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Greece

# Restructure, audit or cancel the debt?

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**Since the beginning of the Greek public debt crisis three different demands have been put forward by the left and the workers' movement: either to restructure (and so reduce), to audit or to cancel the debt. This is not just a matter of slogans, but it also implies different political strategies. OKDE-Spartakos, as well as ANTARSYA, despite its contradictions, have opted for the third choice.**

The first demand has been proposed by Synaspismos (and so by the majority of SYRIZA) and, in a more conservative version, by the Democratic Left of Fotis Kouvelis. The concept has been to negotiate with creditors in order to cancel part of the debt, so that it can be bearable again. Nevertheless, this is more or less what is actually happening right now, on the government's and EU's own initiative, as it is obvious that the whole debt could never be paid off. So, creditors prefer to lose part of their profits than lose everything, simultaneously being compensated by new, more benevolent conditions (low wages, deregulated labour relations etc) for future investments. This kind of negotiation is an explicitly bourgeois project, and it is the only real process of "restructuring". That is why the demand to restructure the debt has soon lost its credibility as a component of an answer in favor of working people and it has led left parties that stood for it in a rather embarrassing situation.

More discussion is needed about the demand for an audit commission that would check the debt contracts and prove that part of it is odious. The basic aim of this committee would be to reveal to the masses that the debt they are meant to pay is not fair or legitimate. Based on this concept, one and a half year ago some Greek economists, along with politicians coming from the left and former PASOK members (as the deputy Sofia Sakorafa) published a call for an Audit Commission (ELE). This proposal is today much less timely than it used to be, and it seems that few things have been done towards the direction of actually forming such a committee. However, it is still important to put its main idea under scrutiny.

A process of debt audit could be combined with the demand to cancel the debt or not, but it is not equivalent to that. In our case, the original call for ELE left this question open. However, this has not been the only problem about this initiative. The big issue is which viewpoint does one start from: to check if the debt is legitimate according to the national and international legislation and, if so, cancel a part of it? Or, on the contrary, to refuse that the working class pays it, whether it is formally legitimate or not?

There are 5 main reasons why we oppose the Greek Audit Commission (ELE) as being the sharp point of an anticapitalist response to the crisis, promoting the demand to cancel the debt instead:

1. The Greek public debt is not of the same type as the Third World's debt. Economically, it is not imposed by foreign imperialist countries that plunder the country and profit by unequal exchange due to the different rate of productivity, even if unequal exchange does play some role indeed. The debt is product of a development strategy deliberately selected by the Greek bourgeois class, which is also imperialist. This extra-aggressive strategy, that included excessive public borrowing and economic invasion in Eastern Europe with the help of the euro currency, has failed and is being punished in the inter-capitalist competition regarding who is to suffer the burden of the crisis. Moreover, it is getting ever more obvious that the debt crisis in Greece is not due to some kind of national specificity, but it is part of an international structural capitalist crisis, a crisis of over-accumulation in the final analysis, that hits firstly (but not exclusively) weak links like Greece. Technically, there are nearly no contracts for a commission to check, because public borrowing, unlike what usually happens in the Third World, has been carried out via government bonds, not loans (at least before the memorandum). So, if there is something to reveal regarding the debt this is not scandals, but its deeply exploitative structure as a mechanism that accentuates class exploitation. However, this task is not basically accomplished by auditing, but by marxist political analysis, political work and, of course, struggle.

2. It is not really a problem to convince workers and the oppressed in Greece that the debt is not fair. Most of them are already convinced about that, and the unwillingness of left parties to speak about cancellation so as not to “frighten” the mass has proved to be unreasonably conservative, if not mere hypocritical. It is indicative that the demand to immediately stop paying off the debt and fight for its cancellation (except for the part held by pension funds) has been one of the first to be voted for in the massive popular assembly of Syntagma square during the “indignants” movement, even if by that time it has been put forward only by the “far left” (most visibly by ANTARSYA). According to recent polls, more than one third of the so called public opinion stands for the cancellation of the public debt, a rate that is obviously much higher with respect to the working class. This is a very important percentage, given the brutal propaganda launched by Greek governments and the mass media which never stop shouting that a default on the public debt would mean total disaster for all of us. It is also telling that the Communist Party, after having discredited the demand for more than a year, has now changed its stance and adopted it, without frightening the masses or losing its popularity for that reason. The real problem is not to explain to the masses that they shouldn't pay the debt (they already know), but to indicate how they can actually avoid paying it, how they can impose its cancellation and how they can defend themselves against the national and international bourgeois class's vindictiveness in case they manage to do so.

Of course things are quite different regarding an international solidarity campaign. In this case it may indeed be crucial to prove how exploitative and disastrous for Greek workers the debt is, in order to convince people that are not immediately affected by it. The point is not to blame militants who sign for the Audit Commission from abroad – from their point of view this could be a legitimate token of solidarity. Nevertheless, as a tactic in the interior of the country an auditing demand would be a clear step backwards.

3. Greece is a completely different case from Ecuador, which is usually referred to as a successful example of audit. In Ecuador it has been a progressive government itself to take the initiative to form an audit commission and check contracts concerning public borrowing – in that case there actually were such contracts. That government has been the outcome of mass movements and working class struggles, even if it simultaneously showed off their limits. On the contrary, both the present “national unity” government and the previous PASOK government in Greece are the main instruments of the brutal war that the bourgeois class has declared against working people. They are acting on behalf of the capital with no intention to accept the slightest class compromise. And it is well known that both the Greek state and Greek capitalists are determined to guarantee that creditors will not lose their money. A default on the debt would threaten their whole development strategy, as well as their own immediate interests, as many of them are creditors themselves (more than one third of the debt is held by Greek banks). So, it is absurd to ask such a government to give its permission, or “requisite powers” as is the expression used in the original call for the Audit Commission, to check debt contracts. Such a demand would imply the idea that we have a common problem with the government, something like a “national question” or a national struggle against foreign “plunderers” of our land. On the contrary, our main task right now is to prove to the revolting masses that “our” government is not just to be blamed for being too much submissive to foreign bankers, but that it is an active key factor of the attack we are suffering and it should be overthrown. Besides, the amount of money that the Correa government refused to pay as being odious represents less than 5% of the current Greek government debt. The international financial system could tolerate that loss, but it can't do so in the case of Greece.

If Ecuador is not a proper example to compare Greece with, let alone how this is true about another example sometimes mentioned by economists of ELE: Russia in 1998. It is not really necessary to explain that in that case the cancellation of a part of the public debt was a 100% bourgeois project, concerning the inter-imperialist rivalries and not people's demands or interests of the Russian working class.

4. ELE is meant to be a purely scientific and technocratic committee supported by well-known “personalities”. It is not a campaign or a front and it doesn't include trade unions, political or social organizations (“it will be independent of political parties”, as stated in the call). A first objection would be that this is quite a bureaucratic concept, as it is not clear how this committee of experts would be controlled by the mass movement. However, this is not the only

problem. The political framework of ELE, as expressed in the original call, is not “neutral” at all, as hoped by the most radical of its co-signers. It is rather clearly social-democratic. Namely, its primary goal is to find a way out of the crisis without breaking with the rules of capitalism, but by managing the system. According to the call:

“The aim of the Commission will be to ascertain why public debt was incurred, the terms on which it was contracted, and the uses to which borrowed funds were put. On the basis of these considerations, the Commission will make appropriate recommendations to deal with debt, including debt that is shown to be illegal, illegitimate or odious. The purpose of the Commission will be to help Greece take all necessary measures to confront the burden of debt”.

This kind of rhetoric reinforces a deceitful patriotism, seeking for a way to “save Greece”, not the working class and the deprived and oppressed strata. Nevertheless, in the crisis there is no way to save Greece in general, because there is no way to save both capitalists and workers. Just one of them can be saved and in total expense of the other.

5. Technical arguments about the debt are useful, but secondary and complementary. Basically, the Greek public debt crisis is not a technical problem or a question of logistics, but a fundamental class dilemma: who pays for the crisis? Who takes the burden of the destruction process triggered by the crisis? The debt that working people and the oppressed are obliged to pay is not unfair because it is violating the legislation, but because it is brutally violating their basic interests and rights. If the discussion is restricted to technical matters, it is obvious that the government and the bourgeois class, with all their specialists, experts, mass media and propaganda apparatuses, will have a clear advantage.

What matters is the political core of the demand to check the debt: the right of the working class to access data concerning state’s finances, balance sheets and funds or, in other words, workers’ control. We support this demand. But it is exactly a transitional demand, not achievable under the conditions of capitalism and the bourgeois state. And, of course, it is not at all helpful to ask for “requisite powers” by a bourgeois government in order to fight for such a goal.

Our disagreement with both the Audit Commission and the various left debt restructuring programs is strategic, but at the same time it involves our immediate priorities in the mass movement. We should not accept that we are all facing a problem that could be resolved in favor of the nation as a whole, no matter how “progressive” would be the solution promoted. The working class’s and the deprived strata’s primary task is not to convince the rest of the nation, but to blackmail it with struggles, general strikes, production blockings etc, in order to impose the debt cancellation – whether it is illegal, illegitimate, odious or not. They are not afraid of our arguments. They are afraid of our power to threaten the bourgeois class’s domination.