The assault on the Greek working class

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Following the collapse of the Stalinist regimes in Eastern Europe and the Soviet Union two decades ago, the media relentlessly proclaimed the "failure of socialism." The economic difficulties that these societies faced prior to their collapse were cited as evidence that a rationally planned economy is impossible on the basis of socialized property relations.

In reality, no one sought to investigate the real cause of the decline of these countries: the rule of corrupt bureaucracies that misappropriated state-owned property to secure their own privileges while politically oppressing the working class and seeking integration into the capitalist world market.

If one analyses the current crisis of European capitalist states using the same criteria as those applied to Stalinist Eastern Europe, one must conclude that capitalism has failed, and in a much more spectacular manner. What is currently taking place in Greece—and in a similar manner in Portugal, Ireland and Spain—is a historic collapse. Even Marx could not have contemplated such a shocking indictment of the workings of the "free market." The country was first ruined economically with austerity measures and is now being thrown to the international financial sharks even as it is driven toward a total meltdown.

The austerity programs imposed by the social democratic PASOK government of George Papandreou at the behest of the European Union (EU) and the International Monetary Fund (IMF) have decimated the living standards of broad layers of the population and destroyed many jobs. As could be expected, such measures have plunged the Greek economy into a deep recession and exacerbated the budget deficit and debt crisis—a vicious circle with no escape.

The EU and the IMF respond to the Greek crisis by prescribing more of the same medicine, forcing the Greek government to conduct a fire sale of state assets. Public buildings and public enterprises such as rail, postal, telecommunications, water, ports, airports, roads and lotteries are to be placed under the control of a holding company and sold off to the highest bidder. The consequences of such privatization measures are well known: job cuts, wage cuts, higher prices, poorer services and soaring profits for the new owners, while the state loses an important part of its revenue.

The Papandreou government has also announced a further round of spending cuts. Every tenth vacancy in the public service is to be filled, instead of the previous rule of one in five. Entire authorities are to be closed and public investment slashed. The result will be a further intensification of the recession.

Those arguing most insistently for more austerity are precisely the governments that have benefited most from the introduction of the euro—first and foremost, the German government. Finance Minister Wolfgang Schäuble has threatened to stop any assistance to Greece if the promised spending cuts are not strictly imposed. The result of such action would be immediate bankruptcy for the country.

Schäuble is supported by the German tabloid press and a gaggle of ministers. They all stir up hatred against the "lousy Greeks" who "lived beyond their means," and demand that "their" debts not be paid with "our" money.

The issue, however, is not "you" and "us," not "Germans" against "Greeks." The Greek crisis is not a national, but rather a class question. The same financial interests seeking to squeeze the last cent out of the Greek population are also behind the attacks on wages and social benefits in Germany, France, England and throughout Europe. The Greek austerity measures are part of a massive counterrevolutionary offensive aimed at slashing every social program benefiting the working class.

Money is anonymous. It is difficult to chart precisely how funds are diverted from the Greek working class into the pockets of the rich and super-rich. But there can be no doubt that this is what is taking place.

According to the recent “Global Wealth Report” compiled by the Boston Consulting Group, the worldwide assets of private investors in cash, shares, securities and funds rose last year by 8 percent to $122 trillion. This is an increase of more than $20 trillion compared to the peak prior to the financial crisis two-and-a-half years ago.

So while millions of workers are suffering from the consequences of the international financial crisis, those responsible are doing better than ever. The number of households worldwide that own more than $1 million dollars increased last year by 1.5 million, to a total of 12.5 million. Although they constitute less than one percent of the world's population, they own 35 percent of global assets.

The greatest concentration of wealth is to be found in the most indebted country in the world, the United States. While the American working class faced an unprecedented attack on its living standards, the invested capital of richer Americans rose 10 percent last year to $38.2 trillion. The European leader in this respect is the United Kingdom ($7.9 trillion), where the government has introduced an austerity program of over £100 billion. Then comes Germany, with $7.4 trillion. This latter sum is 17 times the entire public debt of Greece.

The redistribution of assets is accompanied by an intensification of national antagonisms. The euro threatens to become a victim of the conflict over the Greek debt issue, which in turn calls into question the very existence of the European Union. Europe threatens to fall back into the rival states and power blocs that triggered two world wars in the last century.

The growth of nationalism is a result of conflicting interests between European powers striving to ensure that their neighbors bear the brunt of the crisis. At the same time, nationalism is being deliberately fueled by the ruling class to divide the working class. To the extent that Greeks, Germans, immigrants and/or Muslims are made a scapegoat for the crisis, the ruling elite is able to cover its tracks and block solidarity across borders.

The working class must take up the gauntlet and confront these threats. There is no lack of outrage, anger and opposition among workers throughout Europe. All these traits were evident in the numerous strikes and protests in Greece and the recent demonstrations in Spain. What is lacking is political perspective and leadership.

The former workers’ organizations—the reformist parties and trade unions—have long since gone over to the other side. The social democratic parties accept the dictates of finance capital and are instrumental in imposing austerity measures upon the working class—as is the case in Greece, Spain and Portugal. The unions regard the austerity programs as inevitable, sabotage any resistance and firmly reject any international solidarity. At the most they organize impotent national protests aimed at letting off steam and preventing opposition from getting out of control.

Added to this are the many ex-left groups, which tie workers to the old, bankrupt parties and trade unions, claiming that all one can do is pressure them to adopt another course. This is a delusion and a lie.

There is no solution to the current crisis within the framework of the nation-state and capitalism. Either the “rescue” of the euro through drastic austerity programs or its collapse following a number of state bankruptcies would have disastrous consequences for the working class. As long as the banks and large corporations remain in the hands of private owners and serve their interests, governments will continue their assault on the jobs, wages and social and democratic rights of the workers.

Resistance requires a coordinated, cross-border approach, based on a socialist program. The working class is not responsible for the capitalist crisis and must categorically reject all attempts to make it pay the tab. The various right and “left” bourgeois governments prevailing in Europe must be replaced by workers’ governments that put the interests of society above the profit interests of big business. The European Union, a tool of the corporations and banks, must be replaced by the United Socialist States of Europe.

This is the program fought for by the International Committee of the Fourth International and its European sections.

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