

# Major powers successfully dictate regime change in Greece

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8 November 2011

Just three days after he won a vote of confidence, Greece's Prime Minister George Papandreou is out of office and a government of "national unity" is being formed—combining Papandreou's PASOK and the main conservative opposition, New Democracy.

The sole *raison d'être* of the new government is to impose on the Greek people savage austerity measures, which the global speculators, the European Union and Washington decided Papandreou was now unable to accomplish.

Papandreou was faced with massive popular opposition to the measures tied to the latest tranche of loans from the troika—the EU, International Monetary Fund and European Central Bank. These include lowering the income tax threshold from €12,000 to €5,000, raising value-added tax and the retirement age, slashing pensions by up to 40 percent, cutting wages by 30 percent and further job losses. Mass opposition culminated in a two day general strike October 19 and 20 that witnessed the largest protest since the fall of the military junta in 1974.

Seeking to force the opposition parties and the trade unions to abandon their token opposition and rally behind a national effort to impose austerity, Papandreou announced plans to hold a referendum on the issue. The financial elite responded with the worst run on world markets since 2008, while ruling circles in Berlin and Paris decided that Papandreou had shown himself to be irresolute.

Even after abandoning his referendum demand, Papandreou was told to go by German Chancellor Angela Merkel and French President Nicolas Sarkozy.

The confidence vote passed late Friday had the aim of forestalling demands by New Democracy for early elections that would also cut across ratification of the austerity measures.

Papandreou spent the next several days demanding that New Democracy leader Antonis Samaras get with the programme and accept a national government with PASOK. Otherwise PASOK would have had to rely on efforts to get a number of smaller parties to give it a larger majority. This was proving difficult, as the main pseudo-left parties, Syriza

and the Greek Communist Party, refused early overtures from PASOK, fearing political suicide.

Haggling continued Monday over who should lead the government and what roles will be taken by New Democracy. In the evening, the two parties announced that they had reached agreement on a new prime minister and cabinet, to be announced today. The most likely outcome is the "dream-team" being demanded by Brussels and Washington.

New Democracy has accepted that PASOK Finance Minister Evangelos Venizelos will stay in his post "for the sake of continuity." Venizelos strongly supported the terms demanded by the EU and stepped forward to oppose Papandreou's referendum plan and demand he resign.

The favoured candidate to replace Papandreou is Lucas Papademos, a former governor of the Bank of Greece from October 1994 to May 2004 and former deputy head of the ECB.

His candidacy is one expression of the degree to which Washington has been involved behind the scenes, particularly through the IMF. Currently serving as a visiting professor of public policy at the Kennedy School of Government at Harvard University, Papademos is a graduate of the Massachusetts Institute of Technology. He also taught at Columbia University before serving for five years as senior economist at the Federal Reserve Bank of Boston.

The two will likely head a "100 day coalition," which will pass PASOK's 2012 budget and ratify the deal with the troika before Greek government finances run out around December 15. Only then, possibly on February 19, will elections be held.

The *Financial Times*, Europe's leading business paper, made clear just how closely the corporate elite have determined events.

"It is now crucial that Greek politicians bury their differences—if only for a few months—and back the latest rescue package from the European Union," the *FT* wrote in a lead editorial on Monday ("Greece, democracy and the eurozone").

Papandreou was “no longer capable” of securing such an outcome, so “the best replacement would be a coalition government based around the two main centre parties”—PASOK and New Democracy.

Showing its complete contempt for democracy, the *FT* writes, “Clearly, at some point, ordinary Greeks will need to have their say on the country’s current plight. But now — with a crucial bail-out package at stake—is not the time to go to the voters.” That is, the people will have “their say” only after all the important decisions are made.

The purpose of the national government is made abundantly clear—to prevent an election or any possibility of the plans of the financial oligarchy being thwarted by popular opposition.

In this, Greece can only be seen as a down payment on what is to come for countries throughout Europe and internationally.

On November 4, the *Financial Times* identified the next target for regime change. “In God’s name, go!” it proclaimed in another editorial, this time directed at Italian leader Silvio Berlusconi.

“The similarities between the two prime ministers [Papandreou and Berlusconi] are striking: both men rely on a thin and shrinking parliamentary majority and they are both squabbling with their own ministers of finance. Most importantly, they both have a dangerous tendency to renege on their promises at a time when markets worry about their countries’ public finances,” it declared.

“After two decades of ineffective showmanship, the only words to say to Mr. Berlusconi echo those once used by Oliver Cromwell. In the name of God, Italy and Europe, go!”

The historical analogy chosen is revealing. The *Financial Times* does not mention it, but Cromwell’s injunction to the Rump parliament of 1653 was, within months, to conclude in the establishment of his personal dictatorship as Lord Protector.

Against a background of further falls on global stock markets, Italy’s borrowing costs on 10-year bonds rose yesterday to over 6.5 percent, described as “dangerous” and “unsustainable.”

Berlusconi, like Papandreou, has been deemed incapable of imposing the scale of cuts necessary and could fall after today’s budget vote. He spent yesterday attempting to deny that he was about to resign.

The same picture is repeated throughout Europe, regardless of the particular political colouration of the governments involved. All governments, “left” or “right,” “social democratic” or “conservative” must do the bidding of the banks and speculators—and do it to their satisfaction—or they will be subject to speculative attacks,

destabilisation or removal from office.

Yesterday, representatives from the troika were in Portugal to evaluate whether the government was implementing the austerity measures demanded in return for its loans package. The previous minority Socialist Party (PS) administration of Prime Minister José Sócrates collapsed in March after the now governing right-wing Social Democratic Party (PSD) withdrew support, citing the need for a “broad government coalition” to force through cuts.

Spanish Prime Minister Jose Luis Rodriguez Zapatero and his Spanish Socialist Workers Party face a rout in the November 20 general election and replacement by the Francoite Popular Party.

Even in France, Prime Minister Francois Fillon yesterday imposed a new round of austerity measures in direct response to concerns that its economy will come under attack.

How is all this made possible? After all, the ruling elite faces a deepening economic crisis and relies upon governments that are widely reviled. There is massive and growing hostility throughout Europe to the unprecedented cuts they are imposing.

However, this opposition finds no genuine political expression. The trade unions, to the extent that they organise the occasional protest or strike, do so only in order to dissipate anger and prevent a political challenge to the ruling elite and its parties. In this they are backed by the innumerable ex-radical parties. They utilise left rhetoric only to serve the very labour and trade union bureaucracies acting as the political and social policemen of the banks and corporations.

Workers and young people in Greece and throughout Europe can advance their interests only by embarking on a new political course. The stranglehold of the trade unions must be broken. New and genuine working class parties that are socialist and internationalist, must be built.

The fight must be taken to the ruling classes on the economic and political front. The goal must be the unification of the working class throughout the continent in a United Socialist States of Europe—a society based upon production for social need, not the rapacious drive for private profit and personal enrichment.



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