

# European workers face austerity and dictatorship

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Little has been said about the implications of the measures agreed at last week's European Union (EU) summit for the working class. The media focused almost exclusively on Prime Minister David Cameron's wielding of Britain's veto.

This virtual silence on the implications of the inter-governmental treaty now being drawn up underscores the contempt of Europe's media and ruling elite for working people. The treaty measures presage a massive destruction of jobs, living standards and social services on which millions depend, as all of Europe is transformed into one giant austerity zone.

The treaty has been described as a plan for "slave states" inside the euro zone. More accurately, it is the blueprint for enslaving Europe's workers, who are to be reduced to little more than indentured labour for the international financial oligarchy represented by the European Central Bank and the International Monetary Fund.

The legal framework is to be created to enforce "fiscal discipline" in every country, with the European Commission and the European Court of Justice empowered to control national budgets. "Labour market reforms" will be constitutionally enshrined to overturn workers' rights, extend working hours, and slash pay, pensions and other entitlements. This is to be backed up with automatic sanctions—including stripping states that fail to comply of EU voting rights and even potentially expelling them from the euro zone.

An indication of what is involved can be seen in Greece, where successive austerity budgets have thrown tens of thousands out of work—pushing the unemployment rate up to almost 20 percent, and even higher for youth. Pensions are to be slashed by a further 15 percent in January, and more than 40,000 public sector workers are subject to pay cuts of up to 40

percent.

The ruling elites know that such measures cannot be implemented democratically. Already they have engineered political coups in Greece and Italy, installing "technocratic" administrations led by bankers. Backed by all the major bourgeois parties, these governments incorporate the most reactionary forces, including, in Greece, the neo-fascist LAOS party. A key preoccupation of the EU summit was to find quasi-legal mechanisms to enact its fiscal measures without triggering constitutional requirements for referendums in some countries.

Britain was no less adamant than the other 26-member states that workers cannot be allowed any say on the policies being drawn up against them. The European ruling class is united in utilising the economic crisis as an opportunity to destroy hard-won social and democratic rights to make European capital more competitive against its Asian and American rivals.

Cameron was in full agreement with this perspective of strengthening EU powers to enforce social cuts, but only so long as the financial oligarchy in the City of London was protected.

The EU reform blueprint unveiled by Germany's Chancellor Angela Merkel and French President Nicolas Sarkozy before the summit included plans for euro-denominated financial transactions to be confined to the euro zone. With over 70 percent of euro derivatives trading currently carried out in London, UK chancellor George Osborne denounced the plan as a "bullet" aimed at the heart of the City. In the end, the "sovereignty" Cameron and the British bourgeoisie were defending was that of London's Square Mile.

Cameron hoped for a deal whereby he would agree to treaty changes in return for guarantees of an opt-out for

Britain. This would meet the demands of the City, satisfy pro-EU Liberal Democrats in Cameron's coalition government, and assuage euro-sceptics in his own Tory party. Opt-out guarantees were to be used as proof that no transfer of powers was involved in the treaty changes, avoiding a referendum that could wreck the coalition and bring down the Cameron government.

Merkel and Sarkozy insisted Britain should receive no special exemptions, however, as these would open up a "Pandora's box" across Europe. In the end, Cameron's opt-outs were flatly rejected.

While lamenting the summit's outcome, Labour leader Ed Miliband and Liberal Democrat leader Nick Clegg were indifferent to the punitive cuts to be meted out against Europe's workers. Their only criticism is that Britain should have a seat at the table in helping push this agenda through.

The recent summit has exposed the EU as an instrument of European finance capital to jointly impose unprecedented attacks on the European working class—with or without the consent of the reactionary Cameron government.

The response of the working class must be: down with the European Union and down with the banks, for a united movement of the entire European working class against austerity and dictatorship!

Workers can place no confidence in the perspective, advanced by various national trade union bureaucracies and their petty-bourgeois "left" appendages, of brief national protest strikes called to pressure individual national governments. Workers across Europe stand on the eve of explosive class struggles and a revolutionary confrontation with the bourgeoisie, which will use the most desperate measures to retain power.

This is the significance of the remarks of General Martin Dempsey, chairman of the US Joint Chiefs of Staff, at a meeting of the Atlantic Council think tank in Washington. "The euro zone is at great risk", he said, warning that the US military could be exposed to its breakup "because of the potential for civil unrest."

These remarks are chilling, as the US stations over 80,000 troops in Europe. One can be certain that similar discussions are now taking place in capitals across Europe. The anti-democratic measures being enacted across the continent underscore that the bourgeoisie is intent on driving through a social counterrevolution by brute force.

Working people in Europe must set out their own class policy with just as much determination. Against the EU and the governments of big business, they must forge a mass social and political movement for the overthrow of capitalism and the establishment of workers' governments organised as the United Socialist States of Europe.

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