General strike hits further austerity demands in Greece

Robert Stevens
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Greek workers were set to launch a general strike on Wednesday following escalating walkouts by transport workers and other sections of the working class against sweeping austerity measures being demanded by the European Union and International Monetary Fund in exchange for a €110 billion loan package.

The nationwide walkout—called by the General Confederation of Greek Workers (GSEE) and the public sector Civil Servants' Confederation (ADEDY)—is expected to ground flights, close schools, halt shipping and dock work and close government ministries.

On Tuesday, tram, bus, and train services were halted in Athens and the northern port city of Thessaloniki as transport workers struck against privatisation plans for a second day. Bank workers and others joined the action, as parliament voted for the "labour reforms", including cuts in wages in state-owned bus and railway companies and a weakening of collective bargaining, with company-level deals allowed to prevail.

"We won't pay for their crisis," 33-year old bus driver Yannis Theodorou told Reuters reporters at a protest rally Tuesday. "I took this job seeking a better life but now our salaries will be cut."

Protests are also planned against austerity demands in other countries on Wednesday, including Spain and Belgium, ahead of a summit of EU leaders in Brussels on Thursday and Friday.

Prime Minister George Papandreou's Pan-Hellenic Socialist Movement (PASOK) government agreed to the policies, following a trip to Athens last week by IMF managing director Dominique Strauss-Kahn. After a full year in which cut after cut has been implemented, slashing billions of euros in public spending, the latest attacks include gutting collective contracts and the minimum wage. A total of €6.5 billion of cuts were outlined, in close consultation with the IMF. Parliament is set to vote on the budget next week.

Under the new legislation, firms will be able to bypass collective contracts and offer employees local pay deals. According to *Kathemerini* , the law may also "allow firms to offer the minimum national wage for a certain period."

Value Added Tax is to be increased from 11 percent to 13 percent.

New measures are aimed at breaking up the DEKOs, Greece's state-owned Public Companies and Organisations. These include the Hellenic Railways Organization and Athens Urban Transport Organisation. A total of €800 million is to be slashed from spending on DEKOs in 2011. Alongside the cutting of wages, which will save about half of the €800 million, public transport tickets charged by DEKO companies are set to increase by 30 to 50 percent next year. Some 8,500-10,000 staff whose temporary contracts expire will not be rehired.

PASOK ministers confirmed legislation capping monthly pay at DEKOs at €4,000 gross and cutting the pay of anyone earning more than €1,800 by 10 percent. The amount of overtime pay that a DEKO employee can earn is to be limited to 10 percent of an employee's salary.

These cuts are part of a massive retrenchment of the public sector, which will wipe out hundreds of thousands of jobs. Prior to the announcement, Interior Minister Yiannis Ragoussis said that public workers still enjoyed "scandalous benefits". By the end of the government's four-year term in office, he said, the number of civil servants' jobs will have been reduced by 200,000.

To achieve this, the government has imposed a hiring freeze on any new public sector employees and has devised a ratio of one hiring per five retirements.

A spate of partial and full privatisations, demanded by the IMF and the EU, is going ahead and is expected to raise an estimated €1.1 billion. Firms to be privatised include the Hellenic Railways Organisation, Trainose, which operates railway services, the Hellenic Post, Public Gas Corp, Athens International Airport and 33 other regional airports. Substantial real estate belonging to the state railway organisation is being sold off.

When first agreeing to the terms of the May "Memorandum" with the "troika" of the EU, the European Central Bank and the IMF, PASOK claimed it would be able to implement the cuts without any job losses. This is now exposed as a blatant lie.

Despite the huge cuts made so far, the Papandreou regime has been unable to remain on track to reduce its budget deficit to meet the set target. Since May, the budget deficit has fallen from 15.4 percent of GDP in 2009, to a projected 9.4 percent of GDP this year. The target for this year was for a budget deficit of about 8 percent of GDP.

To secure any further access to the EU and IMF's €110 billion loan package, PASOK has been told in no uncertain terms that it must impose even greater attacks on Greece's 13 million people. The IMF's trip was necessitated by fears that Greece will not be able to pay back the loans it has already secured. Greece requires access to a further €9 billion by the middle of this month and a further €15 billion in February. A *Financial Times* article last

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month warned of "rising concern in Athens that a future transfer might be blocked—a move that could trigger an immediate default and a disorderly restructuring of Greece's €340bn sovereign debt."

Such a scenario would almost inevitably see Greece's exit from the euro.

Last month the Austrian government threatened to withhold its share of the next Greek loan tranche. Although this threat was not carried through, it revealed that a core group of European nations, including Germany and Austria, is prepared to see Greece forced from the eurozone. As part of the austerity programme agreed with the Irish government, Ireland has ceased contributing to the payment of loans to Greece.

In 2014 and 2015 Greece must service €70 billion a year in existing loans or be declared insolvent. So concerned was the IMF about Greece's ability to service the debt that Strauss-Kahn called for the repayment schedule to be extended. Eurozone finance ministers agreed on November 28 to extend maturities on Greek repayments of EU-IMF loans. The agreement, subject to approval by the European Parliament early next year, stipulates that Greece now has until 2024 to repay those loans.

However, Greece is being forced to accept the extension on the most onerous terms. Currently, Greece borrows from the EU and IMF at a fluctuating rate of around 4 percent and a fixed rate of 5.5 percent. Under the new terms the fixed rate increases to 5.8 percent.

Greece must also reduce the deficit to below the EU's limit of 3 percent of GDP by 2013, when its current loan agreements expire. Commenting on this upcoming "fiscal time bomb" and the necessity to "achieve primary surpluses" by 2013, Finance Minister George Papaconstantinou warned, "It is clear that after the lending agreement expires, the country with the biggest public debt in the EU will have no luxury to say it's over."

Workers have continued to fight back. However strikes by the trade unions have been separate, sporadic actions and have remained completely isolated. Tied politically to PASOK, the trade unions have opposed any struggle to bring the Papandreou government down.

On November 30, journalists staged a nationwide strike to protest wage cuts and layoffs. Last week public transport workers struck, leading to the network grinding to a halt in Athens. This week refuse workers, air traffic controllers, bank staff, state-television employees and rail workers are scheduled to strike in separate disputes.

In response, the PASOK regime is increasingly resorting to dictatorial measures. In May, a court ruled a strike by seamen to be "illegal and abusive". Riot police were used against the strikers throughout the dispute. In August, a nationwide trucker's stoppage was forcibly halted by the government, which conscripted the drivers into the army. In October, riot police using batons and tear gas attacked striking Cultural Ministry employees at the Acropolis.

The latest general strike takes place as the Greek government once again uses dictatorial measures to break another strike. On November 23, members of the Pan-Hellenic Seamen's Federation (PNO) began a strike to demand a collective bargaining agreement, wage and pension guarantees and a halt to job cuts. On November 30, as the strike began to hit the delivery of food and other urgent goods and supplies, the government imposed a civil mobilisation order against the workers, conscripting them into the armed forces and placing them under military command. The PNO immediately called off a further 48-hour strike it had just announced. Refusing to undertake any struggle against the government, the PNO stated, "For the second time during its rule the government, incapable of finding solutions, resorted to its favourite recipe."

It is not that the government is "incapable of finding solutions". PASOK has a clear, definite solution to the crisis, which is to force the working class to pay through the imposition of massive austerity imposed by dictatorial methods.

The trade unions have been actively engaged in pushing through austerity. Earlier this month it was revealed that the GSEE was involved in secret talks with the Federation of Hellenic Enterprises (Sev) presidium. Sev President Dimitris Daskalopoulos confirmed that GSEE leading personnel, including President Yiannis Panagopoulos, were involved in the discussions. The *Athens News* website stated, "A discussion with social partners was held regarding an agreement that will consolidate the flexibility and validity of collective work contract."

Days later the cabinet announced its new austerity package.

During his visit, the IMF's Strauss-Kahn commented on the widely despised austerity agenda stating, "If I were a Greek I might also be in the streets." The financial elite, represented by Strauss-Kahn, is well aware that further savage measures will undoubtedly provoke massive opposition. It is relying on the trade unions to dissipate and wear down opposition in order to impose the demands of big business and the global financial markets. As the government resorts to dictatorial measures that recall the period of the fascist junta, the unions stand ready to take their orders.

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