What next for Greece (and Europe)?

[threecolumns]THE SYRIZA-led Greek government made a bid to reverse the appalling and humiliating conditions laid upon the country by the Troika (European Commission, European Central Bank and International Monetary Fund).

The fiasco that followed deserves careful consideration by all trade unionists, socialists and working people more broadly.

SYRIZA is a coalition built around forces coming from the Euro-Communist sector which several decades ago split from the old KKE (Greek Communist Party). They promised a new kind of "left" politics, breaking the mould of sectarian wrangling over ideological shibboleths. (In the process they junked a number of political principles also, in particular the understanding of the basic conflict in society between capital and labour).

With the shock of the country's bankruptcy and the fateful "Memoranda" reverberating around Greek society, with masses of people going, in real confusion, into semi-permanent occupation of the city squares, it was the coalition which became SYRIZA which captured the popular mood.

They drew from the intellectual tool-kit of Keynesian theory the idea that the economy could be launched into a new period of growth by the correct policies on the part of governments and the EU.

They presented the matter as an intellectual debate with an "elite" seduced by neo-liberal dogmas which had somehow reached political power pretty well everywhere, whether in the hands of formerly "socialist" or frankly conservative politicians.

Enough popular support mobilised for a “better” capitalist policy, in the SYRIZA view, could reverse the situation and kick-start growth and protect living standards.

There are also attractive sides to what SYRIZA was offering: an attempt to find what united people instead of what divided them, a listening ear to what people were saying rather than the sectarian propagandist broadsides, a very practical approach to dealing with the mass poverty and collapse of welfare structures which followed government acceptance of the Memoranda.

The Solidarity Clinics and cost-price farmers’ markets and food and toy banks in working class districts were both very much needed and started to generate a cadre of party activists. The Solidarity For All welfare network at the same time created a framework for an international solidarity movement with the people of Greece.

From a ramshackle coalition of left groups, SYRIZA became an organised political party with a political programme of socially progressive measures and the aim to reverse the Troika-imposed economic destruction of the country (The Thessaloniki Programme).

On this basis the party provoked a general election in February of this year in which they won enough seats, together with a small conservative anti-austerity grouping, ANEL, to form a government. (Certainly not a single one of the groups claiming to be Marxist revolutionaries could have come even close to dislodging the vile bunch of puppets masquerading as a Greek government up to that point).

The problem is, the leaders of the European Union are not simply an accidental grouping with this or that ideological outlook. They are the political representatives of a particular social class – the bourgeoisie. In capitalist society, this is the class which owns (and actually

personifies) the big concentrations of capital.

“You might as well have sung the Swedish national anthem”

It is their position as the public spokespersons and administrators of capitalist society which gives these monsters their utter conviction that they are right and that the biggest popular majority vote in the world is wrong. How do these masters of the work know they are right? The money tells them. They put into words and action what finance capital actually means.

In the current issue of the British Labourite magazine New Statesman, the main Greek negotiator trying to persuade in the bourgeoisie to make some concessions, Varoufakis, describes:

> *“… the complete lack of any democratic scruples, on behalf of the supposed defenders of Europe’s democracy. The quite clear understanding on the other side that we are on the same page analytically – of course it will never come out at present. [And yet] To have very powerful figures look at you in the eye and say ‘You’re right in what you’re saying, but we’re going to crunch you anyway’ … there was point blank refusal to engage in economic arguments. Point blank. … You put forward an argument that you’ve really worked on – to make sure it’s logically coherent – and you’re just faced with blank stares. It is as if you haven’t spoken. What you say is independent of what they say. You might as well have sung the Swedish national anthem – you’d have got the same reply. And that’s startling, for somebody who’s used to academic debate. … The other side always engages. Well there was no engagement at all. It was not even annoyance, it was as if one had not spoken.”*

To try to “make the other side engage”, the SYRIZA government sought popular support in a referendum. Already repayment deadlines had been missed without any new agreements being reached, and the supply of liquidity to Greek banks was

switched off. The referendum was held under conditions of a fiscal blockade which threatened to gradually strangle the country as effectively as any naval blockade in history. Nevertheless a 61% vote to reject the Troika's exactions represented a high-water-mark in SYRIZA's popular support.

But it only made the EU "institutions" more intransigent. Prime Minister Tsipras himself now went to the EU with a set of proposals which represented abject surrender.

He promised to reform the tax system, accept increases in Value Added Tax (VAT), increase the pension age, increase employee pension contributions, cut back on early retirement and do away with benefits for the very poorest pensioners, sell off remaining state assets, cut state spending and take steps to destroy trade union rights.

But it now was not enough for the European bourgeois leaders. They were furious that the Greeks had had the gall to elect a government which rejected their measures for Greece; they resented the fact that the SYRIZA government cracked open a chink in the curtain of capitalist "austerity" and gave working people event he hope of something different. This had to be stamped out completely.

They insisted on a much clearer set of commitments on all these issues, spelled out in chapter and verse, and the right to have their creatures sit in on the drafting of the legislation to be rushed through the Greek parliament (using the votes of opposition parties, who of course had always supported these measures).

Why do the bourgeois leaders of the world who pull the strings which move the EU institutions – including Europe's national governments and the International Monetary Fund (IMF) insist on nothing less than abject surrender?

Why would they risk the possible repercussions, which could include Greece defaulting on her debts and even the break-up

of the euro currency bloc? We know this from the fact that the IMF (no doubt egged on by the US government) warns that Greece's debt burden is devastating and beyond recovery.

It is their own crisis of the capitalist system which urges them on regardless of the consequences. The upheavals in the world of finance which surfaced after 2007 were a huge systemic shock, but they were a real expression of the underlying crisis of imperialism.

By some estimates, the total amounts lost in, around and following the crash were truly massive.

On October 1 2012, the Wall Street Journal summarised the assessment of the former chief credit officer of Standard and Poor's rating agency Mark Adelson:

> *"An attempt at sizing up the economic impact produced varied and sobering results, with losses attributed to decline in world gross domestic product and household wealth, and other measures focused on the financial sector including bank write-downs and the increase in government support.*
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> *"The $10 trillion to $12 trillion drop in value of world stock markets and the $5.7 trillion to $12.8 trillion plunge in US output in the decade to 2018 give the best overall look at the costs, however, he said. "These numbers suggest total costs likely to run $5 trillion to $15 trillion …" (http://blogs.wsj.com/economics/2012/10/01/total-global-losses-from-financial-crisis-15-trillion/)*

The only solution which the capitalist masters of the world can find is to turn on the masses of working people and strip them of all the progress they have gained in the past.

By the way, the "bailout money" from the institutions mainly does not end up in Greece. As economics correspondent Philip Inman wrote in the UK Guardian newspaper on 29 June 2015:

> *"Only a small fraction of the 240 billion euros (£170 billion) total bailout money Greece received in 2010 and 2013 found its way into the government's coffers to soften the blow of the 2008 financial crash and fund reform programmes. Most of the money went to the banks that lent Greece funds before the crash. Unlike most of Europe, which ran up large budget deficits to protect pensioners and welfare recipients, Athens was then forced to dramatically reduce its deficit by squeezing pensions and cutting the minimum wage".*

Capitalist society works through the creation of surplus value by labour and the "valorisation" of that surplus value, its conversion into new capital re-invested into new ventures for yet more profits.

This social formation – capital – which historically played a progressive role in the development of the productive forces, has now for a century been at the heart of the economic crisis as a barrier to their further development. That crisis rumbles on; it has not been overcome. In the attempt to solve it, the bourgeoisie must try to increase the portion of surplus value which it pockets at the expense of the portion which is claimed by the working class and working people more broadly.

Working class struggle has wrested significant concessions from the ruling class in terms of wages, welfare and pension rights, and normal expectations that the state will provide health, education and legal rights and facilities and the chance of a decent home in a reasonably healthy environment.

All these things were enshrined in political and legal arrangements through which workers and others could assert their needs.

So in order to be able to strip working people of the share of surplus value which they have been able to take previously, either in the individual wage packet or as a "social wage", the bourgeoisie has to attack, undermine and de-nature all

these arrangements, which include socialist (or Labour) political parties and, where they can, trade unions.

And this has been the basis for the degeneration of reformist socialist parties across Europe. Greece's PASOK, the German SPD, the Parti socialiste in France, Labour in the UK and all their like have been politically hollowed out and de-fanged over decades.

But the decline of reformist parties has not been matched by a collapse in the illusions and expectations of masses of people in Europe.

Despite nearly forty years of continuous attack, despite the massive and savage increase in productivity and the closure of many industries relocated overseas, in many respects the assault of capital is only beginning.

One has to envision the depth of what the new Conservative government is planning in the UK to have any grasp of the scale of social conflict the bourgeoisie is proposing across Europe: savagely stripping away the vestiges of a welfare system; systematically re-engineering the health and education services to turn them into objects of profit for business; massively depriving people of access to a decent home; ongoing destruction of the whole legal system which provided some sort of safeguard for the poor and the weak; an onslaught on human rights legislation.

"Austerity" is a word often bandied about, but it hardly covers what is actually proposed. The way working class life and communities have been under-mined and the decay and collapse of social-democratic and "Communist" political parties has led to a tendency to accept that "there is no alternative" and often a backward scapegoating of claimants, the unemployed and migrants.

Individualism has made progress among working people who a generation ago would have stood (and did stand) firm in

defence of class rights. Old working class areas of the UK have shown an appetite for voting along nationalist lines. Social fragmentation weakens the possibility of resistance and undermines traditionally powerful methods of struggle.

In the economic and social witches' brew that is Europe, the initial steps in the political recovery of the masses has been marked by these factors.

Loudly denouncing the sell-out on the part of social democracy, the leaders of the new formations such as SYRIZA, the section of the French Communist Party which re-engineered itself as the Parti de Gauche, PODEMOS, Die Linke and the rest demand very little that is not – traditional social democracy, pure and simple!

As (generally) followers of the late John Maynard Keynes, they do not call for a socialist revolution, but capitalism with its contradictions contained, smoothed over, managed and regulated by state intervention.

Their critique is not of capitalism as such – they are indeed not at all interested in abolishing it – but of "neo-liberal ideologues" who have allegedly inspired all the problems we face for some subjective reason.

Nevertheless, precisely because of this actually very moderate outlook, these parties are the vehicles through which the working people of Europe have started their political revival.

People are obliged to enter the path of struggle, but their first steps are hampered by profound illusions on the one hand and a profound disillusionment caused by the collapse of the Soviet Union and of hopes of a socialist future on the other.

They will have to overcome both handicaps, but that will only be achieved along the road of resistance they are increasingly adopting.

The challenge for Marxists is to identify and put forward proposals for action which lead the way to a confrontation with the system as a whole.

The future revolutionary leadership of the masses will be built in the unity and mutual struggle of the Marxists and the forces who come forward to conduct the present fight which is focussed most sharply on Greece.

This leadership will have to free itself from illusions that working people “share” any “values” with a bourgeoisie whose true values are exposed every minute in their relentless drive to impoverish, disarm and disempower us.

Bob Archer – July 2015 [/threecolumns]