

The looting of the Greek working class

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The attacks on the Greek population have assumed monstrous proportions. The “troika” of the European Commission, the International Monetary Fund and the European Central Bank is demanding no less than the complete ruination of the Greek working class.

The austerity measures already introduced have led to an unparalleled social decline. One in five adults and one in two young people in Greece are unemployed. Homelessness, which was hardly known in Athens before the crisis, has become widespread. Tens of thousands of small businesses have gone bankrupt due to drastic tax increases.

The wealthy elite are hardly affected by the austerity measures, however. According to *Handelsblatt*, they have deposited €560 billion in foreign accounts, a sum nearly twice as large as Greece’s entire national debt.

For the troika and the banks behind it, all this austerity is not enough. As a precondition for the disbursement of the second rescue package agreed last summer, they are demanding budget cuts of €3.3 billion for this year alone—and all at the expense of the working class.

Health spending is to be cut by €1.1 billion, 15,000 state employees will be sacked in the coming year, and 150,000 are to be made redundant over the next four years. The federal minimum wage, upon which 300,000 people depend, is to be reduced from €750 to €600, and unemployment benefits from €460 to €360 a month. Supplementary pensions, which many Greeks depend upon for their survival, will be cut by 15 percent.

Private-sector wages are to be reduced by 20 percent by not renewing standing contracts and negotiating new contracts at company level. “Because the lowered minimum wage will provide the base line for future wage negotiations, wage cuts are expected to be major,” said James Nixon of the *Société Générale* bank.

In the meantime, the three parties supporting the government of Lucas Papademos in parliament—the

social democratic PASOK party, the conservative New Democracy party and the ultra-right LAOS—have accepted most of the troika’s demands. Differences remain over planned cuts in supplementary pensions, which accounts for about one-tenth of the total of cost-cutting measures. They have agreed to the austerity measures even though it is obvious they will drive Greece deeper into recession.

The cuts are aimed exclusively at satisfying the banks. They will be compensated for a 50 percent cut in the nominal value of their loans to Greece, which they wrote off long ago, by the repayment of the remaining 50 percent with high interest, guaranteed by the European Union. At their last meeting in Paris, German Chancellor Angela Merkel and President Nicolas Sarkozy even suggested that some Greek government revenues be deposited directly into a special account, which Athens could not access before the banks had taken their share.

In the meantime, an increasing number of voices are advocating state bankruptcy for Greece and its expulsion from the euro zone. The vice president of the European Commission, Neelie Kroes, asserted that should Greece quit the currency union, the result would be “manageable.” And the Greek EU Commissioner Maria Damanaki confirmed that an exit from the euro zone had become a “real alternative” that was being “openly examined.”

The purpose of such a move would be to obliterate all that remains of incomes, savings and social infrastructure by means of state bankruptcy and runaway inflation.

What the financial aristocracy is doing to Greece is what they intend for the whole of Europe. A social counterrevolution is taking place which was barely conceivable a few years ago. Broad layers of the population are being condemned to poverty, unemployment, sickness and even death to secure the

profit demands of the international financial aristocracy.

Other countries caught up in the vortex of the euro crisis (Portugal, Spain, Ireland) or dependent on aid from the International Monetary Fund (Hungary, Romania), are carrying out similar draconian attacks on the working class. The hundreds who have died in the recent cold spell in Eastern Europe are not victims of the weather, but rather of austerity measures that have made electricity, heating and shelter unaffordable for many. Even in “rich” countries like Germany, the number of “working poor” and low-wage earners is increasing dramatically.

This makes even more significant the fact that not a word of solidarity with the Greek workers is to be heard from the social democratic parties and trade unions in Europe. They fully support the dictates of the troika and are helping to enforce them.

Martin Schulz, president of the European Parliament and a leading figure in European social democracy, has expressly called on the Greek political parties to meet the cuts targets of the troika.

The European Trade Union Confederation (ETUC) has published a few noncommittal words of solidarity with the Greek trade unions, which have sought to dissipate the anger of Greek workers in ineffective, limited protest strikes. The ETUC, however, has not raised a finger to mobilize the workers of other countries to defend their Greek colleagues. Instead, it stands fully behind the troika and works closely with its institutions.

There could be no clearer proof that the social democrats and trade unions stand fully in the camp of the ruling financial oligarchy. By supporting the attacks on the working class in Greece, they are preparing similar attacks on the working class in all European countries.

They are supported and defended by a host of pseudo-left organizations intent on tying workers to the bankrupt union bureaucracies, fueling illusions in the possibility of reforming social democracy and the European Union, or seeking to funnel outrage over the dictates of the troika into the dead end of Greek nationalism.

The events in Greece show that the working class needs new organizations and a new political

perspective. The unrelenting attacks on their social and democratic rights inevitably provoke powerful opposition. This is shown by the mass protests in Greece, Spain, Romania and other countries. But this opposition needs a political orientation.

It has to be developed into an international, socialist mass movement that aims to overthrow the EU and all European capitalist governments and replace them with workers governments which join together to constitute the United Socialist States of Europe. This requires the building of sections of the International Committee of the Fourth International across Europe.

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