

Greek crisis comes to a head

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The decision of European financial authorities to terminate the European Union (EU) bailout of Greece and limit the flow of credit to Greek banks has brought the country to the brink of an economic and financial meltdown. It is the latest stage in a ruthless five-year assault that has imposed draconian austerity measures that have shattered the country's economy.

After the EU announced the end of the bailout program, the European Central Bank (ECB) declared that it would maintain but not raise the €89 billion cap in emergency liquidity to Greek banks, most of which has already been used. In the face of a potential banking collapse, Athens has imposed capital controls and declared a week-long bank holiday.

The program presented by the EU, the ECB and the International Monetary Fund “troika” amounts to a plan for Greece, already bled white, to commit economic and social suicide.

It calls for deep new pension cuts, regressive Value Added Tax increases that will slash workers' buying power, and the privatization of energy, port and transport infrastructure. *Financial Times* columnist Wolfgang Münchau called it “an economic version of Dante's hell,” adding, “It would have brought about the total economic destruction of Greece.”

In imposing this hell, the European financial and political elites have made clear they will stop at nothing as they tear up all democratic norms and principles to impose a dictatorship of capital. The working class must draw a political balance sheet of the bitter experiences of the past five months and advance its own independent program in this life-and-death struggle.

The assertion by Syriza that any fight for socialism and the taking of political power by the working class must be rejected as unrealistic has been refuted by events. It is the politics pursued by Syriza that have proven to be completely bankrupt.

For five months, Syriza has done nothing to defend the Greek working class from the assault waged by the ruling class. It even refused to impose capital controls as billions were withdrawn by the Greek oligarchs and salted away in overseas bank accounts—with the money to do so provided through the imposition of the vast bulk of austerity measures demanded by Greece's tormentors.

Now Syriza has imposed controls that only prevent Greek workers from accessing their own money in order to feed their families.

Syriza foresaw nothing.

Its politics are based on the social interests of sections of the upper-middle class. Its entire strategy has been based upon the forlorn hope that some section of the bourgeoisie could be persuaded to come to Greece's rescue and accept a modified austerity program.

Above all, Syriza is opposed to an independent mobilization of the working class on a socialist and revolutionary program. To the demands for the mass impoverishment of the Greek working class, it has responded with hopes for palliatives that it can use to sell austerity to the population.

Those politics are continued in the calling of a referendum for July 5 on whether to accept the EU's latest measures. The Syriza-led government is engaged in a cynical political exercise. Its main purpose is to foist political responsibility for accepting the new round of brutal austerity onto the Greek people.

Politically, the Greek government already has a clear mandate to reject the austerity demands. It was elected on the basis of an appeal to the deep popular anger over the dictates of the European banks. From the beginning, however, Syriza has insisted on its commitment to the bailout and its desire to reach an agreement with the European institutions.

At this point, it is not even clear what the referendum would decide. The European institutions have indicated

that if Greece defaults on its scheduled loan payments due on Tuesday, the entire agreement will be scrapped. Syriza, moreover, has made no attempt to explain what it will do if there is a “no” vote, or given any indication of how it will change its policy of seeking to remain in the euro zone and reach an agreement with Greece’s creditors.

Even now, Syriza is holding out for some accommodation. As Sunday progressed, with growing concern over the impact of Germany’s hard line on European markets, there have been calls for a way out of the impasse to be found. Concerned about both the financial and geopolitical implications of the Greek crisis, US President Obama called German Chancellor Angela Merkel yesterday to discuss the need for “Greece to resume reforms and growth within the euro zone.”

For its part, the European institutions are holding in reserve the possibility of regime-change. The *Financial Times*, in an editorial denouncing Syriza on Sunday, warned of this possibility. “George Papandreou attempted a similar [referendum] maneuver in 2011 when he was prime minister. The harsh bailout deal survived; Mr. Papandreou lost his job,” the newspaper wrote.

To deal with mass opposition in the working class, there can be no doubt that top generals are at this moment conspiring behind closed doors, considering the possibility of using the military to intervene directly and meet protests with violence and repression. Syriza has paved the way for such an outcome through its own efforts to secure the support of the police and the armed forces against the working class.

The situation confronting the working class is dire. At stake is not only the future of workers in Greece, but in all of Europe. By seeking to humiliate Syriza, the European banks want to send a signal that popular elections, such as the January anti-austerity vote that brought Syriza to power, have no bearing on the actual policies that are carried out. It is making of Greece an example that no opposition to austerity will be tolerated.

The *World Socialist Web Site* calls on workers in Greece to vote “no” to accepting the EU’s demands for yet more austerity. But such a no vote must be understood for all that it implies.

Economic war has been declared on Greece by the

troika—the voice of international capital. In response, the working class must advance its own program, based on a revolutionary struggle against the capitalist system.

The working class cannot defend itself without taking immediate action to thwart the conspiracy of the Greek and international ruling class and to take power into its own hands by forming a workers’ government. The banks and strategic industries such as shipping must be taken over and the accounts and assets of the oligarchs who control Greece seized.

Above all, workers in Greece must appeal for support and protest action to mobilize the deep opposition to austerity in the European working class as a whole. If the EU succeeds in making an example of Greece, it will soon turn to imposing the savage measures carried out in Greece on the entire European working class. A successful fight against these attacks requires the political mobilization of the working class across Europe, as in Greece, in a revolutionary struggle for socialism.



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