

The international significance of the Greek general strike

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The Greek general strike and continuing mass protests against the European-IMF austerity package negotiated last week with Prime Minister George Papandreou, of the social-democratic PASOK party, are a sign of coming class struggles in Europe and around the world.

There is bitter opposition among Greek workers to Papandreou's policy. Hundreds of thousands of jobs are to be cut, workers will take initial pay cuts of 20 percent or more, and social services and pensions are to be gutted.

Stock markets collapsed last week, as investors worried that Papandreou might not be able to force the cuts through, and that protests against the financial crisis could spread.

These events have revolutionary consequences internationally. As speculation rises against Portugal, Spain, and other European countries, it is increasingly clear that workers around the world face a common enemy: a parasitic ruling class that has enriched itself through the bailout of the financial system and wants to enforce huge cuts in jobs, pay, and benefits everywhere.

The international significance of the Greek strikes is now widely acknowledged. Citing the Greek protests, *New York Times* columnist Thomas Friedman warned: "Nothing to do with us, right? Well, I'd pay attention to the drama playing out here. It may be coming to a theater near you." He added that, as in Greece, US workers "will have to accept deep cuts to their benefits and pensions..."

As in the US and other European countries, much of Greece's state debt comes from the €28 billion bailout Athens voted for its banks. Now, while the Greek ruling class aims to extract €30 billion in yearly cuts from workers, governments throughout Europe and in

the US are preparing to cut tens or hundreds of billions from their budgets.

This winter, the banks bid up interest rates on Greek debt, hoping to make large profits from interest payments while giving Papandreou an excuse for the social cuts he aimed to carry out. This plan has now backfired, however.

As workers protested the cuts and European powers clashed over the terms of a bailout, interest rates climbed so high that the banks for all practical purposes bankrupted Greece. Even if Greece adhered to the three-year, €110-billion European-IMF bailout, it would be shattered—by some estimates, the European-IMF cuts would collapse its economy by 30 percent. By then, however, it would owe even more than the roughly €300 billion it owes today.

The Greek crisis has snowballed into a European crisis, threatening the global economy. The banks are increasingly nervous about lending to Portugal, Spain, the UK, and other countries. Given Greece's role as a lender and export market for Bulgaria, Romania, and Serbia—and as an employer of immigrant workers—the crisis also threatens to devastate the already impoverished and unstable Balkans.

As they worry that European governments will go bankrupt and that banks will lose enormous sums of money, bankers are also increasingly refusing to lend to each other. This threatens a new credit crunch. European Union monetary affairs commissioner Olli Rehn warned, "Consequences from Greece's insolvency would be similar if not worse" than the Lehman Brothers collapse of 2008.

The Greek bailout, paid to Greece's creditors among the banks, will be extracted from the workers twice: first, from workers in countries funding the bailout, and then from workers in Greece, who will have to pay

back the loans making up the bailout. In both cases, they will be used as the pretext for massive cuts.

As social conflict mounts and the global capitalist crisis deepens, the ruling class will resort to ever more open forms of dictatorial rule. While such measures have been justified so far on the basis of the “war on terror,” they will increasingly be directed at mass social opposition.

The British *Observer* Sunday interviewed Brigadier Stylianos Pattakos, the last surviving member of the military *junta* that ruled Greece from 1967 to 1974. Pattakos praised the *junta*’s record: “In our time, there was no debt. Not one drachma went astray. The Greeks are not disciplined like the Germans or the British. They need authority.” He added: “We are neither at the middle nor at the end of political developments ... we are at the beginning.”

Workers opposing bank bailouts in Greece and abroad face a common world crisis and need an international strategy.

An independent political strategy of the working class runs into immediate conflict with the trade unions and the middle class organizations that work to demobilize opposition. In Greece, the trade unions and its allies, including the Greek Communist Party and Syriza, are determined to maintain their alliance with Papandreou and their role in the political establishment. They promoted Papandreou’s candidacy, and routinely discuss the political situation and the terms of bailouts with him.

By promoting a perspective of influencing Papandreou’s social-democratic PASOK party, these layers—like their counterparts elsewhere—consciously seek to subordinate workers to the state, to nationalist politics, and to the banks’ austerity program.

The rising risk of state bankruptcy poses stark alternatives: either the ruling class will keep its riches by impoverishing the workers, or the workers will expropriate the ruling class. The challenge facing workers is to grasp the full political and historical implications of the struggles they now face.

Banks must become public utilities, so their funds pass under the control of the working class and serve social need, not private profit. This directly raises the question of revolutionary socialism, for it spells the end of private ownership of the commanding heights of the economy, the profit principle, and the nation-state

system.

The political task facing workers in Europe is not to pressure bourgeois governments determined to implement social cuts, but to bring them down and replace them instead with the United Socialist States of Europe.

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