Frontier
Vol. 44, No. 45, May 20-26, 2012

ATHENS IS BURNING

No More IMF!

Farooque Chowdhury

ATHENS WAS IN FLAMES. But, stock markets felt relieved. The Greek bank-friendly elites denied to recognize people's plight and "honorably" embraced humiliating conditions to honor debt.

People in Greece are in anger and anguish. Within 10 hours, about half a hundred buildings were set ablaze in the Greek capital, an act of desperation that germinates as public space is encroached by banks, as democracy in a society is dictated and distorted by global finance capital, and people lose breathing space. Broader section of people was protesting peacefully and violent scenes raged the capital while the Greek parliament was passing a bank-dictated austerity plan to make banks happy. The fact got exposed: bankers pushing for austerity, market welcoming austerity, people standing against austerity, and, bankers standing against people. And, austerity is, in actual sense, pressing down labor, robbing labor.

As the Greek parliament passed the austerity measures demanded by its lenders stock markets rallied. In Athens, shares in Greek banks leaped by 10%. The FTSE 100 went high, Germany's Dax climbed, in New York, the Dow Jones Industrial Average rose up, the French Cac was up, the Italian MIB bought a higher position, and the euro took upward journey before taking a shallow dip. In the secondary bond markets, 10-year securities issued by Italy, Belgium, Portugal and Spain felt strong. In London, Lloyds Banking Group led the upward jump. The creditors felt assured that their debtor, Greece, is an obedient honorable soul that stands by promise. The Greek government will express their irreversible written assurance within days to avoid bankruptcy. A high moral standing in creditor-debtor relationship where creditor has all the rights to rob and dictate debtor!

The EU welcomed the Athenian parliamentary practice as EC Commissioner for Economic and Financial Affairs Olli Rehn called the vote a show of Greece's determination to address its finances. And, he condemned the violence. However, the disciplined Greek MPs' yeah votes were not enough to make bank bosses fully happy. It failed to ensure delivery of second rescue package to Greece. A banker, according to Bloomberg TV, reminded Greece to maintain its credibility with its international partners. It was an exercise with democracy : financiers telling people's representatives what to table and how to vote!

But that democratic practice was not enough. Athens has to initiate "Additional measures"—more cuts worth 325m euro. Germany has warned : The vote is not enough to guarantee that Greece receives its bailout money. The Bundestag, the German parliament, will take the final decision on Greece. A report on Greece from the Troika—the IMF, EU, ECB—must reach the Bundestag before it decides whether to approve the bailout fund. Moreover, the euro group finance ministers will observe Greece's compliance with the terms, and there should be conclusive understanding with private creditors over debt restructuring. Legislature of a country supervises legislative doings and wrong doings of another country! It is financiers' global capital-sovereign practice.

To rationalize passing of the austerity bill, the Greek prime minister Papademos warned that banks would collapse and schools and hospitals would be left without funds unless the bill passed. He straightened fact partially while a partial fact was ignored. Without the austerity measures finance capital would feel uneasy. But Greek schools and hospitals, as main stream media report regularly, are passing through problems for long.

Financial problems, in usual manner, crept into Greek politics. With appointment of unelected ministers under the premiership of unelected Papademos, a banker turned academic turned politician, in the reshuffled cabinet the Athenian bankruptcy-bail out comedy has generated a neo-democratic model in Greece. Parliament members standing against the austerity bill have been expelled. Earlier, before tabling the bill, MPs were warned of not to oppose the austerity bill. The next crisis, as conservative *New Democracy* party head Samaras told parliament, is likely to come with the coming election within months. He likes to renegotiate the agreements with the troika following the elections. His signing of the pledge to bankers is uncertain although he voted for the bill. Vassilis Korkidis, the head of the National Confederation of Greek Commerce, said in a statement: The country's political system is failing.

Along with democracy-drama in Greece two interviews carried by German press revealed interesting observations by powerful actors on the world stage. George Soros in an interview has criticized German chancellor Merkel for "leading Europe in the wrong direction". He warned of another great depression unless funds are not pumped now instead of cutting spending. He was frank. Profit margins will be under pressure, he said. Soros admitted : Markets do not correct their own excesses. He told point blank : Germany was among the first countries to break the euro zone rules. The Germans were not exactly innocent. Everybody broke the Stability Pact rules. Germany has mishandled the rescue operation by providing the bailout at penal interest rates, which then led to an increase in the indebtedness of Greece. It is only a policy failure on the part of Europe and particularly of Germany, because Germany is in charge. That is why today Greece is beyond rescue. Soros added: People like German finance minister Schäuble don't seem to understand that the heavily indebted countries are now at a severe disadvantage, because they have basically become heavily indebted in a foreign currency, the euro. Soros tried to identify the root: The euro crisis is a direct continuation or consequence of the 2008 crash. This crisis isn't over yet and we will have to spend more state money in order to stop the skidding. Otherwise we will repeat the mistakes that plunged America into the Great Depression in 1929. Angela Merkel simply doesn't understand that. He told in a simple voice : 'I am concerned about my own interests. Nevertheless, I think that I perhaps understand the financial system better than some of the people who are in charge. In the interview conducted by Georg Mascolo, Gregor Peter Schmitz and Martin Hesse Soros expressed his ambitious intention : I am trying to change [Angela Merkel's] mind'.

More talks are there. Guido Westerwelle, the German foreign minister, in an interview said: Germany occasionally shows a tendency to boast. He was concerned with the attitude. Westerwelle wants a European Germany. He said : We should not believe that we will always be the strong man of Europe. Westerwelle expressed his dissatisfaction with the political impasse in Greece in recent weeks. The German minister told : Greece's future is in the hands of the Greeks. However he advised the Greeks : [The Greeks] have to demonstrate that they are serious. It isn't enough to adopt reform programs. Instead, [those] have to be implemented without delay—not at some point in the future, but now. In the interview conducted by Konstantin von Hammerstein and Ralf Neukirch the German minister reminded Greece in a stern voice: There will be no more advance payments. Only actions count now.

Greece, its elites, has to discipline itself, in the manner bank capital likes. But, there is another voice, the voice of the people. Graffiti on Athens walls said: "No IMF-no new [austerity] measures", "No more IMF! Stop the intervention in Greek sovereignty. If you don't give democracy a chance, you should expect US!", "Bosses are killers of the people". This voice will complicate finance capital's democratic politics in Greece. □□□