Greece under European Union diktat

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For the first time since the introduction of its common currency, the European Union has made a country subject to its diktat. The European Commission intends to rigorously supervise the brutal austerity programme by which the Greek government plans to cut its budget deficit from 13 to 3 percent of the country's gross domestic product within two years.

The basis for the virtual dictatorship of the EU bureaucracy is a plan submitted in January by the Greek government to the European Commission. The plan envisages an overall reduction in public expenditure of 10 percent, public service wage cuts and job cuts, a two-year increase in the retirement age, cuts in the health service, and higher taxes, including a tax surcharge on fuel.

The European Union spent three weeks examining the plan and intends to review its implementation every one to three months. If the Greek government deviates in any way from the plan, Brussels threatens to impose even more sweeping austerity measures.

EU Economics and Currency Commissioner Joaquin Almunia said last week, "We support and will supervise Greece with all the means at our disposal." He added that the "reforms" of the health service, pension entitlements and the job market had "urgently" to be implemented. Any deviation would result in "immediate additional cost-cutting requirements."

In practice, this means that the elected members of the Greek parliament and the Greek government can no longer freely decide on expenditures that affect the lives of millions of citizens. Sovereignty over the Greek budget lies with non-elected bureaucrats in Brussels, who lack any democratic legitimacy.

The *Süddeutsche Zeitung* commented that "the Greek parliament can no longer decide on expenditure without the Europeans casting their eyes on it. The deputies must nod through the government's proposals for wage cuts in the public service, savings in pension entitlements, reforms of the tax and social security systems, as well as the overall cut in public expenditure of around 10 percent. They have the controllers from Brussels sitting on their shoulders." These check "every figure, every vote."

This development has a significance that extends far beyond Greece. The Mediterranean country is to serve as a test case for the entire European Union. It represents merely the tip of the iceberg.

Spain, Portugal, Italy, Ireland and Belgium all have similar high levels of debt, and Austria is in danger of being dragged into the abyss by its ongoing banking crisis. Even the allegedly "strong" eurozone countries such as Germany and France have piled up record deficits.

These debts have arisen from the hundreds of billions pumped into the banks by European governments in order to cover the banks' speculative losses and enable them to make fresh profits. Now, these gaping budget holes are to be plugged at the expense of the working class, with the European Commission assuming the role of chief debt collector for the banks.

Greece provides an especially lucrative prospect for the financial predators. It must pay 3.5 percentage points more interest on its debt than Germany, although it shares the same currency. The banks, which can borrow money from the European Central Bank at near-zero interest rates, are able to make an enormous profit lending to Greece at extortionate rates, which they justify on the basis of the country's risk of a state bankruptcy.

Meanwhile, the country is being propelled into the vortex of international speculation, which in turn intensifies its budget crisis. According to the *Financial Times*, hedge funds and speculators invested around $8 billion betting against the euro last Monday, the largest sum ever invested on the expectation of a currency's decline. Many media outlets have drawn a parallel with the speculation against the British pound carried out by George Soros in 1992, which led the British Central Bank to devalue the pound, resulting in billions in profit for Soros.

The crisis in Greece is attracting the most parasitic representatives of finance capital, whose methods resemble those of the Mafia, with the European Commission serving as the consigliere to the godfathers of finance.

Such ends cannot be achieved through democratic means. While the PASOK government of Greece, led by George Papandreou, is quite prepared to cooperate with the European Union and prove its readiness to implement radical economic cuts, the Greek population has been robbed of any possibility of influencing policy through democratic means by the EU overlords.

It is only 36 years since the Greek military dictatorship was brought down following 7 years of bloody rule. A return to a similar state of affairs is not excluded. The logic of the EU policy points in this direction.

At present, the EU and the financial interests behind it are relying on the social-democratic PASOK, which owes its election victory last October to mass opposition to the right-wing Karamanlis government. For its part, PASOK relies on the trade unions, which seek to keep growing popular opposition under control by organising disjointed, limited actions aimed merely at letting off steam.

The unions, in turn, rely on the opportunist, pseudo-left parties—the Stalinist Communist Party and the SYRIZA alliance—to provide them with political cover, bolster their efforts to channel popular anger along nationalist lines, and block the development of a socialist and internationalist perspective for the working class.

These organisations, however, are increasingly discredited and could well lose control over the working population. The likelihood of an open confrontation is growing. Workers must prepare for such an eventuality by drawing the necessary political conclusions.

The mere fact that all relevant decisions regarding Greek policy are made in Brussels demonstrates that there is no national solution to the crisis. Those forces—whether from the left or the right of the political spectrum—that seek to delude workers with talk of a national solution are leading them into a dead end. The globalisation of production and financial markets has long since stripped away the basis for all national programmes.

Greek workers must turn to the European and international working class and fight for a socialist programme based on expropriating the major financial institutions and corporations and placing them under democratic social control.

For their part, workers in Germany, France, Italy, Spain and the other EU countries must take up the cause of the Greek workers. If the European Commission succeeds in implementing its programme of drastic cuts in Greece, they will be next.

Five years ago, the French and Dutch electorate rejected the draft for a European constitution. The editorial board of the *World Socialist Web Site* opposed the constitution, writing: “Whoever votes ‘yes’ is not voting ‘for Europe,’ as the proponents of the constitution state. Such a vote legitimises the bourgeois state, capitalist private property, militarism and imperialist foreign policy. It legitimises a Europe in which the elementary interests of the population are subordinated to the profit interests of the major corporations and banks.”

Since then, the European constitution has been imposed by back-door methods, in the form of the Lisbon Treaty, and the warning made by the WSWS has been completely vindicated. What we further wrote at that time is entirely applicable today: “The only alternative to the European Union and its constitution that genuinely embodies the interests of the working class is the United Socialist States of Europe.”

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