

Political issues in the Greek debt crisis

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By summarily halting talks in Brussels with Greece's Syriza-led government yesterday after barely an hour, the European Union (EU) made clear that it intends to whip Greece into line and force the government to repudiate any pretense of opposing austerity demanded by the European banks.

On Monday, Syriza had made new concessions, with a €7.9 billion package of pension cuts and other measures, going beyond even the cuts the EU demanded last December as a precondition to reopen the flow of credit to Greece and avert Greek state bankruptcy. Initially, the EU endorsed this proposal as the basis for a deal. Yesterday, however, only days before the June 30 deadline for Greece to receive EU aid needed to repay billions of euros to the International Monetary Fund (IMF), EU officials said that a deal was farther away than ever.

The EU demanded new cuts and informed Greek officials that it would only restart talks Saturday. According to EU documents leaked to the *Financial Times*, the EU and IMF are demanding deeper pension cuts, and that the retirement age rise from 62 to 67 faster than planned by Syriza. They also want the government to reduce proposed corporate tax increases.

Greece's creditors are sending an unmistakable signal: insofar as Syriza's election was based on promises to end EU austerity, they intend to force it into a humiliating series of retreats and capitulations. When Greek Prime Minister Alexis Tsipras warned EU Commission President Donald Tusk yesterday that the EU had to respect the outcome of the January vote in Greece, Tusk bluntly replied that it was "game over," and talks were broken off.

The EU's hard line is provoking a deep political crisis in the Greek state and the coalition government of Syriza and the far-right Independent Greeks (Anel). The entire policy of the Greek government since elections in January makes clear that it is not in

principle opposed to EU austerity, and Tsipras himself has always insisted that he expects Syriza will reach a deal with the EU. At the same time, he is aware that a full and open capitulation will provoke enormous opposition and social unrest.

There are powerful sections of the Greek bourgeoisie who are not prepared to accept the withdrawal of Greece from the Eurozone. Last week, the Greek central bank said that a deal with the EU must be found at all costs to avert state bankruptcy and maintain access to credit. Should the state go bankrupt and Greek banks lose access to emergency credit in euros, the Greek financial system would collapse, unless Greece abandoned the euro and saved its banks with massive injections of a Greek national currency, the drachma. Backed only by the Greek economy, however, this currency would be expected to plunge against the euro.

Syriza's Left Platform faction and the Anel party of Defense Minister Panos Kammenos speak for other sections of the ruling class that have a more nationalist position and are considering a break with the EU and a return to the drachma. They point to the impossibility of repaying Greece's €300 billion debt as EU austerity shrinks its economy. While a plunge of the drachma's value would send prices skyrocketing and impoverish workers, it might allow Greece to repay its debts in a cheaper currency and, by slashing real wages, boost its global competitiveness.

Maneuvers are also afoot in the Greek ruling elite to bring down the current government and install a new one that would focus only on imposing a deal with the EU. Yesterday, former Prime Minister Antonis Samaras of the right-wing New Democracy (ND), Greece's main opposition party that was voted out of office in January, said that Tsipras should form a "transitional government of national consensus." It would bring together "those who agree with him for a deal with Europe, with our help."

Enormous risks are posed to the working class, particularly of an intervention by the Greek military. A Syriza-ND regime would be a parliamentary dictatorship, relying on the security forces and the army to impose EU austerity on a hostile population that voted against it in January. As for plans of a return to the drachma, the Greek press has already indicated that they include the mobilization of the army to close Greece's borders and suppress protests against the collapse of the currency.

Certainly, the recent joint military maneuvers of the Greek and Egyptian armed forces, and the invitations extended to Egyptian coup leader and military dictator General Abdel Fattah al-Sisi by Berlin and Paris are not accidental. They are a threat that, if Syriza or the government that follows it cuts across the interests of global finance capital, it could also find itself, like Egyptian President Mohamed Mursi, the target of a coup backed by the major imperialist powers.

The coming to power of the Syriza government represents an enormous experience for the international working class, bought at a bitter price. Syriza and its supporters convinced themselves that they could reach a negotiated settlement on the issue of EU austerity. As they came to power, they publicly repudiated essential measures to defend against the EU: repudiating the debt, imposing capital controls, and nationalizing the banks and major industries.

Above all, as representatives of layers of the Greek bourgeoisie and affluent middle class, the last thing they could conceive of was mobilizing broad anger against austerity in the working class of Greece and across Europe in struggle against the EU. Rather, they sought to exploit divisions between the major EU powers—Germany, Britain, France, and Italy—to lighten the austerity policies being imposed on Greece. This policy collapsed, as all these regimes supported imposing austerity on Greece.

Syriza's entire policy was, in the final analysis, based on a denial of the possibility of—and active opposition to—a socialist revolution by the international working class. As it now plays the hand it dealt itself, it is finding itself forced to carry out a humiliating political striptease, imposing the barbaric austerity policies it claimed it was taking power to stop.

Workers must draw the political conclusions of the bankruptcy of Syriza. What has emerged in Greece and

across Europe is the failure of capitalism and of the political system. The task the working class faces is to mobilize itself in a revolutionary struggle for state power and for socialism.

Syriza's supporters would no doubt insist that a revolutionary policy is unrealistic. In fact, it is Tsipras and Syriza who, with their pragmatic improvisations and media gimmicks, proved to have an utterly unrealistic policy. The experience of Greece has shown that it is revolutionary politics, based on a Marxist assessment of irreconcilable conflict of class forces, that proved to give a realistic assessment of the crisis.

The urgent need is to construct revolutionary parties in Greece and across Europe, sections of the International Committee, to struggle for a revolutionary perspective in the working class.



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