

Greece faces new austerity package

Our correspondents in Athens
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The hectic political manoeuvres in Brussels and Athens in recent days aim to impose a new round of bank bailouts and social cuts on the devastated Greek population.

In the spring of 2010, the Greek government had already decided on drastic austerity measures, to receive loans amounting to €110 billion from the so-called troika—the European Union (EU), the European Central Bank (ECB) and the International Monetary Fund (IMF). These austerity measures have massively depressed the living standards of broad social layers, pushed up unemployment and triggered a deep recession.

Now the government is seeking to save an additional €28.4 billion by 2015 (€6.4 billion this year) with another austerity package. It also wants to raise €50 billion through the sale of state enterprises.

There had already been widespread opposition to the austerity measures in 2010. But the social-democratic PASOK government of Prime Minister George Papandreou had been able to enforce its program thanks to the unions, which contained popular opposition and limited it to impotent, one-day protests.

The announcement of another savings program has, however, now led to a sea change in the mood of the public. Previously many PASOK voters reluctantly accepted the cuts as inevitable and a temporary evil. There is the dawning recognition that they face a bottomless pit of continuous social decline. This accounts for the broad opposition to the second austerity package.

According to a poll conducted by the Public Issue research institute, released a week ago, ratings for the ruling party have plummeted. PASOK won the last election with 44 percent of the votes cast, but now its approval rating has slumped to 27 percent. Nine out of ten respondents think the country is “on the wrong path”, 80 percent are “dissatisfied” with their lives, and 70 percent are worried that their personal economic situation will continue to deteriorate in coming months.

The conservative opposition party, New Democracy (ND), leads PASOK with 31 percent support in the poll. However, ND has not benefited from the crisis. While 92 percent of those polled declared they were dissatisfied with the government, a full 88 percent were also dissatisfied with the opposition.

Many have taken to the streets to vent their anger. Thousands gather every evening at Syntagma Square in front of parliament

to protest against the austerity package. On June 5, hundreds of thousands participated in a demonstration that took place largely independently of the unions. It included many former PASOK voters from the working class neighbourhoods.

The EU has urged the Greek government not to yield to the pressure from the streets. A meeting of finance ministers of the eurozone, which met until the early morning hours of Monday, made the payment of the next instalment of the already approved €110 billion loan conditional on the Greek parliament approving the new austerity package. If the €12 billion euros are not paid by mid-July, Greece confronts state bankruptcy.

The finance ministers also agreed in principle to a further €120 billion aid package to follow the current loan. Half of the new package will take the form of new loans, a quarter is to be raised by privatizations and the remaining quarter from contributions from the private sector. This package, which is due to be finalised in July, is also subject to unconditional compliance with the planned austerity measures.

Prime Minister Papandreou has done his best to comply with the ultimatum of the troika, and push the second austerity package through parliament using a series of political manoeuvres. PASOK has only a majority of five votes in the 300-member parliament—a majority that is increasingly at risk due to the vacillation of a number of individual PASOK deputies.

Last week Papandreou offered to form a government of national unity with the conservative ND, which had been voted out two years ago. He even declared he was ready to renounce his own office as head of government to ensure a clear majority in favour of the austerity package.

ND leader Antonis Samaras rejected his terms immediately and instead demanded early elections. He accused Papandreou of organising a “populist orgy” around the term “consensus”.

“Regardless of the outcome of the vote of confidence, the government has permanently lost the confidence of the people, that is irreversible,” he said.

Samaras demagogically demanded a renegotiation of credit terms with the “troika”, though it is well known that the ND not only supports the austerity measures but actually wants to intensify attacks on public services and social spending, to relieve the private sector. Samaras evidently sees a chance to ride to power on the wave of outrage against the austerity measures of the social democrats, just as the conservatives

succeeded in doing in Portugal.

Following Samaras's rejection of his offer, Papandreou rejigged his cabinet and named his most prominent party rival, Evangelos Venizelos, as the new finance minister. The lawyer Venizelos has little economic experience, but he is said to have good relations with the unions. His move to the finance ministry is obviously intended to paper over inner-party tensions in PASOK.

Venizelos has made it absolutely clear he will devote all his energies to the enforcement of austerity measures against the population. Now he is entering into "the real war," he said, in reference to his previous post as defence minister.

Since Sunday a three-day parliamentary debate on the austerity package has been taking place. It is due to end on Tuesday with a vote of confidence in Papandreou. It is considered highly unlikely that PASOK deputies will vote against the head of government and force new elections. Based on the result of the vote of confidence, the government will then have to approve the second austerity package in parliament the following week.

At the beginning of the parliamentary debate, Papandreou reiterated his call for national unity. "The consequences of a sudden bankruptcy or exit from the eurozone would be immediately disastrous for Greek households, banks, and the country's credibility," he threatened. He appealed to opposition politicians "to stop fighting in these critical times, stop projecting the image that the country is being torn apart."

He also announced a referendum for the fall on a constitutional amendment that will better permit it to monitor corruption in the government. Only the leaders of the ultra-right-wing LAOS party supported the demand for a unity government, however.

ND leader Samaras insisted on new elections. The same demand was raised by the leaders of the Greek Communist Party (KKE) and the Coalition of the Radical Left (SYRIZA), who had both played a key role in recent months in pacifying the opposition to the Papandreou government.

More important than any parliamentary manoeuvre, however, is the role currently played by the so-called *Aganaktismeni* or "Indignants" in restraining resistance to the austerity package.

This movement—modelled on the Egyptian Tahrir Square and Spanish Puerta del Sol movements—has pitched a tent camp for three weeks at Syntagma Square. It presents itself as a pivot of resistance against the austerity measures. Its real role, however, is to suppress the development an independent movement of the working class against the government.

This movement has taken advantage of the widespread rejection of established political parties by banishing all political parties—including left and socialist parties—from Syntagma Square. It justifies this censorship on the basis of so-called "direct democracy" and enabling the "people" to decide, proclaiming thereby that political parties are not welcome.

In reality, this prevents any discussion of programs and

perspectives that constitutes the essence of any serious democratic debate. Participants are allowed to express their outrage in verbose contributions over austerity measures and speculate about alternative economic and social models. But any debate over a political strategy enabling the working class to overthrow the government of Papandreou and set up a workers' government is taboo.

When asked who had decided to implement this ban—which has now been relaxed somewhat—a member of a petty-bourgeois leftist grouping answered: "The organising committee". And when asked who belonged to this committee, the same person replied: "Many members of leftist organisations, including SYRIZA and ANTARSYA".

This means that the pseudo-left organisations involved in these two associations have voluntarily yielded the opportunity of openly declaring and discussing their political aims. For a considerable time, these organisations insisted that resistance against the austerity measures should be subordinated to the control of the unions, which in turn are closely associated with PASOK. Now, with control increasingly slipping away from the unions and PASOK, they reject the struggle for socialist perspectives in the name of direct democracy.

The only benefactor from this charade is the right wing of the political spectrum. At the top end of Syntagma Square, where the demonstrations take place outside the parliament, several stalls sell Greek national flags to give the protest a nationalist hue. On occasion the national anthem is sung and members of nationalist organisations mingle with the demonstrators. But no one confronts them because party politics is forbidden.



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