing the German surpluses is likely to grow louder, and Roumeliotis's book adds further confirmation that since early 2010, the crisis has been deepened as much by German policies as by Greek ones.

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Never mind the balance of payments, some may say, what about the endless personal catastrophes in Greece: the soaring suicide rate, the rising human toll of stress and despair brought on by humiliation, unemployment, sheer helplessness? The individual suffering caused by these mistaken policies can easily be overlooked by academic economists, but it is also grist for the literary mill—in fact, it is hard for Greek writers today not to reflect, in one way or another, on the despair and malaise.

A mordant account of the spreading unemployment and unrelenting weariness of living through the crisis at a daily level is provided by journalist Christoforos Kasdaglis in his *Anonymoi chreokopimenoi* (Anonymous Bankrupts), a collection of sketches published in 2012 that charts his response to the news and to his own lack of paid work. "Powered by" is a piece that enumerates the commodities he consumed during the production of the book: one Japanese laptop, seventy-seven Italian espresso capsules, 184 packets of English tobacco, Dutch rolling paper, an American-made jeep, a German TV, a Swedish radio, American clothes and a pair of Spanish-made shoes, plus pharmaceuticals from Britain, France, Germany and elsewhere. It's as pithy an encapsulation of the Greek consumption problem as one could find (consumption soared between 2000 and 2008, in line with the rise in incomes fueled by capital inflows), and an instantaneous refutation to those observers—fewer now than a year ago—who are still calling for Greece to quit the euro and go it alone.

In an interview with himself, Kasdaglis stresses one of the key differences between the present circumstances and World War II. At least then, he reflects, there was enormous hope and pride to set alongside the suffering. Now all one can do is write in the hope of finding some way out of hopelessness—but looking at his country's leaders, this is not easy. George Papandreou is "the boy with the PlayStation"—the toy in his case being Pasok, the party he inherited, and perhaps Greece itself. Kasdaglis asserts that Antonis Samaras of New Democracy—the opposition leader at the time he was writing—is a demagogue who, the author predicts, will backtrack on all his criticisms of the government the minute he is in power. (Since becoming prime minister in June, Samaras has done Kasdaglis the favor of confirming his predictions.) The interim prime minister, economist Lucas Papademos, is a decent technocrat who, on account of his former role shepherding Greece into the eurozone, must be considered one of the architects of the mess. At the same time, the author, in his mid-50s, is just old enough to remember the junta and wants to remind younger readers of what a genuine dictatorship is. The current political climate, for all its absurdities and problems, is not a dictatorship, and Greeks should not confuse it with the junta, even as the smell of tear gas wafting across central Athens takes Kasdaglis back to the days of the Polytechnic uprising at the end of 1973 and causes him to wonder whether the police have changed at all.

In one of his concluding sketches, Kasdaglis outlines what he calls a series of "bankruptcy scenarios." He is unpersuaded by the inquiring minds of the commentariat urging Greece to go the Argentina route into default: they ignore the many differences between the two countries and eras. Nor is he much enamored of Syriza, and although he says little about it, his criticisms of the new kinds of populism seem directed at its youthful leader, Alexis Tsipras, who has soared in the polls on the basis of a campaign that promised the best of both worlds: staying in the euro and repudiating the foreign-imposed austerity program. Instead, he goes on:

> There is one version of bankruptcy that I find attractive. We rethink our lives together, our priorities and our models of consumption. We reorganize our production on the basis of our needs and not profit. We return to the land with greater concern for, and orientation towards organic cultivation…. Poorer materially, richer in emotions and outlook, with less rivalry and more love and mutual understanding.

It is a dream many share. But they also share Kasdaglis's hesitation: Where is the necessary leadership, the political will? The old is discredited; new forces, perhaps new generations, are needed but have not yet made their mark. Meanwhile, the idiocy seems boundless—in Greece and across Europe.

Kasdaglis can hardly be accused of indulging in pessimism: in the current climate, pessimism seems perfectly reasonable. But perhaps the pessimism has a generational tinge. The crisis varies sharply in its impact on young and old, and when one turns to the attitudes of those who came of age not during the junta and the early years after it, the *metapolitefsi* , but amid the collapse of the Berlin Wall, one finds a very different and in some ways startlingly energized outlook. This sounds paradoxical, given that it is often those now entering the job market who are suffering the worst, but young people seem more enthusiastic and less tormented by the collapse of old categories, and the evidence for this is everywhere. A relatively elevated example would be the film boom that has brought Greek cinema international attention through the works of youthful directors like Athina Rachel Tsangari, Yorgos Lanthimos and Syllas Tzoumerkas. But one might want to point to the revival of anarchism and the so-called *antiexousiastikoi* (anti-state) as well. There is also, it must be said, a strong generational tinge to the emergence of neofascism.

Then there is fiction. *Kati tha ginei, tha deis* (Something Will Happen, You'll See) is a gripping collection of short stories published in 2010 that was awarded the State Prize for Literature and has become a bestseller. Its author, Christos Ikonomou, has already been hailed in the Italian press as a "Greek Faulkner," a description that conveys the emotional power but not the restraint or precision of his prose. Roaming restlessly through the impoverished working-class quarters located off the tourist routes in the urban sprawl between Athens and Piraeus, the large port southwest of the capital, Ikonomou's stories convey the plight of those worst affected by the crisis—laid-off workers, hungry children. Everyone is dreaming of escape: to the mountains, to an island or a palatial estate, into a Hans Christian Andersen story world. What are they fleeing? The old woes—gossip, watchful neighbors, the oppression and indifference of the rich—now made infinitely worse. In Ikonomou's concrete streets, the rain is always looming, the politicians' slogans are ignored, and the police remain a violent, threatening presence offstage. Yet even at the edge of destitution, his men and women act for themselves, trying to preserve what little solidarity remains in a deeply atomized society, and in one way or another finding their own voice. There is faith here, deep faith—though little or none in those who habitually ask for it.

The voice of this new generation— realistic, searching for a source of enthusiasm—can be found elsewhere, too. In the pages of a new journal, *Levga* (League), named in homage to Jules Verne's *Twenty Thousand Leagues Under the Sea* , one comes across sharp questioning of what "reform" has meant in Greece these past forty years. Launched in March 2011, *Levga* has published nine issues filled with criticism of yesterday's "modernisers" and their continued attempts to present themselves as the nation's saviors. But one finds in its pages little time for the modernizers' radical critics either: the Slavoj Zizeks, Alain Badious and their Greek epigones. The members of a Green generation, *Levga* 's writers and editors question whether the latest back-to-the-land impulse can be an adequate answer to the problems of capitalism in an era when advanced democracies cannot sustain more than 5 percent of their workforce in the countryside without massive subsidies. They see the indispensability of political mobilization and are rightly contemptuous of TED-style "debates" that reduce the country's problems to ones of branding and connectivity; they sympathize with organized labor but dissect the historical roots of its malfunction in Greece. There are no answers here, but neither can they be found anywhere else. *Levga* is a source of fresh, very clear thought—and with it, some reasons to hope against hope.

Last year, Ari Paul wrote about the rise of the radical left in Greece.

Mark Mazower *March 13, 2013* | *This article appeared in the April 1, 2013 edition of The Nation.*

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