Greek public sector workers strike to oppose austerity measures

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23 April 2010

Tens of thousands of civil servants took part in a strike over austerity measures in Greece on Thursday. Government officials, hospital workers, teachers, university professors, dockworkers and customs and tax officials participated. Museums and archaeological sites were also closed.

The strikes on Thursday coincided with the second day of meetings between representatives of the Greek government and officials from the European Union, European Central Bank and the International Monetary Fund.

The social democratic PASOK government, headed by Prime Minister George Papandreou, and representatives from European and international financial institutions are discussing the terms of any aid to Greece. A €45 billion package was agreed to in principle at a summit earlier this month, but it has not been activated.

A decision to activate the loans—two-thirds coming from European countries and one-third from the IMF—will be accompanied by demands for even deeper inroads in the wages and living conditions of Greek workers.

Papandeou expressed his willingness to enforce these attacks, saying Thursday, “It’s our historic obligations to take decisions that will avert the worst for Greece.”

The attack on Greek workers is seen as critical in pushing through similar measures throughout Europe, where government deficits have ballooned in the wake of the financial crisis and the bailout of the banks.

IMF officials were greeted on the first day of their visit to Athens on April 21 by protesters outside the Greek Finance Ministry bearing banners declaring “No to the IMF”. On the same day, dockworkers held a demonstration at the port of Piraeus, preventing some passenger ferries from departing.

The strikes Thursday express deep opposition among Greek workers to the demand that they be forced to pay for the bailout of the wealthy. Among the chants from strikers was, “No more illusions; war against the rich.”

“People are asking for blood,” ALCO pollster Costas Panagopoulos told Reuters. “I am really afraid there may be social violence, extreme reactions.”

There is growing popular opposition to the PASOK government over its role in enforcing austerity measures. One poll released last week showed two thirds of Greeks are dissatisfied with the PASOK government’s performance, and 66 percent expressed their belief that social unrest will mount in the coming months.

Greece’s unemployment rate has risen to a six-year high of 11.3 percent, compared with 9.4 percent in April last year. According to EU data, one in five Greek citizens already lives below the poverty threshold.

“I don’t believe things will get better,” said office clerk Anastasia Griva, 49. “I am not prepared to make more sacrifices because I don’t think these measures or any future cuts will get us out of the crisis. This is not our fault. The rich, the politicians, the tax evaders must pay.”

The danger of social opposition is very much present in the minds of Papandreou and the representatives of international financial institutions, who are relying on the trade unions, together with their supporters among middle class organizations such as SYRIZA, to help push through austerity measures.

As opposition in the working class mounts to an escalating attack, the response of the trade unions is to demobilize, isolate, and wear down resistance. The strikes Thursday were called by the civil service union ADEDY and the PAME trade union, affiliated to the Greek Communist Party. As in previous protests, the trade unions organized separate strikes—ADEDY for 24 hours, PAME for 48 hours—and separate rallies.

Thursday's strikes were far smaller than general strikes organized in February and March, which involved the participation of about 2 million private sector workers as well. The private sector union, GSEE, plans a walkout next month.

Public transport around Athens remained in operation Thursday, with bus, rail and streetcar workers staying at work. State-owned television was also broadcasting normally. Air traffic controllers—who had originally planned their own two-day strike—cancelled their action following the widespread resumption of air travel in the wake of the volcanic eruption in Iceland.

While criticizing the cuts publicly, union officials continue to back the PASOK government and are working consciously to prevent the development of political opposition.

The union leaderships have repeatedly made clear that they are prepared to accept and implement austerity measures. The union leaders are demanding, however, that they be included in the crucial negotiations to decide where the cuts should be made. They also want cuts to be better packaged to allow the unions to sell them as affecting all sections of society.

The latest strike and the beginning of negotiations between the IMF, EU and ECB come amidst a deepening financial crisis surrounding Greek debt. Despite the promises of a joint EU-IMF rescue package, bond yields on Greek debt continue to soar. On Thursday, yields on 10-year notes surged to 8.83 percent, the highest level since 1998.

The most recent increase, driven by speculators, reflects fears that even with EU-IMF help the Greek government will be unable to restructure the Greek economy and make sufficient cuts to pay off its debt burden as public opposition mounts. The European Union revised its estimate for Greece's 2009 deficit upwards by nearly one percentage point on Thursday, to 13.6 percent of GDP. This prompted Moody's credit agency to downgrade its rating on Greek debt by one notch to A3 from A2, warning that further downgrades are a distinct possibility.

Warning of the dangers of a Greek default the IMF declared in its latest World Economic Outlook, "In the near term, the main risk is that—if left unchecked—market concerns about sovereign liquidity and solvency in Greece could turn into a full-blown and contagious sovereign debt crisis."

The increase in the price of Greek bonds was matched by a sharp increase in the price of Portuguese bonds, and the stock markets in both countries have declined significantly this week. In the wake of the fresh uncertainty over Europe's weakest economies the euro also suffered, falling against the dollar, the pound and the yen.