

# The way forward for the working class in Greece

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With the collapse of talks over the weekend between Greek and European Union officials, the crisis in Greece—and, indeed, Europe as a whole—has entered a critical stage.

Both the EU and Greece’s Syriza-led government have declared their desire to reach a deal that grants Athens access to credit in exchange for imposing more austerity measures. Prospects for reaching such a deal, however, are rapidly fading.

Yesterday’s stock market collapse in Athens and falls on European markets reflect rising uncertainty within the financial elite over the consequences of the situation in Greece. If a deal is not quickly reached, it could lead to Greek state bankruptcy, the failure of Greek and international banks, Greece’s exit from the euro zone and the reintroduction of a national currency, and even the dissolution of the EU itself.

Above all, as the *Financial Times* wrote, the ruling class fears “violent demonstrations” by “huge crowds”—that is, a challenge from the working class to the EU’s austerity agenda.

The program that the EU is demanding be implemented in Greece is catastrophic. Beyond the attacks of the last six years—a 30 to 40 percent average wage cut, property tax hikes, the denial of medical care to millions, the rise of mass unemployment, hunger and homelessness—the financial elite is seeking a 20 percent cut in pensions and an increase in energy prices.

The immiseration of Greek workers is only the most savage expression of the EU’s war on the entire European working class—from the Hartz IV laws in Germany to hated austerity programs in Britain, France and across southern Europe.

When it came to power earlier this year, the Greek government led by Prime Minister Alexis Tsipras made clear its support for the overall austerity agenda of the

European banks and the “troika” of the EU, the European Central Bank and the International Monetary Fund. The government sought some minimal concessions to justify billions of euros in social cuts.

EU officials, however, are demanding abject surrender. As the EU prepares to cut off credit to the Greek state and Greece’s banks, tipping them into bankruptcy in an attempt to bludgeon Syriza into line, ever more drastic outcomes are possible.

The hard line of the European “institutions” has provoked a political crisis in Greece, with the government riven by internal conflicts over how to proceed. Tsipras is well aware that he cannot be seen to be completely discounting mass sentiment. He knows that the decision to abandon Syriza’s election promises to end austerity by signing a pledge to maintain the EU austerity memorandum only a few weeks after coming to power badly damaged his government’s credibility.

Tsipras is fearful that full capitulation now could create mass social unrest, which his government will be unable to control. He also knows that there are substantial and powerful sections of the bourgeoisie within Greece who are not prepared to accept a withdrawal from the euro zone, let alone an abrogation of debt payments, the imposition of currency controls and other measures. He realizes that either outcome—acceptance of the EU diktat or a debt default—would intensify the social and political crisis and could lead the military to intervene, sparking a civil war in Greece.

Thus, Tsipras seeks a compromise that will give him a way out. He is basing himself on an appeal to sections of the bourgeoisie in Europe who believe that the hard line insisted upon by Germany could have unforeseeable and irreparable consequences, and that it is better to give Syriza something that it can use to

maintain its political credibility and assist it in serving as an instrument of bourgeois rule in Greece.

Syriza's policy, reflecting its base in sections of the Greek capitalist class and affluent middle classes, aims, at most, to modify the austerity program. Any outcome within this framework would leave untouched the foundation of the assault on the working class: capitalism and the economic and political dictatorship of the banks.

The pressing political question facing the working class is not to find the best austerity policy, but to advance an independent program that is capable of overcoming the unprecedented retrogression imposed by an outlived social order. Within Greece, this must include:

- **The unilateral repudiation of all Greek state debts:** Greece's enormous and unviable state debt is contrary to the most fundamental social rights of the working class. It has provided the financial pirates of the "troika" ample room for blackmail. In exchange for funds needed to repay the debt, they demand barbaric cuts.

- **The imposition of capital controls:** Greek capitalists and transnational corporations operating in Greece are already pulling funds from Greece. They would seek to protect their wealth and privileges against initiatives that favor working people by accelerating capital flight. This capital, made up of wealth created by workers' labor, must be forcibly retained within Greece and used to secure the basic social rights of the population to jobs and social services. Such controls can be imposed, however, only if the banks are themselves controlled by the working class.

- **The nationalization of the banks and major industries under workers' control:** The commanding heights of the economy must be subordinated to the social needs of the population. Brought under the democratic control of working people, they will help provide the necessary resources to reverse the job cuts and social attacks of the EU.

Above all, it is necessary to make a direct appeal to the workers of Europe. There is no solution to the crisis in Greece within the confines of Greece itself.

The confrontation that is emerging pits finance capital against the working class not only in Greece, but in all of Europe. "The strategy of the European

Commission over the past year-and-a-half or two has been to reduce the labour costs in all European countries in order to improve the competitiveness of European companies over rivals from Eastern Europe and Asia," EU Commissioner Maria Damanaki said two years ago, explaining the EU bailout of Cyprus. This is the strategy of finance capital: to boost its wealth by imposing a race to the bottom in workers' living standards around the world.

Just as the assault on Greek workers is part of a continent-wide and, indeed, global attack, so too a successful fight against this attack requires the independent political mobilization of the working class throughout Europe and internationally.

The Greek working class can defend itself only by appealing for the building of a unified mass movement of the European working class in defense of Greek workers and in opposition to the EU. Workers across Europe must refuse all sacrifices the ruling class calls upon them to make in the name of preserving the euro or the EU. As they mobilize in struggle against austerity policies in their own countries, their watchword will be: Defend the Greek workers!

The fight for such a program requires a political break with Syriza and all of the instruments of bourgeois rule in Greece and throughout Europe. The urgent question remains one of revolutionary leadership and political perspective.



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