

## Greece

# Workers against the so-called stability programme

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**As we write this article, every effort is being made in the Greek media to turn people's attention not to the urgency of a massive and ongoing mobilization, but to the tense atmosphere of the discussions within the European Union about whether Greece "deserves" or not to be helped, and to what extent recourse to the IMF can be acceptable.**

This discussion is certainly not without interest, for at least two reasons: it makes it possible to see how the great speeches on European unity and its famous constitution become scraps of paper when inter-capitalist contradictions develop; furthermore, the placing under supervision of the Greek state by unelected European institutions and the German and French governments makes it clear that a really effective response by workers in Greece requires a working-class fightback at the European level, and many gestures in this direction are encouraging, even though limited: the presence at the head of the big demonstration in Athens on February 24 of John Monks, general secretary of the European Confederation of Trade unions, the numerous declarations of solidarity with the struggles of workers in Greece.

But after the very big general strikes on February 24 and March 11, the trade-union leaders are postponing mobilizations until later, confirming, if it was necessary, the close links of the bureaucratic leaderships with the leadership of PASOK. In both the GSEE (General Workers' Confederation of Greece, the only trade-union confederation) and ADEDY (Federation of Public Sector Workers), the majority current in the leadership is PASOK. Now what is at stake for PASOK and Prime Minister Giorgos Papandreou, who, it should be remembered, is currently president of the Socialist International, is to do everything to make people forget that the great electoral victory of September 2009 [1] was above all a victory against the Right and its austerity policies. Within a few weeks, the leadership of PASOK has just adopted the worst measures ever taken against the population since the end of the Civil War in 1949. This article will deal with these measures and with the workers' mobilizations, but it goes without saying, at the time when in France for example, the Socialist Party has just won a great electoral victory against Sarkozy and the Right, that it is urgent, in order to defeat not only the Right but its policies, to strengthen the mobilizations and to build an anticapitalist organization independent of social democracy and its capitulations.

## Catastrophic measures

Taking as a pretext the discovery of figures that had been falsified by the preceding government and thus of an economic situation taking the country to the verge of bankruptcy, Papandreou had wanted since the end of last autumn to prepare the country for measures presented in the first place as inevitable, and over recent weeks as demanding national unity, as if in a war situation... A social war indeed, since the measures, announced in several “packages” spaced out over a few weeks, are the following:

- ▶ Public sector wages: freezing of wages above 2000 euros, but especially cuts of 30 per cent in the thirteenth and fourteenth months’ wages, a reduction of between 10 and 20 per cent of bonuses and other extras;
- ▶ Pensions: freezing of pensions and retirement age raised to 62 or 63, with payment of the basic pension from the age of 65. It is estimated that in the coming years, the drop in the level of pensions could be as much as 30 per cent;
- ▶ Increase in sales taxes: on electricity and petrol and gas. Unleaded petrol is now 1.428 euros the litre (the third highest price in Europe, after Holland and Denmark). VAT is increased by approximately 2 points, being fixed at 5 per cent or 21 per cent, depending on the products concerned;
- ▶ Income tax: no increase for companies, but for average wages and the liberal professions (which constitute, moreover, one of the electoral bases of PASOK), with a plan to finally tax the very rich Orthodox Church (which is not separate from the state). It should be noted that out of “kindness”, the government exonerates redundancy payments up to the level of 60,000 euros...

Furthermore, the “support” granted by the countries of the euro zone on March 25 is in fact only support for the markets and for the exorbitant interest rates that they demand from indebted countries like Greece, together with the promise that the euro zone will guarantee, with a range of loans from the IMF and the other countries of the zone, continuity of payment. With this in view, no matter what Papandreou says, new attacks are being prepared, all the more so in that the agreement, whose text has not been published, includes precisely the recourse (with a minority of overall loans) to the IMF, whose “assistance” in Hungary resulted in the cutting back of the public sector and in privatizations.

We can also expect attacks on wages to extend to the private sector. In fact some companies already want to take the initiative. But it is also a question of dismantling labour laws, which still, according to the employers, give too much protection to employees, in particular in the event of being laid off. The managing director of the Bank of Greece has expressed his support for these measures... while putting as a condition that the government must attack the lack of competitiveness, pointing out that labour costs are too high in Greece compared with the other European countries.

As for the OECD, it claims to want to avoid youth unemployment, which could reach 28 per cent, in order to make some recommendations: lower wages for new workers,

easier conditions for sackings (the law prohibits laying off more than 2 per cent of the workforce per month) and changes in unemployment benefits...

All this is enough to expose the inanity of the debate about the inspirers of all these attacks and the “less bad” solutions: The IMF, the European Union and the Greek bourgeoisie; the goal is clearly to defend profits while attacking the workers.

### **Dramatic consequences**

Here is a concrete example of the measures on wages: a civil servant who earned 14,000 euros a year will lose 1,200 euros, one who earned 24,000 euros will lose 2,200. As for the already miserable pensions, they will plunge hundreds of thousands of people into situations of sheer survival, the more so since family solidarity, which up until recently was still capable of playing a role, has been undermined: now we can see homeless people in the streets of the big cities. These measures only encourage the employers' attacks: the newspaper *To Vima* of March 25 gives many examples of companies which are trampling on collective bargaining agreements to impose, under threat of sackings, individual contracts with reduced wages, and they are doing it in all parts of the country, whether in Northern Greece, on the islands or in big cities like Piraeus (where the rate of unemployment is 25 per cent) and Patras. Of course, these measures will lead to a drop in individual consumption (estimates range from -3 to -6 per cent) and will have negative effects on sectors like construction (where already 140,000 new residences remain empty) and tourism: the hotel sector is expecting a shortfall of 500 million euros, this in a sector where only one worker in three is declared - moreover the year 2009 saw 10,000 workers who were declared lose their jobs. Under these conditions, unemployment will explode. The official figures show that it went from 514,000 in the last quarter of 2009 to 766,000 in March (out of a population of 11 million), with a much higher proportion of women and young people, and some regions particularly severely hit (Eastern Macedonia, Thrace). The Minister of Labour himself does not rule out official unemployment figures reaching 20 per cent by the end of the year... whereas unofficial estimates give a current figure of 18 per cent, with a recession estimated for the year at 2 per cent, and even 4 to 5 per cent.

### **Greek crisis?**

The figures are well-known: at the end of 2009, the national debt had reached 135 per cent of GDP, the deficit 12.7 per cent. These figures were allegedly hidden, which supposedly shocked the virtuous people in charge of the European economy. One could only smile at this, if the situation were not so dramatic: it is enough to remember that those who opposed the Olympic Games of 2004 questioned the lasting and frightening indebtedness which the organization of the Games in Athens would involve... As Pascal Franchet says, “after 2001, the European Commission could not be unaware of the unreliability of the accounts presented by Greece” [2]. In any case, in this situation, Greece was plunged into a spiral of bankruptcy, with rates for loans on the appropriately named capital markets exceeding 7 per cent and thus reinforcing the debt! Which led to the Papandreou measures and the appeal for help from Europe.

Papandreou explained why this help was above all a political signal to the speculators that Greece had a European guarantee of payment for its loans (he was looking for 5

billion euros in the short term). And on the internal level, he wanted to be able to justify by a “good agreement” that people’s sacrifices served some purpose. He has in fact obtained mitigated support: the German Chancellor demanded that the IMF be brought in to supply approximately a third of the financial support, whereas the French president and the president of the European Central Bank, Jean-Claude Trichet, claimed to want a strictly European solution.

All these negotiations were above all a pretty piece of scene-setting: first of all because the very same Trichet insisted, of course, that it was not a question of giving subsidies, but only a guarantee of loans at a rate a little lower than those of the speculators! Next, because as far as money from Europe was concerned, the discussions were conducted by Merkel and Sarkozy, with the other European governments being called in afterwards. We do not know the details of the discussions, but the reality that has to be taken into account is that Greece is the second biggest purchaser of arms from Germany (9.6 per cent of German arms sales over 30 years, including 18.2 per cent in 2006), the fourth from France (5.5 per cent on average, including 35.9 per cent in 2007!), and that these two countries want Greece to be able to buy the six French frigates (at a cost of 3 billion euros) and the submarine and dozens of military aircraft from Germany that have been ordered!

What is sure in any case is that both the IMF and the leaders of the euro zone will from now on be intervening at will in the Greek situation, demanding for example a radical reform of social security or the privatization of state enterprises.

However, if we take into account that Greece is not an isolated case in Europe, we will understand that fundamentally, the way European leaders have dealt with the case of Greece is intended to be exemplary: succeeding in imposing drastic measures on the population of Greece must above all be used as an example, to the workers on the one hand, and to the banks and speculators on the other, showing clearly whose interests have been served. Because fundamentally, the agreement in Brussels does not settle anything and will do nothing but make things worse: thus, nothing is settled concerning tax evasion and neither Papandreou nor the European leaders are calling into question the “offshore” status of the big Greek ship-owners who thus avoid tax!

Their passionate commitment to private enterprise will reinforce one of the weaknesses of the Greek social system: it is estimated that there are 1.5 million undeclared workers in Greece, working under the worst conditions. Thus, in the private postal service sector, there are 12,000 such workers, without a collective bargaining agreement, who are paid late, who will have no fourteenth month this year (following the example of the public sector...), for whom the many accidents (due to moving around the country) are not regarded as industrial accidents. In the private call centres, workers on temporary contracts work five days a week, including Sunday, from 8 p.m. till midnight, for 450 euros a month. Not to mention the workers who are “rented out” to big companies and who work 8 hours a day for 650 euros a month. All this is illegal, but there are not enough factory inspectors in the country, and all these situations explain why there are only 15 per cent of trade unionists in the private sector.

To extend such a model to the whole of Europe, that is the dream of the European bourgeoisie and its representatives, who prefer to offer short-term profits to the speculators and to the modern slave merchants rather than apply even classic Keynesian solutions.

## **Resistance!**

The announcement of the measures, presented as the only possible ones, was immediately accompanied by opinion polls indicating that the majority of the population supported them. But though the PASOK trade-union leaderships tried to slow things down, the workers pushed for mobilization, thanks to two factors: the success of a first general strike on December 17, and the active role of the local trade union branches in countering the inertia at federal and confederal level. In fact, for several months, the local branches of the trade unions, above all in the public sector, have pushed for mobilization in the face of the crisis, against which the PASOK government elected in September had not taken any measures. Their role was decisive for the launching of the one-day national strike on December 17, quite well supported in some sectors. The trade-union sector of the KKE (the Greek Communist Party), called PAME, intervened largely in this strike, with a sectarian logic (against the GSEE and PASOK), but finally, in spite of this strong presence of PAME, the December 17 strike was not seen as being against the GSEE, but rather as what it was necessary to do.

So, when Papandreou announced the first package of his “stability and development programme” (!) by explaining that “as a people, as a nation, as Hellenism, we are not in a situation where we can put up with blockades, strikes or work stoppages”, ADEDY had to immediately call a first strike on February 10, very well supported by the workers of the public sector, but everyone knew of course that it was only a first step.

The next step, under the pressure of the workers, was the general strike on February 24, called jointly by the GSEE and ADEDY, with at least 50,000 workers in the streets of Athens, followed by a still more massive strike on March 11. Meanwhile there were work stoppages, occupations (of the Ministry of Finance by PAME, of a central avenue in Athens for a week by the sacked workers of the Olympiaki airline company...), and of course demonstrations, like the one on March 23 called by ADEDY. The result was that in mid-March a poll in the Eleftherotypia newspaper indicated that 62 per cent of people were ready to mobilize against antisocial measures! But - no surprise there - we see that instead of encouraging struggles, the GSEE and ADEDY leaderships are no longer fixing any dates for major actions. The congress of the GSEE, which has been just held, was ten thousand miles away from the urgency of mobilizing. It should be said that the philosophy of its leader, Giannis Panagopoulos, is clear: it is not right that the workers should pay for all the crisis... implying that they must pay for a part of it. Then the GSEE congratulated itself on the fact that redundancy payments are not taxable up to 60,000 euros! Even though in his public speeches, the same leader dares to say that is not up to the workers to pay for the crisis, the grovelling of the majority current of the GSEE in front of PASOK is clear, something which represents, besides, a break with the confrontation that the then leader of the union, who was, however, also a PASOK member, had organised in 2001, against PASOK's plan to reform pensions. What else is the leader of the

European TUC saying, when he declares in relation to Greece: “We want plans that are well balanced and socially acceptable”?

We can see the decisive role that the local trade union branches are playing in this context, accentuating the pressure towards an ongoing general strike, which can obviously not be proclaimed, but must be prepared by concrete mobilizations (strikes, occupations...). Faced with the obvious intentions to demobilize the workers (many commentators have expressed the fear of a social explosion exceeding by far the revolt of December 2008) and to make them mere spectators of the “conflicts” between representatives of big capital, the militant forces must be able to propose broad and united initiatives, contrary to the practices of, for example, the PAME current.

### **Mobilizations and anti-capitalist alternative**

The importance of what is at stake and the obstacles put in the way of mobilization of course make it necessary to take into account the positions taken by the political parties and their possible contradictions, starting with PASOK. At first glance, the rank-and-file members of PASOK seem to be KO: the only debates are between leaders, arguing about whether or not it was necessary accept the intervention of the IMF... but of course it was Papandreou himself who raised the issue by threatening to address himself only to the IMF if the European Union did not help Greece! In fact, the “left” criticisms expressed by PASOK cadres relate not to the need for measures, but to the absence of associated measures favouring economic development. So the challenge now is to succeed in involving in the mobilizations the great mass of the rank and file of PASOK who are now silent, whereas they had taken part in the preceding mobilizations.

The worst thing for PASOK is that its principal political support today does not come from the Right, which is having great difficulty recovering from its defeat in September, but from the far Right, which is playing the card of national unity and can of course only be delighted by these attacks against the workers. Apart from the fact that its leader hopes in this way to benefit from the discredit of PASOK, it should be noted that the far Right continues to be active, with extremely violent fascist groups attacking immigrants and left activists. Furthermore, the influence of this nationalist far Right in the various police forces is being quite frequently demonstrated, and a united response to that is becoming urgent!

To the left of PASOK, we can distinguish two types of reaction: the first is that of the KKE and its trade-union current PAME. Behind a discourse which sometimes has anti-capitalist accents there lies a dangerous sectarianism: for them the solution to the crisis is only to reinforce their own organisation, and they go to great lengths never to call actions jointly or in the same place as the majority unions. However, the combativeness of many of their militants is obvious; there remains the task of getting them to work within unitary frameworks.

The other position consists of seeking united mobilization to defeat the government’s measures. On this axis are to be found the two regroupments of the anti-liberal and anti-capitalist Left, Syriza and Antarsya. Of course, there are many nuances of analysis, even between the now fairly divided factions within Syriza: on one side, the

spokesperson Alexis Tsipras insists especially on the absence of measures in favour of economic development, while Alekos Alavanos, the former spokesperson, demands the resignation of the government. In Antarsya, there are also nuances between those currents which swear only by the general strike, and others, such as OKDE-Spartakos (the Greek section of the Fourth International) who insist on the processes that are necessary to make this general strike a reality. In any case, the two regroupments argue today in favour of committees against PASOK's programme of stability, with the aim of setting up local committees which address themselves to the mass of the population. This approach also tries to involve the militants of the KKE, but also, even though there is no direct appeal to their party, those of PASOK. But what is most important is that these committees should aim to get trade-union activists (the role of the local trade union structures is important), and others – political and neighbourhood activists, including those not affiliated to an organisation, to work together. The first initiatives show that it is possible, but above all essential, in order to unleash the dynamic which all the defenders of the bourgeois order (or disorder) fear! For that, the axis must be a logic of radically challenging capitalism: refusal of military expenditure, a minimum wage of 1400 euros, reduction of working hours, nationalization of the banks, hiring of employees with permanent contracts in public services...

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## **NOTES**

[1] See “A defeat for the right, but now its policies have to be defeated!”, by Andreas Sartzekis and Tassos Anastassiadis, International Viewpoint 417, October 2009

[2] See: <http://www.cadtm.org/The-meaning-of-the-Greek-crisis>