

# Anti-government protests hit Greek austerity measures

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Anti-government protests in the northern Greek city of Thessaloniki last weekend were met by a massive police response.

The demonstration was mounted outside the Thessalonica International Trade Fair (DETH), where PASOK Prime Minister Georgios Papandreou not only pledged to continue savage austerity measures, but even announced tax cuts for big business.

In what he described as “a strong incentive for investments and competitiveness,” tax on companies’ retained profits will be cut from 24 to 20 percent next year.

Some 20,000 people gathered on Saturday evening in several demonstrations in the city, ahead of the Papandreou’s speech. The demonstrations were called by the (General Confederation of Workers of Greece) GSEE and the public sector workers federation ADEDY. A second demonstration was held by the Stalinist Communist Party of Greece (KKE) and its PAME trade union federation. But the reality is that Papandreou is only in a position to carry out his attacks because of the role played by the trade unions in stifling opposition in the working class.

A nationally televised session of the newly reshuffled cabinet was also held in Thessaloniki. This was used by Papandreou and Finance Minister George Papaconstantinou to announce further draconian measures. Papandreou hailed “the fierce struggle we are waging to cut the public deficit” and declared, “This reshuffle launches a new phase of our government ... and reflects our priorities”.

The city has been effectively locked down since Wednesday, with thousands of extra police units and riot squads drafted in alongside the local police presence. During the weekend protests, up to 4,500 police were on duty. The police responded violently to

several minor skirmishes by firing tear gas at demonstrators. According to one report, the police preemptively arrested 20 people, including 15 from Spain, Italy, Britain and Portugal.

During his address to the trade fair, Papandreou said, “We have given a tough, titanic and constant battle to save the country from bankruptcy for 11 months. That has required hard sacrifices from all Greeks, and it needs to continue.”

The centre piece of the attacks being imposed is the €30 billion cuts package, pushed through in return for a €110 billion bail-out package agreed to in May with the European Union and the International Monetary Fund. The cuts entail sacking thousands of public sector workers, as well as imposing pay cuts across-the-board in the public sector. Cuts of seven percent in pay are being imposed this year, including a 30 percent reduction in salary entitlements usually paid at Easter, during the summer and at Christmas.

These cuts follow the government’s initial austerity budget, which promised to cut Greece’s budget deficit by four percent of gross domestic product this year. It included a two-year increase in the retirement age to 63, a public sector wage freeze and mass layoffs of private contractors working for the government.

Value Added Tax has been increased and now stands at a record level of 23 percent.

Papandreou told his well heeled audience, “At the end of the year we will have reduced our budget deficit by 40 percent, or by €12 billion”.

His speech outlined further measures, including privatisation of the so-called “closed shop” professions—including truck drivers, notaries, taxi drivers and pharmacists—as well as the deregulation of the energy market. Licensing procedures for businesses will be simplified by the end of this year.

Papandreou told the cabinet meeting that one of the main targets of the government is the privatisation of the Hellenic Railways Organization, the state rail service, which has debts of €10.7 billion. Transport Minister Dimitris Reppas outlined plans to sell a 49 percent stake in the company and sack nearly half of its 6,300 strong workforce. Overtime pay and employee bonuses will be cut, Reppas said.

On Friday, Papaconstantinou demanded that managers at the more than 50 Public Utilities and Organisations (DEKOs) supply him with precise information regarding their finances and budget forecasts for 2011 by September 20. These included rail and other public transport companies.

PASOK has plans in place to make cost savings of around €500 million by merging some 900 public sector organisations, and abolishing hundreds of services and departments.

Papaconstantinou warned, “We will continue as we started.” PASOK was intent on completing its agenda and “several more months must pass before we can convincingly show that what has been done was not a flash in the pan, and that we won’t fall to pieces at the first sign of hardship,” he said.

Wide sections of the population already face abject poverty. In parts of northern Greece, where the trade fair was held, unemployment levels are even higher than the national average of nearly 12 percent. In the town of Naoussa, the unemployment rate is 50 percent.

Sunday’s *Apogevmatini* newspaper forecast a huge rise in unemployment, with an article headlined, “100,000 jobless every month.”

The leading figures within both ADEDY and the GSEE are members of PASOK and support its programme. Ever since PASOK passed its first austerity bill in December last year, the unions have sought to ensure that the growing anger and discontent in the population has been dispersed at regular intervals by calling occasional one day strikes. Refusing to mount any struggle against PASOK, they have demanded—in the words of Yiannis Panagopoulos, head of GSSE—a “fair distribution of the burden” of deficit reduction policies.

Six such one-day strikes have been called at intervals of every six weeks or so, with the last being held on July 8. In a statement a week prior to the Thessaloniki fair, ADEDY’s executive committee declared that

“there is no point in its participation at the talks of the DETH inauguration on Saturday September 11 2010.”

Coming from the union bureaucracy, this amounts to a declaration of a truce with the government, rather than of opposition to it. Their own concern is that the intolerable measures being imposed by PASOK will lead to a movement developing outside of the control of the unions. All recent opinion polls have shown growing discontent with the government’s policies.

A measure of the developing discontent was the participation in the Thessaloniki demonstration of a contingent of 600 truck owners ahead of a strike on Tuesday. The action is being held by the freight truck owners, including fuel tankers, to protest the government’s failure to honour even those limited promises it made at the conclusion of their previous strike on August 1.



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