

**Budget deficit crisis is an indication
of the bankruptcy of the capitalism**

Internationalist Voice

Homepage: www.internationalist.tk

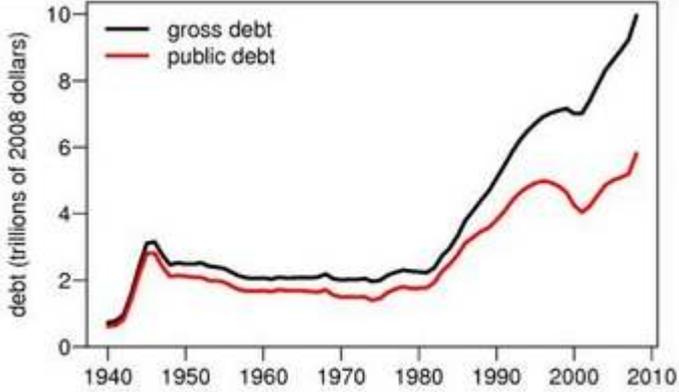
E-mail: internationalist.voice@gmail.com

The First World War was an indication that the capitalism has been a decadent social system. This decadence has been manifested above all by the treadmill of crises, wars and reconstruction; ultimately, the capitalist system forces humanity to suffer. Capitalism is in crisis, a crisis that has become deeper and spirals throughout the world, with better word the capitalism is in its death crisis.

The current budget deficit crisis, in all the capitalist states, is indication of the bankruptcy of capitalism. This has been the cause of attacking working class’s living standard around the world. It is not the peripheral states of the capitalism that are bleeding, but its most economically developed countries, the metropolitan states. Economists and ideologues of the free market have noticed the huge indebtedness of the leading superpowers.

The capital’s palpating heart, the world economic engine, USA, has gotten third place in the top of Gross Domestic Product (GDP) debt ratios in the world:

“During the administration of President George W. Bush, the total debt increased from \$5.6 trillion in January 2001 to \$10.7 trillion by December 2008, rising from 54% of GDP to 75% of GDP. The total debt is projected to continue increasing significantly during President Obama’s administration to nearly 100% of GDP, its highest level since World War II. The total debt could be 5-15% of GDP higher than that projection based not slowing the annual deficits to 1 trillion instead of \$1.5 trillion where the US is now. This would put the US in the top 3 of GDP debt ratios.”ⁱ



The Europe’s leading economic powers is not less bankrupt than the world economic engine; USA. The fact is that European economic powers after the USA have the most debt and belongs to the most bankrupt states in the world. Debt of Euro stat 2009 are as the following:ⁱⁱ

	Italy	Portugal	Spain	UK	Greece	Ireland	EU average
Debt as a % of GDP	116	77	54	68	112	65	78,2
Annual Deficit in %	5,3	9,4	11,2	11,5	13,6	14,3	5,3

“Greek Finance Minister Giorgos Papakonstantinou announced three weeks ago that his country's budget deficit could reach 12.7 percent of gross domestic product this year, instead of the 6 percent originally forecast - and well about the 3 percent limit foreseen by European Union rules. Greece already pays almost 2 percent more in interest on its debt than Germany. In other words, at a total debt of €270 billion (\$402 billion), Greece will be paying €5 billion more in annual interest than it would if it were Germany. And, with rating agencies threatening to downgrade the country's already dismal credit rating, the situation is only likely to get worse.”ⁱⁱⁱ

The working class of Greece began a wave of protests, strikes and captured streets, workplaces in protest against a society that offers them only deterioration of the social situation. To defend of their living standard that has been attacked by the bourgeoisies and resistance to paying the price of capitalism crises.

The protests of a young generation that has not even been given any opportunity to get into the capitalist wage system, shows that young generation know that they don't have any future in this up and down turn world of capitalism. At the same time, participating of students in the protest shows that students see themselves as the future potential proletariat and rebelled against their future.

The ruling class of the Greece wants the working class to make sacrifices for capitalism in this “difficult situation” to save the capitalist society. Papaconstantinou outlines the following solutions to save the bankruptcy of Greece:^{iv}

- A rise in value-added tax (VAT) to 23 percent from 21 percent
- A further 10 percent hike in fuel, alcohol and tobacco taxes
- A further reduction in public sector salaries and pensions.
- ...

No part of the working class spared from the bourgeoisies' attacks, neither private sector nor public sector, or unemployed. Working class were forced to accept lower wages, tightening up their belts and work harder, increase job insecurity, impair retirement, layoffs, notice of dismissal due to cuts or open unemployment when major industries are closing down. Bourgeoisies asking us to pay the price for the crisis that capitalist system created.

Mass media of the capital acting as a loyal servant of the capital to deform the truth about what happens in this up and down turn world of capitalism. They never talk about the wild strikes and always trying to cover up the police violence against working class. At the same time, they often present the unions as the organizing and protesting forces. However, the main tasks of unions are controlling of the working class and misleading of its class struggle.

The more working class starts to take the initiative and go out in the struggle, the more the state terrorism shows its true face and nature. As the proletariat struggles become more radical and militant so as the repression and brutality of the police. The repression apparatus of the democracy tries to criminalize the struggle of the workers.

The capitalist crisis is global, but it is also working class response as well. In order to overcome the isolation of struggle, the only way is to develop solidarity and class struggle on an international level. We can only repel attacks to the bourgeoisie from our own class terrain. We must be consciousness of the real extent and importance of our struggle, because it contains the germ of a truly global challenge to the decadent social system.

The real roots of today's economic crisis are capitalism's ruthless pursuit of profits and when the accumulation of capital stops, then, the capitalism faces a crisis.

Only the working class can give a perspective to the protests, which is ultimately an expression of a fighting spirit, a refusal to accept the attacks of the bourgeoisie. Never before a social class had such a responsibility as the proletariat has today. More than ever, the working class needs its struggle to the future of humanity in its own hands. When the working class developed its struggle across national boundaries, the fight will be a real alternative to the system of crisis, misery and barbarism.

Firoz

21 May 2010

ⁱ <http://nextbigfuture.com/2009/12/us-deficit-situation-2008-2010-2012-and.html>

ⁱⁱ <http://econ.economicshelp.org/2010/04/european-fiscal-crisis.html>

ⁱⁱⁱ <http://nextbigfuture.com/2009/12/us-deficit-situation-2008-2010-2012-and.html>

^{iv} <http://economictimes.indiatimes.com/news/international-business/Greece-pledges-more-budget-cuts-gets-more-time/articleshow/5883771.cms>