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Party Over in Greece

The problem now is that its not just the top echelons who are guilty of the damage done. The whole country seems to have followed the example of their leaders and jumped in to participate in the corrupt system, working it to their benefit.

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Politics in Greece is all about the ruling families, they say here. The vast majority of the country's leadership, from whichever party, has grown up in the same expensive neighborhoods, gone to the same exclusive schools, partied on the same boats and married into the same families. Their kids are friends, their parents are friends, their wives go to the same hairdresser.

"And don't forget to write that almost none of them have been out in the real job market," says businessman Panayotis Kapsiotis, sipping a late night raspberry mojito by the pool as the DJ spins. "They would have trouble running a corner kiosk," he notes, not really joking.

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Kapsiotis is at a high school reunion of sorts, as one of his old classmates from Athens College celebrates the christening of a baby daughter at his elegant Kifissia suburban home, together with the whole gang of friends from 20 years ago.

The men embrace each other warmly. The women, many of whom are pregnant, wear expensive designer shoes, their heels sinking slightly into the garden grounds. A valet is parking cars outside. Waiters come around with mini souvlakis. And children run amok even though it's long past midnight.

One of Europe's most elite high schools, Athens College was founded by opposition leader Antonis Samaras' great grandfather. And it is where both Samaras and current prime minister George Papandreou (following in the footsteps of his father Andreas Papandreou, three time prime minister and the son, himself, of another prime minister) went to school. After high school, incidentally, the two men, one year apart, each set off for America, to get their BAs -- both to Amherst, a small liberal arts college where the future political rivals were actually roommates.

But Athens College high school is where it starts. It's the sort of place that, year after year, turns out just this sort of early summer party scene: Attractive. Confident. Affluent. Expectant. Powerful. Secure.

But is that what it really is today?

"This is just a façade nowadays," confines Kapsiotis, his glance skimming the crowded garden. "Sure, most everyone here still has their jobs, as well as savings, and families that can help out, and in some cases a whose dynasty of power behind them -- but don't mistake any of that for a future."

Today, as bankrupt Greece teeters on the verge of a very public breakdown, Greeks from across the political and class spectrums -- rich and poor alike -- are belatedly shaking their heads and incredulously asking "How did this happen?" "What went so wrong?"

"The problem starts with exactly those elites. It is they who are to blame -- both the politicians and their businessmen classmates," says George Stampolidis, a naval officer, protesting outside the Greek parliament in downtown Syntagma square, some 20 kilometers and a world away from the affluent Kifissia. "They created a culture of corruption so deep here that now we are all drowning in it.

And Greece, with close to 345 billion Euros in debts, is indeed drowning. Last week, in the face of tens of thousands of angry and violent protestors, plummeting popularity, and the fact that the reforms undo almost everything his party has stood for in the past -- Papandreou passed new drastic austerity measures, promising to shave off 28.3 billion euros in cuts by 2015.

To do this, he has said he intends to cut salaries and social benefits, including pensions and unemployment aid, raise taxes on even those earning minimum



mind, at time of recession and unemployment of 16 percent in the country.

The measures are meant to ensure that the country gets a promised 12 billion euros in aid, the fifth portion of an original 110 billion-euro bailout package that it signed last year by the "troika" -- the European Union, the European Central Bank and the International Monetary Fund -- to prevent the country from defaulting on its debts.

Concerned that if Greece were to default -- or seen to be in default -- it would mean massive losses for all the banks that hold Greek debt as well as begin a domino effect that could threaten all of Europe, the troika has encouraged what they see as a responsible austerity plan. It was an "important step forward." European Commission President Jose Manuel Barroso and European Council President Herman Van Rompuy said in a joint statement.

At home though, it's seen differently. As many as 80% of Greeks oppose the new austerity measures, and there are naysayers even within Papandreou's own PASOK party. Forty-seven people were injured and at least 14 arrested last week as they violently tried to make this point of opposition, protest strikes shut down the country for two full days, and demonstrations continue now.

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"Crooks! Crooks!" shout the masses outside Parliament, thrusting their spread out palms towards the building in a sign of disrespect, and flashing green flashlights into the eyes of the police and the journalists -- who protestors see as part of the establishment- filming them from the windows of the nearby luxury Grand Bretagne hotel. Banners read: "Crooks: We will find and get you," and "Change the constitution."

"We will not pay one penny to our corrupt government so they can feed the blood thirsty Germans who want our islands," says one protestor named Elias, giving vent to one of the many conspiracy theories making the rounds in Greece. "The Swedes and Norwegians are cutting deals with our politicians to all steal our billions in oil," says another, named Antonio, sketchy on details of which Norwegians and Swedes and which oil.

In the square below, a protest tent city similar to the one that sprouted up recently in Spain's Puerta Del Sol, has come to life in recent weeks. "Politics is violence, Politics is force," sings the Reggae band on stage. Tattooed and pierced slacker youngsters with skateboards stand alongside working mothers with briefcases who complain of not being able to afford their kids' school uniforms and books anymore and sway to the music. "We hate politics. We hate our politicians," croons the band.

But the problem now is that its not just the top echelons who are guilty of the damage done. The whole country seems to have followed the example of their leaders and jumped in to participate in the corrupt system, working it to their benefit. For a long time, few seemed to realize how much it would end up ultimately costing.



bottom," says Vassil Christaras, an engineer and former official in the state-owned Electric Company. "Things were better 30 years ago. Now it is endemic."

Corruption today in Greece can be found in endless forms: It's cheaper to pay off the driving test examiner 220 euros in cash and pass the test on the first go than pay 150 euros over and over again and fail; It makes sense to hand over 10,000 euros to the hospital's procurement officer if that's what it takes to get the rights to provide band-aids. And it is far easier to slip the tax authority 20,000 euros than have to admit to being in a higher tax bracket and paying five times more.

The tax authority is generally considered the most corrupt body of them all. "It operates like a mafia," charges Sabby Mionis, a Greek-Israeli businessman. "It's so profitable to be the head of a regional tax authority, that people literally pay off the minister of finance to be appointed, and then use the position to blackmail and bribe businessmen and make a fortune." The culture of tax evasion meanwhile, means that everyone from the house painter to your heart surgeon refrains from giving out receipts.

A building-code public engineer on Milos island was recently found with 12 million euros in his bank account -- on a salary less than 2,000 euros per month. A doctor in a public hospital in Athens was found to have saved 37 million euros, no doubt with some thanks to side deals with a French orthopedic company he recommended supply the hospital.

"When it comes to corruption, we are like an African or Latin country, or like India, not like anything else you know in Western Europe," observes Meghna Reddy, an Indian married to a Greek who has been living in the country for six years. "Just like in India, no one is doing much to change it, and accepts that it can continue." But while India has the likes of low labor costs, an enormous internal market, and a culture of innovation, Greece is lacking in enough other advantages to offset the scourge of corruption.

Not helping the situation is the fact that the public sector is both terribly bloated and ineffectual. Growing since the elder Papandreou came into power in 1981, the public sector today employs more than a million people, a quarter of the Greek work force.

But few are willing to accept that painful changes, including a mass firing of public servants, must happen. These days, for example, worried that the government might go forth with its plans to privatize the electric company and sell it to foreign investors, making it more efficient and saving money --workers there have been orchestrating power failures in protest, causing blackouts around the country.

At the root of Greece's problems, continues Mionis -- is an even more rudimentary problem: And that is that Greeks simply do not have a strong sense of the larger community. "There is no sense of 'what is better for the whole,' here, like there is in Israel," he says.

The country that long ago introduced the concepts of "democracy," and "polis" to the world, where each citizen was expected to give their time and effort to



place.

"People are basically selfish, or put out a hand only to help their own families," agrees Christaras, shrugging. "If you think nothing is going to change you start operating only in your own interests."

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Even those who agree there is need for serious austerity measures are generally despondent about Papandreou's plan, saying that even if the government had the real political will or ability to actually implement, as opposed to just pass, the measures -- which few believe -- and even if ordinary Greeks had the will or desire to play ball -which they are not-- none of this goes far enough to solve the crisis anyway.

Greece's government debt, which is 160 percent of its GDP and rising fast, is simply too crushing for the tiny stagnating country of 11 million people to pay back.

And next up, as and when this 12 billion last part of last year's bailout is secured, is a second bailout, the details of which are being hammered out in far off European capitals and which is expected to be worth an estimated 130 billion euros more.

Greece seems to be in a "debt trap," where paying the interest on its mound of debt requires more and more loans. "We are just kicking the can down the road," says Mionis. "Greece is one big Ponzi scheme, and is being supported by loans and European subsidies. When the EU sees the situation here is no longer contagious, to Ireland or Portugal or elsewhere, they will let Greece go bankrupted."

"A very great number of people are angry and hopeless," says lawyer Stavros Papastavrou, an international secretary in Samaras' Nea Demokratia party "And, while some are willing to make sacrifices, they want to know it will lead somewhere. They don't want to sacrifice for nothing." Samara suggestions for an antidote to the vicious cycle of recession however -- including that taxes be lowered, not raised, so as to stimulate the economy -- has been heavily criticized by the EU, as well as by many Greeks, who believe they are more populist but not any more effective.

"Samaras' suggestions are not sufficient for a 'reboot' of the economy," says Agis Veroutis, a small business owner. "Without the shrinking of the public sector Leviathan, plus obliteration of soviet-style bureaucratic regulation, tax relief will only increase the deficits. Any solution to the current economic standoff must be comprehensive," he argues.

And meanwhile, Greece is fraying at the seams. The once high end shopping streets, where millions of euros used to be paid in key money to secure a corner store, now are filled with "for rent" signs. Graffiti on the bank buildings reads "Burn me."

Crime is up, and, the once fashionable neighborhoods around Omonia square downtown are becoming increasingly lawless, with illegal immigrants selling knock off Dolce Gabana handbags and dealing drugs, prostitutes strutting their stuff, and motorcyclists zooming through at incredible speed - without helmets-- as police loll around the corners doing nothing.



Just last month, in a crime that shocked the nation, a 44 year old man dashing to get his video camera from his parked car so as to take it to the hospital where his pregnant wife was giving birth -- was jumped by thee assailants and killed. They were later were caught selling the camera for 150 euros.

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Back at the Athens' College party in the suburbs, couples are taking to the dance floor, and -- slightly drunk on too-strong cocktails -- mouthing the words to the disco favorites and they bop around. It has been a good party, and a fun night, reminding them of the old days, when they were a little younger, and a lot more hopeful.

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