

Grotesque Global Financial System: Greece. Economic Theft on an Unprecedented Scale

Greece is a microcosm of a modern class war rarely reported as such.

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As Britain's political class pretends that its arranged marriage of Tweedledee to Tweedledum is democracy, the inspiration for the rest of us is Greece. It is hardly surprising that Greece is presented not as a beacon, but as a "junk country" getting its comeuppance for its "bloated public sector" and "culture of cutting corners" (Observer). The heresy of Greece is that the uprising of its ordinary people provides an authentic hope unlike that lavished upon the warlord in the White House.

The crisis that has led to Greece's "rescue" by European banks and the International Monetary Fund is the product of a grotesque financial system that itself is in crisis. Greece is a microcosm of a modern class war rarely reported as such, but waged with all the urgency of panic among the imperial rich.

What makes Greece different is that it has experienced, within living memory, invasion, foreign occupation, military dictatorship and popular resistance. Ordinary people are not cowed by the corrupt corporatism that dominates the European Union. The right-wing government of Kostas Karamanlis that preceded the present Pasok (Labour) government of George Papandreou was described by the sociologist Jean Ziegler as "a machine for systematically pillaging the country's resources".

Epic theft

The machine had infamous friends. The US Federal Reserve board is investigating the role of Goldman Sachs, which gambled on the bankruptcy of Greece as public assets were sold off and its tax-evading rich deposited €360bn in Swiss banks. This haemorrhaging of capital continues with the approval of Europe's central banks and governments.

At 11 per cent, Greece's budget deficit is no higher than America's. However, when the Papandreou government tried to borrow on the international capital market, it was effectively blocked by the US corporate ratings agencies, which "downgraded" Greek debt to "junk". These same agencies gave triple-A ratings to billions of dollars in so-called sub-prime mortgage securities and so precipitated the economic collapse in 2008.

What has happened in Greece is theft on an epic, though not unfamiliar, scale. In Britain, the "rescue" of banks such as Northern Rock and the Royal Bank of Scotland has cost billions of pounds. Thanks to Gordon Brown and his passion for the avaricious instincts of the City, these gifts of public money were unconditional, and the bankers have continued to pay each

other the booty they call bonuses and to spirit it away to tax havens. Under Britain's political monoculture, they can do as they wish. In the US, the situation is even more remarkable. As the investigative journalist David DeGraw has reported, the principal Wall Street banks that "destroyed the economy pay zero in taxes and get \$33bn in refunds".

In Greece, as in America and Britain, the ordinary people have been told they must repay the debts of the rich and powerful who incurred them. Jobs, pensions and public services are to be slashed and burned, with privateers put in charge. For the EU and the IMF, the opportunity presents to "change the culture" and to dismantle the social welfare of Greece, just as the IMF and the World Bank have "structurally adjusted" (impoverished and controlled) countries across the developing world.

Greece is hated for the same reason Yugo slavia had to be destroyed physically behind a pretence of protecting the people of Kosovo. Most Greeks are employed by the state, and the young and the trade unions comprise a popular alliance that has not been pacified; the colonels' tanks on the campus of Athens University in 1967 remain a political spectre. Such resistance is anathema to Europe's central bankers and regarded as an obstruction to German capital's need to capture markets in the aftermath of Germany's troubled reunification.

Shock therapy

In Britain, such has been the 30-year propaganda of an extreme economic theory known first as monetarism, then as neoliberalism, that the new Prime Minister can, like his predecessor, describe his demands that ordinary people pay the debts of crooks as "fiscally responsible". The unmentionables are poverty and class.

Almost a third of British children remain below the breadline. In working-class Kentish Town in London, male life expectancy is 70. Two miles away, in Hampstead, it is 80. When Russia was subjected to similar "shock therapy" in the 1990s, life expectancy nosedived. In the United States, a record 40 million cannot afford to feed themselves.

In the developing world, a system of triage imposed by the World Bank and the IMF has long determined whether people live or die. Whenever tariffs and food and fuel subsidies are eliminated by IMF diktat, small farmers know they have been declared expendable. The World Resources Institute estimates that the toll reaches between 13 and 18 million child deaths every year. This, wrote the economist Lester C Thurow, is "neither metaphor nor simile of war, but war itself".

The same imperial forces have used horrific weapons against stricken countries where children are the majority, and approved torture as an instrument of foreign policy. It is a phenomenon of denial that none of these assaults on humanity, in which Britain is actively engaged, was allowed to intrude on the British election.

The people on the streets of Athens do not suffer this malaise. They are clear who the enemy is and regard themselves as once again under foreign occupation. And once again, they are rising up, with courage. When David Cameron begins to cleave £6bn from public services in Britain, he will be bargaining that Greece will not happen in Britain. We should prove him wrong.

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