

# The carve-up of Greece

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The European Union, European Central Bank and International Monetary Fund, acting in behalf of the international banks, are demanding a new round of austerity measures against the Greek working class as the precondition for releasing the next installment of bailout funds, without which Greece will go bankrupt next month.

European finance ministers, meeting Friday and Saturday in Poland, refused to approve the disbursement of the 8 billion euro allotment because Greece, whose economy has collapsed as a result of the mass layoffs and social cuts already imposed, has failed to meet its deficit-reduction targets.

The IMF representative in Greece, Bob Traa, laid down the law at an Athens business conference on Monday. Speaking in a country that has seen its official jobless rate nearly double since 2008 to reach 16 percent—the real unemployment rate is closer to 30 percent—Traa demanded more drastic cuts in public sector jobs and wages, the wholesale closure of state agencies, and the immediate privatization and sale of state enterprises.

Complaining that the Greek public sector is “very large,” Traa said its contraction “will inevitably require the closure of inefficient state entities as well as reductions in the excessively large public sector workforce and generous public sector wages...”

Even as he consigned the Greek working class to destitution, he gave vent to the eager anticipation among bankers and big investors of the immense profits to be made from the fire sale of Greek state assets. “A lot of money is looking at Greece,” Traa said. “The privatizations program isn’t just structural reform but also a way to bring in foreign direct investment to get liquidity and capital.”

He warned that Greece must quickly sell some state-owned operations to private ventures or it will “go to a default.”

Like a pack of wolves assembling for the kill, the global fraternity of bankers and speculators—whose semi-criminal operations precipitated the economic crisis and whose taxpayer bailouts bankrupted state treasuries—is now preparing to carve up Greece and turn the destruction of an entire society into a financial windfall for themselves.

The response of the social democratic PASOK government to the new demands from the so-called “troika” overseeing the bailout fund—the EU, the European Central Bank and the IMF—was to spring into line. Prime Minister George Papandreou cancelled a visit to the US and held an emergency meeting of his cabinet Sunday, after which Finance Minister Evangelos Venizelos promised to announce new spending cuts. “Everyone wants a smaller state,” he declared.

According to various press reports, the measures demanded by the “troika” include:

- The elimination of an additional 20,000 public sector jobs by 2015, bringing the total number of layoffs to 100,000.
- Rescinding retroactively and with immediate effect all public sector hiring carried out in 2010 and 2011, affecting another 25,000 workers.
- Cutting the pensions and salaries of state utility workers. Cutting the pensions of sailors and employees of the state telecommunications company. Freezing all state pensions through 2015.

- Speeding up the closure or merger of 65 public sector bodies.

- Increasing a special consumption tax on heating oil.
- Raising taxes on tobacco, alcohol and luxury goods.

There are growing divisions between the US and Europe and within Europe over whether the bailout of Greece should be expanded or the country should be allowed to default and leave the euro zone. The first

policy means a vast expansion of the use of public funds to bail out the banks. The second means a social catastrophe for Greece that could trigger a new financial crisis even greater than the Wall Street crash of three years ago, leading to a whole series of national defaults and bank failures.

Either scenario leads to the impoverishment of the working class and the destruction of all of its past social gains.

The international bourgeoisie is acutely conscious of the social implications the crisis and the savage measures it is taking to make the working class pay for it. The BBC on Monday quoted the chairman of the Athens Chamber of Commerce, Constantine Michalos, as saying, "... if we reach the 20 percent unemployment level then economically there is an imminent risk that social cohesion will explode."

Definite political conclusions are being drawn and preparations made. The *Wall Street Journal* on Monday posted a blog with the headline: "Greece: Don't Discount the Role of the Military."

It begins: "Political instability and rebellion have stretched across the Mediterranean's North African coastline and up to Syria, but why should they stop there? Why should they not stretch to Greece, for example?"

"It's worth remembering that Greek generals staged a coup in 1967 and then ran the country as a junta. Democracy wasn't restored until 1975. That's not such a long time ago.

"The Greek military is still a very significant force in the country. Greece spends more on its armed services as a percentage of GDP than any other European Union country—3.2 percent against an EU average of 1.6 percent, according to Stockholm International Peace Research Institute data.

"The day Greece runs out of money—barring yet another massive infusion from the EU, the ECB and the IMF—draws closer by the day. When bureaucrats don't get paid, they down tools and go on strike. But what happens when the money stops flowing to the army?"

The author goes on to note that the CIA in a report issued last June concluded that a military coup was possible in Greece. He concludes: "Is a military coup likely in Greece? Perhaps not. But it's a possibility that can't be discounted."

This must be taken by the working class as a

warning—and not just in Greece. All over the world the bourgeoisie is waging a ferocious class war in an attempt to extricate itself from the deepest crisis of the capitalist system since the 1930s. As in that period, so today the ultimate answer of the ruling class to the inevitable mass resistance of the working class is dictatorship and war.

The only way out for the working masses is the exercise of their vast social and political power in a revolutionary struggle to put an end to capitalism and establish world socialism. This requires that they break free of bourgeois politics and the stranglehold of the trade unions, which function as the industrial police of the ruling class, and build new mass organizations of struggle. The critical issue is the building of the International Committee of the Fourth International as the new revolutionary leadership to imbue the coming struggles with a socialist and internationalist program.

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