# The Greek People are the Victims of an Extortion Racket

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**The events in Greece concern us all. The Greek people are paying for a crisis and a debt not of their making. Today it is the Greeks, tomorrow it will be others, for the same causes will produce the same effects if we allow it.**

First and foremost, let us express our full and unwavering solidarity with those who must endure an unprecedented austerity plan, not to mention contempt and arrogance bordering on racism. The ongoing strikes and demonstrations are legitimate, and we support them. This is not the crisis of the Greek people; it is the crisis of the world capitalist system. The plight of the Greek people speaks volumes about the nature of capitalism today. The plan dictated by the European Union (EU) and the International Monetary Fund (IMF) rides roughshod over the most elementary rules of democracy.

If this plan is implemented, it will result in the worst collapse of the economy and of peoples' incomes in Europe since the 1930s. Equally glaring is the collusion of markets, central banks and governments to make the people foot the bill for the vagaries of the system. French President Nicolas Sarkozy still dares to talk of the need to regulate the market, while implementing measures that are more neoliberal than ever. The response to the crisis has been framed by a deadening consensus of the Right and the Left. The EU-IMF plan has been drafted by European governments of the Right and Left – and by Dominique Strauss-Kahn, managing director of the IMF, an institution that has been strangling the Third World for decades and is now attacking Europe. The plan is being implemented by the Socialist government of Greek Prime Minister George Papandreou, while the French side of the deal has been adopted in unison by MPs of the governing centre-right UMP and the Socialist Party (SP).

### Background to the Crisis

The Greek debt crisis is the third phase of a broader global crisis that began in the United States in the summer of 2008. The speculative activities of the major western banks led the world to the brink of the abyss and plunged the economy into recession. This has led to escalating unemployment, alongside flagging incomes and purchasing power. Governments have rescued financial capitalism, resuscitated the banks, and revived capitalism by handing out hundreds of billions of Euros and dollars. This has made debts and deficits skyrocket and put more fragile states like Greece in a difficult position.

Now that the markets have digested the crisis, they are attacking government debts and speculating on the future of the weakest. What an exemplary lesson on the amorality of a system that is able, in the space of one year, to survive thanks to the largesse of states and then punish these very states by speculating aggressively against them. These speculators are now attacking Spain and lie in wait for further victims.

When French Prime Minister François Fillon announced on May 5th that painful measures were in store to “avoid a level of indebtedness such as Greece’s,” he also announced an austerity plan, of which scrapping the right to retire at age 60 is only one component. In fact, the three-year freeze on public spending will entail a freeze on civil servants’ wages and job cuts in the hospitals, schools and other public services that people need in order to deal with the social catastrophe created by the crisis. In contrast, the government has announced it will continue to honour the Sarkozy tax cap – which has already generously awarded a thousand or so members of the super-rich with an average refund of 376,000 Euros apiece.

**Two Weights, Two Measures**

The Greek measures overwhelmingly approved by EU governments are an attack on social rights. According to the rules of globalized capitalism applied by these governments, Europe is losing ground in its global competition with the United States and emerging countries. Their solution is to regain competitiveness by attacking the standard of living and social protection won in Europe through decades of mobilization by the workers movement. This means a never-ending race to the bottom. And to think that they promoted the Maastricht Treaty, the EU Constitutional Treaty and the Lisbon Treaty as the building blocks of a Europe based on social justice and social welfare! What utter nonsense, when we compare this rhetoric to the bleeding imposed on the Greeks – at 5% interest, no less! The European banks can continue to grow rich on the Greek austerity plan, although they are the ones most responsible for the global economic chaos. There is nothing humanitarian about the “assistance plan” that has been adopted by the National Assembly. By supporting the government, the SP has lined up on the side of finance and not the oppressed.

Though incapable of organizing solidarity of any kind, the European Union certainly knows how to profit from a people’s misery. Sarkozy and German Chancellor Angela Merkel have jointly declared that they will rescue the Euro zone by strengthening “budgetary oversight” of states that fail to meet the criteria of the EU Stability Pact. Apparently, in a neoliberal Europe, governments are only allowed to contravene the Stability Pact when they are pumping public money into the banks. Humanity will just have to wait.

Yet, never has there been such an urgent need for a social, ecological and anti-capitalist Europe based on solidarity. None of the current problems can be solved within national borders. We are all Greek workers subject to the same logic. Government debt is the product of 25 years of neoliberalism and tax cuts for the rich – on corporate incomes, capital and shareholder dividends. For 25 years these taxes have been constantly lowered, and yet we are still told that they represent an unbearable burden for employers and the well-heeled. No, this crisis is not ours. In Greece, as elsewhere in Europe, we shouldn’t have to pay for it.

**Our Demands, Our Alternatives**

That is why we demand the cancellation of the Greek debt. To reject the austerity plans, to divest the banks of the control they exercise over the economy and society, to substitute a single European public banking service in place of the European Central Bank, with a monopoly over credit, and to demand the cancellation of the debts, is to fight for a genuine European project. This would be a Europe of the peoples and the workers, where their struggles for a social and ecological Europe based on solidarity converge. If we do not initiate this break towards building a different Europe, the sovereigntist and nationalist logic – and the xenophobia that goes along with it – will get the upper hand. The race is on.

In the 1990s, neoliberal governments of the Right and Left imposed harsh economic convergence criteria in order to pave the way for the single currency. The time has now come to secure social convergence criteria: a European minimum wage; the right of European workers and their organizations to veto layoffs; and social and democratic rights levelled upwards to match those of the best national legislation within EU member countries. Such a project must be taken up by a new political force that reaches beyond national borders – a European anti-capitalist Left that is built step by step. The entire radical Left has to carefully study the lessons of the Greek crisis.

In each country, the radical Left is torn between independence from Social Democracy and participation in government alongside the neoliberal Left. We all want to defeat the Right in Europe, as in France; and that means building up the basis for an alternative to the routine return to government in 2012 imagined by the French SP. The SP has christened this election plan "Gauche Solidaire". Is it surprising that in the Greek crisis this "Left Solidarity" has gone to speculators and no one else?

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## P.S.

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