

Interview

Greece: the fightback against austerity

Thursday 13 May 2010, by [GARGANOS Panos](#), [TAYLOR Ian](#) (Date first published: 10 May 2010).

Greece has been a focal point of crisis and resistance in Europe since exposure of its ballooning debt. Panos Garganos, editor of [UK] Socialist Worker's sister paper in Greece, spoke to Ian Taylor about the situation. He is member of the Revolutionary Socialist Organisation (SEK).

What has been the response to the International Monetary Fund (IMF) going into Greece?

Panos Garganos – The delegation from the IMF, European Union (EU) and European Central Bank (ECB) arrived in Athens on 21 April, the anniversary of the colonels' coup in 1967. We suffered from the military then. We suffer from the bankers now. The fire service, hospitals, local authorities and teachers were on strike that day - that was the workers' response to the IMF, although the strikes were called earlier.

We have had a wave of cuts in public sector wages and bonuses already. Now the EU and IMF are demanding that the stabilisation plans become harsher.

How big have the cuts been to date?

About 220,000 people lost their jobs last year out of a workforce of 4.5 million, with official unemployment just above 10 percent.

Greece has a tradition that workers get a bonus of two weeks pay at Easter. The average monthly salary is about €1,200 (under £1,000). So where people were expecting £500 for Easter, they got 70 percent of that - £350. That is on top of cuts close to 10 percent in wages and an increase in tax.

It was this previous round of cuts that provoked strikes in March. Now we face new attacks in three areas. The first is pensions. The government is preparing to make people work until they are 67, when until recently they could retire at 60. It also plans to change the way pensions are calculated. Until recently you received 80 percent of your pay when working. Now it is 70 percent and the latest cut may drive it down by another 10 to 15 percent. The IMF has said wages must be devalued by 15 to 20 percent.

The second area is privatisation of the water companies and railways. They want to raise €5 billion to €6 billion from selling state companies. The third involves cuts and mergers among local authorities. This is presented as a democratic reform, but the government expects to save a lot of money by abolishing local authority services. It's estimated 6,000 municipal enterprises will go, including help to old age pensioners and childcare.

How do you characterise the crisis and its severity?

The first thing to understand is that the crisis is intractable. It is six months since the crisis in Dubai began the panic about Greek debt, and throughout this time the Greek government, the EU, the ECB and the IMF have been saying they will get the crisis under control. First they said a tough budget would calm the markets. Then they said agreeing a stabilisation plan with the EU would calm the markets.

Every time they announce a plan, the markets welcome it, the stock market rallies for a couple of days and then the crisis returns. It's a long, drawn out crisis and the neoliberal attacks by these institutions have failed to solve the problem.

We are now at a point where Greece is to be bailed out by the IMF. The government has to refinance a lot of debt by 12 May and it has gone to the IMF to get the money. This formalises the fact that the IMF is in control of the Greek government. It will mean a worsening economic situation because fresh cuts will push the economy further into recession.

Greece was supposed to have a very mild recession, but every month the statistics are revised down. If the IMF measures are implemented, economists say Greece may lose 10 to 15 percent of GDP in the next two years.

Politically, the government has lost credibility by insisting the markets will calm if people make sacrifices. For six months the government has been saying it has to impose the next set of measures so the markets will calm down. Now everybody sees this is not true. So the government is weakening.

How has the resistance evolved? Is it still growing?

The new government of Pasok [the Greek Labour Party] was formed at the end of 2009 and the Greek TUC said it was not going to call a strike against a newly elected government. The TUC is controlled by Pasok, of course, but what the TUC said was, "We have to give the new government time, so no strikes." Then the union leaders faced a revolt in December when the government presented its first budget cuts. There was a strike on 17 December that almost became a general strike although the TUC didn't call it. That was the first indication of a rank and file revolt.

It was the teachers' unions that took the initiative to call a strike. That put pressure on the left wing of the trade unions and the Communist Party, which issued a call for a strike and increased the momentum. Then the journalists' and printers' unions decided to join the strike and made it a big success because there were no newspapers or TV news on 17 December.

On 10 February it was the turn of the civil servants. The federation of civil service unions, which is controlled by Pasok, called a 24-hour strike. That was the first about-turn by trade union supporters of the government. The strike was so successful the TUC was forced to call a general strike on 24 February.

The government and the EU had already agreed a "stabilisation plan" that included the first round of attacks. It tried to say, "We will ignore your strike," and at the beginning of March announced the cuts in Easter bonuses, which produced a general strike on 11 March.

That strike was huge. The TUC, which opposed the strikes to begin with, reported 90 percent participation - meaning 3.5 million workers were on strike. The rallies on the day were the biggest anyone can remember, and we have had many general strikes. It was probably the biggest day of action since the collapse of the junta.

Individual sectors are moving on. For example, there was no public transport in Athens on 15 April. Bus workers, trolleybus workers and tram workers all stopped work to attend meetings against the government plans. All decided on strike action. Most speakers demanded strikes of more than 24 hours. The leaderships promised a coordinated campaign of 24-hour strikes throughout the public sector. People at the meetings were very angry, tearing up Pasok membership cards. That was a strong element in pushing union leaders to call action.

What is likely to happen next?

Civil servants went on strike on 22 April and everyone expects the TUC to call a general strike in early May. People are very angry at the failure of the stabilisation plan and involvement of the IMF. There were lots of illusions in the EU, but people hate the IMF. Now they are discovering the EU is very similar to the IMF and we have both of them attacking living standards in Greece.

The government went to the IMF because it has to refinance the debt and can't raise the money on the financial markets.

The plan doesn't just involve the IMF - it is a joint plan with the EU - but the IMF will make the first instalment of the bailout and impose the first conditions before the EU moves in with the rest of the money.

The government is trying to handle the process by drawing it out. It has had to go to the IMF, but is trying to soften the blow by doing so in small steps, trying to prepare public opinion for the blow. It is not working and, in my opinion, it will not work.

There will be another general strike in the first weeks of May and it will strengthen the trend towards people taking action independently. There have been so many days of action since December and more and more sections of workers are demanding escalation.

The teachers are one example. They are one of the best organised unions, but their leadership resisted the pressure throughout the winter. Now it's exam time and there is pressure to go for a strike. They plan a strike on 4 May and union leaders say they may begin a rolling strike from 14 May when school students begin exams.

The same pressure is building among water workers to resist privatisation, and telecom and power workers to resist the attacks on their pension funds. The government is having to twist and turn. For example, power workers planned two 48-hour strikes before Easter, demanding 2,000 additional staff following a spate of accidental deaths.

They halted the strikes because the government promised to meet their demands by creating 2,000 temporary jobs.

It's hard to predict - it won't be a stampede - but there is likely to be more and more movement in this direction following the general strike in May.

What do you say to commentators who describe the debt crisis as specific to Greece? How does Greece fit into the wider crisis?

This problem of managing debt is not a Greek problem; it's widespread. Capitalists everywhere were using the same methods and these were exposed by the crisis - that is why we have all these scandals. There is nothing particularly scandalous about Greece. It is not an isolated case.

The amounts various states have to raise on the financial markets are huge. We are not in a situation

where Argentina or Turkey might have some problems so the IMF intervenes and the rest of the world does not understand. Now it's different. The Greek crisis is connected to the broader crisis and the question of the interest rates at which states will be able to refinance debts is crucial. The Greek example is driving rates up and this will affect even Britain - how much interest the new British government has to pay on its huge public debt will have an impact on the cuts it imposes.

The Greek failure will make the crisis in Europe worse. The euro will be under pressure and that will worsen the problems in Portugal, Ireland and Spain - the countries that along with Greece make up the so-called PIGS.

The Greek crisis has reached the stage where the government has to pay 7.5 to 8 percent interest on its debt. Portugal has been paying 4.5 to 5 percent, but it is going up under these pressures. So there is going to be a deepening fiscal crisis in the PIGS countries. The intervention of the IMF and EU will not calm this crisis - it will make it worse because the example of Greece shows they have failed here, so they will fail to save Ireland, Portugal and Spain. The markets know this and will move quickly. That is one aspect.

The second aspect is in terms of resistance. Until now Greece has been going against the trend. We could be at a turning point. Greece is not such an exception. If you look over the past few years, the other countries close to this standard of workers' resistance were France and Italy. The Greek example can act as an inspiration for workers elsewhere.

Why has Greece been such a beacon of resistance?

One factor may be that we have a strong anti-capitalist left. It may not be strong at elections, although Greece has a higher percentage voting left overall than other countries - the left is split, but if you add the votes they come to 13 to 14 percent. But within that are strong militant and anti-capitalist sections and that is an important factor.

Anti-capitalists in many workplaces are organising the resistance and countering the racist attacks. There was a brilliant contingent of immigrant workers involved in the general strike on 24 February and now they have created a union of immigrant workers and are preparing a show of strength for May Day. That is due to the work of anti-capitalists - it was not just spontaneous.

There has been a lot of anger because people are under attack, but it took a lot of hard work from militants. This is an important factor.

We have a strong anti-capitalist section of the left and it's pushing resistance forwards, pushing the whole left forwards, making sure there is no right wing backlash. These are elements we hope to see in other countries. Obviously, Greece cannot be such an example forever. The resistance will either generalise or it will go under. We hope it will generalise.

What role has the revolutionary socialist organisation SEK played?

We have been central to trying to build the anti-capitalist left, starting with the struggles of youth. We started trying to unite the anti-capitalist left during the big student occupations in 2006 and 2007. It took two or three years because there were splits, but we have succeeded in providing a focus. There is now a far left front called "Rebellion".

Uniting a large section of activists in the anti-capitalist left is one area where SEK has helped the movement. We have also been central to anti-racist work. After a revolt against the police in December 2008 the Tory government of the time joined the far right in a vicious campaign to scapegoat immigrants. We had to organise demonstrations a year ago to stop the fascists marching

in the centre of Athens. We opposed Tory plans for immigrant concentration camps. The conservative New Democracy is in crisis. Its leaders are fighting among themselves. The far right is visible through its involvement in racist attacks and there have been many attempts to scapegoat immigrants, but there have been successful counter-marches in many places, not just in Athens.

Pasok benefited from the turn to the left in the election, but now we are at a stage where this movement to the left can continue past Pasok. This is what we are working on. Through organising the strikes and anti-racist work, we try to raise a third dimension of demands - not just to oppose the cuts but to move in an anti-capitalist direction, for example to refuse to pay the debt and nationalise the banks.

This is something we have raised from the start of the crisis in 2007 and 2008. Now it is becoming part of the public debate in Greece. This will be a crucial element as we reach the high point of the struggle. If it turns into a crisis on the scale of Argentina in 1999-2002, having a strong anti-capitalist left within a strike movement, which can raise demands to nationalise the banks and refuse to pay the debt, will be very important.

Interview by Ian Taylor, May 2010
