Greek workers strike against austerity measures

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As many as three million workers took part in a general strike in Greece on Wednesday in opposition to the latest round of austerity measures announced last Sunday by the Greek government. Over 100,000 gathered in demonstrations in Athens, the Greek capital.

Many services and businesses were shut down for the day, including airports, ports, schools, government agencies, and tourist sites. Journalists and most hospital workers also participated in the strike, which was organized by the private sector General Confederation of Greek Workers (GSEE) and the public sector Civil Servants' Confederation (ADEDY).

The mass demonstrations, which some described as the biggest mobilization in the country in the past twenty years, were met by a heavy police presence that took on a provocative character. Greek Prime Minister George Papandreou seized on the death of three workers in the firebombing of a bank to blackguard all opposition and push the austerity measures.

The Greek Parliament is due to vote on the austerity measures on Thursday. The proposals, which were agreed to by Papandreou's PASOK government, are part of an agreement including €110bn in loans from European governments and the International Monetary Fund. They include massive cuts in salaries and bonuses for public sector workers, the easing of restrictions on mass firings of private sector workers, the privatization of government services, and a sharp increase in regressive taxes that target the working class.

The vast majority of those taking part in the demonstrations were ordinary workers. The strikes reflect growing mass opposition to the attack on the working class—not only in Greece, but throughout Europe and internationally. As massive sovereign debt threatens to spark another financial crisis, the class lines are being more clearly drawn.

The overwhelming concern among international financial institutions and European governments, backed by the mass media, is that opposition will hinder attempts to make the working class pay for budget deficits brought on by the economic crisis and the bailout of the banks.

Clashes took place at the parliament building in Athens, as some protesters attempted to break through a cordon of police, chanting "thieves, thieves." In a number of other confrontations, demonstrators threw rocks and petrol bombs at police, who responded with pepper spray, tear gas and stun grenades.

Unidentified individuals set fire to the Marfin Bank in Athens, killing three bank workers. Papandreou immediately seized on the reactionary incident by attempting to delegitimize opposition and generate momentum for the austerity measures.

"We were all deeply shocked by the unjust deaths of these three workers who became victims today of a murderous act," said Papandreou. Seeking to create an amalgam between the firebombing and the protests, he added, "This is where uncontrolled violence and political irresponsibility lead us."

Papandreou insisted that the cuts would go on. The crippling attacks on worker wages and benefits, he declared, were intended to "save jobs, protect families, households and workers." Finance Minister George Papaconstantinou added, "We will not take a single step backwards."

As often with violent incidents such as the firebombing of the bank, the identity of those responsible remains unclear. Police spoke of masked perpetrators and anarchists. It is also quite possible that police provocateurs were involved, a regular occurrence in Greek politics. Less than two years ago, Greek television showed footage of police talking amiably to "anarchists" who were involved in breaking into and burning down shops and banks during the youth rebellions in late 2008.

The Papandreou government is counting on the trade unions to demobilize opposition and prevent it from finding an independent political expression. The trade unions support the austerity measures, with Spyros Papaspyros, head of ADEDY, telling the *Financial Times* on the eve of the strike that the unions would not do anything that would endanger the country's debt repayment. According to the *Times*, "Mr. Papaspyros said the unions would do their best to press their demands for a fairer distribution of the costs of the austerity measures but had no intention of helping speculators who bet against a Greek default."

The strikes and protest in Greece came as European leaders were seeking to secure parliamentary approval for the EU-IMF bailout package. In Germany, Chancellor Angela Merkel urged parliament to quickly pass the country's share of the bailout—€22 billion over three years. Merkel told deputies, "Nothing less than the future of Europe, and with that the future of Germany in Europe, is at stake… We are at a fork in the road.

In an indication of the hurdles confronting the implementation of the EU-IMF bail out package, the right-wing Slovakian government announced it would not agree to the deal until the Greek government agreed to undertake additional austerity measures. Another Eurozone member, Slovenia, announced that it was planning to take out an international loan in order to pay its share of the EU bailout package.

Greek and international finance markets reacted negatively to the latest developments in Greece. Greek stocks dropped four percent in trading on Wednesday while the interest charged on Greek 10-year bonds soared to over 10 percent. All of the main European stock exchanges ended down on the day, and the euro fell below $1.29 for the first time in over a year.

Greece is seen as a test case for measures that are planned throughout Europe. One New York-based financial analyst told the BBC that the reaction of the US financial markets "is that [Greek] people will simply refuse to accept the austerity plan. If the Greeks are this upset, then maybe we need to worry about the Portuguese and Spanish and Italians being upset with the cuts they're going to have to make."

In preparation for a more direct assault on the working class in Portugal—which has already implemented major austerity measures—credit rating agency Moody's threatened on Wednesday to downgrade the country's debt.