Despair and resistance in Greece

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This time the radical Left and the social movements have predicted the future. When Greece was entering the euro-zone in triumphal celebrations, we warned that the huge inequalities between the well developed northern European economies (like Germany) and the relatively weak European South (like Greece), combined with a conservative political balance of forces, would have inevitably led to a tremendous pressure on the salaries. Not being able anymore to devaluate the currency, and not having any European mechanism to counterbalance the huge differences between the various European economies, any efforts of economical adjustment would have focused the “variable” of direct and indirect labour cost. Ten years later our ominous prediction (which at that time was accused of being “leftist” and “dogmatic”) was proved to be totally correct.

When Greece lived its glamorous dream of the 2004 Olympic Games, we were very few those who resisted the “New Great Idea” of our glorious and historic nation. The outcome of the “mighty Greece’s” fiesta was a real disaster: cost between 20 and 30 billion euros (still nobody knows the exact figure) for totally counterproductive investments. Athens is now full of closed huge stadiums that nobody uses…

Nevertheless, when the day of judgement finally arrived, almost nobody remembered what were the words of the neoliberal politicians and the mainstream mass media just a few years ago. As a result, the new “socialist”government managed to find scape goats for the national financial difficulties. On the one hand, our defenceless nation (which was so mighty a few years ago) was presented as the victim of the “foreigner” international speculators. On the other, the crisis was the result of the chronic structural problems of the Greek economy: too big public sector, too many (and well paid) public sector employees. The bankruptcy would have been inevitable if the country wasn’t able to find 24 billion euros on April and May in order to fund its public deficit or if it continued to borrow from international markets with an interest of 6,3%. If it were to avoid bankruptcy, the country had to regain the confidence of the European Union and international markets in order to find money in low interest for its public debt. And the best way to regain the confidence of the “markets” is to take painful measures against you own people. This is a real blackmail: if the workers don’t accept the austerity measures the country will be led to bankruptcy.

The Stability and Development Program elaborated by the Greek government and the EU was really painful: About 10% cuts in public employees incomes, an increase of 2% in VAT, 10% cuts in public expenses, 2 more years of work before pension, 100 million euros cuts in education. The government’s target is to save up more than 4 billion euros and to send a message to the EU and international markets that it is fully loyal to the dogma of neoliberal fundamentalism.

Despite its antisocial character, the Plan doesn’t seem to convince the international markets and the rates of interests for Greece are still too high (more than 6%). As a result, a EU rescue plan is ante portas. For the time being, the exact form of this rescue plan is not yet known. But we are pretty sure that the European “help”, in addition to our government’s policies, will lead to an inevitable social bankruptcy. The predictions of Deutsche Bank are terrifying: recession of -7,5% of GNP until 2012, 20% unemployment (about 1 million people). The only thing that will be surely saved by the Stability and Development Program are the profits of international speculators and Greek employers (in reality, the Program is the implementation of all that the Greek employers federation have asked since 20 years).

Of course, there was another way to take, and an alternative economic policy is always possible. Although, the Greek public debt (113% of GNP) is bigger than the public debt of the rest of Euro group, if we add the private debt, the sum is 173% of GNP, which is quite smaller than the rest of Euro group (a very developed country like Japan has a public debt of 200%). Before the Euro era, in 1993, Greece was paying the 14% of its GNP for the funding of its debt; now, it pays 6%. As we can see, Greece's debt is not so big. The real problem is that the euro zone is based on extremely rigid neoliberal rules that exaggerate the importance of public debt and make very difficult its funding (for example it is not allowed to issue a bond addressed to the domestic market).

In addition to that, there were other ways for the Greek goverment to find the money needed. For example, the ship owners (Greece is the world's number 1 commercial fleet with more than 4.000 ships under Greek flag) get back the VAT for the goods they purchase in the Greek ports; this is about 6 billion euros lost for the state each year, while the savings of the Stability Program are estimated in much less than 5 billion. Last year, Greek ship owners paid less money in taxes than the money paid by the immigrants as fees in order to get their green cards. Besides that, the majority of Greek employers have transferred their assets in Cypriot off sore companies (tax rate 10%), the Greek Orthodox church is excepted of taxes (our holly spiritual guides are the national champions in real estate: they own forests, fields, lakes and thousands of buildings), each year the employers illegally don't pay more than 8 billion euros to the social security system although they were supposed to, 800.000 of "small" and "middle" business pay the same tax as an employee whose salary is about 2.000 euros per month, the Greek banks were given 28 billion euros of public funds in the beginning of the crisis and now they speculate with the public debt (in reality the majority of the "international" speculators are Greek, German and French…), and each year the 4% of GNP goes to military expenditures (that means 10 billion transferred to US and EU "defense" industries). All that indicate that the government could take the money from the rich, but it preferred to take it from the poor. It is a profound class choice under the name of national urgency.

Finally, we should not forget the European level. The social disaster that the Greek people is now suffering, is the product of the neoliberal structure of the European monetary and financial union. A common currency with no common budget, a unified European market without any mechanism of transferring resources from the rich to the poor, a Stability Pact based on the hardest neoliberal dogma whose only interest is the profits and doesn't give a damn for the people. The crisis indicates that it is impossible to live any more under the Maastricht rules.

Greece has always been a country of huge social inequality. It is characteristic that although the Greek Purchasing Power Parity is 92% of the Euro zone, the salaries are about 70%. But now, the social reality created by the new measures is simply not sustainable. Not only the people cannot live with such a reduced income, not only domestic market will be frozen for many years, but also there is no hope at all that we can exit misery. This feeling of despair is getting worse by the bitter sentiment that we were left alone by the Europeans and that the so called EU "help" is an IMF style policy that will lead to a Third World type social crisis. For the first time after the end of the Civil War in the late 40's, there is such a lack of hope in Greek society.

Of course, despair doesn't automatically lead to resistance. Many people feel that nothing can be done. It is already difficult to beat your goverment, but it seems really impossible to beat at the same time the Greek government, EU, IMF, Germany, France, the mysterious international markets, the whole world which is united against the Greek working class. On the other hand, more and more people are turning against the government and the mobilizations are getting bigger and bigger. Two very successful general strikes, huge demonstrations in all the big cities, actions and happenings, formation of base- trade unions coordination and local committees, courageous resistance to police provocations. The working people is on the move, even against the will of the Workers’ General Confederation leadership. And for the moment it seems that the more the people will feel the effects of the new measures, the more the resistance will get stronger.

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