

# German ruling class demands that austerity, debt payments continue after Greek elections

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The new Greek government's finance minister, Yanis Varoufakis, is in Berlin today, part of a tour by top officials in Syriza of the major capitals of Europe. Varoufakis and Syriza head Alexis Tsipras are seeking to convince the political representatives of the European banks that they pose no threat, while attempting to secure some form of rearrangement of Greek debt payments.

From the European heads of state, and particularly from Germany, the response has in general been dismissive of Syriza's prostrations, coupled with demands that the austerity measures dictated by the EU go forward as planned.

In their proclamations, the German media and political elite reveal their contempt for democratic decisions. The fact that Greek voters have brought to power a government that had nominally promised an end to Brussels' austerity diktats has unleashed a torrent of abuse.

Typical was a comment from *Deutsche Welle* last Friday, "Greece is running amok." The station's Brussels correspondent, Barbara Wesel, demanded "fast counter-strategies" before "Greek chaos" pulls Europe into the abyss. Addressing the Greek population, she wrote, "No one is to blame but yourselves! Stop wallowing in victimhood."

Wesel accused the new Greek government of replacing "reason and a sense of reality with insolence and bad manners." The EU should quickly consider mechanisms for making possible "a 'Grexit' [Greek exit from the euro] for the demolition squad in Athens before they pull Europe down with them."

Leading German politicians have also emphasized that they will not be dissuaded from their demand for austerity measures by the decision of Greek voters. Referring to the demand that Greece adhere to the conditions for previous loans, German Chancellor Angela Merkel said on Wednesday, "I don't think that the positions of the member states within the euro area with regard to Greece differ, at least in terms of substance."

German Finance Minister Wolfgang Schäuble (CDU, Christian Democratic Party) has said in numerous interviews

that the new government was bound by all the agreements of its predecessor, and could not expect any concessions. A debt haircut is out of the question, he said.

His party colleague Günther Oettinger, the German EU Commissioner in Brussels, told broadcaster *Deutschlandfunk* that the new Greek government will soon discover, "We do not change our position because of an election."

The Social Democratic Party (SPD) has the same line. Parliamentary leader Thomas Oppermann proclaimed, "There will be no haircut." A few hours after the announcement of the election results, European Parliament President Martin Schulz (SPD) travelled to Athens. He told the press he had not come to discuss political ideology or social fantasies, but to talk plainly and to make clear "what is acceptable and what is not."

Behind these threats and abuse is not fear of the new Syriza government led by Alexis Tsipras. Berlin was already in close contact with Tsipras before the election, and since the election Tsipras and Varoufakis have repeatedly emphasized that they want to remain in the euro zone, create the conditions for the repayment of the Greek debt and to continue austerity measures in a modified form.

Varoufakis insisted this week in an interview with *Die Zeit*, "I can promise you: Greece will never again submit a budget deficit ... Never, never, never!"

The fury bordering on panic of the German government and the media has essentially two reasons. First, is the fear that the election result in Greece, regardless of the right-wing politics of Syriza, will encourage workers in other countries—in Spain, Italy, France and also in Germany—to oppose the austerity measures dictated by Brussels and Berlin.

From the German perspective, Greece was always seen as a pilot project to reduce wages and social spending throughout Europe, while enriching the financial elite. The billions that were supposed to be the "rescue" of Greece, went directly into the accounts of German and international banks, which shed their risks while Greek government debt rose from 128 to 177 percent of gross domestic product

between 2010 and 2014.

It is the working class that has had to pay. Since 2009, the German government and the troika of the EU, the International Monetary Fund and European Central Bank have imposed budget cuts of more than 60 billion euros on Greece. The result is a social disaster.

At the end of 2014, FIDH, an international federation of some 178 human rights organizations, reported on the impact of these austerity diktats. Pensions and wages have been reduced by up to 50 percent and the minimum wage reduced by 22 percent, to 586 euros a month. 180,000 small businesses have been forced to close since the crisis began. Unemployment stands officially at 28 percent, rising to 61 percent among young people.

The money that has been saved through the austerity measures has ended up in the bank accounts of the international and German financial aristocracy. The following figures clearly illustrate the extent of the redistribution, which is by no means confined to Greece: Since 2009, the number of billionaires in the world increased from 880 to 2,325. In Germany alone, there are now 148 billionaires, placing it third, just behind the US and China.

The second reason for the German arrogance is the fear that the change of government in Greece undermines German hegemony in Europe.

The Tsipras government does not intend to infringe upon the privileges and wealth of the international financial elite. It promises them even better investment conditions in Greece, and has been praised for this reason by, US President Barack Obama, the *Financial Times* and the *Wall Street Journal*. However, Syriza is trying to forge an alliance with those countries that have advocated a more inflationary policy, which Germany has opposed.

German big business has benefited more than any other from the austerity measures. Thanks to higher labour productivity and a huge low-wage sector created in Germany by the Hartz reforms 10 years ago, big business could exploit the weakness of other EU members following the 2008 financial crisis. While the economy grew in Germany, it stagnated in Italy, Spain and partly in France. In Greece it plunged by 25 percent.

German banks and corporations have also profited enormously as a result of the draconian austerity and privatization of public property in Greece. For example, the airport operator Fraport was awarded a contract for the operation of 14 regional airports in Greece in November last year. These include airports on busy holiday islands such as Crete and Rhodes, and the airport in the second largest city, Thessaloniki.

The main argument of the German government against a softening of austerity is that it will lead to other governments

letting up in their “reform efforts,” that is, in their attacks on the working class, and that Germany would have to cover the resulting deficits, and thus lose its economic advantages.

In recent days, there has been a flurry of communications between Berlin, Brussels, Paris and Rome. The German government wanted assurances—and promptly got them—that the French and Italian governments, whose response was more friendly to the change of government in Athens, would not ally themselves with the new Greek government against Berlin.

The Tsipras government has since made it clear that it will also come to an arrangement with Berlin. Finance minister Varoufakis flattered the German government in *Die Zeit*, “Germany is the most powerful country in Europe. I believe that the EU would benefit if Germany understood itself as a hegemon.” A hegemon, he continued, has to take responsibility for others, like the United States after the Second World War. He imagined a “Merkel plan, following the example of the Marshall Plan.”

The arrogant and aggressive actions of the German government and media against the Greek population recall the darkest days of the past century, when the self-proclaimed German master race occupied and terrorized all Europe—also committing unspeakable crimes in Greece. A few months from now marks the 70th anniversary of the end of the Second World War.

The announcement by German President Joachim Gauck last year that the period of military restraint was over makes it clear that the German ruling class is determined to pursue its economic interests, to the extent that this become necessary once again, with military force.



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