

Greece Alone Cannot Do It; Austerity Victims of the World Unite

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Global Research, February 23, 2015

Region: [Europe](#)

Regardless of the outcome of the newly-elected Greek government's debt negotiations with representatives of Europe's big finance, the mere fact of the left-leaning Syriza Party's ride to power on a groundswell of the Greek people's anger over the neoliberal austerity measures deserves to be celebrated by austerity victims everywhere. More than anything else, Syriza's electoral victory represents a clear indication that, when mobilized, people can bring about change.

Celebrations of Syriza's electoral victory, however, need to be tempered by two concerns or dangers. The first worry is that if anti-austerity movements in other countries fail to bring their representatives to power, and coordinate their protest actions with their counterparts in Greece, Syriza's campaigning promises to the Greek people are bound to be thwarted by the power of big finance. And the second concern is that the Syriza leaders at the helm of the new government do not seem to be firmly committed to the changes they promised their supporters during their election campaign.

Indeed, there is evidence that the government of Prime Minister Alexis Tsipras is already reassuring its creditors of major compromises his administration is willing to make. These include (a) a commitment to stay in the Eurozone, which is tantamount to giving up a major bargaining leverage; and (b) a commitment to pay the debt in full, that is, no debt write-down.

In return for these important compromises, the relief the Tsipras administration is asking is quite modest: far from invoking the street pressure that brought it to power and asking for a "debt haircut," the administration is essentially asking for some political space to maneuver; to be granted short-term, unconditional "bridging loans" in the hope that such loans would provide a breathing space or opportunities for long-term arrangements with its creditors.

A major reason for the new administration's moderate stance vis-a-vis its creditors is the fact that the Syriza leaders at the head of the government are largely social-democratic reformists and/or nationalists, not revolutionaries or socialists bent on jolting the capitalist system. Only by maintaining and escalating the street pressure of their mobilized supporters alive could these leaders win meaningful concessions from the representatives of big finance. But since such a revolutionary scenario seems to be beyond their political/ideological outlook, they have opted for temporary, minimal or cosmetic concessions from the financial oligarchy.

But while it is true that Syriza leaders are no starry-eyed revolutionaries, and their commitment to pay back Greece's debt in full is largely due to their capitalistic world view, the fact remains that, in the absence of international solidarity support from austerity

victims of other countries, it would be extremely difficult for Greece (or any other country alone) to extract effective or meaningful concessions from the international financial goliaths even if those leaders stood firm on their election promises.

Not only Greece, but no other country alone can effectively challenge the rules of the world capitalist forces in favor of its people. This explains the failure or defeat of socialist and/or social-democratic experiments in countries such as the Soviet Union, China, Vietnam, Sweden, Chile, Nicaragua, and Cuba. It also explains why in the post-WW II alone so many nationalist, sovereignty-seeking and left-leaning regimes have been overthrown by forces of hegemonic world capitalism. Such forces of “regime change” have included not only direct military interventions and coup d’états, but also covert and “soft-power” interventions such as color-coded revolutions, “democratic” coup d’états, manufactured civil wars, economic sanctions, and the like.

Guardians of world capitalist/financial markets change “unaccommodating” regimes not only in the less developed countries but also in the core capitalist countries. They accomplish this not so much by military means as by utilizing two very subtle but powerful instruments: (a) artificial, money-driven elections, peddled as expressions of democracy; and (b) powerful financial institutions and think tanks such as the International Monetary Fund (IMF), central banks and bond/credit rating agencies like Moody’s, Standard & Poor’s and Fitch Group.

An unfavorable rating report by these agencies on the credit status of a country can create havoc on that country’s economic, financial and currency position in world markets, thereby dooming its government to collapse and replacement. This is how during the ongoing financial turbulence of recent years a number of governments have been changed in Europe. These have included the ousting/resignation of the Greek government of Prime Minister George Papandreou in 2011 and that of the Italian government of Prime Minister Mario Monti in 2013.

Profitability imperatives of neoliberal austerity economics thus seem to confront its victims, with stark options. If they resist the austerity measures dictated by the institutional proxies of the financial 1%, they are almost certain to earn the wrath of international capital markets and their institutional representatives such as the IMF, WTO and central banks. On the other hand, if they comply with austerity requirements, they will suffer not only immediate economic hardship but also long-term means of economic development and prosperity.

So, what is to be done? What conclusions can be drawn from these experiences? Are there alternatives to the global neoliberal agenda?

It follows from the preceding that in order for the anti-austerity struggle in Greece and elsewhere to be more effective and sustainable, it has to move from national to the international level. In the same fashion that, in their fight against the 99%, the elites of the international capitalist class are not bound by territory or national boundaries, so do the victims of economic austerity need to coordinate their responses internationally.

Isolated and confined to national boundaries, anti-austerity movements are constrained in their defense of wages, employment and living standards by threats of economic sanctions, international capital flight and plant relocation. A logical, first step deterrent to transnational

capital's strategy of blackmailing labor and communities through threats such as destroying or exporting jobs by moving their business elsewhere would be to remove the lures that induce plant relocation, capital flight or outsourcing. Making labor costs of production comparable on an international level would be crucial for this purpose.

This would entail taking the necessary steps toward the international establishment of wage and benefits, that is, of labor cost parity within the same company and the same trade subject to (a) the cost of living, and (b) productivity in each country. A strategy of this sort would replace the current downward competition between workers in various countries with coordinated bargaining and joint policies for mutual interests and problem-solving on a global level. While this may sound radical, it is not any more radical than what the transnational capitalist class has been doing for a long time: coordinating their austerity policies on a global level.

It is often argued that in light of the steadily increasing substitution of labor by machine and, therefore, of the declining weight/role of labor in production, suggestions of labor alternatives to the rule of capital sound anachronistic.

It is true that in the core capitalist countries the percentage of the labor force working in large manufacturing and mining enterprises has declined compared to those working in the so-called service industries. But this is no more than diversification of the work force, which follows diversification of technology and economic activity; and the conclusion that it represents a decline in the overall weight or importance of the working class is unwarranted.

The type of one's work uniform, the color of a wage earner's collar, or whether one's pay is called wage or salary does not make him/her more or less of a worker than other wage earners. In fact, statistics on wage and benefits of the work force show that, on the average, the so-called white collar workers are nowadays paid less and are much less secure economically than the traditional industrial/manufacturing workers.

Growth of the service industries has also meant growth of minimum-wage and no-benefits workers. Concentration of large numbers of workers in telecommunications, transport, banks, hospitals, energy sector, and the like can today paralyze the capitalist economy as effectively as their "blue-collar" counterparts in the manufacturing sector.

Furthermore, "professionals" and salaried employees such as teachers, engineers, physicians, and even middle and lower level managers are increasingly becoming wage workers, and are thus ruled by the supply and demand forces of the labor market. The tendency for wage work to become the dominant or universal form of work means that, overall, the ranks of the working class are expanding, not contracting, despite the relative decline in manufacturing employment [1].

More numerous than ever before, the working class can influence, shape, and ultimately lead the world economy if it takes on the challenge (a) on an international level, and (b) in collaboration with broader coalitions and alliances of other social strata that also struggle against neoliberal austerity.

As noted earlier, many people would view proposals of this nature as outlandish or unrealistic. Admittedly, these do not seem to be propitious times to speak of Left internationalism, or radical alternatives to capitalism. The present state of the sociopolitical

landscape of our society appears to support such feelings of pessimism. The high levels of unemployment in most countries of the world and the resulting international labor rivalry, combined with the austerity offensive of neoliberalism on a global level, have thrown the working class on the defensive. The steady drift of the European socialist, Social Democratic, and labor parties toward the U.S.-style market economies and the erosion of their traditional ideology, power, and prestige have led to workers' confusion there. The collapse of the Soviet Union haunts the specter of socialism. These developments have understandably led to workers' and leftists' confusion, disappointment and disorientation globally.

None of these inauspicious developments, however, mean that there is no way out of the status quo. Capitalism is not only "destructive," it is also "regenerative," as Karl Marx put. As it captures world markets, universalizes the reign of capital, and disrupts the living conditions for many, it simultaneously sows the seeds of its own transformation. On the one hand, it creates common problems and shared concerns for the majority of the world population; on the other, it creates the conditions and the technology that facilitate communication and cooperation among this majority of world citizens for joint actions and alternative solutions.

Globalization of production, technology, and information has created not only favorable conditions for capital internationalism but also for labor and other grassroots forces that are challenging capitalist regulation of their lives and communities. Although often submerged (and censored by the corporate media), there exist unmistakably hopeful signs that the global economic rollback policies of neoliberalism have begun to awaken the grassroots and working people everywhere.

Initially stunned by the dizzying shock-therapy style attack of neoliberalism on their living conditions in the aftermath of the 2008 financial collapse, citizens across Europe are now gradually building powerful campaigns to stop creditor-sponsored privatization of public properties and services.

"In parallel to the imposition of austerity measures and privatization, there are countless grassroots initiatives that amount to a counter-trend against this new wave of dangerous privatization. This backlash extends far beyond reactive resistance and highlights a real way forward for public services in Europe. New reinvigorated public services with genuine democratic participation can emerge and take root. . . . A 'European Spring' characterized by actions, strikes and demonstrations can help to connect and multiply local resistance throughout the continent" [2].

The authors of this passage further relate how in Paris, for instance, the transfer of water services from private companies to municipal authorities was a major success, resulting in savings of €35 million in the first year and improved service delivery. Similar trends of "re-municipalization" have taken place in Germany, Finland and the UK; as local public authorities re-establish control over energy, forests, water, transport, refuse and recycling sectors.

In Spain, popular struggles, known as "citizen waves," have been organized by the mass indignado movement to fight the austerity cuts and privatization of public property and services spearheaded by what has come to be known as the Troika: the International Monetary Fund, the European Central Bank and the European Commission. These have

included the “blue wave” against water privatization, “green” for education, “white” for healthcare, and “orange” for social services.

In Portugal, a citizens’ campaign initiative, called “Água é de todos” (Water for All), presented 40,000 signatures in March 2013 “opposing the privatization of the national water company.” In Italy, an anti-privatization referendum in June 2011, resulting in 96 percent of the voting electorate (around 26 million voters), succeeded in

“overturning laws promoting the privatization of the management of water and local public utilities.” In July 2012, following widespread public pressure, “the Italian Constitutional Court declared that legal attempts to reintroduce the privatization of local public services was unconstitutional” [3].

In Athens, Greece, the “Save Greek Water” campaign was launched in July 2012 to oppose water privatizations and “promote the democratic control of water resources.” Likewise, In Thessaloniki, Initiative 136, a citizens’ movement, “is opposing the privatization of the Water and Sanitation Company and calling for social management through local cooperatives instead.” The Pallini municipality has also “taken the decision not to allow the privatization of its water supplies.” More broadly, the Greek public and trade unions (often defying the class collaborationist policies of their bureaucratic leaders) “have strongly resisted the privatization of Greek energy services, telecommunications and transport infrastructure” (ibid.). Continued escalation of the anti-austerity resistance ultimately brought to power the Syriza government in the January election of 2015.

“For a European Spring” is an anti-austerity resistance movement that coordinates international protest actions across Europe. Its mission statement declares,

“The pan-European movement continues to grow and For a European Spring will use its website to spread the word of new mobilizations, actions, strikes and struggles that are helping to build a grass-roots resistance to the unjust and undemocratic policies being imposed by the European Commission, the International Monetary Fund (IMF) and the European Central Bank – a.k.a. the Troika” (<http://corporateeurope.org/eu-crisis/2013/02/european-spring>).

Internationalism is not a dogma invented by Marx but recognition of the laws of capitalist development,

of the laws of the accumulation of capital as “self-expanding value” that is blind to physical, geographical or national borders. A comparison between the early stages of the development of capitalism on a national level and its subsequent expansion to international level can be instructive. In its early stages of development, capitalism consolidated and centralized all the petty states, principalities, and feudal domains into nation states in order to create a broader arena for the development of productive forces.

Today a similar consolidation of markets is taking place on an international level. Just as in the early stages of capitalism, nation states facilitated consolidation of national markets by establishing national currencies, national business laws, national tax laws, and the like, today they perform a similar task through international agencies such as the IMF, the World Bank, European Union, World Trade Organization (WTO), and the Bank for International

Settlement, which represents the unofficial international banking cartel.

Labor and other grassroots organizations too need to move from national to international arena—just as they moved from the local and/or craft level of early capitalism to the national level of today. The fact that earlier attempts at international labor solidarity failed by no means signals the end of the necessity of that solidarity.

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References

[1] On this issue see, for example, Harry Braverman, *Labor and Monopoly Capital*, New York: Monthly Review Press 1974; Michael Yates, *Why Unions Matter*, New York: Monthly Review Press 2009; Michael Zweig, *The Working Class Majority*, Ithaca, NY: Cornell University Press 2012.

[2] Zacune, J. et al, "Privatizing Europe: Using the Crisis to Entrench Neoliberalism, Working Paper, Transnational Institute (TNI), March 13, 2013.

[3] Ibid.

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