Sovereign Debts: Global Colonialism, Austerity and Neo-Liberal Assimilation

Maria Giannacopoulos
Flinders University

Follow this and additional works at: http://ro.uow.edu.au/ltc

Recommended Citation
Available at:http://ro.uow.edu.au/ltc/vol19/iss1/9
Sovereign Debts: Global Colonialism, Austerity and Neo-Liberal Assimilation

Abstract
What does it mean for a sovereign nation to be in debt? What does it mean to be sovereign in the context of debt? Which debts must be paid and which debts can be disavowed? What is the role of law, in particular the High Court of Australia, in rendering Australian sovereign debt invisible? Why has the notion of ‘sovereign debt’ become synonymous with countries like Greece while other sovereign debts remain invisible? In this article I interconnect the seemingly unrelated debt crises of Greece and Australia. I take a critical legal approach to the effaced debt scenario of colonial Australia and the imperialising economic order in contemporary Greece in order to extend, in cultural and racial terms, the discussions possible on sovereign debt.
Sovereign Debts: Global Colonialism, Austerity and Neo-Liberal Assimilation

Maria Giannacopoulos

We ran this country, then those first boat people come and they never went away and they literally took over this country through force of arms and everything else that happens through colonialism and as my friend and sister Mary always says “they got a country for free”. They never paid a thing. They made themselves rich out of our country. They owe us much more than they could ever hope to repay and they need to start to come to terms with that.¹

What does it mean for a sovereign nation to be in debt? What does it mean to be sovereign in the context of debt? Which debts must be paid and which debts can be disavowed? What is the role of law, in particular the High Court of Australia, in rendering Australian sovereign debt invisible? Why has the notion of ‘sovereign debt’ become synonymous with countries like Greece while other sovereign debts remain invisible? In this article I interconnect the seemingly unrelated debt crises of Greece and Australia. I take a critical legal approach to the effaced debt scenario of colonial Australia and the imperialisng economic order in contemporary Greece in order to extend, in cultural and racial terms, the discussions possible on sovereign debt.

While Greece is currently synonymous with sovereign debt crisis, the foundational sovereign debt crisis in Australia remains unrepresentable. I revisit Mabo and build on Penny Pether’s important critique of the High Court as a colonial institution, in order to argue

¹
that the ‘illegitimate’ colonial power asserted by the High Court is a necessary pre-condition for the continued effacement of sovereign debt. I argue that law’s violence plays a crucial role in preventing both sovereignty and debt from signifying as ‘crisis’.

Paradoxically, it is the overt and (hyper)visible nature of Greece’s sovereign debt crisis that has generated this space to broaden understandings of what can constitute or be represented as a sovereign debt crisis. The paradox of this sequence of inquiry lies in the fact that the conditions experienced by Greek people in this era of austerity, have a precedent in colonialism. If Greece is currently experiencing external and imposed rule, a denial of self-determination and austerity designed to produce Greece as an integrated European economy then what is being experienced by Greek people is effectively imperial rule. It is by drawing this connection in order to juxtapose the visible with the effaced crisis, that it is possible to carve out a fresh conceptual space from which to examine the ‘global colonial project’ (Watson 2015: 5).

Australia’s colonial history and its sovereign debt could be theorised separately from the neo-liberal assimilationism and austerity in Greece but this would be a missed opportunity to track the historical and contemporary configurations of colonial power globally. Australia continues its terra nullius project, handing out development opportunities for the exploitation of land for profit as though the land is still empty. This ‘environmental degradation’ Irene Watson argues, undermines the ‘continuing viability, culturally, socially and economically’ of Aboriginal peoples which is ‘linked directly to the land’ (Watson 2015: 122-123). In Greece, the debt/austerity nexus is deployed to undermine democracy and national sovereignty with catastrophic effects for Greek people subjected to the neo-liberal economic assimilation demanded by the European Union.

So far, discussions on sovereign debt have centred too narrowly on capitalistic economic notions that have not acknowledged their own debts to the racial divisions that result from colonisation. The approach of this article allows for a more nuanced and global investigation of the colonising force embedded within the notion of sovereign debt.
Professor of Anthropology at the London School of Economics David Graeber in writing a history of the concept of debt argues that: ‘debt has come to be the central issue of international politics’ (Graeber 2011: 4). Despite its centrality to modern nation states built on deficit spending, Graeber claims that the concept of debt remains mysterious and it is the flexibility of the term that forms the basis of its power (Graeber 2011:5). The powerful assertion that ‘one must pay one’s debts’ (Graeber 2011: 4) carries incredible power to found and sustain relations of violence not just because of the economic demand but because of the morality enclosed within this idea. The paying of debt, Graeber argues, is foundational to morality and to the idea of taking responsibility.

Despite a recent financial crisis that threatened to bring the world economy to a halt and despite the public rage and bewilderment surrounding it, Graeber argues that a public conversation never took place around ‘the nature of debt, of money, of the financial institutions that have come to hold the fate of nations in their grip’ (Graeber 2011:15). During this same period it has been reported that Australia had ‘largely escaped the world-wide recession’ (Brown and Davis 2010).

The Australian ABC current affairs program Q&A hosted a discussion on the Australian economy where commentators drew comparisons between Australia and Greece. Michael Stutchbury, editor in chief of the Australian Financial Review put forward the view that:

Like in a mini version of Greece, I think Australia is getting itself into a spot of bother now. It’s clear that we’ve been through the biggest mining and resources boom in our history. The iron ore price, which was our biggest export, at the start of the 2000s was around about $20 to $30. It went up to a peak of $180 in 2011/2012. The reserve bank Governor said that was the greatest gift of income to Australia since the gold rush of the 1850s but since then of course, the iron ore price has headed south… I don’t think Australians really realise how much our high standard of living and our prosperity really depends on the price we get for our major exports, iron ore and coal and other
commodities. We are basically a commodity exporting country (Q&A transcript 6/4/15).

This position issues a warning that Australia is in danger, if not already like, a mini version of Greece. The more significant part of this warning by Stutchbury relates to the ‘facts’ he highlights in relation to natural resources. While pointing to natural wealth as the factor preventing a country from being in the midst of a sovereign debt crisis, he does not foreground contested ownership of these resources. Instead he quotes the Reserve Bank Governor who labelled the ‘mining and resources boom’ of 2011/2012 as ‘the greatest gift of income’ at a time when many countries around the world were in economic crisis and Australia was seemingly unaffected. Junankar has also reported on the OECD having ‘repeatedly stressed the stellar performance of the Australian economy, saying that with “its 21 years of uninterrupted growth, Australia stands out among OECD countries”’ (Junankar 2014).

Metaphors abound in the business of covering over the violence of colonisation. What the reserve bank Governor metaphorises as ‘the greatest gift of income’, or the OECD as ‘uninterrupted growth’ could also be termed ‘expropriation’ based on dispossession. Tuck and Yang have argued that in settler colonialism ‘the most important concern is land/water/air/subterranean earth. Land is what is most valuable, contested, required’ (Tuck and Yang 2012: 5). Exploitation colonialism ‘denotes the expropriation of fragments of Indigenous worlds, animals, plants and human beings, extracting them in order to transport them to – and build the wealth, the privilege, or feed the appetites of – the colonisers, who get marked as the first world’ (Tuck and Yang 2012: 4).

In the Australian context where the colonial state continues to deny what it owes, and instead prides itself on having a sound (if slightly ‘at risk’) economy, the conversation around foundational debt is displaced by discussions on economy that do not begin from the fact of ongoing colonisation. The effacement of sovereign debt in Australia is a structural feature of the colonial state where there is much at stake in ensuring that colonial debts fail to register. The assumption
that Aboriginal land/water/earth are ‘gifts’ is an even more chilling version of the original *terra nullius*. The transformation of *debt* into *gift* functions to efface the sovereign debt owed by the colonial state as the unacknowledged starting point for contemporary campaigns of profit waged by mining companies and Australian Governments alike.

Mary Graham’s expression ‘they got a country for free’ cuts right to the heart of the violent and *indebted* nature of Australia’s colonial sovereignty and points to the reason why Australia may have escaped a global recession. When land, subterranean earth and water are rendered freely available for use without payment or accountability to Aboriginal peoples, then this seemingly limitless accumulation of debt is the *disavowed pre-condition* for the very existence and economic viability of contemporary Australia. This ongoing disavowal which produces the ‘Australian economy’ is indissociable from the foundational and genocidal violence of colonisation.

*Terra nullius*, the foundational legal fiction of an empty land available for economic and cultural exploitation was ostensibly overturned in 1992 in *Mabo*. But this ‘overturning’ only deepened the economic and cultural violence that continues to be possible. I argue that *Mabo* (which will be discussed in more depth in the following section) was an opportunity to name colonial debt and to render it visible. Instead, the High Court shielded colonial sovereignty from judgement and so effectively cleared the land, again, for the genocidal practices of the colonial state to continue. Genocide, Watson has argued ‘is no longer overt; it still occurs in more subtle and covert forms’ (2015:112). The Federal Government’s current *Our North, Our Future: White Paper on Developing Northern Australia* might be understood as one of those covert forms of genocide. The language of ownership and economic assimilation present in the title alone reveal the violent and colonial nature of this initiative.

For some already attuned to the ever-changing lexicon of colonial rule this move to *develop* Northern Australia will not necessarily be seen as ‘covert’ at all. For others fully immersed in neo-liberal logic or the ‘new imperialism’ (Fairclough 2000: 147) this move towards
development of Northern Australia will simply be seen as inevitable; Australia must ‘bow to the logic of the global economy’ (Fairclough 2000: 147). Fairclough has argued that in the context of a ‘restructured (global) form of capitalism …gaining ascendancy’ (2000: 147) language plays a crucial role in establishing that order. In the Foreword of The White Paper, the Prime Minister, the Minister for Infrastructure and Regional Development and the Minister for Trade and Investment asserted that:

This White Paper is an essential part of our plan to build a strong prosperous economy and a safe, secure Australia. We can take advantage of our strengths and our natural advantages...Governments alone cannot develop Northern Australia, they can only set the right environment for businesses to profitably invest and communities to flourish. The north will only truly achieve its potential with the participation of all the people who live there, including Indigenous Australians (2015: Foreword).

This is a new plan, requiring new language so why does the language and agenda sound familiar? The use of ‘our’, ‘we can take advantage’ and ‘our natural advantages’ repeat the terra nullius project under the guise of development. Wasn’t terra nullius the ideology that enabled the original development project of colonial Australia? Why does development need to occur in a first world economy that is ostensibly already developed? How can land and resources be recast so openly as freely available for the taking in the post-Mabo age? Is it because dominant development discourse operates to disconnect the different stages of the development project, or from the original violence of colonisation? Is the master narrative of economy so powerful and incontestable that it can demand full participation ‘including Indigenous Australians’? The coloniser’s call for participation of ‘Indigenous Australians’ is assimilationist with genocidal intents and effects. The White Paper outlines its own logic:

A strong north means a strong nation. Even though over one million people live in the north- all of the Northern Territory and those parts of Western Australia and Queensland above the Tropic of Capricorn- it accounts for over half of our sea exports. Thriving and
diverse exports in minerals, energy, agriculture and tourism underpin our national income. The earnings from the Pilbara alone are larger than the individual economies of 119 countries but are generated by only 60,000 people (2015:1).

Here the contradiction between a ‘strong north’ that is of value because it will lead to a ‘strong nation’ and the fact that ‘minerals, energy, agriculture’ have already structured the colonial nation and its economy can only surface by reading through the sovereign debt lense. While the *White Paper* explicitly names the extent to which natural resources make up the wealth and economy of Australia, the possessive language describing that wealth disallows a narration of those facts as *debts*. The omission of foundational debt is functioning as an *a priori* entitlement of the national economy, since it is foundational debt that continues to be incurred. The representation of Northern Australia as being developed for the first time is based on a paradox: the land that is full of exploitable wealth and resources is again empty as if for the first time.

### 2 Mabo and the Effacement of Sovereign Debt

In 1992, the High Court of Australia ‘overturned’ the legal fiction that is said to have been the foundation of the Australian state. This was seen by many as a cause for celebration since it was pronounced, for the first time by a colonial authority, that is, the High Court, that Australia was not *terra nullius* or an empty land, upon colonisation. What made this celebration bittersweet though was that in overturning this doctrine the Court managed to guard white sovereignty as ‘non-justiciable’. In other words, the High Court said that they could not question the sovereignty of the state as this would ‘fracture’ the law and the state. The *Mabo* decision gestured at the debt incurred to found the nation, but fell short of taking responsibility for that debt by closing up the question of sovereignty.

In the *Mabo* judgement, one that Pether named ‘the most potentially constitutionally radical’ (1998: 116), Justice Brennan made two significant and seemingly irreconcilable pronouncements on which I
Sovereign Debts: Global Colonialism, Austerity and Neo-Liberal Assimilation

will focus here. First ‘if it were permissible in past centuries to keep the common law in step with international law, it is imperative in today’s world that the common law should neither be nor be seen to be frozen in an age of racial discrimination’ (par 41). Brennan went on to say that ‘recognition by our common law of the rights and interests of the land of indigenous inhabitants of a settled colony would be precluded if the recognition were to fracture a skeletal principal of our legal system’ (par 43). This second pronouncement Pether argued, was a ‘sinister metaphor for the illegal colonisation of Australia, a metaphor which circulates repeatedly in judicial discourse on Native Title’ (1998:131).

The two metaphorical pronouncements, the ‘sinister metaphor’ that Pether identifies as well as the metaphor of law, *not frozen*, appear in close proximity in Brennan’s judgement. Pether rightly identifies the dark forces at play in the metaphorical language used by the High Court judge who dealt with the violence of colonisation through crafty acts of judicial deflection.

Counterpoising key moments in Brennan’s judgement and reading these as metaphors reveals the limits of ‘recognition’ and the role of metaphor in strategically acknowledging but ultimately effacing the fact of ongoing colonialism. What is the significance of applying the metaphor of frozen/unfrozen to law? Brennan uses the term to construct an image of common law that is not fixed in the past, that is, not dogmatic; he advocates for a law that is flexible and capable of responding to prevailing social mores, specifically on the question of racial discrimination.

‘Frozen’ law is the undesirable of the two options in Brennan’s representation even if his second metaphor conjuring the ‘fracture of a skeletal principle’ refers to fixity and the ‘natural’ structure of a skeleton. So with one metaphor Brennan is declaring the significance of transcending, or being seen to transcend racial discrimination but with the other he moves to protect a legal structure that is itself the effect of a profound yet unacknowledged form of racial discrimination. Being seen to be taking a stand against ‘racial discrimination’ delimits the discussion to acts that might flow from an otherwise good structure.
Or as Watson argues, ‘when we examine this skeleton of principle, we will discover a colonial violence that is layered on the broken vertebrae of the past’ (Watson 2009: 45).

The truth of this insight is born-out by the third significant metaphor deployed by Brennan: ‘the acquisition of territory by a sovereign state for the first time is an act of state which cannot be challenged, controlled or interfered with by the courts of that state’ (par 31). Here Brennan addresses but displaces the foundational violence of law and an imposed sovereignty by transforming colonisation and its violence into ‘an act of state’. Watson has argued that the High Court ‘affirmed the fiction of a lawful and peaceful settlement’ (Watson 2009: 30). By deeming foundation an ‘act of state; settlement was made lawful and so were the theft and murder of land, children, culture and law’ (Watson 2009: 30). Importantly, Watson sets out a distinction between ‘made lawful’ and (murdered) ‘law’. It is through this distinction that colonial law is stripped of its ability to represent itself as *law-full* and separate from the violence that constitutes it. Colonial law, via Brennan’s rationale of *flexible-yet-frozen* has made space for the current *pro-development* social more to take hold of Aboriginal lands. Colonial law has operated to maintain a genocidal infrastructure through which Australia’s profound sovereign debt crisis continues to be effaced.

In giving the 31st Alfred Deakin Lecture, constitutional law expert Greg Craven made a compelling argument on the importance of subjecting the High Court to rigorous critique. He argued that the functioning of the High court is a matter of fundamental importance within the Australian constitutional polity. If a lawyer, a member of the academy, or even a politician genuinely believes that the Court has strayed from the path of constitutional rectitude, then not only is it the right of that person publicly to say so, but it becomes their solemn duty to do so (1999: 217).

Encoded here is the idea of a moral obligation to defend the ‘proper’ operations of the High Court. Craven continues ‘if one chooses perversely to believe that the course of our country’s highest constitutional Court is fundamentally illegitimate, then this is the
only possible reputable stance, disreputable as it might be’ (1999: 217). After having established the importance of ‘critique’ in the interests of ensuring the ‘proper’ operations of the High Court, Craven reveals the substance of his objection. He comments that during the 1990s, the ‘constitutional decision-making … of the High Court are not primarily, or even substantially, about changes to the law. Instead they are best comprehended as attempts by the High Court to acquire and exercise power over certain fundamental aspects of society’ (1999: 219).

The observation that the High Court is in a struggle for power with other branches under federalism is not new nor is the observation that courts are engaged in profoundly political work (Galligan 1987). What is significant about Craven’s ‘critical’ approach is that while he is scathing of the directions that the Court has taken, he does not question the legitimacy of the High Court as an institution. The effect of this silence around the fact that the ‘founding fathers’ of the constitution were ‘patriarchal white sovereigns’ (Moreton-Robinson 2004) and an insistence that the right approach to be taken by the Court is to allow the intentions of those founding fathers to be realised. He went so far as to argue that ‘it was not to be the role of the Court to “update” the Constitution in light of the passage of time… the Court was not intended to operate as a court of human rights’ (Craven 1999: 221).

Pether’s critical commentary on the High Court does not try to recoup its legitimacy. Instead her insights are deeply critical in that they point to the foundational violence that founded and embedded colonial law. Pether gives central significance to the ‘explicit refusal’ of the High Court ‘to address the sovereignty question’ (1998: 118). I suggest that she would identify Craven’s position as ‘a critical ethicalblindspot and curiously symptomatic’ (Pether 1998:118) especially since Craven’s criticism of human rights judgements by Courts actually aligns with the rationale advanced by Brennan in Mabo. Both Brennan and Craven argue for the structural components of colonial law to be left in place. Pether’s analysis moves beyond the conservative and colonial position advocated by Craven to explicitly name the High Court as being implicated in protecting ‘the source of its own (illegitimate?) power as
the judicial arm of Australia’s national government’ (1998: 118). Far from seeing this judgement as a ‘human rights’ judgement, as though that makes it radical, she names it as ‘an act of containment’ acting to conceal the ‘the covert yet insistent assertion of its own (colonial) power’ (Pether 1998: 118). To have fully acknowledged the debts of colonisation would have perhaps made this judgement ‘constitutionally radical’ (Pether 1998: 116). Applying Pether to Craven, it is clear that the High Court is implicated in power, but not in a way that is disconnected from the broader colonial infrastructure of which it is a central component. The High Court, as exhibited through *Mabo*, is exercising power but doing so in a way that embeds colonial rule and effaces sovereign debt. Australia not only owes sovereign debt but is structured by it.

3 Meeting of the ‘crises’: Sovereign Debt and Migration

Immigration policy in Australia has been instrumental to processes of Indigenous dispossession (Moreton-Robinson 2003). The foundation from which immigration policy stems is the ongoing mythology of an empty land available for filling. While the High Court overturned the doctrine of *terra nullius* and guarded white sovereignty as non-justiciable in *Mabo*, in so doing it produced the coloniser, its key people and key institutions, as non-immigrant (Giannacopoulos 2007:1). The land that was illegally taken, for free, was then filled through both colonisation and waves of migrants from Britain (Moreton-Robinson 2003: 24). Sovereign enactments at the border, mostly of exclusions but also of selective inclusions were and continue to be the visible manifestation of the assertion of an illegitimate sovereignty. It was the second significant economic crisis faced by Greece since the formation of the Greek state in the 1830s that saw large numbers of Greeks arrive in Australia (Kasimis 2012). In 1949 Greece faced a profound refugee crisis with nearly ten per cent of the population requiring resettlement in their devastated villages (Papandreou 1971: 16).

Papandreou wrote that in 1950s the aftermath of the world war combined with the effects of the civil war saw a complete dislocation
of the national economy of the country (Papandreou 1971: 16). In 1961, seasonal agricultural unemployment fluctuated between 10 and 25 per cent depending on the region (Papandreou 1971: 18). In the period between 1955-1973, Greece sent 170,700 migrants to Australia (Kasimis 2012).

Emigration to Australia at that time was possible ‘because in 1945 Australia was concerned with increasing its population and developing its industry whilst simultaneously upholding the colonial ideal of a white Australia’ (Giannacopoulos 2010). When a migration agreement was signed between Greece and Australia in 1952 through the Intergovernmental Committee for European Migration (Alexakis and Janiszewski 1998: 17) a link was established through immigration between the second Greek economic crisis and the effaced sovereign debt crisis in Australia. When Greek poverty was exported, Australia was able to deploy ‘a provisionally white body’ to ‘service its desire to populate, industrialise and continue to colonise’ (Giannacopoulos 2010).

The migration question in times of ‘crisis’ in Greece plays out very differently. The link to Australia through emigration has been effectively severed for Greeks except those with access to citizenship through prior migrations of relatives, or those who can contribute economically to the country through the consumer status of international student. The Australian state is interested primarily in skilled migration and its push back approach to refugees dramatises the broader objective which is to further entrench the split between the Global North and Global South. Greece has transformed in the last two decades into a destination country for some of the world’s most disenfranchised peoples (Kasimis 2012). In the context of the ‘crisis’, Greece is a destination country or the ‘point of landfall’ (Pugliese 2007: 17) for what is officially described as ‘illegal’ immigration ‘from Africa, Asia and the Middle East, primarily through the country’s porous land and sea borders with Turkey’ (Kasimis 2012). The Greek island of Lesvos from January till July 2015 saw 61,636 arrivals while the Dodecanese islands received 34,367 arrivals (BBC 2015). Kos, an island of the
Giannacopoulos

Dodecanese, in 2015, housed refugees fleeing from the Syrian civil war on a passenger ship (BBC 2015).

The Greek Government reportedly called the ferry ‘a reception facility but critics view it as a detention centre’ (BBC 2015). The ironies underpinning these events during times of economic crisis are multiple. Greece, incapable of caring for its own population is still ‘the gateway’ to Europe while not quite being Europe. Greece strategically positioned to police the ‘faultline between Europe and Africa’ (Pugliese 2010: 117) for the EU while simultaneously being at its economic mercy.

Northern Australia, another geopolitical point of demarcation between the Global North and Global South in that it marks ‘the fault line between Australia and Asia’ (Pugliese 2010:117) is also deemed undeveloped or ‘Southern’ by the Australian Government. Both places are sovereign debt zones as well as critical oceanic entry points for the world’s poorest peoples, demonstrating not only the ‘complex historico-cultural lines’ (Pugliese 2007: 17) between the two zones, but the very indistinction between the Global North and Global South.

4 Austerity: Discipline, Development and Assimilation

In the same Q&A discussion referred to above, Kelly O’Dwyer, Liberal member for the seat of Higgins in Melbourne’s south-east, said ‘when austerity hits it hurts and it hurts some of the most vulnerable people in our communities. We never want to get to a situation in Australia where we are bringing in austerity measures’ (2015). What is austerity and how can O’Dwyer be so sure that it is not already prevalent in Australia? In the neo-liberal economic sense, austerity regimes are focussed on generating growth through cuts to ‘wages, prices and public spending’ (Blyth 2013:2). The aim is to ‘restore competitiveness which is (supposedly) best achieved by cutting the state’s budget, debts and deficits’ (Blyth 2013:2). Blyth argues that austerity is a ‘dangerous idea’ not only because it doesn’t work but because of the way austerity is made to appear as the cure for ‘something called the “sovereign debt crisis”, supposedly brought on by states that apparently “spent too much” (Blyth 2013:5). I build on Blyth’s interrogation of the
very concept of ‘sovereign debt crisis’ to argue that the Greek crisis, despite being very real in terms of the material effects on the people, is represented in a hyper-visible way to enable the economic assimilation of austerity.

The effects of economic assimilation have been felt acutely and contested strongly in Greece. It was in April 2010 under the Prime Ministership of George Papandreou that Greece sought ‘financial assistance’ from the troika comprised of the International Monetary Fund, the European Union and the European Central Bank (Papadopoulos and Roumpakis 2013). The act of seeking assistance set in train a series of events that would not only severely undermine the quality of life of the Greek people but would also begin to undo the idea that Greece as a nation state continues to have sovereignty. While the ‘sovereign debt crisis’ unfolded, the meaning of sovereignty unravelled. The demand that the Greek people be subjected to austerity, an assimilationist regime imposed by foreign monetary organisations undoes and transforms the dimensions of national sovereignty. While Greece must remain a sovereign state in order to pay its debtors, the manner in which this is dictated and imposed undoes Greece’s national sovereignty. Or, as Lavdas explains, the issues on the ‘future of sovereign debt and sovereign risk in an evolving regime of European economic governance’ are issues that go to the heart of ‘the very concept of stateness’ (Lavdas 2013:1). Gourgouris comments ‘though Greece still exists on the map of nation under a sovereign flag, it is effectively a country on hold - or under hold - a country whose sovereignty has been mortgaged’ (Gourgouris 2012). These aporias or structuring contradictions of the Greek ‘crisis’ are precisely where the colonising function of sovereign debt crisis and its strategy of austerity is located.

The sharp rise in suicide and hopelessness among the Greek people since the onset of austerity has been widely and chillingly documented. Writing in 2012, Gourgouris commented that ‘suicide rates have tripled in the last year, in a country that statistically held the lowest suicide rate in the world’ (see also Gopal 2015). Gourgouris also observes that many more ‘are living in borderline hunger conditions, a level
of poverty not seen since the Second World War and its aftermath’ (Gourgouris 2012).

Other commentators have looked at global wellbeing surveys highlighting ‘substantial increases in feelings of melancholy, symptoms of clinical depression, suicidal thoughts and self-reported suicide attempts’ (Papadopoulos and Roumpakis 2013). Dimitris Christoulas ‘a retired pharmacist whose pension had been cut drastically, shot himself during the morning rush hour’, his suicide note assigning responsibility to elected leaders: ‘the government annihilated all traces of my survival...I see no other solution than this dignified end to my life, so I don’t find myself fishing through garbage cans for my sustenance’ (Gopal 2015). Nikos Panagos, who had worked in construction for 45 years was using his pension to support himself and his six adult children, who had also become unemployed. When the pension was cut to 400 euros a month, he found himself lining up for handouts and searching bins for food (Gopal 2015). In Panagos’ words ‘Austerity has taken my dignity’ (Gopal 2015). Those surviving in employment endure the reality that with ‘employment rights severely curtailed and job insecurity rampant, employers can make the most audacious, and often illegal demands’ (Papadopoulos and Roumpakis 2013).

In one sense when the elected Greek Government of Papandreou sought the ‘help’ of some of the most powerful financial institutions in the world, his Government was playing out what might be seen as a coloniser’s fantasy by inviting foreign economic intervention to remedy the inability to self-govern. The Government ostensibly defeated by debt, could no longer carry out the tasks of governance for which it had been elected. But the domestic legal machinery was deployed by elected politicians to prepare the terrain for these economic imperialising developments. In May 2011, Law 3965/2011 was enacted providing that ‘all state revenue, which will be created henceforth due to the privatization and/or liquidation of state assets, is going to be used exclusively for the reduction of public debt’ (Lavdas, Litsas and Skiadas 2013: 160). Law 4063/2012 followed in March 2012, cementing the ‘primary principle of fiscal policy in Greece’ to be the ‘servicing of the
public debt as the main priority’ (Lavdas, Litsas and Skiadas 2013: 160). These domestic laws demonstrate not only the primacy of debt over the well-being of the Greek people, but reveal a significant break in the logic and enactment of national sovereignty. The master narrative of the ‘sovereign debt crisis’ violently disciplines the Greek population by privileging debt over people revealing the real crisis: a sovereign elected government unwilling and/or unable to act in the interests of its people. In this crisis of sovereignty the imperial dimensions of the Greek situation are laid bare.

Since the ‘sovereign debt crisis’ required ‘austerity’ so too was a new European system of governance ‘to ensure the effective implementation of austerity policies and “structural reforms”’ (Schulten and Muller 2012: 181). This new governance regime can, in part, account for the inability of elected sovereign leaders to decide on policy inside their jurisdiction since it ‘shifted decision-making powers increasingly from the national to the European level – thereby curtailing the national actors’ discretion over policy choices’ (Schulten and Muller 2012: 181). This has enabled European institutions such as the European Commission, the European Central Bank and the European Council ‘to directly intervene in national collective bargaining arrangements by pushing for wage cuts and freezes and the decentralisation of wage-setting arrangements’ (Schulten and Muller 2012: 181). This has led some commentators to suggest that ‘the current economic crisis in Europe is … a crisis of competitiveness in which the main aim is to achieve comparative advantages through more flexibility on the labour market and lower labour costs’ (Busch et al 2013: 7).

The ‘new European interventionism’ (Busch et al 2013:8) or ‘authoritarian neoliberalism’ (Bruff quoted in Busch et al 2013:8) on wage policy finds its legal basis in the Euro Plus Pact adopted in 2011. The raft of legislation that followed designed to implement the pact Euro Plus Pact will see that financial sanctions are imposed on countries that ‘fail to meet targets and do not implement the EU’s economic recommendations’ (Busch et al 2013:8). The effects of this governance model have been felt acutely in Greece where financial pressure was
applied in the context of ‘bail outs’ to bring about deep structural reforms to the labour market. The production of the ‘sovereign debt crisis’ has been central to engendering a climate where such reforms could occur.

The validity of Blyth’s interrogation of the very concept of ‘sovereign debt crisis’ is evident when placed into this larger context of labour and not just debt. The hyper visible ‘sovereign debt crisis’ has violated lives through austerity which is the vehicle for economic assimilation to an authoritarian neo-liberal order. This, Gourgouris would argue, is the ‘essential contradiction between democracy and capitalism’ where the nation-state guaranteeing self-determination is ‘now thoroughly dismantled by a globalised economy that could care less about national boundaries, cultural particularities, social histories…societies themselves as self-recognised collectives of real men and women whose very conditions of life are at stake’ (Gourgouris 2012). Although Gourgouris argues that this depiction ‘is not meant to be taken metaphorically’, his description seems unconscious of yet an additional layer of meaning: the economic governance regime of austerity he describes has a precedent in colonial regimes of governance.

5 Colonial Austerity

The idea that an imposed regime brings harm, suffering, injustice and attempts to annihilate pre-existing law and sovereignty is not new to First Nations Peoples. In Australia the harms that continue to be inflicted by the imperial regime on Aboriginal peoples and lands are profound. Where commentators note the sharp rise of suicide in Greece, the Australian situation is marked not only by a high incidence of suicide among Aboriginal peoples but also by genocide. Genocide in Australia began with ‘colonising myths of emptiness’ achieving ‘massive depopulation due to frontier violence and deliberately introduced diseases causing deaths of thousands of First Nations Peoples’ (Watson 2015:10). These ‘colonising myths’ were affirmed in Mabo ‘as it is clear also from the judgement that any recognition of the crime of genocide committed against Nungas would fracture the skeletal principle’
Sovereign Debts: Global Colonialism, Austerity and Neo-Liberal Assimilation

(Watson 2015: 113). Assimilation, while no longer official public policy persists in the form of ‘main-streaming’ which is where ‘Nungas are absorbed into mainstream Australian society and culture because there is no other choice for those who have no land base, language or culture’ (Watson 2015: 110). Watson argues that dispossession is the precondition for dependence on a state ‘that has historically set out to annihilate our First Nations being’ she asks, ‘What quality of life might we expect?’ (Watson 2015: 119). In describing the trauma of colonisation felt by First Nations peoples, Watson writes and I quote at length:

The face of contemporary suicide is not so much death by shooting or poisoning, as occurred in the nineteenth century; it is death arising out of severe trauma and a pain so big that many of our people let go of life. Indigenous people of the modern world have ‘discovered’ ways to kill the pain: suicide, drugs, alcohol. If we were to measure the contemporary impact of genocide and its experience, some of the worst indicators would be found in the mental and physical health statistics of Nungas. Our profiles are Third World standard, in a country that enjoys being a leader among global capitalist economies. And if you studied our historical profile in terms of self-determination, land ownership and management, housing, health, cultural integrity, maintenance of languages and education, standards that we have lived under you would begin to identify a destructive environment of state control. We are disappearing peoples (2015:134).

Here a powerful argument is built around the changing face of colonialism, first killing in an overt manner and then leaving people to self-destruct. There is an explicit link, caused deliberately and strategically by the state, between lack of self-determination, disconnection from land and country and self-destruction. The increasing incidence of suicide in Greece can similarly be understood as an effect of economic imperialism. The Northern Territory National Emergency Response Act 2007 (NTER), a legal apparatus of austerity, was ostensibly a ‘response’ to rampant child abuse in Aboriginal communities. Yet the legislation only implemented a small proportion of the recommendations made by the Little Children are Sacred report
The NTER deployed ‘military and police to instantiate direct Commonwealth governmental control of indigenous communities; the forcible acquisition under limited term leasehold without the constitutionally required “just terms” of indigenous lands, title to which had been acquired in the wake of land rights legislation and the … *Mabo* decision’ (Pether 2010: 28). Watson has commented that this interventionist action was represented as necessary for justice revealing an ‘image of justice … which enables the violent foundations of colonialism to continue to hold territory and transform the life of Aboriginal peoples. It is a violent act which masquerades as being beneficial to impoverished Aboriginal communities across the NT but one that once again boils down to the legitimising of the right to invasion of Aboriginal land and lives’ (Watson 2009: 47).

O’Dwyer (in the *Q&A* discussion referred to above) is blind to the austerity regimes that have operated consistently against Aboriginal communities under colonialism. But she is right about one thing: austerity does hurt. In particular, colonial austerity hurts because the economic discipline imposed under the legislative manoeuvres of the NTER are only one layer of the deep structural violence embedded into colonial law and inflicted on Aboriginal peoples and their lands. While the Greeks are subjected coercively to austerity measures in order to ‘repay’ debt, the Australian state is never held to account or asked to give up the privileges that are predicated on unpaid and disavowed debt. The Australian sovereign debt crisis structures the ‘successful’ Australian economy but remains unintelligible under continuing colonial conditions. It is the colonising power that continues to demand access to land and resources and in so doing continues to obfuscate what it owes.

### 6 Resistance, Referendum and Authorising Colonisation

Guardiola-Rivera’s question ‘What comes after sovereignty?’ (2010) hung heavily in Greece following the election of SYRIZA in early 2015. The Greek ‘crisis’ has shown in no uncertain terms that while Greece
has had to remain a sovereign entity so that it may repay its ‘debts’ through austerity, this fact has undone its sovereignty. The election of SYRIZA was significant not only because this party displaced a firmly entrenched ‘local oligarchy’ (Gourgouris 2015), but also because the party’s election on the promise of anti-austerity signalled the peoples profound resistance to the economic assimilation inflicted upon them. It is for this reason that the call for a referendum just months after being elected to re-establish whether the Greek people were anti-austerity was intriguing. Many were hopeful that the election of SYRIZA would enable an end to austerity to preserve ‘the most valuable principle of modern European culture: democratic autonomy’ (Gourgouris 2015). This sense of hope expressed by Gourgouris is punctured by a Eurocentrism that operates as though autonomy via austerity is under threat in the world for the first time. ‘Austerity aims at rearranging late capitalism in conditions of severe crisis … austerity led to a developing humanitarian crisis with homelessness, mental illness and suicide at unprecedented and growing levels … these measures are part of a wholesale restructuring of life … Greek society is collapsing before our eyes’ (Douzinas 2013:11).

It is difficult to disagree with Douzinas, this is indeed a crisis that has transformed Greek society and sets the stage for a more far reaching global economic ordering. Key capitalist economies like Australia, were founded precisely on the crisis and austerity conditions now under scrutiny in Europe and yet this profound sovereign debt crisis remains invisible, unintelligible. Guardiola-Rivera’s position is that there has already been victory with the elections in Greece. SYRIZA ‘faced with a forced choice, in an impossible position, has asked for the impossible’ and ‘from an impossible position and in a catastrophic situation, it hasn’t been afraid to succeed’ (Guardiola-Rivera 2015). Watson writing in 2007 on Aboriginal sovereignty and its survival under the violent conditions of the colonial state drew on Derrida’s work on impossibility to assert that it is precisely from the position of the impossible that thinking begins (Watson 2007). Will sovereign debt owed to Aboriginal peoples remain impossible to see even though ‘humanity has contracted a debt with Indigenous peoples because of the historical misdeeds against them’
Giannacopoulos

(Martinez 1999)? Did the voice of the Greek people carry sufficient weight to disturb the development agenda of the EU?

The Greek referendum led Greek-Australian novelist Christos Tsiolkas to report experiencing ‘political hope and political optimism’, sensations that he thought were ‘no longer possible’ (Tsiolkas 2015). Within a week though with ‘hope and optimism … dissipated’ (Tsiolkas 2015) Tsiolkas gave voice to a sense of hopelessness and confusion felt by many who were optimistic about an ostensibly democratic and lawful collective utterance of NO to austerity. Within a week of the NO vote the SYRIZA Government effectively nullified the democratic will by signing up to further austerity measures meted out by the EU (Lowen 2015). Prime Minister Tsipras, despite the loud NO of the people, signed up to privatisation, further public sector pay cuts and the phasing out of early retirement (Lowen 2015). It is in these post-referendum developments that Costas Douzinas’s claims become animated. Douzinas has written that ‘the troika is not an organ of the Greek state. It lies outside the legal order but has near absolute power to change it. The troika’s extra legal status makes it the ultimate source of law’ (Douzinas 2013: 101). There could not be a clearer illustration of the loss of national sovereignty and the subservience of Greek sovereignty to EU sovereign power than in the post-referendum developments. Dimitris Tsoukalas, General Secretary of the Interior Ministry said ‘we couldn’t overcome the bankers and the northern European elite who have absolute power in this continent’ (quoted in Lowen 2015).

I suggest that to resist colonial power one must have as a goal a disentanglement from the colonising order. This has not been the goal of the SYRIZA Government as expressed by Tsipras’s rationalisation post-referendum: ‘it is our duty to keep our people alive and in the Eurozone’ (quoted in Lowen 2015). Tsipras’s statement feels real but I would suggest it is covering over the long term suffering that this goal will bring into being. John Gray has commented that the result of the latest bailout will be to ‘lock Greece into permanent poverty, while the burden of debt will never be paid off’ (Gray 2015). Greece he argues ‘has been forced to submit to another round of destructive
and self-defeating austerity policies in order to save the euro’ (Gray 2015). When the Prime Minister insists on the validity of the EU as a sovereign structure, we are hearing echoes of Justice Brennan in *Mabo*: the foundational structure of colonialism cannot be questioned.

The ‘Recognise’ campaign for recognition of Aboriginal people in the Australian Constitution echoes the Brennan/*Mabo* logic. ‘Recognising’ Aboriginal people in the Constitution is a deeply violent proposition, one that is currently favoured by both sides of Australian politics. I say that it is deeply violent because, ‘completing’ the Constitution through ‘Recognition’ as the Prime Minister Abbott suggests (Brennan 2015) is actually an attempt to complete the project of assimilation. The Constitution establishes a legal and colonial infrastructure, one that is genocidal in intent and effect and in so doing it displaces the sovereign debts that have been incurred to found the Australian nation. The Constitution is not innocent, providing the ‘basic structure of Australian federation’ as Frank Brennan has suggested (Brennan 2015). The Constitution divides and separates power while seeking to maintain exclusive law-making power over the nation. Whether the states, the judiciary, the executive or parliament make law, it is still an imposed colonial law (Giannacopoulos 2015). The ‘Recognise’ campaign masks over colonial law and violence as did the overturning of *terra nullius*. Seeing the foundational violence of the Constitution and of the EU are more challenging propositions but necessary if peoples are to be in a position to resist colonial governance.

Douzinas sees a type of ‘poetic justice’ in the Greek crisis since ‘neo-colonial strategies imposed on Africa and Latin America are reimported for the first time to the continent which invented and spread them’ (Douzinas 2013: 101). I cite this point to return to my central argument: some sovereign debt scenarios still fail to register as such. Naming and revealing the many facets of Australia’s effaced sovereign debt crisis is crucial for addressing questions of justice for Aboriginal peoples but it is also significant in that it allows a tracking of the coordinates of contemporary colonial power. Neo-liberal austerity is arguably the most prevalent colonising force globally. Moves towards
decolonisation ‘would decentre Western political theories and a global order, which is regulated by linear thinking, thinking that has produced “a colonial matrix of power” that holds dispossession of those colonised by the state at its core’ (Watson 2015: 149). Decolonisation should not be understood as a metaphor since the ‘metaphorization of decolonization makes possible a set of evasions, or “settler moves to innocence”’ (Tuck and Yang 2012:1) as was the case with the High Court’s ideological work in *Mabo*. Nor should it be understood as only having relevance for settler-colonial societies. Decolonisation is necessary not only for the future of First Nations but for ‘human life on earth…those are the stakes’ (Watson 2015: 149).

**Notes**

* Maria Giannacopoulos is Senior Lecturer in Socio-Legal Studies at Flinders Law School. Maria.Giannacopoulos@flinders.edu.au

I am very grateful to Professor Joseph Pugliese and Professor Nan Seuffert for inviting me to the ‘Troubling Waters’ Symposium held at the Legal Intersections Research Centre on 18 July 2014 to honour the work of Professor Penny Pether. I was privileged enough to have been taught by Professor Pether during my time as a law student at the University of Wollongong. A big thankyou to Julia Terreu, Dr Colleen McGloin and to the anonymous referees for their insightful and much valued comments. And of course, thankyou to Jillian Kramer for her dedication to this special issue.


**References**


Alexakis E and L Janiszewski 1998 In *Their Own Image: Greek Australians* Sydney Hale and Iremonger


Brown C and K Davis 2010 ‘Australia’s Experience in the Global Financial Crisis’ in Kolb 2010: 537-545


Galligan B 1987 *Politics of the High Court: A Study of the Judicial Branch of Government in Australia* University of Queensland Press St. Lucia


Graeber D 2011 *Debt: The first 5000 years* Melville House New York


Kolb R 2010 *Lessons from the Financial Crisis: Causes, Consequences and Our Economic Future* John Wiley and Sons New Jersey


Martinez MA Study on treaties, agreements and other constructive arrangements between states and indigenous populations available from http://www.unhchr.ch/Huridocda/Huridoca.nsf/0/696c51cf6f20b8bc802567c4003793ec last accessed 12 November 2015

Mc Kenzie M 2015 ‘Fact Check: was Australia on a debt trajectory heading to 122% of GDP?’ The Conversation available from http://theconversation.com/factcheck-was-australia-on-a-debt-trajectory-heading-to-122-of-gdp-39496 last accessed 7 April 2015


Papadopoulos T and A Roumpakis 2013 ‘From anti-social policy to generalised insecurity: The Greek crisis meets the decline of the European Social Model’ Κοινωνική Πολιτική available from https://www.academia.edu/3537066/From_antisocial_policy_to_generalised_insecurity_The_Greek_crisis_meets_the_decline_of_the_European_Social_Model last accessed 28 August 2015

Papandreou A 1973 Democracy at Gunpoint: The Greek Front Harmondsworth Penguin

Giannacopoulos


– ed 2010 *Transmediterranean: Diasporas, Histories, Geopolitical Spaces* Brussels Peter Lang

– 2007 ‘White Historicide and Returns of the Souths of the South’ *Australian Humanities Review* 42 August-September


Schulten T and Muller T 2012 ‘A new European interventionism? The impact of the new European economic governance on wages and collective bargaining’ *Social Developments in the European Union* 181-213


Sovereign Debts: Global Colonialism, Austerity and Neo-Liberal Assimilation


**Cases**

*Mabo v Queensland (No 2) (1992) 175 CLR 1*