

The return of mass poverty to Europe

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Almost one in four people in the European Union was threatened with poverty or social deprivation in 2010. This is the conclusion of an official report by the European Commission presented in December. According to the report, 115 million people, or 23 percent of the EU population, were designated as poor or socially deprived. The main causes are unemployment, old age and low wages, with more than 8 percent of all employees in Europe now belonging to the “working poor.”

Single parents, immigrants and young people are worst affected. Among young people, unemployment is more than twice as high as among adults. Some 21.4 percent of all young people in the EU had no work in September 2011. Spain leads all other EU countries with a youth unemployment rate of 48 percent. In Greece, Italy, Ireland, Lithuania, Latvia and Slovakia youth unemployment is between 25 percent and 45 percent.

In countries such as Germany, the Netherlands and Austria, youth unemployment rates are lower only because training takes longer and many unemployed young people are “parked” in all sorts of schemes that exclude them from the official statistics. But even in these countries the chance of getting a decent-paying job is diminishing. Some 50 percent of all new employment contracts in the EU are temporary work contracts. For workers aged 20 to 24, the proportion is 60 percent.

The growth of poverty and social deprivation is not simply a result of the economic crisis, but rather the result of a deliberate policy on the part of European governments and the European Union. In spite of these alarming statistics, the authorities continue to slash social spending, increase the retirement age, eliminate public-sector jobs and expand the low-wage sector—all measures that expand and deepen poverty. With the decision at the last EU summit to include a “debt

brake” in the constitutions of all EU member states, governments have deprived themselves of virtually any possibility of alleviating the social crisis through fiscal measures.

After the Second World War, when unemployment and poverty were widespread in Europe, even right-wing governments felt obliged to promise a better and more prosperous future. Today, all European governments have nothing to offer the working population apart from sacrifice and privation.

Every New Year’s speech echoed this theme. Greek Prime Minister Lucas Papademos warned his countrymen, who have already been subject to brutal cuts, “We have to continue our efforts with determination so that the sacrifices we have made up to now won’t be in vain.”

French President Nicholas Sarkozy proclaimed: “This extraordinary crisis, without doubt the gravest since the Second World War, is not over ... you are ending the year more anxious for yourselves and your children.”

German Chancellor Angela Merkel threatened: “Next year will no doubt be more difficult than 2011.” And Italian President Giorgio Napolitano, an ex-Stalinist who spent decades in the Communist Party, called on the Italian population to make sacrifices in order to balance the national budget: “No one, no social group, can today avoid the commitment to contribute to the clean-up of public finances in order to prevent the financial collapse of Italy,” he said.

The claim that the austerity measures are being used to shore up national treasuries is a blatant lie. Public finances are insolvent because they have been plundered by the same financial elite that now benefits from the austerity measures. Taxes on profits, property and high incomes have been repeatedly reduced. Many Eastern European countries, where poverty is particularly high, have introduced a flat tax of less than 20 percent. Three years ago, trillions in public funds

were transferred to the vaults of the banks to cover their speculative losses.

The EU report documenting the growth of poverty also contains figures on the increasing gap between rich and poor. In Germany, the richest one percent of the population possesses 23 percent of all wealth and the richest tenth controls 60 percent. Half of the population possesses just 2 percent of all wealth. The report says: “A structure where the poor own less than 5 percent, the middle classes own 30-35 percent, and the rich own over 60 percent represents a typical pattern to be found in most European countries.”

The financial elite that monopolises a huge proportion of social assets has lost every social inhibition. In the post-war period, with the memories of war crimes still fresh and socialist sentiments widespread, they were forced to make social concessions to preserve their rule. The existence of the Soviet Union also exerted a moderating effect. Despite the Stalinist degeneration, the nationalised property relations established by the Russian Revolution represented a possible alternative to the so-called free market.

In the course of the last twenty years the financial elite has lost all restraint and declared war on the working class. If democratic elections stand in its way, it sweeps them aside—as in Greece and Italy, where technocratic governments were installed that are responsible solely to the banks. Nor does the financial oligarchy shy away from the violent suppression of social resistance, as exemplified by the forcible eviction of Occupy protesters across the US and internationally.

Like the late 18th Century French aristocracy on the eve of the revolution, today’s financial aristocracy is not prepared to yield even a small fraction of its privileges or wealth.

The financial elite is supported by representatives of the wealthy middle classes in the media, the established political parties, the trade unions and the ex-left milieu, who insist that there is no alternative to austerity and use every means to sabotage social opposition.

A typical representative of this species is the former German Green Party leader Joschka Fischer. In the New Year’s Eve edition of the *Süddeutsche Zeitung*, the one-time radical squatter and later German foreign minister enthusiastically welcomed the latest austerity measures agreed by the EU and concluded with a hymn

of praise to the financial markets. “And to whom do we owe all of this European progress?” he wrote. “To the wisdom of our leaders? Unfortunately not. It was almost exclusively due to the pressure of the much maligned markets!”

The return of mass poverty to Europe sets the stage for the return of revolution. The working class and the youth must prepare themselves for the inevitable confrontation with the financial elite by breaking with its political representatives in Social Democracy, the trade unions, the Left Party and other pseudo-left organizations, and undertaking the fight for a socialist program through the building of the Socialist Equality parties and the International Committee of the Fourth International across Europe.

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