Greek workers strike, protest against brutal austerity measures

David Walsh
23 September 2011

Tens of thousands of Greek public transport workers, teachers, civil servants and air traffic controllers walked out Thursday to protest the latest round of austerity measures announced the day before by the PASOK government of George Papandreou. The massive cuts in jobs and pensions, on top of previous measures, will mean destitution for wide layers of the Greek population.

Workers responded explosively to the deeply unpopular plan. In and around Athens, bus, subway, tram, electric rail and suburban rail workers walked off the job, joined by taxi owners. A police official described the traffic situation in Athens as “dramatic, all major streets are jammed.”

The national rail network was also not operating. Secondary school teachers walked out for a day, while elementary school teachers staged rolling work stoppages. Municipal workers in Athens walked off the job for four hours, and air traffic controllers struck for three hours.

Employees at various ministries, including health and finance, staged sit-ins at several government buildings on Wednesday. Finance ministry staff announced a 48-hour strike for September 27-28. Tax collectors and customs officials will also walk out, along with transport workers and taxi drivers.

Thousands of workers, pensioners and students, along with members of various left groups, demonstrated in central Athens and at the parliament building on Thursday. According to the media, large numbers of riot police were deployed.

The measures announced by Finance Minister Evangelos Venizelos, under fierce pressure from the “troika” of the International Monetary Fund (IMF), European Commission (EC) and European Central Bank, include cutting monthly pensions above 1,200 euros ($1,636) by 20 percent, while retirees under 55 will lose 40 percent of their pensions above 1,000 euros ($1,349) a month.

Some 30,000 civil servants will be placed on so-called “labor reserve” for 12 months. Their wages will be cut by as much as 40 percent and after a year they are likely to lose their jobs. The government also lowered the threshold for paying income tax to 5,000 euros a year ($6,800) from 8,000 euros ($11,000), an action that will affect low-income families.

The PASOK government will also go ahead with a new regressive property tax plan, which it plans to levy through electricity bills to avoid evasion. The utility workers’ union has said it will refuse to collect the tax.

The IMF forecasts that the Greek economy will shrink by 5.5 percent in 2011 and 2.5 percent in 2012, after a decline of 4.4 percent last year. The unemployment rate has officially risen to 16 percent and continues to climb. The combined impact of the various rounds of austerity measures will only deepen the recession, reduce tax revenue and necessitate even more draconian attacks.

All of this to satisfy the insatiable demands of global bankers and billionaire investors.

Popular anger in Greece is running high. Yanis Varoufakis, professor of economic theory at the University of Athens, told the BBC, “They are cutting into the flesh, not just the fat. And the patient—Greece—is dying from its wounds.”

A pale reflection of the popular outrage, and even despair, finds its way into the media. Retiree Efthymios Gardikiotis told Associated Press: “I’m 73 years old and I will start a war. The same way [the government] wants a war.”

A 32-year-old employee of the National Theater in Athens, Costas Andrianapoulos, told Reuters, “We are living in terror that we may lose our jobs, our lives. Even if these layoffs are necessary, we are not being treated like human beings. They cut our wages and pensions and we took it. But I don’t believe any more that any of this is for the good of the country. We’ll be sacrificed for nothing.

We can’t avoid default. We have no hope.”

Leaders of the Greek trade unions blustered in response to the newest austerity measures. Yannis Panagopoulos, president of the General Confederation of Greek Workers (GSEE), declared, “This is a policy we do not tolerate, we do not want. We are in continuous, total, permanent opposition to it.”

Greece’s union federations, which have helped implement the previous cuts in workers’ jobs and conditions, are doing everything in their power to restrict the movement to one-day or short-term protests. There can be little doubt that a call for a general strike and the defeat of the government would find a powerful response in the Greek population.

The GSEE and the Civil Servants' Confederation (ADEDY) have merely proposed a one-day nationwide public sector walkout October 5, two weeks from now, and a one-day general strike October 19, in a month’s time. The aim of these protests is to channel workers’ anger, exhaust it in limited and futile actions, and convince the population in practice that it has no choice but to submit to the demands of the international bankers.

The social democratic PASOK government and the Greek parliament agreed to 30 billion euros in austerity measures in May 2010 and another 28 billion euros this June. A further 50 billion euros is to be raised through a wide-ranging privatization program which will benefit global conglomerates at the expense of the Greek population.

The measures imposed have not been harsh enough or carried through quickly enough for the IMF and the European bankers. The PASOK government announced the most recent 6 billion euros in cuts after negotiations with the “troika.” The latter made it clear that the latest tranche of emergency funding from international lenders, 8 billion out of a total of 110 billion euros, would be withheld until the Papandreou government demonstrated its resolve to implement the austerity program to the full. If the money is withheld past mid-October, the Greek government will not have enough cash to pay its employees and retirees. A default on its foreign debts will most likely follow.

Wednesday’s announcement was met with general satisfaction by IMF and European officials, although a European Commission spokesman demanded that the Greek government spell out “key elements” of the new austerity package. Representatives of the various financial institutions will not return to Athens until the details of the plan are “finalized,” he said.

The plan failed to sway financial markets and speculators, many of whom are betting on Greek bankruptcy sooner or later. Fitch Ratings said in a report this week that it expects Greece to default on its debt. The German government is reportedly readying a plan to deal with such an eventuality.

Defending the government’s new measures, Finance Minister Venizelos declared, “The situation is extremely critical and I could say dangerous. There is a great nervousness in the eurozone, the European banking system and the world economy.” He also told parliament, “The markets are blackmailing us and the circumstances are humiliating us.” Venizelos added that the “suffering” Greek people, were nonetheless fortunate to be under foreign supervision. Without such supervision, the finance minister declared, sounding like a repentant and recovering alcoholic, “We would have unfortunately slipped off course again.”

The European Union’s Economic and Monetary Affairs Minister, Olli Rehn, did not rule out a Greek default in a speech Thursday in Washington. Rather, Rehn said, European institutions and leaders would not allow “an uncontrolled default or exit of Greece from the eurozone,” which “would cause enormous economic and social damage, not only to Greece but to the European Union as a whole, and have serious spillovers to the world economy.”

European banks, according to the IMF, face $410 billion in financial risk because of the European debt crisis. Other countries in imminent danger, besides Greece, include Portugal, Ireland, Spain and Italy—along with a number of Europe’s largest banks. “Risks are elevated and time is running out to tackle vulnerabilities that threaten the global financial system,” the IMF warned in a report issued Wednesday.