Greece and the global crisis of capitalism

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The political, economic and social breakdown in Greece is an acute expression of a broader crisis of European and world capitalism.

The fate of this small nation is being decided solely according to the predatory interests of the global financiers and their political representatives at the head of national governments as well as the "troika"—the European Union (EU), European Central Bank (ECB) and International Monetary Fund (IMF).

For Greek workers, the impact has been catastrophic. They have already suffered the greatest decline in living standards since the Nazi occupation. Unemployment has doubled to 22 percent and 50.8 percent among young people, while millions more are relegated to precarious and part-time work.

Mass unemployment and poverty are set to worsen. The social counterrevolution in Greece is, moreover, setting a benchmark for all of Europe as the economic crisis spins out of control and the world is plunged into a recession deeper than that triggered by the crash of 2008.

The political stalemate in Greece, following the virtual collapse of the country's two traditional ruling parties in the May 6 election, takes place within the context of a deteriorating economic situation in Europe, the US and Asia. Falling global equity markets, bank downgrades, rising unemployment and stagnating or declining growth rates point to a slide into depression.

In the US too, mass unemployment, poverty and homelessness are epidemic, and the type of austerity measures being carried out by European governments are replicated at the state and local level. In California, whose economy is comparable to Italy's and bigger than Spain's, the governor has demanded a new round of drastic cuts in health care, education and public employee wages.

There is an air of unreality surrounding all official discussions on Greece. Politicians and media commentators speak of imminent economic collapse and social devastation in one breath, only to demand that more money be paid over to the banks and greater hardship imposed on working people in the next.

Each proposed way out of the crisis only creates the conditions for deeper crisis down the road. All the money supposedly paid over to Greece as a "bailout" has gone straight into the coffers of its major creditors. Any additional loans will go to feeding the same ravenous beast.

Calls for further sacrifice have become impossible to accept. Mass working class opposition to austerity is on the rise across Europe. This has been expressed not only in the Greek election, but in France and other recent elections in Britain and Germany, where voters repudiated those parties most closely associated with austerity policies.

This reflects an extreme heightening of social tensions, rooted in the existence of an irreconcilable conflict between the most basic needs of the masses and the institutions of capitalist Europe.

Greek workers registered their opposition by rejecting the parties directly involved in negotiating the bailout conditions—PASOK and New Democracy. But the main beneficiary of this sentiment was SYRIZA, a party that speaks for a section of the Greek bourgeoisie that wants more extended debt repayment to avoid economic collapse and cosmetic alterations in the deficit-reduction terms to placate popular opposition. SYRIZA categorically defends the European Union and the euro, while presenting itself as an opponent of austerity, but this circle cannot be squared. Austerity and ever-deeper attacks on the working class are an integral requirement of the bankers' EU and the capitalist order it defends.

The proposed solution advanced by the Greek Communist Party (KKE)—exit from the euro and a return to the drachma—is also fielded by numerous

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international commentators. But this would still leave Greek workers at the mercy of the global financiers and keep the rule of the Greek capitalists intact, while the value of workers' homes, wages and what little savings they have would be immediately slashed by as much as 80 percent.

Ever broader layers within the ruling elite are coming to the conclusion that Greece will be forced to exit the euro zone. Some boast that this can be "managed" and that Greece should be simply pummelled until every last euro has been extracted from its people. Others warn that the very survival of the euro is threatened, as financial contagion spreads throughout the continent and beyond.

The latter view is more grounded in reality. Global financial institutions have a $536 billion exposure to Greek debt, but the Institute of International Finance estimates the true global cost of a Greek exit to be closer to $1.2 trillion, entailing "killer losses". *Wirtschaft Woche* magazine says an exit would cost euro zone governments alone $300 billion and would push the continent into a 1930s style depression.

More importantly, a Greek exit will inevitably hasten the collapse of much bigger economies that are teetering on the brink such as Spain, Portugal and Italy. The run on Greek banks, which have already lost more than a third of their deposits since 2010, points to the dangers ahead. A full-blown bank run can quickly develop in one European country after another.

Workers in Greece and Europe have come face to face with the consequences of the failure of the capitalist system. Every "solution" to the present economic crisis that does not take this as its starting point brings with it the danger of further social destruction and a descent into barbarism.

Fresh Greek elections are scheduled for June 17, but they have no more chance of resolving the crisis than those that took place this month.

A new period has opened up where only the most radical solution is realistic. Greek workers must now adopt a revolutionary socialist and international perspective on which to base the struggles ahead. The same applies to the workers in Europe, the US and internationally.

The ruling class anticipates and is preparing for an upsurge in the class struggle, in which they know the destiny of Greece will be decided. PASOK's Michalis Chrisochoidi, who heads the Ministry of Citizen Protection encompassing the police and secret services, this week warned that following an exit from the euro, "What will prevail are armed gangs with Kalashnikovs, and which one has the greatest number of Kalashnikovs will count … we will end up in civil war."

Historically, the Greek bourgeoisie has demonstrated that it will stop at nothing, including military dictatorship, when it comes to preserving its rule. The working class must act in this knowledge.

What is required is the development of an industrial and political offensive, with the aim of establishing a workers' government. Such a government must take control of the commanding heights of the Greek economy, seize the assets of the banks and the corporations and prevent any further flight of capital. The representatives of the troika must be shown the door and Greece's resources employed to fund all measures necessary to alleviate the suffering of its people and provide decent jobs, education, housing and health care.

These measures will be realisable only as part of a broader political mobilisation of the European working class against the authors of Greece's tragedy and their own hardship and suffering. Workers in Germany, France, Italy, Spain and the UK must take up the fight for the overthrow of Merkel, Hollande, Monti, Rajoy, Cameron, et al. Against the European Union of big capital and the financial parasites, the perspective must be the establishment of workers' power in a United Socialist States of Europe.

Those who recognise the gravity of the present crisis and the political tasks posed should take their place in the ranks of the International Committee of the Fourth International.

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