

# Greece, the euro crisis and the issues confronting the European working class

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The decision by the US rating agency Standard & Poor's (S&P) to downgrade Greek debt to junk status and its subsequent downgrading of Portugal and Spain augurs a new stage in the European and international financial crisis.

The speculation on a default by Greece has now expanded into speculation on the breakup of the Eurozone. The *Handelsblatt* newspaper warns of a financial and political wildfire, while *Der Spiegel* writes that the "fiscal domino effect" is already underway. This development places in question the future of the joint European currency.

Governments and parties across Europe have reacted with drastic attacks on all social conditions. Wages, pensions, unemployment benefits and every form of social security benefit are being slashed, while the prices of foodstuffs and basic consumer goods are being driven up through increases in the value added tax.

The very financial aristocracy whose reckless and criminal practices brought the international economy to the brink of collapse in the autumn of 2008, and then pocketed billions in taxpayer funds to cover their bad gambling debts, are now dictating to European governments the breakup of the welfare state.

On Thursday, German President Horst Köhler protested the dictatorship of finance capital. At the Munich Economic Summit, Köhler called for drastic measures against financial speculators.

"The current crisis", he said, "indicates a pattern which is unacceptable—profits are pocketed by a small minority, while losses are covered by the population at large". He added, "Politics must re-establish its primacy over the financial markets. Without adequate regulation, too much room has been left for those who operate in the financial markets".

Köhler concluded that the situation in which these forces are able to blackmail the state can no longer be tolerated.

This outburst by the German president will be laughed off in the executive suites of the major banks. After all, as state secretary in the Finance Ministry in the 1990s and later as director of the International Monetary Fund (IMF), Köhler was instrumental in facilitating the expansion of the power of finance capital.

There is only one way to halt the offensive of the financial elite: the working class must intervene as an independent political force. Workers in Berlin, London, Paris, Athens and every other European city cannot allow a gang of speculators to destroy the living standards of millions of people in order to satisfy their rapacious appetite for ever greater personal wealth.

Workers must pose the question: Where will this lead? What are the political implications?

When the capitalist profit system collapsed 70 years ago and the population was forced to bear the brunt of the crisis, the ruling elite did not hesitate to junk democratic norms. Dictatorships were established in a series of countries in order to break popular resistance. In Germany, the Nazis were brought to power in order to crush working class organisations and whip up an anti-Semitic and nationalist hysteria in preparation for war.

The threatened collapse of the euro and the dismantling of the European welfare state system raise the spectre of a return to the horrors of the 1930s. Extreme right-wing and openly fascist parties are already raising their heads, as in Hungary. They are being backed and manipulated by influential institutions such as the Konrad Adenauer Stiftung in Germany.

The media are also helping to whip up nationalist sentiments. Witness the vile tirades against the Greek population by the tabloid *Bild* and the weekly magazine *Stern*; the anti-Islamic witch hunt in France and Belgium, and the racist immigration laws of Berlusconi in Italy. Workers must decisively reject and repulse all such attempts to divert social resistance into racist and nationalist channels.

The speculation against Greece, Portugal, Spain and the euro makes clear that the progressive unification of Europe can come only from below, through the intervention of the European working class.

In order to develop the independent strength of the European and international working class, it is necessary to break with the corrupt, nationalist apparatus of the trade unions. As is the case in Greece, the unions in every country seek to subordinate workers to their respective governments and limit popular resistance to harmless forms of protest.

Such a policy only serves to fuel frustration and despair amongst workers. On Thursday, when trade union leaders met with Greek Prime Minister Papandreou to discuss further austerity measures, several hundred demonstrators engaged in street battles with police.

All of the deals struck between the unions and government leaders must be declared null and void. These corrupt bureaucrats have no right to speak in the name of the workers.

Workers and youth must organise themselves independently of the trade unions and establish action committees in the tradition of the workers' councils of the past. Such committees should be the

forum for discussing and elaborating a new, international strategy to oppose the offensive being waged by the European and international banks, backed by the institutions of the European Union and the European governments.

A break with the unions also means a political break with the middle-class defenders of the trade union bureaucracy.

Political groups such as the Greek SYRIZA, which describes itself as a “coalition of the radical left”, and Antarsya, which was founded in the spring of last year as the “Anti-Capitalist Left Cooperation for the Overthrow”, function as arms of the union bureaucracy. They work closely with the government and are hostile to any genuine independent mobilisation of the working class.

The more that resistance grows amongst workers, and the greater their alienation from and disgust with the trade unions, the more these groups move to the right. Many of their leaders and prominent members are integrated into the corporatist “social partnership” between the state and the trade unions. Confronted with a rising tide of popular opposition, they fling themselves into the arms of the state.

A similar role is played by the Left Party in Germany, Refounded Communism in Italy and the New Anti-Capitalist Party in France (NPA). All of these organizations see their main task as subordinating the working class to the trade unions. They thereby play a crucial role in maintaining the bourgeois order.

Workers in Germany and in the rest of Europe must establish direct contact with Greek workers to organise joint forms of struggle.

This requires a clear-headed assessment of the current situation and rejection of the official propaganda. The claim that Greece has lived beyond its means and the “rescue package” with its sweeping cuts in jobs, wages and living standards is needed to restore the country’s competitiveness turns reality on its head.

Who in Greece have lived beyond their means? Is it the workers, whose income level is far lower than the average in Germany, but who are forced to pay higher prices for food and basic goods than German residents? Is it Greek pensioners, who receive a monthly allotment of between 500 and 600 euros?

Or is it the filthy rich, who follow in the footsteps of the Onassis family? They are part of the European aristocracy of wealth, which has the closest links to the EU institutions in Brussels and which speculates against the credit-worthiness of their own countries.

Who, moreover, will be rescued by the “rescue package”? Certainly not the working population, which will be driven into poverty by the austerity measures.

No, the rescue funds will be pocketed by the European and international bankers who have already made handsome profits following the decision of the rating agencies to increase the interest rate on Greek loans.

This crisis is not some sort of impersonal natural disaster comparable to the volcanic ash cloud that enveloped Europe. The crisis has names attached to it, such as Andrew Hall of Citigroup. In the financial meltdown year of 2008, he took home \$98.9 million, while Vikram Pandit, the CEO of Citigroup, made do with \$38 million. The bank itself had to be rescued on two separate occasions at a cost of \$45 billion.

Two months ago, the CEO of Deutsche Bank, Josef Ackermann, boasted that last year presented unparalleled opportunities for making money. Germany’s biggest bank was able to register a massive after-tax profit of €5 billion, and has just posted a near-record profit for the first quarter of 2010.

The same banks that have made bumper profits and paid out millions in bonuses due to government bailouts have now declared war on the European working class.

The struggle against the financial elite and its political representatives requires an international socialist perspective and the building of sections of the International Committee of the Fourth International in every European country based on the following program:

- \* No redundancies and no pay cuts! Workers are not responsible for the crisis. Occupy factories to defend jobs and wages! Social wealth must not be sacrificed on the altar of big business and finance capital, but must serve the interests of working people.

- \* Expropriate the banks and major corporations and place them under the democratic control of the working population! Without public control, the banks are able to drive entire countries into bankruptcy, cut off their finances, drive up interest rates, and destroy the social gains and living standards of the people.

- \* For the United Socialist States of Europe! Growing tensions in Europe and the crisis of the euro demonstrate the bankruptcy of the entire project of a capitalist European Union. The subordination of the European peoples to the capitalist ruling elites raises once again the spectre of the Balkanisation of Europe, the eruption of trade wars, and the re-emergence of armed conflict across the continent. European workers must take up the struggle for the United Socialist States of Europe as part of the struggle for socialism internationally.



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