

No national government in Greece as talks break up

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After three days of negotiations, Greece still has no functioning government.

At the last moment, a meeting of party leaders with President Karolos Papoulias broke up in disarray. An announcement was made that yet another meeting to discuss the formation of a national unity government would begin today at 10.00 a.m. Greek time.

There is no agreement yet on a new prime minister, or even who would make up the cabinet.

Antonis Samaras, leader of the opposition New Democracy, said publicly he had “no objection” to Lucas Papademos, the former European Central Bank vice president and favourite up until yesterday, or the now apparent frontrunner, parliamentary speaker Philippos Petsalnikos, succeeding PASOK’s George Papandreou. According to reports, however, talks broke down over this question in particular. Papandreou’s choice of Petsalnikos met with widespread opposition and demands that Papademos take the post.

Confusion and uncertainty have dominated proceedings throughout. Deadlines came and went, until outgoing Prime Minister Papandreou gave a belated televised address to the nation before travelling to hand in his resignation to Papoulias.

Even as he lectured the Greek people on the need for unity and acceptance of the savage austerity measures demanded by the troika—the European Union, IMF and European Central Bank—as the price of a 130 billion euros bailout of the banks, Papandreou did not name his successor.

The sole message he delivered was a promise that sounded more like a threat—to “do whatever is required, not only to remain in the euro but to take advantage of the benefits of the agreement of 26-27 October [the EU bailout deal].”

Papandreou was accompanied to the presidential

meeting by Samaras. He has been embroiled in a bitter row with the European Union over a demand by finance ministers that he and the representatives of the new government sign a pledge to impose the austerity measures as a precondition for receiving the next tranche of 8 billion euros by mid-December. Without the money the government would be insolvent.

After Giorgos Karatzaferis—leader of the far right People’s Orthodox Rally, the smallest party in the talks—stormed out of the meeting with Papoulios, it broke up altogether.

The crisis facing the European bourgeoisie is now set to drastically worsen.

Throughout yesterday, the euro currency and European stock markets fared badly, while bank shares fell by more than five percent. Italy suffered most of all, with Italian 10-year bond yields hitting 7.4 percent.

As calls mounted for Prime Minister Silvio Berlusconi to give way immediately to a government of so-called technocrats, capable of imposing a scale of cuts from which his government has balked, fears spread that the EU would have to mount a potential 1.4 trillion euro bailout for Rome.

This figure, beyond Europe’s present capacities under the European Financial Stability Facility, would leave nothing for Greece. Most immediately, the inability of the EU to impose a similar type of government in Greece sends dangerous signals to the global financial speculators, who will inevitably respond with an aggressive attack today. It will also be viewed negatively by China, from which the European bourgeoisie has unsuccessfully sought aid in financing its sovereign debt measures.

Speaking yesterday, German Chancellor Angela Merkel made clear there is no longer any room for national governments to do anything other than meet

the demands of the global financial oligarchs—and the specific interests of German imperialism as Europe’s leading economic power.

Speaking of Papandreou’s abandoned October 31 proposal for a referendum on the terms of the Greek bailout, which provoked a massive run on the markets, Merkel said EU summit had concluded “there is no such thing any more as domestic policy making. Domestic is what’s inside the currency area. Greece can no longer decide all by itself the issue of whether it should hold a referendum or not.”

Europe must now make “a breakthrough”, she said. The situation was “so unpleasant” that fundamental change was needed, including an “EU Treaty change” to allow tighter control of member nation’s budgets.

The events in Greece have ominous implications for workers around the world. The financial oligarchy has long enjoyed a de facto dictatorship over economic and political life through its control of the major parties and the media. This is no longer enough.

So appalling are the attacks now being imposed on millions of working people—wage cuts of 30, 40, 50 percent, mass unemployment, the smashing of education, health provision and other vital services—that democratic rule is giving way to naked dictatorship. This takes the initial form of unelected “national unity” governments dominated by bankers and other “technocrats”. But it cannot stop there.

The *Guardian*’s Larry Elliot wrote a perceptive comment yesterday, noting, “The real decisions in Europe are now taken by the Frankfurt Group, an unelected cabal made of up eight people: [IMF Managing Director Christine] Lagarde; Merkel; [French President] Nicolas Sarkozy; Mario Draghi, the new president of the ECB; José Manuel Barroso, the president of the European Commission; Jean-Claude Juncker, chairman of the Eurogroup; Herman van Rompuy, the president of the European Council; and Olli Rehn, Europe’s economic and monetary affairs commissioner... What matters to this group is what the financial markets think not what voters might want.”

He concluded by raising the question of questions: What will be the response of the working class to the fact that it now has no say whatsoever in how it is governed, and no recourse through parliament to the dictatorship of an elite intent on impoverishing millions?

“In the circumstances, it is hardly surprising that electorates have resorted to general strikes and street protests to have their say. Governments come and go but the policies remain the same, creating a glaring democratic deficit... the insistence on ever more austerity is pushing Europe’s weaker countries into an economic death spiral while their voters are being bypassed. That is a dangerous mixture.”

The political and media establishment express the fear that the ruling class is unleashing an eruption of the class struggle that the servile trade union bureaucracy and their pseudo-left allies will be unable to contain.

The crisis of capitalism poses life-and-death questions before the working class and poses the need to take a new road of political struggle. Workers and young people need to dedicate themselves to ending the rule of the financial elite and the formation of workers’ governments pledged to the establishment of a United Socialist States of Europe.



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