Greece: A warning for European workers

Marius Heuser
11 December 2009

In his poem *On Violence* the German playwright Bertolt Brecht wrote: “The headlong stream is termed violent. But the river bed hemming it in is termed violent by no one.” In light of the recent protests and clashes in Greece it is evident that the riverbed has narrowed considerably in the course of the past year. The living conditions for young people and their prospects for the future have only worsened since students took to the streets in protest last December.

The army of over 10,000 armed police assembled last Sunday to suppress the protests in Athens is a demonstration of the brutality with which the ruling elite all over the world is seeking to defend its privileges in a period of economic crisis. In this respect, the events in Greece are of great importance for class-conscious workers in Europe and internationally.

With the country facing bankruptcy, the European Union has intervened in Greek political life to dictate a draconian austerity program. The Brussels-based EU officials have put the thumbscrews on the Greek government, repealing the country's control over its own budget “for a certain period” and restricting basic democratic rights.

For its part, the social-democratic PASOK government has pledged to implement all of the demands laid down by Brussels with the utmost brutality against workers and young people. In so doing, it is relying on the trade unions and the direct or indirect support of so-called “left” parties.

The latest developments in Greece are indicative of what is on the agenda for the rest of Europe. The European financial elite is using the institutions of the EU to determine policy in specific countries, circumvent democratic rights and shift the entire burden of the economic crisis onto the population.

Due to its dependence on foreign direct investment, Greece has been especially hard hit by the international economic crisis. The country's indebtedness has reached record levels and now threatens to destabilize the euro. Leading rating agencies promptly downgraded Greece following the announcement by Prime Minister George Papandreou that the Greek budget deficit for this year is expected to total 12.7 percent of gross domestic product (GDP). Fitch downgraded the country from A- to BBB+, thereby increasing the interest payments to be paid by the Greek state. According to some estimates, the public debt could rise in 2010 to nearly 125 percent of GDP—solely due to the increased interest charges. Under such conditions the bankruptcy of the entire country is entirely possible.

This situation has been intensified by the greed of the Greek elite. In a veritable orgy of nepotism and corruption, the country’s two main political parties, the social-democratic PASOK and the conservative New Democracy, have handed over billions to the elite via the privatization of state enterprises. In its corruption index, Transparency International currently ranks Greece as the second most corrupt state in the European Union, just behind Poland.

Broad layers of the Greek population were already suffering prior to the economic crisis. In 2007, one fifth of the population lived below the poverty level of €4,000 per year. Around 20 percent of school leavers are unable to find work. The state spends just 2.5 percent of its GDP on education.

Now the country's huge debt burden is to be reduced at the expense of workers. The corrupt ruling elite in Greece has so far proved incapable of carrying out the economic measures demanded by Brussels, and the EU has now decided to take direct control of the state's finances. They are doing this in the closest collaboration with major European banks and the international financial aristocracy.

Although Prime Minister Papandreou has already announced his intention to lower the state deficit in 2010 through severe cuts to the country's pensions

© World Socialist Web Site

budgets and a 9.1 percent cut in the salaries of public service workers, there are a number of indications that the EU is planning much more extensive cutbacks.

The EU Council of Finance Ministers, which had already introduced an excessive deficit proceeding against Greece last spring, has systematically stepped up its pressure on the Greek government. In January of next year, Greek Finance Minister Giorgos Papakonstantinou must submit a detailed plan to the Brussels commission for the consolidation of the country's finances. The situation in Greece will also be on the agenda of the December 17 meeting of the European Central Bank. The ECB may further intensify pressure on the state by denying Greek financial institutions the possibility of depositing Greek government loans as collateral for debts.

A number of media commentaries have sought to strengthen the hand of the EU in this crisis. The *Financial Times Deutschland* writes: “The European Union should declare its readiness to support its tottering member if it unconditionally accepts in turn a consolidation course dictated by Brussels. For a limited period the Greek state would have to yield up its sovereignty over budget policy. That would be bitter for the Greeks, but absolutely necessary, if the EU and its stability pact are to retain even a semblance of credibility.”

EU institutions, therefore, are being called upon to assume direct responsibility for the budget policies of its member states—all at the behest of the financial elite. Elected governments, democracy, any consideration for the needs of the population: all of these factors stand in the way of the necessary course of budget consolidation. The tackling of the Greek state debt crisis is a warning to all European workers: the ruling elite is ready to circumvent basic democratic rights in order to place the entire burden of the crisis on the backs of the population.

The conservative ND government led by Kostas Karamanlis, embroiled in corruption and scandals, was unable to counter the wave of public opposition which culminated in the youth revolts a year ago. The elections last October were aimed at bringing PASOK back into power in the hope on the part of the ruling elite that the social democrats would be better placed to hold the population in check.

PASOK is incapable of doing this alone, however. The party had also thoroughly discredited itself in the course of nearly 30 years in government. It needs the support of various nominally “left” groups, such as the Greek Communist Party (KKE), the Greens and the Radical Left (Syriza). Their job is to attempt to breathe new life into the worn-out PASOK apparatus. In the recent election campaign, these groups unceasingly declared that PASOK represented the “lesser evil” compared to New Democracy and even expressed their readiness to join the former in a coalition government.

The Papandreou government also has the support of the country's two biggest trade union federations—GSSE and ADEDY—both of which are prepared to support social cuts and implement them in the factories. They have a long history of betraying Greek workers and have frequently supported the privatization of state-owned factories as well as government imposed welfare cuts.

The government’s determination to curtail social and democratic rights is very evident in the recent demonstrations. The police were instructed to show “zero tolerance,” and no less than 784 demonstrators have been arrested since last Sunday.

Workers and young people in Greece, however, confront not merely the Greek state authorities but also the institutions of the EU and the European financial elite. These interests are represented in Greece by a combined front of political parties, radical groups and trade unions—all of which are determined to break any resistance.

The mass protests have their source in the intensifying social contradictions in Greece. In and of themselves, however, they offer no solution; neither PASOK nor the ND can be pressured by such protests to cease defending the interests of the financial elite.

The only viable perspective for combating the dictates from Brussels and the associated social and political attacks consists of an international orientation and above all a socialist program to unify workers across national boundaries in a common struggle to establish the United Socialist States of Europe.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site