

## Resolution of the National Congress of the Socialist Equality Party (Germany)

# The crisis of the European Union and the perspective of the United Socialist States of Europe

14 August 2012

*The Partei für Soziale Gleichheit (Socialist Equality Party of Germany—PSG) held its National Congress in Berlin on June 22-24, 2012. In addition to delegates from Germany, representatives and co-thinkers of the International Committee of the Fourth International from other European countries, the United States, Australia and Sri Lanka attended the Congress. The discussion focused on the crisis of the European Union and the political tasks arising from it. This was the subject of the main resolution, adopted unanimously by the congress, which we reproduce below. Three further resolutions adopted by the congress will be published in the coming days.*

1. Europe is in the deepest economic and social crisis since the 1930s. Sixty-seven years after the end of the Second World War, European capitalism has solved none of its fundamental problems. All the contradictions that drove the continent into revolutionary class struggles, fascist dictatorships and two world wars during the first half of the twentieth century are asserting themselves once again. Poverty and unemployment are reaching epidemic proportions, democratic rights are being eroded, militarism is on the rise, many countries are threatened with state bankruptcy, the common currency and the European Union face collapse.

2. The cause of this crisis is the failure of the global capitalist system. Since the bankruptcy of Lehman Brothers in September 2008 drove the world financial system to the brink of collapse, the economic crisis has deepened around the world. All efforts to overcome it and tackle pressing social problems founder as a result of the private ownership of the means of production, the crisis of the nation-state system, the anarchy of the capitalist market, the economic requirements of the profit system and, not least, the insatiable greed of the ruling class.

3. The bourgeoisie has no answer to this crisis apart from ever-deeper attacks on the working class. The EU and the governments of the European states are sliding with closed eyes toward a catastrophe. All the measures they have taken since the outbreak of the international financial crisis four years ago—handouts worth trillions to the banks, austerity measures, the euro rescue fund, the Fiscal Stability Treaty—have not only failed to resolve the crisis, they have made the situation worse. The working class must intervene or a disaster is inevitable. Only it can solve the problems. Without breaking the political power of the bourgeoisie and wresting control of the economy from its hands, there can be no way out

of the crisis.

4. Last year in Greece, Spain, Portugal and other European countries millions took to the streets against the austerity measures being dictated by the EU. Broad layers of the population are looking for an alternative to the political and economic dictatorship of the financial elite and turning away from the established parties. With the deepening of the crisis, the class struggle will intensify. But this will not automatically solve the problem of political perspective. This requires a worked-out international socialist strategy. One vital prerequisite is a clear understanding of the role of the European Union. The EU is the main instrument for the subjugation of Europe to the dictates of the financial markets. It is a forum within which the bourgeoisie sorts out its differences at the expense of the working class. The task is not to reform the EU or renegotiate its terms, but to mobilize the entire European working class to overthrow the capitalist governments and construct the United Socialist States of Europe.

5. The promise that the European Union would unite the continent and bring peace and social progress was false. The idea that Europe under capitalism could find its way to unity, peace and prosperity was an illusion concocted by middle-class intellectuals and politicians such as Jean Monnet, who regarded the two world wars as simply the clash of opposing political interests, rather than the product of the irreconcilable contradictions of world capitalism. In reality, both wars were the result of the conflict between world economy and the nation-state on which capitalism is based. They were conflicts between imperialist powers for the redistribution of the world. Germany acted as the aggressor in the First and especially in the Second World War because it was here that the contradictions of international capitalism found their sharpest expression. German capitalism, as Trotsky wrote in 1932, was “the most advanced capitalist system in the conditions of the European impasse”. The state system of Europe strangled its dynamic productive forces, hence every turn in the conjuncture of events presented it with the task of “organizing Europe”. The German bourgeoisie finally adopted the most extreme means to achieve this goal. It called on Hitler to become its “Führer”, smashed the labour movement, and conducted a war of conquest on two fronts.

6. The predecessors of the European Union, the Coal and Steel Community (1951) and the European Economic Community (1957) only apparently bridged these contradictions. These agreements were reached

with the support of the US. Due to widespread socialist sentiments within the working class and the existence of the Soviet Union, which, despite its Stalinist degeneration, embodied the tradition of the October Revolution, the US could no longer afford the kind of self-laceration that had destroyed Europe after the Versailles Treaty of 1919. European capitalism was discredited by fascism and collaboration. With the Marshall Plan, the US helped it back onto its feet and converted Western Europe into NATO's outpost in the Cold War. The claim that the European Economic Community (EEC) was a humanitarian remedy to the poison of European nationalism was always a myth. The postwar economic boom, the Cold War and the dominance of the US ameliorated the antagonisms between the European powers for some time, but did not remove them.

7. The end of the Soviet Union in December 1991 was a historical turning point. As the International Committee of the Fourth International pointed out at that time, it did not mark the triumph of capitalism over "socialism". The Stalinist regime in Moscow, an agency of imperialism within the workers state, succumbed to the same contradictions that plagued international capitalism. The chain of imperialism broke at its weakest link. Globalization and the unprecedented integration of production had completely undermined the programme of "socialism in one country" on which the Stalinist bureaucracy had based its rule.

8. But the same was true for the bourgeois nation-state in which capitalism is ensnared. The needs of modern mass society—in which seven billion inhabitants of the earth are linked together and depend on each other in a complex economic process—are incompatible with national borders and capitalist private property, which cedes control of the entire economy to a narrow financial aristocracy and their attempts to maximise their profits. Globalization has sparked anew a bitter clash of rival imperialist powers for strategic influence, raw materials and markets. Since the Gulf War of 1991, the US has used its military superiority to compensate for its economic decline, seeking to control the oil supplies of its rivals and encircle China. In Europe, German reunification and the fall of the Iron Curtain have once again raised the problem of German domination.

9. The establishment of the European Union in the 1990s was a response to these problems. The creation of the world's largest single market was aimed at enabling the EU to compete with the US, its most powerful rival, while simultaneously integrating Germany and preventing it from dominating the continent. The Maastricht Treaty, which was signed just six weeks after the dissolution of the Soviet Union, provided not only for a common currency and the expansion of the EU into Eastern Europe, but also for a political union and a common foreign and security policy.

10. The Partei für Soziale Gleichheit (PSG) had warned as early as 1989: "The European single market does not mean the unity of Europe. On the contrary, it merely establishes the arena in which the most powerful European corporations that have already fought two world wars in this century can once again fight for domination over Europe. It is linked to a powerful new wave of capital concentration and monopoly practices, and raises all the political, economic and social differences to the extreme." This warning has been confirmed.

11. The lifting of the internal borders gave a free rein to capital, while the pressure to grant social concessions to the working class fell away following the demise of the Soviet Union. The systematic lowering of the living standards of the working class, the massive intensification of their exploitation and radical cuts in social expenditures were the preconditions for European corporations to hold their ground in the world market. The introduction of the euro aggravated social differences within Europe. The

single currency helped Germany and the economically stronger countries keep inflation low and dominate the markets of the weaker countries, while in the weaker countries it caused sharp price increases, undermined local industry and led to a steep rise in the national debt.

12. In Eastern Europe, accession to the EU produced a second wave of social counterrevolution after the restoration of capitalism in the early 1990s. To be accepted into the EU, the new member states had to privatise and shut down industries and services, reduce the number of public-sector jobs, and slash spending on social programmes. EU accession brought the promised prosperity only to a small elite. For the rest of the population, its consequences were social decline, low wages, unemployment, poverty, the decay of education and health care and—as in the case of the Roma—ethnic discrimination. The low wages in Eastern Europe—one-twentieth of the Western level in some cases—were used as a lever to lower workers' incomes in the West. Contrary to the promises, wages in the East did not rise to Western levels, but became the new benchmark for the West.

13. Even before the outbreak of the international financial crisis in 2008, Europe was more deeply socially divided than ever before. There is no other interlinked economic area in which incomes and wealth diverge so sharply. While the directors of Germany's DAX corporations pocket up to one million euros a month, the average monthly income in Romania is less than €300. Hourly labour costs in manufacturing vary between €50 in Norway and €2.60 in Bulgaria, which is less than in China. Three million millionaires have assets of €7.5 trillion, while one in four inhabitants of Europe is socially excluded or poor due to unemployment, old age or low wages.

14. The tensions between the major European powers have deepened in the context of the EU. They contain the germs of future armed conflicts. The common foreign and security policy agreed on at Maastricht is in shambles. The European governments compete with each other for the favour of the United States, argue over competing pipeline projects, and pursue their own imperialist aims in the Middle East, Africa and other regions of the world. In the Iraq war, France and Germany stood against Britain; in the war in Libya, France and Britain stood against Germany. Paris and London have agreed their own military alliance. Relationships with China and Russia, in particular, are the subject of endless disputes.

15. German imperialism has not been brought under control by the EU. On the contrary, Germany has more than any other country profited from the euro and the enlargement of the EU. The stable currency, the exploitation of low wages in Eastern Europe and the massive reduction of German wage levels as a result of the Agenda 2010 of the Social Democratic-led Schröder government have enabled German industry to massively increase its exports to the EU and beyond. Now Germany is dictating the economic and fiscal agenda in Europe. The devastating austerity programmes driving Greece, Portugal, Spain and many other countries to ruin all bear the stamp "Made in Berlin". This brings Germany into sharp conflict with France, Italy and other countries which, supported by the US and the UK, prefer an expansionist monetary policy to make more money available to the banks. Both—austerity and an expansionary monetary policy—are different forms of shifting the burden of the crisis from the banks onto the working class.

16. The EU was "successful" in only two areas: fortifying its outer borders and strengthening the powers of the state. Thousands of refugees die every year in

attempts to penetrate the militarily fortified borders of the EU. Millions more are pushed from country to country while being exploited for

starvation wages, or forced to spend periods in refugee detention centres without any rights and under degrading conditions. Under the umbrella of the EU, a powerful security apparatus has been created, centralising huge amounts of data collected by the police and intelligence agencies to be used by the security forces. This security apparatus is directed against the threat to the capitalist system from below. In the struggle against the working class, the ruling class of Europe is united.

17. Since 2008, all the conflicts and divisions in Europe have intensified under the pressure of the international financial and economic crisis. The parasitic decay of world capitalism finds its clearest expression in the cancerous proliferation of financial capital. Of all the financial transactions that take place daily on the international markets, just one percent have something to do with real production. In the US, the financial sector's share of the profits of the entire business sector has increased since 1980 from 10 percent to 40 percent. This increase has been accompanied by a decline of industry and never-ending attacks on the working class. Since the 1990s, the ruthless and criminal methods of Wall Street have led to the creation and explosion of one asset bubble after another, until the subprime mortgage crisis in 2008 brought to ruin the entire global financial system, including many European banks.

18. This was the immediate cause of the European debt crisis. Governments bailed out the banks by providing them with hundreds of billions of euros from the public purse and spending billions more on short-lived reflationary programmes. These sums are now being recouped through drastic austerity measures at the expense of the working class. The European Union acts as a collection agency for financial capital. It will stop at nothing. The European fiscal pact commits every government to strict austerity measures and the enforcement of a debt ceiling that is "binding and durable and cannot be upset by parliamentary majorities", as German Chancellor Angela Merkel put it.

19. Greece serves as a laboratory of social counterrevolution, setting the benchmark for all of Europe. Faceless Brussels officials decree the destruction of tens of thousands of jobs, the reduction of pensions and wages, and the privatisation of public services. Democratically elected governments are forced to resign and are replaced by nonelected technocrats. Voters who oppose the cuts are intimidated and blackmailed. The manner in which German politicians defame Greek voters recalls the grimmest chapters of European history, when German occupation officials barked out their orders in occupied Greece. Behind the scenes, preparations are being made for a military or police dictatorship in the event of bankruptcy. As the crisis deepens, democracy is a luxury the bourgeoisie can no longer afford.

20. Only the independent mobilization of the working class based on the perspective of the United Socialist States of Europe can prevent social counterrevolution and dictatorship. The PSG calls for the overthrow of the European Union and all of its institutions and links this demand inseparably with an international socialist program. We fight for the unity of the European and international working class. Workers in Germany, France, Italy, Spain and Great Britain must take up the struggle to overthrow Merkel, Hollande, Monti, Rajoy and Cameron and establish workers governments, which expropriate large fortunes, the banks and major corporations, reorganise the economy on a socialist basis and orient it to the service of society as a whole rather than the profit interests of the financial aristocracy.

21. The German working class has a special responsibility in this respect. It must oppose the German government and defend the workers of Greece, Ireland, Portugal, Spain and other highly indebted countries against its diktats. This is not only a fundamental principle of solidarity,

but also the precondition for German workers' defense of their own rights and gains. The attacks on the working class do not halt at the German border. The working class can defend its social and democratic rights, overcome poverty and unemployment, build a just and egalitarian society and prevent a relapse into barbarism only on the basis of an international socialist program.

22. Workers must reject all sacrifices to save the EU and its reactionary institutions. It is impossible to oppose the austerity measures of the EU while maintaining membership in the EU. The EU cannot be pressured to change course by protests and negotiations. The advanced crisis of world capitalism leaves no room for social reforms and concessions. The international financial aristocracy is no more able or ready to part with even a fraction of its wealth and privileges than was the French aristocracy before the revolution of 1789. The idea that the EU can be reformed serves only to confuse and paralyse the working class.

23. The PSG rejects all forms of nationalism and chauvinism. Our perspective of the United Socialist States of Europe is diametrically opposed to the program of far-right and Stalinist organizations calling for a return to the nation-state and national currencies as an answer to the European dead end. The consequences of such a course would be the Balkanization of the continent, further economic and social decline, trade and territorial disputes and armed conflicts.

24. The objective conditions for a revolutionary offensive of the working class are rapidly maturing. Faced with the economic crisis and unceasing attacks on their social and democratic rights, broad layers are losing confidence in the economic viability and moral justification of capitalism. However, the objective worsening of the crisis does not automatically create the subjective preconditions for a solution of the crisis of leadership and perspective. There is a huge gulf between the extent of the crisis and the political consciousness of the masses who are being drawn into struggle. Up to now, social protests against the dictatorship of the banks and the EU's austerity policies have been largely dominated by trade unionist, pseudo-radical and semi-anarchist tendencies that reject a socialist perspective.

25. The construction of a new political leadership of the working class is therefore at the centre of all of the political, practical and theoretical activities of the PSG. The ninety-year-old struggle of the Left Opposition, the Fourth International and the International Committee against Stalinism, reformism, revisionism and petty-bourgeois opportunism has prepared the PSG for this task. The International Committee and the *World Socialist Web Site* are now literally the only organizations in the world fighting for a revolutionary Marxist program.

26. The Stalinist and social democratic parties, which dominated the labour movement in the postwar period, are today unreservedly in the service of big business and have hardly any influence left in the working class. The policies of social democratic parties are indistinguishable from the policies of the traditional right-wing bourgeois parties. In Germany, England, Greece, Portugal and Spain, social democratic governments have implemented the austerity measures dictated by the EU. The PSG strictly rejects political support for such parties in whatever form. We call for a complete break with the German Social Democratic Party (SPD) by the working class. The notion propagated by the Left Party and countless petty-bourgeois political currents that the SPD represents some sort of "lesser evil" compared to the traditional conservative parties—the Christian Democratic Union, Christian Social Union and Free Democratic party—is an obstacle to the development of an independent movement of the working class.

27. The trade unions are also at the beck and call of the financial oligarchy. They have become the main weapon of the employers against the workers. At the factory level, the union functionaries and works council members intimidate workers, play off one workforce against another, organize job cuts, and help draw up plans to increase productivity. They function as co-managers, sabotaging every struggle by the workers. They are paid handsomely for their services. At the political level, the unions suppress and undermine all social protest and help plan the next attacks on the working class in close cooperation with business, government and EU officials. In Germany, they played a key role in the implementation of Agenda 2010, which resulted in a low-paid sector—with many workers earning less than five euros per hour—affecting a quarter of the entire workforce.

28. The PSG encourages workers to free themselves from the stranglehold of the unions and supports all efforts by workers to do so. We support all initiatives—strikes, factory occupations, mass demonstrations—which strengthen the confidence of workers. However, such struggles can succeed only if they are carried out independently of the unions. Their leadership cannot be left in the hands of the bureaucratic apparatuses. Instead, it is necessary to establish independent, democratically elected strike committees and workers' councils that are directly responsible to the rank and file.

29. The political vacuum left by the decline of social democracy and the trade unions has been partially filled by petit-bourgeois organizations such as the German Left Party, the French Left Front and New Anti-capitalist Party, the British Socialist Workers Party and the Greek SYRIZA. These organizations describe themselves as “left” or “anti-capitalist”, but are, in fact, neither socialist nor revolutionary. Their ranks are recruited from affluent sections of the petty-bourgeoisie whose economic interests and cultural requirements are oriented towards the ruling class. Having emerged from the wreckage of the Stalinist apparatuses, the middle-class protest movement of 1968 and Pabloite revisionism, these forces are quite prepared to assume responsibility for the defence of the bourgeois order—as Communist Refoundation did in Italy when it joined the Prodi government in 2006, and the Left Party does in a number of German state and municipal governments. These pseudo-left organizations use their influence to steer social protests toward the social democrats and trade unions. They criticize individual austerity measures demanded by the EU, but are determined to defend the EU, enforce the dictates of finance capital, and take responsibility for this by joining governments.

30. In this respect, the role played by SYRIZA in Greece represents a strategic experience for the entire European working class. The country was singled out by international finance capital and its servants to serve as an example to the working class. When opposition to the austerity dictates of the “troika” (European Union, International Monetary Fund and European Central Bank) mounted and electoral support for the social democratic PASOK collapsed, SYRIZA emerged as the second-strongest party and possible victor in the national election. It promised its voters it would end the austerity diktat while at the same time assuring the EU and international creditors that SYRIZA was, as Alexis Tsipras told the *Financial Times*, “the only political movement in Greece which can guarantee economic, social and political stability for our country...and rescue the joint currency.” SYRIZA’s cynical double-dealing disarmed the working class and enabled the right-wing New Democracy to establish a new austerity government, with SYRIZA promising to play the role of loyal opposition. SYRIZA will neither challenge New Democracy Prime Minister Samaras nor seek to mobilise workers to overthrow his government.

31. All of the petty-bourgeois organisations in Greece, irrespective of whether they are inside or outside of SYRIZA, together with their international allies (such as the Committee for a Worker’s International, the International Socialist Tendency, and the Pabloites of the United Secretariat) have expressed their support for SYRIZA. Although they acknowledge that SYRIZA supports the EU and defends a pro-capitalist program, they insist on supporting it and condemn anyone criticizing it as “sectarian”. In so doing they underscore their own loyalty to European capitalism. The bourgeoisie in every European country can count on not being challenged from these quarters. The treacherous double-dealing of these organizations plays into the hands of extreme right-wing groups that seek to divert public anger in a chauvinistic and xenophobic direction. In Hungary, France, Greece and other countries such far-right parties have been able to register significant electoral gains by exploiting popular frustration and disappointment with the anti-working class policies of the social democrats and the duplicity of the pseudo-left.

32. The construction of a new revolutionary leadership of the working class requires a systematic political and theoretical struggle against these petty-bourgeois organizations, including a theoretical offensive against the conceptions of the Frankfurt School, postmodernism and other forms of subjective idealism that provide the ideological background for such groups.

33. The PSG is in the forefront of the struggle against militarism and imperialist war. Military conflicts have multiplied since the collapse of the Soviet Union. In order to secure its global domination and control over key world oil reserves, the US has conducted colonial wars in Iraq, Afghanistan, Libya and other countries and is preparing to wage war against Syria and Iran. The European powers take part in these wars in order to obtain a share of the spoils. This includes German troops, which, following a 50-year pause imposed as a result of the crimes committed during World War II, are fighting in Kosovo, Afghanistan and the Horn of Africa.

34. While militarism is on the march, the peace movement, which mobilised hundreds of thousands in the 1980s, has completely collapsed. In 1999, the war in Yugoslavia provided the pretext for the Green Party to switch from pacifism to militarism. During the 2011 Libyan war, the petty-bourgeois pseudo-lefts, including the Pabloite United Secretariat, followed their example. As was the case on the eve of World War I, the pacifist, reformist and pseudo-left petty bourgeoisie is moving back into the camp of imperialism as tensions grow between the great powers. The hysterical attacks on Nobel Prize winner Günter Grass, who warned in a poem of a war with Iran, make clear how far this has developed. The PSG is an implacable opponent of all forms of militarism and imperialist war. They cannot be stopped by pacifist appeals to the ruling class. The struggle against militarism and war is inseparable from the building of an international socialist movement of the working class that fights to overthrow capitalism.

35. The PSG tirelessly defends the democratic rights of working people, which are being crushed under the dictates of finance capital. We defend the right to freedom of expression, the right to demonstrate, the right to vote and the right to freedom from state surveillance. We oppose all attempts to make immigrants and asylum seekers scapegoats for the social crisis and mass unemployment and all attempts to divert attention from the social crisis by whipping up anti-Islamic sentiments and racial prejudices. We oppose restrictions on the right to freedom of religion such as bans on headscarves, proscriptions against the burqa and limits on the construction of mosques. We oppose the reactionary border regime of the EU, which

has transformed Europe into a fortress and led to the death of thousands of victims every year.

36. The coming period will be marked by an intensification of the capitalist crisis and violent class struggles, in the course of which the working class will rapidly gain experience. Workers confront not a Greek, Spanish or Italian crisis, nor the collapse of a few companies, but the collapse of the existing social order and the old forms of rule. Workers are faced with the task of building their own revolutionary party and reorganising society based on the needs of the vast majority of the population, rather than the interests of a tiny minority, the financial aristocracy. The program of the PSG and the ICFI provides the guidance and orientation needed for this task.



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