# Savage austerity measures provoke resistance in Greece

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The Greek public sector trade union federation, Adedy, has called the ninth general strike since January 2010, to be held jointly with the GSEE private sector union federation, scheduled for April 6 or 7. The strikes have been called in response to the austerity programme of the social democratic Panhellenic Socialist Movement (PASOK) government of Prime Minister George Papandreou.

With the February 2010 placing of the country's budget under scrutiny by the European Union, and the subsequent passage of tens of billions of euros in spending cuts, Greece became the test case for draconian attacks on living standards throughout Europe.

What has been the outcome of the Greek general strikes?

In calling them, the union bureaucracies have put forward no perspective to fight the austerity measures. Instead they have been utilised as a mechanism for the growing anger in the population to be harmlessly dissipated.

It is thanks to the trade unions that the government has been able to impose the most savage austerity programme. As a result living standards have declined by 30 percent, according to estimates, wages have been slashed by 20 percent, pensions cut, and massive increases imposed on the use of public services. Unemployment has risen by around 5 percent to 15 percent. Among young people it is up to 40 percent.

The last strike in February coincided with the announcement of an unprecedented €50 billion privatisation programme, including the sale of swathes of public land and assets.

Greece was disparagingly dubbed by the European financial oligarchy as one of the eurozone's "PIIGS" (Portugal, Italy, Ireland, Greece and Spain). According to the Bank for International Settlements, the total exposure of foreign banks to Greece, Ireland, Portugal and Spain is more than $2.5 trillion.

Last year Greece and Ireland were forced, as the result of deliberate speculation against their economies by the money markets, to apply for a bailout package from the European Union (EU) and the International Monetary Fund (IMF). Greece's May 2010 loan package was €110 billion and Ireland's November agreement was €90 billion. Access to these funds was made strictly conditional on the imposition of austerity measures against the population.

Based on these measures on Monday, the IMF announced it was releasing €4.1 billion to Greece, the fourth tranche of the loan.

Despite this, last week the Moody's credit ratings agency downgraded Greece's government bonds to "highly speculative", from Ba1 to B1. Moody's stated that despite "very significant progress" Greece had made in reducing its deficit, the "task facing officials and managers remains enormous".

The scale of the social devastation facing the Greek population was outlined by the conservative daily *Kathimerini* on Sunday. Addressing the privatisation programme, it stated, "Assuming the average size of a Greek deal is €100 million, the country will have to produce one such deal every three days to meet the goal of €50 billion in 1,500 days, as one investment banker put it."

*Daily Telegraph* journalist Ambrose Evans-Pritchard questioned how such a gigantic sum could even be raised, asking, "State holdings in Hellenic Post, Hellenic Railways, Athens Public Gas, the Piraeus port authority, Athens airport, Thessaloniki water, and ATEbank, to name a few, will not fetch more [than] €15bn. What next?"

Following the downgrading, European Union leaders agreed to extend to seven-and-a -half years the time that Greece is to pay back its loans. At the same time the rate of interest was lowered by one percentage point, to an average of about 4.2 percent. Despite this "respite", Greece is still expected to default on its debt. Largely due to the austerity measures already in place, growth is expected to fall 3.4 percent this year, increasing the debt level from 127 percent of GDP to 160 percent of GDP by 2013. As economist Peter Westaway stated, "Your debt will continue to increase as long as your growth rate is below the interest rate you are paying."

Evans-Pritchard opined that the deal with the EU "does not restore solvency", adding, "Greece's debt spiral is too far advanced. The debt load will approach 150pc of GDP this year, and debt service costs are 14.4pc of tax revenue."

Two of the other "PIIGS", Portugal and Spain, are also governed by social democratic parties. In both countries the trade unions have only made a token show of opposition to the austerity programme. Following the Irish general election, which saw the Fianna Fail/Green coalition wiped out, the Labour Party joined with the conservative Fine Gael to form a government committed to imposing austerity measures.

Portugal is widely cited in financial circles as being the next eurozone country that will need to resort to an EU/IMF bailout. Its 2009 public deficit of 9.3 percent of gross domestic product, is the fourth-largest in the euro region after Ireland, Greece and Spain.

This week Moody's cut Portugal's long-term government bond rating by two steps. They are now just four steps from "junk" status.

"The commitment to fiscal consolidation shared by both leading political parties is an important reason why Portugal's rating remains within the A range," Moody's said. This referred to the previous support given to the ruling Socialist Party cuts programme by the largest opposition conservative party, the Social Democrats. Deepening Portugal's crisis, the Social Democrats have announced they will not endorse the Socialist Party's new austerity measures, the fourth such package in a year.

Prime Minister Jose Socrates threatened to resign on Friday if the austerity was not passed in parliament and warned that a political crisis over the passage of the budget would “open the door to the IMF”.

Portugal must pay back €4.2 billion ($5.8 billion) of bonds next month and another €5 billion in June. However, yields on Portuguese government bonds have continued to rise. The downgrades of the “sovereign debt” of Greece and Portugal will now result in their governments being virtually prohibited from raising money on the international markets.

In Italy, where a right-wing government under Prime Minister Silvio Berlusconi is in power, the trade unions recently organised strikes mainly in the public sector and amongst transport workers. In December the Senate approved an austerity package amounting to cuts of €25 billion. This was on top of cuts already made, including as much as €700 million being slashed from the universities budget.

In the face of such an onslaught, the unions and their political props amongst the middle class pseudo-left organisations have not mounted any struggle to bring down the government. Utilising a scandal over accusations against Berlusconi of having sex with an underage prostitute, the opposition Democratic Party, which includes sections of the former Socialist Party and the ex-Stalinist Communist Party, have centred their efforts on a campaign presenting Berlusconi’s actions as an affront to women. Its purpose is to subordinate the working class to a petty-bourgeois protest movement, in which the interests of working people are subsumed into a general appeal for “progressive values” that are in Italy’s national interest.

While posing as left critics of regimes imposing mass austerity, the role of organisations such as SYRIZA (the Coalition of the Radical Left), in Greece is to prevent an open conflict between the working class and the ruling elite which is propped up by their front-line defenders in the trade union bureaucracy.

In a recent interview with *Athens News*, SYRIZA leader Alexis Tsipras was asked why, when “workers’ rights and the middle class are being hammered”, isn’t SYRIZA “persuading more people?”

Seeking to absolve his organisation of any responsibility, Tsipras replied by blaming the Greek population, stating, “Because the people have not found their courage”, before adding “and the left has problems to overcome”.

These “problems” referred to the Renewal Wing (RW) faction, who split from SYRIZA last year, embracing a programme of open support for austerity. Tsipras said of the RW, “If some believe that the situation is right for implementing competitive plans, we cannot stop them.”

The reality is that SYRIZA has no principled differences with those who left its ranks. Its principal role has been to advise the social democratic bureaucracy in PASOK and the trade unions on how to lessen the threat of working class opposition. On March 8, Tsipras met with Papandreou, ahead of the recent European Union summit, at which the Greek debt crisis was discussed.

Under conditions of a crisis of bourgeois rule in Greece, with both the PASOK government and the opposition New Democracy widely despised, Tsipras said, “New social alliances and a new dynamic are needed to get the country out of the crisis. In this, the left has an obligation to play its role.”

For SYRIZA these alliances and obligations are first and foremost aimed at preventing a revolutionary confrontation. Asked by *Athens News* if similar uprisings to those in the Middle East could occur in Greece, Tsipras replied, “I don’t believe this type of uprising can be mechanically transported to Greece.”

While SYRIZA seeks to play down the possible development of revolutionary conflict in Europe, sections of the bourgeoisie anticipate precisely such an outcome. In the conclusion to his March 13 *Telegraph* article, Ambrose Evans-Pritchard noted, “Popular revolt is the dog that has not barked since the long slump began. This may just be a question of time. The pattern of the 1930s is that deep alienation starts in year three as austerity grinds on, and in this case tensions on the eurozone periphery can only turn nastier as the ECB [European Central Bank] tightens monetary policy.”

An editorial in the *Guardian* on Monday began by documenting the economic crisis engulfing Europe. “It is like being in an accident and emergency reception on a Friday night. To inhabit this place we call Europe is to see nations wheeled in on trolleys from a series of pile-ups. First the banking crash; then the sovereign debt crises of Greece and Ireland—with ambulance crews poised for 999 calls from Portugal, Spain and Italy. Once admitted, treatment can be worse than the trauma: the austerity packages, welfare cuts, job losses. Recovery is slow, fragile and sensitive to changes, like oil prices being pushed up by the revolution sweeping the Arab world.”

The *Guardian* noted the results of a recent poll of 5,000 people of working age in five EU states—Britain, France, Germany, Spain and Poland. The poll, wrote the *Guardian*, “clearly speaks to a crisis in European governance. Only 6% truly trust their government, and just 9% think their politicians are honest, either in power or out of it.”

Under these conditions, the recent mass protests in Portugal are of some significance as a pointer to the future. This month the Geração à Rasca (The “Scraping-By” Generation) movement, organised via Facebook huge demonstrations in Lisbon, Porto and other towns and cities. The protests were organised virtually overnight, with the group only having been established in February. A call directed at Portugal’s unemployed, “500 euro-ists” and other underpaid workers, part-time workers, students, and “mothers and fathers of Portugal”, attracted more than 300,000 people.

While politically still limited, the strength of the movement was in its having broke out of the straightjacket imposed on the working class by the trade union bureaucracy. As the experiences of the working class in Europe throughout the last year have demonstrated, without such a rebellion of the masses against the trade union apparatus and their pseudo-left apologists, the ruling elite will carry out ever more brutal attacks on workers’ living standards.