State education systems and totalitarian economy: Greece as a Case-study of Neoliberalism’s Failure (2008-2014)
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Abstract
The article attempts to analyze through a critical approach the changes taking place in the domain of public education systems when the financial conditions are reformed due to the capitalist crises and recession. Its basic aim is to examine the extent to which the size, the quality and the existence itself of the education provided by the state is influenced by these conditions. This study, which is based on the presentation of data concerning the extensive simultaneous shrinking of the state and education as in the case of Greece, concludes that this withdrawal of the state from the management of the social reproduction is not a temporary phenomenon but a more permanent one due to a structural transformation of capitalism. The essay predicts a rather bleak future whereby there will be fewer public educational institutions, whose terms of operation will be worse and the professional future of its graduates would correspond to clearly fewer working positions.

Key words: public education systems, critical approach, crisis of capitalism, Greece.

Introduction
This article attempts to examine, through a critical approach, the changes taking place in the public education systems when financial conditions are reformed due to the capitalist crises and recession. The term “public education systems” refers to all institutions from kindergarten to University which are funded and operated by the state.

Although education has lost its basic orientation because it has stopped serving the needs of the big scale production models, it still offers the state one last important service before it reaches the end of its appointed life. It continues offering legitimacy so that state powers can
impose on society a new allocation of labour without permanent work. So, education which secured employment and upward social mobility has been transformed into ‘education without jobs’ (Ainley and Allen, 2010:13) and downward social mobility.

The relationship between the economy and institutionalised education after the 2008 financial collapse has led, gradually, to a final and irreversible confrontation. As a result, all permanent forms of formal education and formal labour gradually surrender to oblivion, with the view that education should be reformed so as to adapt to the needs of the global capitalist market. These are results of neoliberal choices created within the developed societies’ phenomena of social seclusion and poverty which they had never encountered or had buried in the past (Davies, 1997:293) and the new terms of social reproduction. They changed the relationships between the basic institutions of social reproduction in order to change its terms, but mainly in order to change the institutions themselves.

This essay is divided into five parts. The first part analyses the relation between economy and institutionalized education in the light of the changes in the conditions of social reproduction following the breakout of the global financial crisis. More specifically, this section attempts to examine whether capitalism is able to maintain its innovative spirit in conditions of recession and crisis that appear every fifty years or so, and whether Capital utilizes competition, not according to ideological prejudice, but driven by the changes in the average rate of profit.

The second part describes the changes that occur in the structure, the size and the function of nation states in light of new institutional constructs, new power networks that create conditions leading to a new economic and social reality.

The third part challenges the view according to which the ability to open new development cycles and create enough employment to preserve social cohesion - even though social inequality has increased relative to crisis periods - has enabled capitalism to emerge victorious from the crises.
The fourth part focuses on the case of Greece as the most characteristic example of the failure of the dominant theoretical model to effectively manage a long-term crisis through the implementation of measures which subvert any sense of social balance as they advocate the concurrence towards a lowest social denominator. Five years after the 2008 depression, it seems that we are not dealing with a common process of ‘creative destruction’, a strategy that capitalism uses in order to overcome the crisis, sacrificing one of its parts to survive. The successive waves of the crisis, with the contribution of tools from the neo-liberal financial models/schemata, such as the memoranda and loan agreements, produce results of permanent bankruptcy. The results of social destruction which are diffused through both the political and social domain prove that a satisfactory alternative to the dead end cannot be the ‘creative destruction’ but ‘creative chaos’, the coordinated, deliberate movement towards a permanent state of emergency, a controlled situation of post-modern barbarity. This irrevocably reflects on the Greek public education system through cuts that amount to an unprecedented shrinkage in all levels of education. The degradation of educational structures leads to privatization and fundamental alterations in the nature of education that reverberate through many aspects of social and political life. In the fifth part we come up with the findings of this essay.

The ambivalent connection between economy and institutionalised education in permanent rupture

In the post war years of prosperity for the capitalist world, social mobility was identified with institutionalized education’s ability to legitimise a division of labour based on full-time, employment, offered to all members of society. The economy nurtured the illusion of a capitalism which could develop infinitely. In turn, this illusion served the plans of the bourgeoisie to preserve large middle classes as the best means of ensuring social peace. The mere fear of an impending crisis made the ruling class prepare ways of an effective management by promoting the idea that if education is completely linked to the economy, it will be in a position to reverse any negative development. Reasonably, for years they had been fussing about the failure of schooling and the need for its reform, as this
would create the appropriate conditions within which institutional education’s new role would be realized. The more institutionalized education became synonymous with failure, the easier it was for the ruling class to extract the necessary consent for these reforms from society. It was preferable to provoking a rupture just because of the significance of the change of the terms of reproduction for its future situation. Finally, the view, recorded in the prosperous post-war middle classes’ social conscience, that the bourgeois school is a place operating according to the principle of equality is an ideologization, with the mediation of theoretical pedagogy, of the productive needs of industrial capitalism. A complete ideological protective framework, in other words a false conscienciousness, was created around very real financial gains of socio-economic minorities, which took the form of illusions concerning the democratic operation of schooling. The contradiction between reality and ideological illusion was covert for as long as the productive needs were served. In addition, the internal division of the ruling class between its active-productive members and its ‘thinkers’, those creating illusions for their class, themselves and society as a whole, was also covert.

In times of prosperity, the leading actors of material and intellectual hegemony were able to express their different views. Sometimes the disputes about the reorganization of the state’s institutions could even result to open ideological warfare. However, in times like the ones we live in, when the crisis is being transformed into disastrous recession and it poses a real threat for all the class:

Within this class this cleavage can even develop into a certain opposition and hostility between the two parts, but whenever a practical collision occurs in which the class itself is endangered they automatically vanish, in which case there also vanishes the appearance of the ruling ideas being not the ideas of the ruling class and having a power distinct from the power of this class. (Marx & Engels, 1998:68)

In sum, when the system faces danger, the pluralism of abstract viewpoints dissolves and the whole field of intellectual production is
occupied by the ruling class’s dominant view, which acquires the force of natural law. The dominant viewpoint is now used to claim the appropriation of wealth from the people who produce it and the appropriation of rights from their holders.

In order to achieve a transition to the new regime of financial reproduction the state was drastically reoriented. The harmonizing national welfare state was transformed to the aggressive new market state and as a result the scale of marketization-privatization of state educational functions changed as well. This reorientation sent a loud message for private capital to come running, with the passion of a lover finally being accepted by his object of affection, and construct a complex, multibillion industry of educational merchandise (Ball, 2007: chapter three).

Even though these new conditions form a radically new situation, the same fundamental problem arises again and again. How is it possible to achieve the reproduction, indispensible for social equilibrium, when surplus value is not realized and the state intervention has ceased? The only response to this came with the suffocating fastening of education to the productive needs of economy. In this way the amount of education was following the fluctuation of the financial cycle and the ever growing demands of production for larger amounts of labour. Naturally, neither the economy and the businesses nor education managed to solve, or at least temporarily regulate their structural problems, even though they broadened their interrelation based on the neoliberal theoretical framework of the knowledge society (European Union, 1986). The catalyst for the permanent dissolution of the institutional relationship between capitalist economy and education was the dependent variable of labour. More specifically, it was the cost of skilled wage labour whose reproduction could be achieved with the introduction of smaller quantities from developing countries under the regime of primitive accumulation.

The competitive global financial environment and the opening of state education to profit making businesses might guarantee the strengthening of supply and the quality of human resources (Patrinos &
Sosale, 2007) but their plausibility, even as a successful ideological expectation is shaken when we move from a period of prosperity to a period of crisis. The middle-classes, the most susceptible recipients of illusions about individual prosperity, have to face pauperization with the continuous cuts in wages, pensions and loss of private property. This process of impoverishment takes on the dimensions of financial and social destruction. The human capital, an arbitrary conceptual abstraction, loses its meaning when it is forced to succumb to the non-negotiable needs of the real financial capital for violent proletarianization of the majority of humanity, in order to avoid its own destruction. Proletarianization is a procedure that transforms the majority into people without property who collide with a world of wealth and culture that really exists (Marx & Engels, 1998: 54). It is impossible for an individual to enter this world through his/her own personal choices and the appropriate educational and professional qualifications.

Inevitably, tool-words of the dominant bourgeois ideology such as free market and competitiveness lose their cover of misleading falsehood and reveal their real and sole content. The free market does not exist, or, to be more precise, it is a liberal euphemism since it expresses a general notion that never had substance. Markets had always pertained to financial systems within which they functioned and were determined. Consequently, when the term free market is used, it is common knowledge, especially in the economist circles, that it is a milder name for the capitalist market, a market dominated by colossal enterprises, supranational monopolies and banks. The blissful times of competition, when the capitalist mode of production coexisted with earlier modes of production or when it was industrial, have long since passed. The persistence of liberal economists leads them to an amelioration of the past. They stubbornly refuse to admit that work productivity and enlargement of the production scale undermine competitiveness. By supporting large capital, they contribute to the extinction of small capital and they make it difficult for small capital to exist in the future. Twentieth century capitalism has been continuously shifting. It was not a definitive or final capitalism with different national economies and modes of production that were articulated within a broader social formation or international system. Nation states were the mediatory limits in a world
of different national economies and articulated modes of production. Every country improved its national accumulation cycles that were externally bound with national cyclical movements by commodity exchange and capital movement. Global capital movement has made it possible for Capital to rearrange production in the global scale in accordance with factors that maximize profit. This procedure has caused national systems of production to fragment and become externally integrated in the new globalized accumulation cycles. Production procedures have become supranational to such an extent that the final products cannot be considered to be national in any way.

Within the emerging global economy, the globalization of the production process crushes and functionally integrates the previous national accumulation cycles in a new global accumulation cycle (Robinson, 2004:10-11). The difference between international and global economy lies in the globalization of the production process itself or in the increase of globalized production and accumulation cycles. The worldwide emergence of agile transnational capital from 1970 onwards has allowed decentralization and functional integration of the huge chain of production and distribution and the instantaneous movement of values across the world. In addition, the other side of this unprecedented fragmentation and decentralization of production processes is the unprecedented worldwide concentration and centralization of financial management, control, decision making, power of transnational capital and its representatives. The deliberate use of the nation-state power, that has allowed Capital high concentration in well-protected, large geographic areas in order to achieve the objective material conditions to pass to the next phase of centralization, is a thing of the past. Capital accumulation either in a national or in a global framework demonstrably leads to capital centralization. According to Mandel (1976:311):

This meant a radical reduction in the number of 'different capitals' competing with one another, until entire branches of industry were dominated by a handful of trusts, companies and monopolies, and common price agreements altered the economic behaviour of these monopolies. The resultant tendency for competition and hence also the expansion of the
home market to be narrowed down then tended to generate overcapitalization, increasing export of capital and a growing capitalist interest.

Competition is limited because capital interventionism is fortified through concentrated power to control the areas where investments have been channeled. It protects investment and opens new avenues for exports. In this framework the rhetoric of competition is nonsense made to conceal the fact that the process of competition has a short duration, that is, as long as it takes the strongest to eliminate or assimilate the weakest.

In the transnational phase of capitalism, when it is transformed into a system with universal features, the passage switch from an internationalized to a globalized economy needs to be diffused to every important social process that is connected with social reproduction. For this reason, along with the ever growing obsession with competition, there is an ever growing commercialization of public education systems, with an emphasis on higher education (Lin & Saner, 2011: 993). Apart from students’ and teachers’ international mobility and establishment of university branches abroad, there seems to be a rapid increase in international trade in online higher education services. This form of educational trade is deemed to be extremely profitable and national governments are advised to oppose those who try to prevent such a process of putting protectionist barriers, by resorting to international commercial law to ensure the continuation of free trade in higher education (Lester, 2013: 2). The great increase in tuition fees, in contrast with the decrease in other tradable goods the last ten years, is attributed to lack of competition and low rates of commercialization of educational goods. In contrast with other businesses, universities have not been exposed to competition as for example car companies have been. According to Lester (2013:3) car companies pressured by increased imports, changed their quality standards and improved. The scarce scientific reliability of such a view can be demonstrated by comparison with research data on another view, according to which the international automotive industry since the 90s, has been transformed into a “transnational Spider’s web ... stretch[ing] across the globe” (Dicken, 1998: 32). Not only did the fragmentation and decentralization of
manufacturing a car in different phases and in different countries liquidate the production procedures, they also liquidated the very concept of competition. The result is the concentration of production in transnational trusts that use competition as a means for forming oligopolies, for using labour in miserable conditions and in such quantities that there is no need for a reserve army of labour.

Competition and the average rate of profit (Marx, 1981:364) define the size of production, the number of employees and the level of financial growth. The successive expansion and contraction cycles of production are not affected by the degree of connection between economy and education, as much as they are affected by the expansion or contraction of the process of surplus value realization. The ideas on the changes that should be made in the structure and function of the higher education, for example, in order for it to service the ever changing needs of knowledge economy and technological progress (Eyring, 2011: 810-12) are monotonously repeated. However, in the end, businesses adapt to the demands of production cycles, regardless of their ability to adopt innovation in order to become more competitive than their rivals. The temporary advantages that 'innovatory activity of entrepreneurs' can offer (Schumpeter, 2012: chapter IV) quickly evaporate when confronted with insurmountable difficulties in utilizing the total accumulated amount of capital. At the mere sight of falling rates of profit, with the visible risk of impairing large amounts of capital wholly or partly, the innovative ideas of entrepreneurs fail to be implemented. They remain ideas that will be implemented only when favourable conditions for private activity are ensured. According to Joseph Schumpeter (2012: chapter III), Capital has a tendency to convert financial oligarchs into economic dynasties' patriarchs as long as they are strictly oriented in promoting any possible kind of innovation. At this point, it seems that the potential of innovative ideas to contribute to changing the perpetual route followed in the universe of the capitalist market with Capital passing by successive cycles of accelerated accumulation, overaccumulation, decelerating accumulation and destructive deceleration is exhausted.

The evolution of capitalism confirms that in the reoccurring crises, there are reoccurring and irrational practices of destruction through ever
growing periods of recession. In these periods, there is no hint of innovation and there can be no correlation between financial development and institutionalized education. In our analysis, we adhere to the view that “the history of capitalism on the international plane appears not only as a succession of cyclical movements every 7 or 10 years, but also as a succession of longer periods, of approximately 50 years” (Mandel, 1976: 120). By comparing the long cycles, we can examine capitalism’s long-term development and investigate the circularity of the 50 year long periods and the internal dynamics of the system in relation to the international market as N.D. Kondratieff did (Korotayev and Tsirel, 2010).

Overcoming recession or stagnation in all long periods was mainly achieved through expansion into other geographic locations and violent integration in the capitalist mode of production and the capitalist market. Of these long periods

[...]we have experienced four up till now:
— the long period from the end of the 18th century up to the crisis of 1847, characterized basically by the gradual spread of the handcraft-made or manufacture-made steam engine to all the most important branches of industry and industrial countries; this was the long wave of the industrial revolution itself.
— the long period, lasting from the crisis of 1847 until the beginning of the 1890s, characterized by the generalization of the machine-made steam engine as the principal motive machine. This was the long wave of the first technological revolution.
— the long period, lasting from the 1890s to the Second World War, characterized by the generalized application of electric and combustion engines in all branches of industry. This was the long wave of the second technological revolution.
— the long period, beginning in North America in 1940 and in the other imperialist countries in 1945-48, characterized by the generalized control of machines by means of electronic apparatuses (as well as by the gradual introduction of nuclear
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energy). This is the long wave of the third technological revolution (Mandel, 1976: 120-121).

The evolving global financial crisis can be interpreted in two ways:

First, the optimistic one, maintains that this is a temporary decline between two peaks of expansion, where the next peak will exceed the previous one, but it will nevertheless merely postpone the deceleration (Korotayev & Tsirel, 2010: 29). If this were the case, the new expansion should have started since 2011-12. However, this development is not confirmed by numbers recorded on international GDP.

Second, from the data obtained, the second interpretation seems more realistic. It maintains that this is the beginning of the deceleration of the 5th Kondratieff wave, i.e. the 5th long period calculated in accordance with Kondratieff’s framework, the expansion of which started in the period between 1984-1991 and ended between 2008-2010. The revelation of the scale of this crisis compels us to include it, not in the usual short-term crises that occur between the successive short waves of expansion and deceleration, but in the distinctive crises, similar with those of 1973-1974, 1929-1933 or those of 1875-1876 and those in the mid-1820’s. These are crises located on the limits between A (expansion) and B (contraction) periods of Kondratieff waves (Korotayev & Tsirel, 2010:29). In these moments, the transition between one period to the next is not characterized by violent transformation of the system's functions for social reproduction on a large scale, but by the danger of the destruction of the system itself. The fall of the average rate of profit (Marx, 1981: 317-338) leads entrepreneurs to abandon investment activities without considering taking advantage of technological innovation, scientific discoveries and trained manpower that emerged through the adjustment of state education to the needs of capitalist production. Entrepreneurs obey the inner logic of the accumulation process as it is modified when it is rendered unable to expand the capitalist market by adding new areas or taking advantage of new natural resources.
Public education systems became universal systems of social reproduction because their extended function coincided with the long-term dynamic of capital growth; a period when the capital could expand freely in any part of the world and increase the rate of economic dynamic in capitalist countries. This dynamic was allowing the favourable utilization of capital, putting aside the difficulties and creating guarantees for increasing profits, while simultaneously fostering the illusion that economic expansion will always be in line with the expansion of education as if these two were able to stabilize the economic processes, keeping them away from crises and catastrophic recessions. The operating framework for the new economy of the last 30 years, specifically the neoliberal economic choices that set financial capital free of any kind of restrictions, along with the liberalization of exchange rates, converted the absolute advantage of Capital into the flagrant failure of the political and economic elites to control a constantly relapsing crisis, which comes back, after implementing austerity measures, in the form of catastrophic recession. In order to revive the economy, either production must be enhanced or technological innovation must be used as a means of direct investment. However, profitability has been transferred from the real economy to notional stock market profit. In times like these, when there are vivid signs of a new era emerging and when the structural multifaceted capitalist crisis manifests itself both in the financial sector and in the commodity and real estate markets, the enhancement of production either by quantitative increase or by introducing technological innovation seems impossible. This means that capitalism’s main achievement becomes its weakness, since production growth would lead to a devaluation of products in conditions of work devaluation which in its turn would lead to an objective inability for consumption increase and thus to welfare state policies. Competition does not only devalue products, it also determines the depreciation of human labour, skilled or unskilled. The uncertain effectiveness of investment does not prevent Capital from operating competitively. On the contrary, it forces it to release all the demons of hell it has spawned and turn them against their own creator. For productive investment on technological innovation to be viable in terms of cost, the warmth of state protection is indispensable.
From the rationalized approaches of the bourgeois nation-state to the irrational practices of transnational power networks

The post-war expanded bourgeois state of redistributive Keynesian-type policies has come to an end. Along with it has come the massive social reproduction for the needs of enlarged production. The nation-state apparatus, that guided and controlled on behalf of Capital, is being deconstructed following the widespread imposition of neoliberal strategies of capital accumulation because the direct financial role of the state is abandoned. The removal of unnecessary structures entails the redesign of the state’s nature by strengthening its repressive capacities. Following the liquidation of the boundaries between public and private sector, what essentially occurred was the penetration of one sector into the other, resulting in either privatized state activities or nationalized private activities. The state shrinks in size, but it increases its force of intervention by brutalizing the means of social order enforcement since both the consensus represented by the state of prosperity and the social conditions that allowed the acceptance of this consensus as forced compromise, have become extinct. Because of the direct relationship developed over the last three decades between the economic policies of the bourgeois state and the policies of authoritarian governance that are needed for the capitalist market to impose in every social process, practices of the interwar Fascist state, in surveillance, policing, imprisonment and drastic curtailment of civil liberties, reappeared modernized and fortified. As the social contradictions, caused by the domination of the totalitarian neoliberalsim, become aggravated, the state becomes more and more totalitarian in its responses, in an effort to manage the financial crisis without social upheaval (Wacquant, 2001: 401-412).

For Europe and the USA, the years before the 2008 crisis, were years of significant intervention in the structure and operation of the bourgeois state in order to address the structural crisis of capitalism and transform it to a means of acceleration of neoliberal restructuring in state education (Lipman, 2013:557). This way, the conditions of intervention by private capital in the public sector were ensured with the marketization of state functions or, in other words, the transformation of the state into a
market-state. In such a context, the neoliberal restructuring actually means the destruction of the bourgeois social organization because the state itself, the only factor that can unify independent private interests, is being destroyed. In addition, because of the state’s weakness, the effective economic automation of the market transforms the *unconscious necessity* (Hegel, 2001:185§236) of private persons into a complete inability of viewing a universal image of societal processes.

The bare inability to view the universal (Hegel, 2001:157§187) does not just rest in regulating conflicting private interests and public benefits. It generates the negativity of massive social misery. The liberalization of private economic activity and the correlation of the economy to education can only bring out, in the most categorical way, the imperfect function of bourgeois society, as evidenced by the inability of the individual to consciously work as a collective economic subject that will exceed the contradictory and fragmented (in as many parts as there are individual interests) financial world and manage to gain consciousness of the universality of social needs. The risk of loss in systemic balance will be averted by the universal determination of knowledge, will and action of every person individually, since there will be no economic activity and social space for any person if he does not operate according to the new economic framework that imposes discipline through the markets (Gill, 2003).

Large groups of specialists, tied to business interests, work for the consolidation of this economic framework since their existence is connected with the development and reproduction of political measures that spread the neoliberal mode of operation everywhere within societies (McDonald, 2013). In countries of emblematic significance, like UK and the USA, in which key measures are chosen for implementation in public education systems, and other important social functions, a whole world of institutional constructs—such as: “Public private partnerships, firms, consortia of investors, university departments, bodies of scholarship and scholarly journals, professional degrees, corporate philanthropic institutions, product lines, for-profit supplemental educational services, non-profit services, think tanks”(Lipman, 2013: 560) intervene to compose, support and legitimize, by extorting the necessary consensus,
a completely new reality. These bizarre constructs are the continuation of think tanks and, while in the past decades they were created to disseminate propaganda and ensure the dominance of neoliberal and neoconservative views, in the present unprecedented crisis of the global capitalist mode of production, they transform into integrated informal networks of global governance and take over the weakened and financially bankrupt nation-state entities.

The new economic reality needs support and a new legal, administrative arrangement, which will be served and supported by a willing transnational army of *neointellectuals* (Kovacs, 2008: 136-137) which in turn, will provide

a willing tool who uses power, politics, and fear to perpetuate anti-democratic school initiatives….The defenders of the social order, those fighting vigorously to maintain the status quo….as they used their power and influence to deligitimate and undermine the learned men (Kovacs, 2008: 136-137).

In the USA only, networks of agencies that dictate neoliberal and neoconservative policies in institutionalized education, in the form of think tanks, increased from four, in the period before 1970, to fifty-six in 2006 (McDonald, 2008: 2479); essentially substituting the federal state. Concurrently, it is almost impossible to separate think tanks from “university based education policy research centers” that are subsidized or financed by non-profit organizations, an alias companies use to dictate their policies (McDonald, 2013: 8). These multinational companies have begun negotiations from July 2014 between the USA and the European Union for the establishment of a Transatlantic Trade and Investment Partnership (TTIP), i.e. an agreement that will define the largest free trade zone on the entire planet. In other words, the objective is to eliminate the existing contradiction between the real, physical form of the global capitalist market and the content of the current legislation of individual nation states, which regulates the activity of firms within their borders. Thus investment choices and operating conditions of the market will turn into new legislation that will replace and homogenize state legal systems. Multinational companies previously had the power
to impose their terms on state bureaucracies and translate their interests into laws. Now they have such power, that they do not need intermediaries as they can override the states and directly exercise political power. Within this context, the decision of the European Council with which member states authorize negotiations for trade and investment between the EU and the U.S., with a declared primary objective of the agreement, to be a truly “21st century agreement”, is enlightening. According to this decision, the agreement should commence by considering the interaction between economies but should conclude in commitments “to consult stakeholders before introducing measures with an impact on trade and investment” (European Commission, MEMO/13/564). That means that the agreement will preclude taking measures for the protection of an EU member state by invoking the impact this would have in trade and investment. The substitution of the current legislation of the nation states aims to shift legal power as the interests of multinational corporations have gained legal status to such a degree that when States try to put legal barriers or protection from the uncontrolled financial system or the rampant commercialization of education, health and the environment, then the agreement will intervene as a comprehensive settlement resolving disputes between states and companies, thus enabling multinationals to submit the states in international arbitration for loss of earnings.

Global economic processes are uncontrollable even for the most powerful of governments. This dispels the views about the operation of the capitalist state which in the past amassed all the main financial, political and repressive functions and was thus a main factor of social cohesion because of the autonomy of the economic and political element as a given state of the capitalist mode of production (Poulantzas, 1978:147). The abolition of the special autonomy of economic and political structures affects the autonomy of the state itself as it crucially transforms the relationship between state and economic relations. This highlights the shift of political power relations from the local socioeconomic elite to a transnational socioeconomic elite and consequently a supranational statehood. The declining ability of nation states to intervene in the deterritorialization processes for capital
accumulation does not mean that there has emerged a state superstructure that will take on at the transnational level all the important states’ functions. Apart from the lack of a clear political, administrative, regulatory structure and a modified operation framework that will coherently reflect a new hierarchy and a new internal division of labour, it seems for the moment, that the role of a unified, transnational state is performed by many centers and different regulatory mechanisms. At the same time, however, these mechanisms in the form of many different organizations, as said, gradually compose the distinct mechanisms of the transnational hegemonic state and come to dominate upon the traditional mechanisms of nation states. They remove the states’ exclusive power to create money, as with the Euro for example, but also the power to be subject to financial rescue programs that have been drafted by supranational institutions such as the IMF for countries of Southeast Asia, Mexico, Brazil (Robinson, 2004: 117-118) and lately for Greece in the form of a tripartite intervention (IMF, EU, European Central Bank).

The specialized fragmentation mechanisms and entities, and the diversity of the bourgeois bureaucratized state are being replaced by a homogenized totalitarian power structure. The denationalisation of state structures releases forces that fragment the global, on a national level, nature of the division of labour and make it local in order to disconnect it from the national-border differentiation and then reunify it as a broader entity. Although this broader entity is composed by the diverse local or national forms, it serves a new production design that includes large numbers of countries. Fundamental transformations of this kind are not limited to changing the correlation of forces between the parties of globalized economic and political power, they also highlight the privatized forms of power in almost all social functions, and the establishment of a mentality of the private within the public sector (Sassen, 2006:224).

**Selective social reproduction. The ontological redefinition of the subject with zero value labour.**

The golden age of a capitalism that could embody the liberal idea of a global economic world has fallen into decay. With it the ability of
bourgeois society to reproduce its economic and political essence on a massive scale reached an impasse, since it is unable to find or create consumers in the same frantic pace it accumulates wealth. It lasted as long as the growth in supplied labour could be linked with the growth of product supply because of labour, but the cause of this indissoluble contradiction is not just a perpetual source of evil that grows bigger along with wealth surplus. Because of the dialectical movement of bourgeois societies that are crucially affected by this particular feature, these societies are pushed beyond themselves. They are forced to seek new societies that will provide them with the means, the conservation resources and the consumers (Hegel, 2001: 189§245-246).

The instrumental use of wage labour was the cohesive element between all the social categories (exploiting-exploited classes, family microcosms, collective subjects acting in public places, individuals acting in the private sphere) that composed but also differentiated these societies and accomplished the removal of the contrast between the subjective and the objective. Consequently, labour became a universal activity that connected the individual with wage and satisfaction of needs. It became a value in itself, but as it was gradually automated, it lost part of its value and caused the toil of the individual to increase. Therefore, from the expanded social reproduction of large scale production and the consequences of the necessity for formal education, we are moving to the liquidized, small scale social reproduction and the personified education (Cummings, 2013:74). The difficult economic conditions may have caused misleading views concerning social reproduction and social mobility. They may have also caused large scale wealth acquisition to shrink or, in the best case scenario, disappear, but with the use of correlations relevant to parental socio-economic power and the newfound possibility to buy incomparably better job opportunities for their children in periods of crisis and recession it was not only the rigid class nature in the identity production of bourgeois societies that surfaced. (Goldthorpe, 2005:64-65).

Since labour cannot fulfill its role as a universal factor for maintaining the uniformity of societies, it is being replaced by genetics. Genetics will reshape the general division of labour in a final division of limited
quantities of labour, thus erasing even the slightest possibility for the permeability of entrenched hierarchies through social mobility. Indeed, if the ‘appropriate’ methodology, that will effectively combine finding the genes connected with cognitive abilities, scientific research on teaching methods and the potential of computers in personalized learning, is followed, then it will be possible to choose about 2% of the students for specialist schools (Cummings, 2013:74-75). Schools like the Russian Kolmogorov Schools, the French Lycée Louis-Le-Grand, the English Eton, the, dispersed in various regions of the world and especially in the U.S., Lutheran Academy Gymnasia or the National University of Singapore High School of Mathematics and Science for many years, with an exception of those that were relatively recently established, provided for the education and strict reproduction of the dominant social, economic and political elite. The selection of students was mostly based on their parents inherited origin and they harboured the unshakable conviction that their graduates were of a high intellectual level. The first British Math Specialist Schools that will begin operating in 2014, having received the approval of the Department for Education, will run under the supervision of King’s College and Exeter University. Since their goal is to educate future leaders, innovators and top scientists, the selection tests will be based on the Cambridge and Oxford entrance exams (Cummings: 2013:76).

It seems that a transition occurs to an even more closed system for the selection of students necessary for the reproduction of social hierarchies. This system will operate without the need for public education systems for the right candidates to emerge and it will create pressure for the adoption of similar models throughout the entire educational spectrum, thus consolidating class division as division based on natural mental inequalities. The transition to personalized education documents the massive reproduction of the individualized empirical existence of a person, who, despite the seeming certainty that he/she has found him/herself or even that s/he has been allowed to create him/herself on his/her own, is excised, in essence, from the ability to acquire essential knowledge of self, i.e. s/he loses the power to historically surpass the self, to desire to be something else, something more than s/he was.
At this point a clear and insurmountable ontological problem for capitalism rises: if the, by no means abstract, modern person, through the constant transformations that are enforced by the external objective conditions of the capitalist market is still determined by what is generally called the world of man, the state and society, then how human can human essence (as the sum of social relations) be (Marx, Engels, 1998: 570) when the positive conditions of social reproduction are reserved only for a small section of societies, since education regresses to a universal monopoly for the few? A reversal of historical proportions in the systemic evolution occurs with the exclusion of large populations by their complete and absolute proletarianization, while at the same time a negligible minority, well protected in an enclosed environment, appropriates the accumulated social wealth. The difference in relation to the past is that this wealth can be formed by production models of actual material abundance that need fewer and fewer amounts of living labour and therefore have no need, to replenish a reserve army of labour in response to the recurring economic crises (Gamble, 2009:47). The unquestionable ability of capitalism to come out victorious from its crises relied on its capacity to create employment and thus succeed in maintaining internal consistency, although there was geometrical growth of social inequalities with respect to periods prior to each crisis. This cause was sufficient by itself to cancel any prospect of exit from the crisis through the opening of a new development cycle. And if this did not happen, it is because the problem was every time shifted towards the future.

The 2008 crisis made the situation in the global labour market extremely difficult, as the longtime inability to create jobs corresponding to the real productive forces, resulted in limiting production. This was not because it was impossible to find sufficient amounts of skilled labour on account of the education systems' inability to provide workers with the appropriate skills, or because of deficiencies in the necessary raw materials, but because the realization of profit became even more difficult. If this period of prolonged stagnation is combined with the severity of the crisis in the financial sector, which excludes the possibility to raise cheap money, and with the potential of technology for more applications in automation,
it is not a historical paradox that, according to a recent MGI (McKinsey Global Institute) survey, 44% of the companies that reduced their number of workers did so by taking advantage of automation (MGI, 2011). The strategic advantage of most Western countries and especially the USA rested on the ability to increase employment by creating jobs in the service sector. We can fathom the impasse that will be encountered if the calculations that around 47% of employment in the US will be destroyed because of the use of automated systems are valid (Frey & Osborne, 2013: 44). The tertiary sector, with employment growth of 30% in total hours worked from 1980 to 2005 (Autor & Dorn, 2013: 1555-1556), is at the greatest risk because it is easier in the current conditions to apply the short-term technological breakthroughs in Machine Learning and Mobile Robotics than the more complex ones that, in order to proceed, need to solve important practical problems and thus are always postponed for the indiscernible future. However, we cannot assume that changes of this kind in the form of labour will occur in a specific and predictable time. Given that the barriers to the movement of workers in large numbers have not been lifted and it will not be easy for developed countries to internally devalue labour costs to such a degree that would call into question the ability for reproduction of labour power.

This impasse becomes a paradox when the people who have lost their job or are unable to find one are advised to acquire creative and social skills, although scholarly accounts point that the level of education and wage level have a negative correlation with finding or creating jobs (Frey & Osborne, 2013:45), just with the prospect of substitution of more quantities of living labour with quantities of automated labour. When this paradox passes from the abstract to the concrete, where the learning outcomes of education must be matched with the skills that the market allegedly asks for, then this oddity becomes a force of dissolution and destruction for public education systems and the cohesion of bourgeois society.

The Greek paradox
The paradox of the Greek economy, for the period after 2008, lies in the same numerical indicators for the sake of which a model of rescue
unprecedented in any European country after World War II, was applied. This rescue program was as spectacular as its failure, since its main objective to reduce the debt to GDP ratio, proved to be an illusion, an unreachable mirage (Papadimitriou, Nikiforos and Zezza, 2014: 2). In order to correct the numerical indicators related to the debt to GDP ratio, the Greek economy was submerged in a destructive recession where the contraction of wealth and employment has long surpassed the matching data for most of the economies after the 1929 collapse and especially for the US. With GDP shrunk by 23.5%, investment by 58.4%, unemployment reached 26.7% in January 2014, while youth unemployment in 2013 was mired in an outrageous 60.4% (ELSTAT, 2014), then we can conclude that we are not dealing with a deep crisis or great recession, the end of which may mark the beginning of a recovery, but with a definitive and irrevocable collapse (Münchau, 2013).

Here is where the paradox lies, while the collapse is obvious since 3,613,826 people are employed and 4,704,346 are either unemployed or economically inactive, the Greek government has not proceeded to a suspension of payments. This naturally leads to a surge of general government debt to GDP ratio at 175.1% or 318.7 billion euros (Eurostat, 2014) since the government keeps borrowing through the bailout mechanisms in order to pay previous loan installments. The equilibrium of a national economy is artificially maintained in order to avert the threat on universal economic development that is facilitated to continue uninterrupted. The economic turmoil and imbalance manifests in the individual elements that make up the whole, without substantially harming the essential orientation of the whole, the universal. The universal can be transformed as a whole without inhibiting its development, in an unbroken unity of mental categories, namely ideological conceptions of neoliberalism and the reality of integrated capitalism. Only by capturing the whole of the movement to the new reality can we explain the categories of this reality. To this extent there are two possible scenarios, individual states or cities of a federal state entity will be able to go bankrupt, but the whole state entity will not. Or, it will be possible for a nation state to go bankrupt and financially decompose without affecting the broader financial entity of which it is member, based on certain international agreements. For the first
scenario we can find examples in the controlled bankruptcy of cities or states in the US, where, with the use of either the channeling or the withdrawal of investment, the wider urban environment of Philadelphia, New Orleans (Buras, Randels and Salaam, 2010), Detroit (Clement and Daniel, 2013) and Chicago (Lipman, 2011) is being reformed. This is done by changing the land use with an ultimate goal to gather people and services in specific areas that have been expropriated from their previous inhabitants by depriving them of control of the urban space. Then the radical neoliberal reform, from the top to the bottom of the urban space, will succeed in eliminating minorities, the poor and the socially vulnerable (Pedroni, 2011). The shrinkage of the classes deemed to be dangerous for the equilibrium of the urban environment will be accomplished through creative destruction (Harvey, 2012). In contrast with the golden past of post-war capitalism, those classes will be stranded in a permanent situation of exclusion and poverty for an indefinite period of time. With the demolition of welfare state structures, the elimination of public transport and the eradication of public schools from the selected urban areas, either through the final closure and dismantling of whole school regions, like in the city of Philadelphia (Lipman, 2013) or through the removal of elected local school committees and the direct award of public school administration to private economic operators, the poor and socially excluded lose the foundations of collective identity and action. They are forced to function as individuals, leaving behind any possibility for collective reaction. They become dangerous individuals that have been socially discarded instead of being dangerous social classes.

The second scenario includes Greece and all the countries that will follow after each financial collapse that erupts and spreads in every direction like a flood. A Sisyphean effort will focus on controlling and limiting the destruction within individual nation state entities, even if this means a complete dissolution of societies because of barbarian, never-ending austerity measures. For the first time in history, a nation-state tries to limit the country’s social reproduction at such a critical size that it challenges the overall ability of society to maintain the unifying force of cohesion in the future. Out of 7,259 public elementary schools in 1990 and 1991 (NSSG, 1997: 27) there will only be 4,331 at the beginning of
the 2013/14 school year. This number is expected to drop further as another 73 schools are to be closed or merged by the end of the year\textsuperscript{iv}, while it is impossible to calculate how many elementary schools will be included in the 1676 school units that will be merged according to the general government budget for 2014 (Ministry of Finance, 2013: 55). Regarding secondary education, the government plan upsets the balance that existed the previous years. In the school year 1990-91 there were 1729 state funded high schools (daytime and evening) with 442,815 students (NSSG, 1997:78). In 2000-01 there were 1760 high schools with 329,842 students (ELSTAT, 2013), whereas in 2013-14 there was a drop to 1656 schools with 298,876 students (ELSTAT, 2013: tables 1, 3a, 3c). This shows that there is an accelerated shrinkage in education due to cuts that will be implemented by 2018\textsuperscript{v}. The rates of shrinkage in secondary education will increase to such an extent as to yield results similar with those in primary education. The total number of schools at all levels will not exceed the half of that which existed in the early 1990s. The few schools left will remind us of privatized institutions of mass surveillance, correctional suppression and consolidation of a personalized acceptance of misery at the individual level as a natural consequence of the disappearance of the basic conditions for obtaining a political identity in terms of collective social action. The only organized action in these conditions of economic shrinkage is found in the effort to maintain a minimum of a social reproduction apparatus. It seems that the lack of social reaction that would challenge the neoliberal plan for complete transformation has made the government ruthless to such an extent that they literally amputate the existing educational structures. The ruthless organized shrinkage of existing public structures is obvious in the elimination of entire disciplines in professional high schools and colleges which, among other things, amounted to the suspension of teachers for a few months until they were either absorbed in a different Ministry or fired. They also amounted in the shrinkage of higher education through a rushed ‘modernization’ of its structures. At least this is the way it is described in the ‘Athena plan’ that is being implemented since 2012 and aims to cure pathologies by radically redesigning the academic map of the country\textsuperscript{vi}. The tangible results of this catastrophe can be seen in the cynical reality of numbers. Up until now four academic institutions have closed and the total number of departments
has decreased by 132 through closures and merges (Ministry of Finance, 2013: 54). The fabrication of surplus administrative staff in the eight larger universities of the country resulted in the rector authorities declaring their universities unable to operate since they lost 1,750 employees mainly connected with the buildings and administration. Undoubtedly, the inability of the system to fulfill its basic functions leads to privatization in absolute terms. In the past, the University infrastructure was used for business purposes, especially in the field of applied research, in the form of selective private funding. However, now the privatization of public infrastructure, land and property will be presented as the only ‘choice’ in order to avoid collapse and permanent closure. The real treasures for expropriation are not hidden in the exotic world of old colonies or in a paradise world outside the capitalist market. They lie in the ownership of the nation state, in its buildings, the land and the natural resources. Ultimately, they are the produced risk of a dangerous new situation that comes from the interior and not the diversified exterior of this market.

Saving the country from an irrevocable economic collapse by using brutal austerity measures and cutting all public spending was based on the fundamental premise that, in the future, there will be no loss of the global economic equilibrium corresponding to that which occurred in 2008. Yet, the data for public debt development in OECD countries, and especially those in the Euro zone, refute the estimates about stability.

Greece exists in a virtual economic reality, with the inevitability of the suspension of payments, as the chronicle of a death foretold, waiting to happen when the funding from Member States, that replaced private credit, ceases. The question that naturally arises is: when will the inevitable occur? The answer lies in the same field of practical application with the solutions adopted to prevent such an eventuality. It lies in the extreme application of the privatization model when the government will have no property and consequently it will not be able to perform any economic or social function. The differences compared with what happens in the metropolises of capitalism are found in the dosage, the brutality and the timeframe of implementation of the measures. Whereas in other countries it took decades of a lengthy and well planned
process, in the case of Greece based on the economic disaster due to the recession, the dosage of canonized privatization that ‘swallows’ the whole of society and not only the most vulnerable of its parts is something unprecedented in the postwar world.

**Conclusion**

In the integrated destructive capitalism, the bourgeoisie, driven by its global dominance, seeks to dismantle basic structures instead of merely restructuring its functions. The shrinkage and destruction of public education systems as guaranteed systems of massive social reproduction require historical changes in the political systems of governance. Not only will the consensus and social contracts of bourgeois democracy disappear, but also, as the global economy slips more and more into reoccurring recession, the system of global governance will become all the more totalitarian and authoritarian. In the emerging world order no crucial role is recognized for the public education systems. For this reason they are either left to ‘fend for themselves’ or through sweeping privatization they are transformed to the necessary complement for a different model of social organization. This model, in the case of Greece, by exploiting the systemic imbalance caused by the bankruptcy and economic dissolution will consolidate a regime incompatible with the spirit of the general and continuously compromised declarations of human and civil rights as expressed by the revolutions of the two previous centuries; a state, in other words, of inevitable and inviolable emergency. For the bourgeois legitimacy of the post war world, the Fascist and Nazi regimes were stigmatized as deviations from the bourgeois democracy. In reality, they were the exceptions that emerged from the inability of the political order to cope with the problems created by the financial order. In the future, anything or anyone that reacts to the state of emergency will be considered as a deviation instead of the state of emergency itself to be considered as such.

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1 According to Marx primitive [for some authors previous] accumulation “is not the result of the capitalist mode of production but its starting point… it plays the same role in political economy as the original sin in theology” (Marx, 1976:873). It is worth saying that primitive accumulation comes back every time as the only possible solution for the system to continue its operation and resolve its contradictions by postponing them to the future.
In the UK, more than 350,000 people turned to food banks for help last year, almost triple the number who received food aid in the previous year and 100,000 more than anticipated, according to the UK's biggest food crisis charity...Mould (The Trussell Trust executive chairman) said: "We're seeing people from all kinds of backgrounds turning to food banks: working people coming in on their lunch-breaks, mums who are going hungry to feed their children, people whose benefits have been delayed and people who are struggling to find enough work." (Butler, 2013)

iii Although the calculations on rising unemployment were rushed at the time, according to many subsequent revisions the unemployment rates in the period between 1920-1938 in different countries (with US having the highest rate and France the lowest) never reached the heights recorded in the current crisis in countries like Greece or Spain. 30% unemployment rates were of observed locally or regarding specific sectors, not in a national scale. In absolute numbers, the unemployed in the US at the peak of the Great Depression, in March 1933, were 11-12 million in a population of 126 million (Gazier, 2009: 22-23).

iv A comparison of the numbers of student population in state funded primary schools between school years 2000-01 and 2011-12, shows that a reduction in the number of schools is not justified. Within twelve years state funded school students only fell from 593,094 to 590,070 thousand, while the schools were limited from 5,708 to 4,392. Of the schools closed, 588 did so between the years 2010-12, i.e. the closures coincided with the implementation of neoliberal economic programs and crippling austerity. (ELSTAT 2013:Table 1).

v Government spending will decrease in rates unprecedented for a developed European country. The percentage of expenditure of the total regular budget for the Ministry of Education together with the Public Investment Program from 3.18% of GDP in 2009 will slump to 1.99% of the 2018 estimated GDP. i.e. Out of the 5.090 billion euros in 2014 there will remain just 4.308 billion in 2018. A reduction by 42.2% if we compare with 7.480 billion spent in 2009 (a period prior to the austerity measures) (Medium Term Fiscal Strategy, 2014: 3903).

vi According to the “Athena Plan” the academic landscape in Greece will be shaped as follows: out of 40 institutions (24 Universities and 16 Technological Institutes) there will be left only 34 (21 Universities and 13 Technological Institutes). That means that 3 Universities and 3 Technological Institutes will vanish in the thin air while out of 534 University Departments after the closures and merges, there will be left only 384. In addition, there are 28 Departments that are going through a transitional period until the academic year 2017-18. (Ministry of Education, 2013. Athena Plan for the Restructuring of Higher Education http://www.minedu.gov.gr/publications/docs2013/130305_teli...pdf)

vii The total public debt of 34 of the most developed OECD members, which constituted 70% of GDP and was relatively stabilized in the late 90s, jumped to 110% in 2012 to reach 117% in 2014 after it was revised above the 112.5% it was estimated to reach (Aridas &Pasquali, 2013).

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