

Mouvement Communiste

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GREECE: THE FISCAL CRISIS OF THE STATE PUTS THE NEED FOR AN INDEPENDENT WORKERS' POLITICS ON THE AGENDA

▪ **Introduction**

We don't intend to make a habit of it, but this letter is not one text but the juxtaposition of several texts written at different times. Greece was a leading news item on the occasion of the riots in December 2008, during the opening of the state debt crisis in January 2010 and, starting from February 2010, because of the reactions to the austerity measures and the attack on wages, and then finally during the May days, which were marked by violent confrontations.

Concerning the riots of December 2008, there already exists a pamphlet in English, "*Everyone to the streets. Texts and Communiqués from the Greek Uprising*" published by some comrades around the "56a Infoshop" in London in October 2009, and containing texts by TPTG and Blaumachen. This publication's narrative of events and its chronology are a good place to start. We have focused on some criticisms addressed to the movement and some interpretations of it.

Dealing with the Greek state's "debt crisis" means understanding the strengths and weaknesses of capitalist development in this geographical area and quickly setting out a balance sheet. Greece is far from being a backward country on the brink of the abyss. The history of capitalist development and workers' struggles has given a particular character, as in numerous other countries, to the fiscal crisis of the state. Weakened as it renegotiated its bank loans the state saw its debt attacked on the markets via the CDSs (*Credit Default Swaps*) whose mechanisms we'll explain later.

Finally, there are the reactions to the government's measures, whose most visible phenomenon was the demonstrations which repeatedly crossed Athens, Thessaloniki and other cities. Here it is necessary to avoid lapsing into either blissful enthusiasm or contempt for the trade union demonstrations of the supposedly "guaranteed" and "integrated" employees to which it would be idiotic to oppose the riots of December 2008. We must understand at the same time the strength of the imposing, sometimes violent, demonstrations and the weakness of the present proletarian movement which is incapable of generating strikes and autonomous political organisation. Rather it is necessary to consider the always significant presence of PASOK (the Socialist Party) as much as the KKE (the Stalinist party) via their powerful trade union intermediaries, as well as the divisions within the class itself, including the very visible one between "immigrants" and "Greeks" and even that, less important but still serious one, between "public" and "private" sector workers.

You will therefore find five distinct contributions in this letter:

- Minoritarian attempts at insurrection in Greece (dated 16/01/2010),
- A quick economic look at Greece (dated 17/04/2010),
- The Greek fiscal crisis, a consequence of the global crisis of credit (dated 20/02/2010),
- Workers' reactions against the government plan (dated 29/04/2010),
- The May days (dated 10/05/2010),

The whole thing was finalised on 20/05/2010.

Minoritarian attempts at insurrection in Greece

It is not in the tradition of our group to polemicise with other groups close to us. We will not give in to *that*. Also, what follows does not refer directly to the texts of the comrades of TPTG because, apart from criticisms addressed to them, this is more about the limits of the movement of December 2008, the texts found in the pamphlet¹ representing the best written expression of that movement.

The unleashing

The long season of struggles of proletarians in schools in Greece saw an unexpected acceleration on 6 December 2008, with the killing by the police of a 15 year old boy in Exarchia Square in Athens, which is located in a very lively central district particularly frequented by young people. Shortly afterwards during the night, the first confrontations broke out between 10,000 spontaneously gathered demonstrators and the repression forces who had quickly arrived in large numbers. This was immediately followed by the occupation of the famous² National Technical University and the Faculties of Economics and Law. Repeated incidents, attempted or successful destruction of sites taken for symbols of capitalism and the State, plundering and occupations - often carried out by small groups - continued until the great demonstration of December 18, milestone of the movement, which coincided with a 5 hour strike called by the public sector trade unions³, which counted 20,000 participants. There were similar agitations and riots in several other Greek cities.

No spontaneous strike was recorded in workplaces other than those of state education, culture and a press company which was making workers redundant. Two strikes called by the trade unions followed quickly: the general strike of December 10, which had been decided more than one month before and aimed at the budget policy of the right-wing government; the other for 5 hours, on December 18, of the workers of the public sector. An attempt to occupy the central seat of the trade unions failed at the end of a few hours in spite of an assembly of 800 people outside.

Neighbourhood assemblies organised themselves around the area of Exarchia. They fell apart rather quickly, oscillating between a generic solidarity with the rioters and the attempt to work out a plan for local struggles. The episode which was probably richest in terms of class content, that of the assembly of cleaning workers created after the attempted murder of a rank and file trade unionist⁴, certainly nourished a climate of rebellion at the end of December 2008 in Athens but should not be purely and simply assimilated with the rebellion. The bases of this attempt at autonomous organization of the cleaning workers had been in place well before the street battles of December and maintained itself on the basis of the demand for the end of a precarious work contract. This is the summary of events required for a synthesis.

A healthy reaction to police aggression

No matter what anyone says, the wave of violent reactions, massive or minority, against police violence in Greece is fully justified. It has nothing in common with the actions generally carried out against other proletarians in French working class districts in November-December 2005, for example. Here, the objectives were well targeted and no worker suffered from illegal initiatives taken by other members of his class. If the limit of the violent action fighting against the symbols of wealth and power is obvious - because capital is a social relationship of production and not a big pile of buildings, goods and men to protect them - this had the undeniable merit of breaking the official monopoly of the exercise of force. When the period is difficult, proletarians who choose to accept confrontation must, initially, avoid sending a message in their action which is contradictory or, worse, opposed to the chosen objectives. The focusing of the offensive of the rioters against the repression forces did not leave room for doubt and gained, as it should do, the sympathy of broad sectors of the proletariat. In this regard, the condemnation of the individual conspiratorial actions which followed the minority insurrectionary movement is not so justified. If they did not, certainly, reinforce the struggle, this had already declined on its own before these attacks which, moreover, showed a

¹ “*Everyone To The Streets: Texts and Communiqués from the Greek uprising*”, tothestreets@alphabetthreat.co.uk ; TPTG (*Ta Paidá Tis Galarias* – “Les enfants du paradis”) : P.O BOX 76149 17110, N. Smirni, Athens, Greece; Blaumachen: <http://www.blaumachen.gr>

² In 1973 the occupation of the college by young students and workers signalled the beginning of the end for the dictatorship of the colonels established in 1967.

³ The Greek union federations are: GSEE (unions of the private sector) and ADEDY (unions of the public sector).

⁴ Konstantina Kuneva was attacked with acid by the bosses’ thugs.

real continuity with the trajectory of the movement. Isn't it necessary to terrorise the police? Rather, it is the dynamics and the *raison d'être* of the wave of riots which must be subjected to criticism - a criticism without concessions of the limits of the attempted insurrection, without taking anything away from the profound reasons for it.

A class composition which needs to be defined more clearly

It is stated that the large majority of the rioters was made up of proletarians in schools of which a significant fraction were young people from the second generation of Albanian immigrants. Nothing more is said, and this is too superficial. Including in the area of education, there are various stratifications. There can be a world of difference between the student who takes a master's degree in economics and the high-school pupil of the technical institute... and strong differences in class conditions. Also, it is probable that here as elsewhere these proletarians parked at the school have another "social reason" than being students, that of being intermittent workers, precarious, in the most marginal sectors of capital accumulation. No analysis of this aspect, however central, of the class composition of the rioters has appeared up to now. On the contrary, we can read sociological considerations on the hooligans, the young "Albanians"⁵, the junkies - elements interesting enough in themselves but which, if they are not supported by a snapshot of the class composition taken from the point of view of the social production of value, are very likely to hide the real material nature of the need for collective revolt which was expressed in December 2008.

Confusion on this crucial point weighed heavily on the consciousness that the rebels had of their own action. Indeed, the rioters did not attempt to transpose the force acquired in the street to their workplaces to loosen the command of capital there, or on the places where they lived. The working class neighbourhoods which the Greek capital is full of, including in the centre, were the scene of street battles but at no time were they taken over by the revolt. However, the cost of rent, transport, access to infrastructure, etc. are subjects which deserved more attention from the insurrectionists. Not so they could demand fair rents, transport at affordable prices, moderate electricity bills... but to organize, with the other proletarians who live there, the occupations of residences and direct action for non-payment of service bills. The refusal of any "political programme" and even of any political dimension, as was proclaimed by certain components of the movement, acted against the possible extension of it.

It remained the case then, that to the other proletarians, rioting was the only way to take part in it. However, a movement which becomes extensive should never reduce itself to only one dimension of the total fight. This is a question of its very survival. The same reasoning applies even more to places of exploitation. If it is true that the ability of the movement to widen and put down roots does not depend on the formulation of a beautiful list of demands, trade-union preferably, its incapacity to overflow in to the factories and the offices should not be explained just by the hostility of the trade unions and the left and extreme-left parties to any form of collective illegality. The social compost was favourable to this overflow but the obsessive focus on street battles did not make it possible to carry the word of the revolt directly to the doors of the workplaces. The themes for a process of unification were not lacking. The increasing impoverishment of whole fractions of the working class is a subject which several components of the movement expressed very well.

But the will, implicit or not, to describe the proletariat as divided into two segments, one "traditional" with employment and overall guaranteed wages, natural prerogative of the trade unions and the left, and the other, precarious, always unsubdued and ready to rebel, does not help in any way with the antagonistic political recomposition of the class. And nor does the rejection of "politics" and the emergence in the fight of demands aiming at the improvement of the material condition of proletarians, assimilated to the office, and to compromise and submission. It is not by chance that, here and there, one can read long verses on the incapacity of the working class of the factories and the offices to break with social peace while, unfortunately, the trade unions and the left parties succeeded in mobilizing relatively large sectors of them to force the crisis of the right-wing government and to facilitate, not without success, the electoral victory of the left. The hegemony of the trade unions and the statist left within the workers is not synonymous with corruption of the class but of an absence of autonomy.

⁵ The inverted commas are ours.

An extremism which runs the risk of rapidly losing its proletarian contours

Fertile with hatred of the cops, the state and wealth but low in class consciousness, the rebellion dissolved, as it developed, the social reasons for its eruption. Worse, it ended up reinforcing a kind of existentialist ideology punctuated by the assertion of an egalitarianism, generic as it was a-classist. The illusion of creating, through the violent confrontations with the representatives of the state, a kind of community of struggle against capital was expressed in many texts resulting from organized fractions of rioters. However, the collective exercise of class strength does not build new social relations because it results, although it is directly expressed in an antagonistic way, from a society divided into opposing classes. Moreover, though absolutely necessary, armed combat by the masses or by small detachments is an arid ground in itself, a mirror image of the domination of capital. No more than the insurrectionary general strike, the military struggle is not a panacea in itself. The belief that it would be enough for “urban rebellions” to go beyond atomisation and isolation by living “a common life against separation and outside the places of production” indicates a deep incomprehension of the fundamental weakness of these types of class actions, incapable of having a durable impact on the capitalist relations of production.

In the case of that of December 2008, this statement is even more clear-cut because it did not have any kind of impact, even a small one, on the relations between workers and bosses in Greece. The externality, a really extreme one, of the riots in relation to the daily fight of the class was, on the contrary, presented as a feature of modernity and, worse, as a manifestation of the refusal of wage labour by a conscious minority of proletarians. The inversion of the subject - the fight of the workers against the machine and the command of the company - and of the predicate - insurrectionary eruptions in the street - is complete and irreversible here. It marks a theoretical point of no-return towards the concrete and conflicted life of the exploited class. The richness of an independent workers’ movement is rather measured in its capacity to build, notwithstanding the pressing requirement to beat the enemy on all fronts, relations between proletarians which anticipate the liberation from wage labour and the supersession of the state.

The relentless search for something more than one enraged and legitimate reaction to police violence in the rebellion of December 2008 is the reason for the twists and turns of the comrades who attached themselves to it. Above all they imagined that the street battles are the ripe product of a “permanent” crisis of the reproduction of capitalist relations. A crisis which covers a whole period of “over-accumulation of capital”, no less. The disregard for the mechanisms of social production of value is such that it prevents the originators of these ideas from proving them, by a series of abstract as well as arbitrary postulates which do not need to be checked.

It would be easy, one year after the revolts, to recall that the relationship of capital and the state which incarnates it, are still there whereas the insurrection is over. It would be easy also to refer the ideologists of the perpetual crisis of capitalism to the available figures of accumulation. The financial crisis of these last two years is on the way to being overcome, including in Greece, at the heavy price of a long tax crisis of the state, a crisis whose burden will be entirely carried, for a long time, by the subordinated classes⁶. This was a crisis which was used by the capitalists of the whole world to reduce the cost of labour power and to push back the power of workers to condition, and even, under certain conditions, to break the accumulation of capital. The identification of the major reason for the riots of December 2008 with the supposedly permanent crisis of the reproduction of capitalist relations and with its attribute, the crisis of the education system, serves in reality to indirectly hurl opprobrium on the workers who didn’t know how to do anything other than express “solidarity”.

The divergence of behaviours exalted and often caricatured by certain organized sections of rioters between the presumed passivity of “traditional” workers, supposedly the “better assured” in the preservation of their jobs and subjected to the soporific politics of the trade unions and the left of the state, and the offensive actions of the angry young people, considered to be outside the influence of waged work and who fully understand capital and the state, objectively reinforces division within the exploited class. *De facto*, the scornful refusal of any material demand and - why not? - defensive ones, pushed apart the two units described above by solidifying them in improbable roles which do not correspond to the reality of exploitation and class struggle across all its innumerable episodes. Sometimes, the aristocratic-smelling criticism of the autonomous collective initiatives of proletarians who modestly fight for better work contracts and those who try to practise a class trade unionism, seems grotesque.

⁶ Lets’ remember that for Marx there existed, apart from the bourgeoisie and the proletariat, semi-classes, incomplete classes and therefore subaltern classes.

This is testified to by the contempt by which certain organized groups of rebels treated the demand for state hiring of the cleaning workers who are today massively employed by subcontractors. By very curtly opposing “the question of the abolition of wage labour” to this objective (judged to be social democratic), they show a contempt for the defence of working conditions which the owners would rightly be delighted with. It is obvious that the demand includes a great ambiguity because it can imply that the state is impartial and fair with its employees. But another reading is possible, and we must insist on it: the growing unification of working conditions between workers of different sectors, in different companies, reinforces the objective base of the struggle.

Yes, criticising the state as an owner by comparing it to the “private” owners and, simultaneously, requiring by an independent fight to have only one work contract, only one wage scale, closer working conditions, are not contradictory. What’s more, this dialectic which links struggles independent from the political and trade-union bodies of capital and the state to the demands inspired by the one material interest of the workers is the only policy appropriate to determine broad, durable and effective offensive fights against the class enemy. But especially, this makes it possible for combative proletarians to organize themselves for the development, in and by the struggle, of a general plan of revolution and going beyond the current class relationships - a plan whose contents are immediately social because it speaks about real communism, that which gushes with practical criticism extending to all the forms of exploitation and oppression, and whose form is inevitably still political, not within the meaning of the planned exercise of the art of the mediation but that of the organized and centralised collective experience of rupture and going beyond the present state of things.

A quick economic look at Greece

Some tendencies

If we consider the social process of valorisation of capital in this country, we have to conclude that Greece was in a good state of health right up to the outbreak of the sovereign debt crisis. From 2001, when it adopted the single currency, the Greek economy has advanced with a growth rate of 3.5% GDP per year. The Euro zone which it is part of grew in the same period by 1.5%. The outbreak of the global crisis of credit affected it less than the Euro zone as a whole. *“For the first time, Greece resisted the global economic crisis better than many other countries in the OECD”*, we can read in the OECD report about the country published in July 2009. In more detail: *“The robust expansion of Greece since its entry into the euro area has slowed significantly under the weight of the international crisis. However, the economy has weathered fairly well the initial impact of the shock that plunged most of the OECD countries into a serious recession. Growth remained positive until the end of 2008 thanks to relatively buoyant exports to the Balkans and large wage increases which supported consumption. The banking sector has benefited from marginal exposure to the toxic assets which were at the root of the international storm”*.

According to the economists who published the report, industrial production was not destined to collapse: the OECD foresaw a contraction of production of 1.25% in 2009 followed by a slow recovery, the GDP growing by 0.25% in 2010. In the first quarter of 2009, the real GDP contracted by 4.8% annually relative to the preceding quarter. The evolution of Greek industrial production since 2000 has nevertheless shown that the competitiveness of its manufacturing sector has strongly diminished with the adoption of the euro. The Greek production indices have been left standing while those of the euro zone, the OECD and the G7 have progressed well up until 2008. The same thing goes for the contribution of industry to the increase in GDP. The contribution has not changed since 2005. On the contrary, what are called services (a catch-all sector in which we can find enterprises from the productive sphere as well as those from the commercial or financial sphere) have increased their contribution to the growth of the Greek economy, particularly since 2005. This segment of the economic formation of the country has more than compensated for the virtual stagnation of industry and the continuous loss of agricultural land. But this tendency does not only apply to the Greek economy because it can be found, with various accents, to some extent everywhere in the most developed capitalist economic and social formations.

A closer look at the big companies

Industry

Capitalism in Greece shows a concentration of the industrial and banking sectors, unlike the situation in agriculture or tourism. In 2008, the 20 biggest groups represented 60% of the total turnover of listed companies and 71% of their EBITDA (*Earnings before Interest, Taxes, Depreciation, and Amortization* - the

gross operating margin, which is the closest thing to surplus value that we can find in capitalist accountancy).

The big Greek companies declared positive results in 2009 but less than the good results of 2008. Their profits were on the same level as those of European companies generally. The falls seen on the Greek market were often compensated by a strong activity in the neighbouring states, the Balkan countries, Turkey, and even the Arab countries of the eastern Mediterranean. *Coca-Cola Hellenic* operates in 28 countries and more than a third of the profits of the *National Bank of Greece* come from Turkey. The world number two in bottling Coca-Cola recorded a net profit of \$437 million in 2009, slightly higher than that for 2008, but this was exceptional. Its EBITDA, €639 million, was 20% above the average of the last 5 years.

Hellenic Telecom, or OTE, the old Greek telecommunications monopoly – 30% owned by Deutsche Telecom and 20% owned by the Greek state – is present in 5 neighbouring countries, controls the number one mobile phone company in Greece, *Cosmotel* and employs 30,000 people. With a revenue of €6.6 billion in 2009, it posted a fall in profits of 33% to €400 million, but since 2006 its EBITDA has been constant, slightly above one billion euros.

In heavy industry, results have clearly been impacted by the consequences of the financial crisis. The steel-maker *Sidenor* suffered a net loss of €71.3 million after a profit of €29.3 millions in 2008. Its turnover plunged by 45.3% to €938 million. Its EBITDA is in the red by more than 20 million after having been halved in 2008. In 2006 and 2007, it was level at €160 millions.

The pipe producer *Corinth Pipeworks* announced an increase of 128.5% of profits over one year to €20.2 million, despite a fall of 26% in turnover to 285.2 million. Its EBITDA grew 50% to €30 million, lower than the €48.5 million of 2007.

With a turnover of €662 millions, down by 30%, *Mythilneos* maintained its EBITDA at €70 million, the same as the previous year, but 50% lower than the three previous years.

Fourlis, a distribution company, notably an Ikea franchise, and also a distributor of consumer electronic goods, saw its profits decline by 42.6% to €31.6 million as sales fell by 4.2% to €751.7 million. Nevertheless it intends to open a dozen new Ikea shops between now and 2013. Its EBITDA, down by a third relative to 2008, is however around the average of results listed between 2006 et 2009.

The maritime liquid gas transport company *Stealthgas* lost €13.3 million in 2009 against a profit of 30 million in 2008 following the cancellation of an order for ships which cost it €16.5 million. The company, which owns 37 LPG tankers still has 5 ships on order. While its EBITDA collapsed to €1.3 million, it had progressively climbed to €42 million over the previous four years.

Banks

If some Greek banks have posted generally positive results, *Geniki Bank* (General Bank of Greece), mostly owned by Société Générale, and even more *Emporiki Bank* (Commercial Bank of Greece), the fourth largest bank in the country and a subsidiary of Crédit Agricole, have submitted record losses. This calamitous situation for the subsidiaries of French banks largely explains the intervention by France to support the Greek state and, indirectly, its own banks. In 2009, the losses of *Geniki* more than doubled to €110 million while those of *Emporiki*, while less than in 2008, approached €600 million, even more than the €400 million losses of *ATE Bank*. In contrast, the number one in this sector, the *National Bank of Greece*, realised a profit of more than €900 million – half of it in Turkey – even though it had fallen by 40% in one year. Other major banks, *Piraeus* and *Alpha* posted significant profits despite making important provisions.

Shipbuilding

After the exceptional year of 2008 – €19.2 billion profits, more than 1000 new ships ordered for the yards –, the Greek maritime transport companies announced reduced results in 2009, but higher than expected. It is difficult to compare the profits of one year with another, the large amounts involved in buying and selling ships perturb the figures. The comparison of the EBITDA is therefore clearer. The study of the results from a dozen companies shows several rises in EBITDA, numerous falls, very few losses, with an average fall of 20 to 25%.

While having their head offices in Greece, most of the ship-owners are offshore companies, listed mostly in the US.

Steel industry

If the production of steel is no longer the indicator of capitalist development which it was at the start of the last century, it can still help to identify the cycles of developing countries.

Greece is the only country in Europe, and one of the few in the world, to have produced less steel in the month of March than it did one year earlier. However, although its production in March, 165,000 tonnes, was 5.7% down on the preceding year, it was up 11.5% on that of February 2010, which may indicate, as

some commentators claim, that the fall has stopped. For the whole of the first quarter, Greek steel production, 377,000 tonnes, fell by 30% compared to the first quarter of 2009.

The production of Greek steel, which just exceeded 1 million tonnes (Mt) in 2000, rapidly increased in the following years to reach 2.5 Mt per annum from 2006 to 2008. In 2009, the Greek steel industry had suffered the consequences of the financial crisis less than the producers in other European countries, only recording a fall of 16% to 2 Mt. Dependent on building and civil engineering for its markets, the Greek steel industry saw its rate of utilisation fall towards 60%, one year after the steel-makers of the rest of Europe.

An industrial infrastructure which is not concentrated

If Greece possesses a few large commercial groups, the overall productive reality is very different. In effect, the economic infrastructure is constituted of small (and very small) and medium sized companies.

Size of companies	Number
Very small (0-10 employees)	752,000
Small (9-50 employees)	16,000
Medium (49-250 employees)	2000
TOTAL	770,000

Sources : *Observatory of European SME's 2003*, 7 (cited by the Chamber of Artisans of Piraeus).

For 2008, there were 820,000 SMEs (Small and Medium-sized Enterprises) employing 3,200,000 people out of a total (not counting unemployed) of 4,624,000 wage earners.

For the level of employment relative to the size of workplaces in the private sector, the figures (for 1999) are:

- 64.6% of workers (including the self-employed) are employed in workplaces of from one to nine people.
- 17.2% in workplaces of from 10 to 49 people.
- 5.2% in workplaces of from 50 to 499 people.
- 4.2% in workplaces of more than 500 people.

Some data

The growth of productivity in Greece, 1970-2004

If, on average, the growth of productivity – global productivity, all factors taken together – of the various sectors has been 1.29%, it has progressively slowed down. In the course of the 1970s it reached 2.71%, falling to 1.11% during the 1980s, then to 0.51% in the 1990s before practically stopping between 2000 and 2004 at 0.16%.

It is agriculture where results have been the weakest, with a negative growth of 0.16% for the whole of the period. In construction the growth of productivity fell in the 1990s and 2000s, resulting in a fall of 0.34% for the whole of the period. The industrial sectors which benefited from the most important growth of productivity are the production of industrial equipment, mines, petroleum products, energy, chemicals and plastics.

Across all services, productivity fell, particularly starting in the 1990s. This is particularly true for finance, public administration, commerce, health and, more recently, transport (despite a growth of 0.30% for the whole period).

Foreign trade

The European Union accounts for most of Greece's foreign trade, more than three quarters of imports and almost half of exports. In 2008, the exports went to Italy (11.5%), Germany (10.5%), Bulgaria (7.1%), Cyprus (6.2%), the UK (4.7%), Romania (4.4%). The main commodities exported are food products, manufactured goods, petroleum products, chemicals and textiles.

The main imports are machines, transport equipment, fuel and chemicals. They come principally from Germany (12.1%), Italy (11.7%), Russia (7.4%), France (5.1%) and the Netherlands (4.7%).

The balance of payments deficit for 2009 reached €29.93 billion, although it was 27.4% lower than in 2008. The imports of €44.33 billion are more or less three times larger than the exports of €14.39 billion.

The remarkable balance of payments deficit is partly compensated for by aid from the EU (more than 3% of GDP, close to \$80 billion between 1994 and 2013), "invisible" earnings from tourism and shipping as well as by important transfers from the large population of Greek origin across the world to the mother country.

For investments abroad Greece, which invests in its European neighbours, Turkey and the nearby Arab countries and no longer attracts capital, is markedly deficient.

On 31 December 2009, the sum total of foreign investments in Greece reached \$43.07 billion; those of Greek investments abroad \$29.55 billion.

Sectors of the economy

The division into sectors is as follows. Agriculture, which employs 12.4% of the workforce only represented 3.4% of the GDP of the country in 2009. Industry employs 22.4% of the workforce with 20.8% of GDP. For the catch-all category of services, the figures are respectively 65.1% and 75.8%.

Expressed in dollars, the GDP per capita of Greece, \$32,100, is around two thirds that of the most advanced countries of the EU, putting it at the 42nd place globally.

Employment

In the fourth quarter of 2009, the number of unemployed reached 514,401 with the rate of unemployment climbing to 10.3%. A year earlier, the rate had fallen to 8.1%, the lowest for a first quarter for ten years. The rate of unemployment for women, 14%, is practically double that of men, 7.7%. As in other countries in Europe, unemployment primarily affects young people, at 20.4% for those aged 15-29. For young women, the rate is 26.2%.

The rate of unemployment is 11.7% for foreigners and 10.2% for Greek citizens. However, the rate of economically active foreigners is 73.6% against only 52.6% for people of Greek nationality.

The percentage of people employed in the primary sector is 12.3%, in the secondary 20.8% and the tertiary 66.9%. Part-time workers make up only 6.2%.

Among the economically active, wage earners are only 64.1%, a percentage markedly lower than in the other European countries. The self-employed make up 21.7%, employers 8.2% and the unpaid workers of family exploitation 5.9%.

The principal sectors of employment are:

Sector/Category	%
Agriculture, forests and fishing	12.3
Manufacturing industry	11
Construction	8.1
Wholesale and retail trade and repair of vehicles	17.7
Transport and logistics	4.8
Hotels, cafés, restaurants	7.1
Professional, scientific and technical activities	5.1
Public, defence and social administration	8.3
Education	7.3
Public health and social work	5.4
Various and non-declared	12.9
TOTAL	100

The immigrants

In 2007, there were 580,711 foreigners living in Greece of whom 481,501 had a valid residence permit. The majority, 61.3%, are Albanian. Migrants represent 7% of the workforce of the country. More than half the men work in construction, and are also massively employed in agriculture. Half of them are employed illegally.

Unemployment, precarious work

The average monthly wage in 2006 was 1837 euros for men, 1400 for women, together 1651 euros.

By comparison: the average for the EU 27: 2468, 1932 and 2222.

The difference from the European average is much less pronounced for factory workers, 1600 euros in Greece against a 1744 average for the 27.

For those aged under 30, 1129 euros in Greece, 1662 in the EU. The gap diminishes with age.

The wage gap between men and women is slightly more than 20%, 3-4% above the European average.

Minimum wage, 526 euros in 2000, 681 euros in 2009.

Not much part-time work, working week: 43.7 hours on average, 2 hours above the European average.

Long term unemployment: 6.2% in 2000, 3.6% in 2008. In Europe, 4% and 2.6%.

Youth unemployment: Greece, 29.1% in 2000 and 22.1% in 2008. EU, 17.4% and 15.4%.

Retirement age in 2006: 59.3, 6 months later than the European average.

Workers on fixed term contracts in 2008: 10% for men, 14% for women. In the EU the averages are 13% and 15%.

The outline of the important characteristics that we've set out shows that in the Greek zone capital is not doing too badly, at least as far as the big companies are concerned, and the impact of the crisis of 2008 didn't hit it any harder than in the other countries of the euro zone. This is why it would be a mistake to attribute the present sovereign debt crisis to the industrial decline of the country.

The Greek fiscal crisis, a consequence of the global crisis of credit

Should we have expected such a strong fiscal crisis in Greece? This question is widely discussed among bosses' circles around the world. The answer is more complex than it seems. The state financial crisis is linked to the specific configuration of social democracy, the specific characteristics of the general command of the state on civil society. Articulation of this command is mainly based on three instruments :

- a generalised tax avoidance by companies, the very condition of survival of a productive network which is little concentrated, insufficiently capitalised and often badly managed according to the standards of the world market,
- a system of social protection which doesn't protect very much but has a sufficiently broad mesh that there are plenty of preferential treatments and "abuses" to secure social peace,
- an imposing public sector, not very efficient and not rationalised but omnipresent in the innumerable folds and layers of civil society.

Based on these assessments, OECD economists⁷ recommended, just before the explosion of the public debt affair, "budget structural reforms". *"Their [i.e. the state's] room for policy manoeuvre is tightly restricted by the high public debt, repeated fiscal slippages and the large external and internal imbalances, which have been reflected in high sovereign interest-rate spreads since the end of 2008 as risk aversion rose."*

And more: *"As activity slows, budgetary deterioration is inevitable. There is virtually no room for budgetary manoeuvre, and the poor state of public finances justifies the immediate structural consolidation already put in place"*. The international organisation's recipe is easy on paper: *"Apart from simplifying and widening tax bases, the fight against tax and social security contribution evasion should be stepped up, and tax collection improved. This needs to be accompanied with tighter control over spending, including a cut in administrative costs, rationalisation and limitation of the wage bill, and reforms in loss-making state enterprises. Longer term viability also calls for further pension reforms, including revision of the parameters for pension calculations and new measures to further reduce incentives to early retirement"*.

Easier said than done because the financial markets love easy prey, especially when it's in difficulty. *"Unlike many other OECD countries, Greece has virtually no room for budgetary manoeuvre to cushion the weakening of activity. Public debt is now close to 100% of GDP, and the fiscal deficit rose from 3.1% to 5%*

⁷ See "OECD Policy Brief July 2009".

of GDP between 2006 and 2008 despite a buoyant economy. Against the background of the general rise in risk-aversion and declining market liquidity triggered by the financial crisis, repeated fiscal slippages together with the impact of ageing on the long-term budget outlook, largely explain the sharp widening of interest rate spreads with Germany.”

These considerations have not escaped the market operators specialising in profits from taking bets on the fall of financial assets. This was even easier as they did not have to mobilise much money to inflame the interest rates of the Greek state bonds. Still convalescent, the credit markets over-reacted to the slightest signal of a fall. In this case, the signal was sent by the CDS (Credit Default Swaps) market. These are financial tools which are supposed to protect from the defects of debt repayment. In fact, in the Marxist interpretation, it is one more instance of the duplication of the instruments of credit⁸. Those leaning on Greek debt amplified in tremendous proportions the gap in output (the interest rate paid) between German government bonds, considered among the safest, and those of the Greek State. In their movement of relative autonomisation from their underlying asset, the Greek debt itself, the CDS of the obligations of Greek state bonds have become more important than the debt itself, even though it's their *raison d'être*. James Rickards, a former advisor from LTCM, whose funds triggered the financial crisis of 1998, asked himself in the *Financial Times* (12 February 2010) what happens when CDS products lose any link with the underlying risk they should estimate. This question says a lot about the real nature of those financial products. Actors on the financial markets frankly played for the fall of Greek bonds by acting on the herd-following market of the CDS. Short sales of CDS of Greek debt multiplied⁹. The markedly lower “depth” of the CDS market in Greek sovereign debt relative to the debt itself explains both the speed and amplitude of this typical consequence of the exit from the so-called “sub-prime” financial crisis. The CDS markets of the Greek debt reached roughly \$80 billion, while the size of the debt itself was some \$385 billion.

Because of the growing influence of the predicate (CDS) on the subject (debt), it was decidedly easier and less risky with regard to the terms of the wager - in terms of the amount of committed capital - to play the first downwards to force the second to go in the same direction "*It's easier to buy protection and transact a 'short' position, that's half the reason CDS were developed, so people can hedge risk*", says Tim Backshall, chief strategist at Credit Derivatives Research, an independent research firm in New York.

⁸ CDS are contracts that serve as insurance on all kinds of debt. “With sovereign debt, if a nation defaults the CDS buyer would get paid by the seller of the CDS insurance. Though government defaults are rare, the value of CDS contracts rise and fall to reflect investors' outlook on the bonds they are designed to insure. The market for CDS has boomed in recent years. Seven years ago, there was less than \$3 trillion of CDS contracts outstanding; today there are more than \$25 trillion of these contracts, according to the International Swaps and Derivatives Association. When prices for CDS on the debt of firms like American International Group Inc. and Lehman Brothers Holdings Inc. soared in 2008, investors interpreted the moves as signals of trouble ahead. Now the same is happening with CDS prices rise for a variety of nations, marking one of the first potential government-debt crises in which CDS contracts are helping to spread unease. That is creating another real-time measure of investor worries—a barometer that itself can generate more anxiety”. (*The Wall Street Journal*; 5 February 2010) “Credit default swaps have many characteristics similar to other over-the-counter derivatives. They are used to hedge risk, and their value is based on a reference entity. They also have characteristics that distinguish them from other derivatives. While the value of interest rate or commodity derivatives generally adjusts continuously based on the price of a referenced asset or rate, credit default swaps operate more like binary options. A seller of CDS could one month collect its regular premium with little expectation that the insured company may default and in the next month be on the hook for billions if the insured company goes bankrupt. A credit default swap can quickly turn from a consistent revenue generator into ruinous costs for the seller of protection. This “jump-to-default” payout structure makes it more difficult to manage the risk of credit default swaps. Credit default swaps also have characteristics similar to bond insurance issued by mono-line insurance providers. ... Credit default swaps also can play a significant role once a company has defaulted or gone into bankruptcy. Bondholders and creditors who have CDS protection that exceeds their actual credit exposure may thus benefit more from the underlying company's bankruptcy than if the underlying company succeeds. These parties, sometimes called “empty creditors,” might have an incentive to force a company into default or bankruptcy. These so-called empty creditors also have different economic interests once a company defaults than other creditors who are not CDS holders.” (Address by Gary Gensler, president of the *Commodity Futures Trading Commission* on 9 March 2010)

⁹ The short sale consists in borrowing a financial title against the payment of interest, to sell it then to await the effective fall to repurchase it and return it to its lender while having thus made a profit. This thus consists in betting that the price of a title will drop.

“You can move [other markets] with those trades” by playing with CDS, he adds. *“It has always been possible to sell short—or bet against—government bonds directly. But investors say buying CDS can be an easier way for them to quickly enter a wager”*, continues Gregory Zuckerman, in the same *The Wall Street Journal* article¹⁰.

But who sold Greek debt CDS? Let’s hear James Rickards again: *“Sellers are generally pension funds which seek to gain a bonus for insurance and buyers are often speculative funds which seek to realize a quick blow. In the middle, you get Goldman Sachs or another bank that gives a great amplification to the movement.”* (idem). On 12 February 2010, Richard Barley, from the Wall Street Journal, confirmed it: *“The real shift higher in costs is likely to have come as traditional investors with exposure to Greek or other southern European assets—including equities and corporate debt as well as government bonds—became concerned about possible contagion and spill-over effects due to the very real crisis in Greek public finances. They will have been using the CDS market to hedge exposure. Bank risk-management desks will also have been forced to buy protection as liquidity in the underlying bonds declined and their price dropped, adding to the pressure.”* The effect of the credit markets boom is more than classical.

“The guilty people” are thus not, according to these bourgeois experts, the speculators *par excellence*, the famous hedge funds, but rather the most stable institutional investors, those which every listed company dreams of having as shareholders. The Greek debt crisis is thus not an isolated tempest but a seasonal storm. It translates and anticipates an upheaval that sees the states with the most fragile balance sheets treated the same as any other individual capital. This is in no way a surprise for revolutionaries who consider the state both as the supreme representative of the ruling classes but also as a very specific individual capital, because it is, at the same time, a monopoly on its internal market and the bearer of the ability to place the weight of its balance sheet on the whole of civil society. States do not go bankrupt, the supporters of the system repeat continuously.

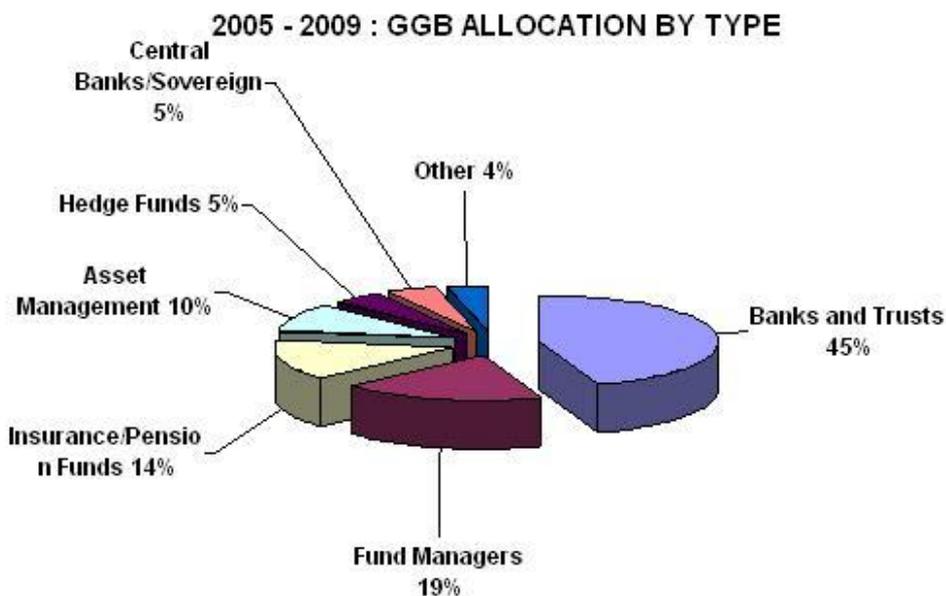
Yes, with two exceptions: the French monarchy buried by the Revolution of 1789 and the Russian Empire, swept away by proletarian revolution in October 1917. With these two exceptions, the dialectical contradictions between these two realities of modern states are thus solved always in favour of its function as first active guarantor of the operation of the capitalist system in its area of competence. When its nature as an individual capital enters into deep and continuous conflict with this function, the state plunges into fiscal crisis, a revenue crisis. Contrary to the classical financial and/or productive crisis in a competitive environment, the state fiscal crisis never comes to end by its pure and simple destruction to the benefit of other states without going through war – either civil war against the proletarian masses in order to reduce their power and increase their exploitation, or regular war against other states to restore the balance through plunder. In the past, in the case of both world wars, the military victory of the state against the working class allowed the launching of permanent wars for the plunder of other states. Conversely, when it is too weak to begin hostilities against the exploited, it has however the means from its status of surviving for a long time despite the chronic crisis of revenues.

This is the case for Greece but also for a great number of capitalist States. The markets attacked Greece with high priority because the fiscal margin for manoeuvre of the new government is very narrow, in particular after the aggravation of the public deficits because of the measures taken in support of the national economy following the outbreak of the global credit crisis. The high combativity of wage earners of this country (compared to other countries of the euro zone), the inefficiency of the state administration everywhere and an insufficiently concentrated and centralised productive network make the difference in the eyes of the players of finance capital. The crisis of Greek sovereign debt can lead to others in countries like Spain, Portugal, Ireland but also Italy and, why not, the United Kingdom? There are so many countries whose state balances have been strongly undermined by the credit crisis. But the most probable route of contagion is once again the banks. According to the Public Debt Management Agency of the Greek Finance Ministry, Greek debt *bonds* are owned roughly 45% by banks and at 5% by other states’ central banks.

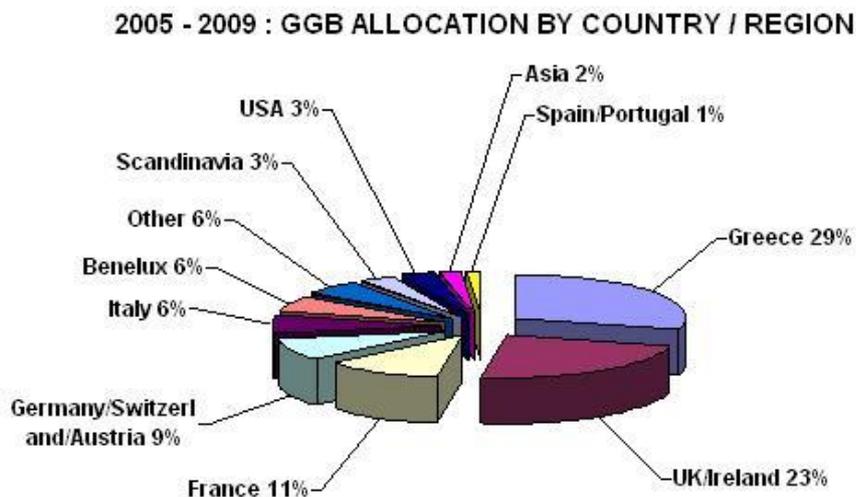
¹⁰ “For one thing, CDS can be purchased by investors who don’t own the underlying debt but want to wager that it is likely to weaken, meaning they can be bought not only by people hedging other bets but also by investors making straight wagers. And a CDS buyer usually doesn’t have to produce as much collateral to make a bearish trade as the investor would to make a similar wager in the government-bond market. For example, some dealers allow an investor to bet against \$10 million of Greece’s debt by putting up as little as \$2 million and then make quarterly payments of about \$105,000. If the same investor wanted to short Greece’s government debt, or borrow and sell it hoping for a drop in price, the investor might have to place as much as \$10 million into an account with a brokerage firm”.
(Gregory Zuckerman, *The Wall Street Journal*, 5 february 2010)

If we add the insurance and pension funds, we arrive at two thirds of the total. The traditional “speculators” (hedge funds and similar) count for the remaining third.

It is thus the great financial establishments that will have to manage the first risks associated with financial bets against the Greek debt. We can understand better why many actors of those categories made attempts to reduce potential losses on the Greek sovereign debt market by investing in the CDS market to seek protection. But this rush produced, as we saw, a contrary effect by worsening the fall of the prices of government bonds, a fall that went on even after the Greek state had easily succeeded in issuing 8 billion euros of its debt titles. This issuance attracted a request for government bonds for 25 billion euros thanks to an enticing interest rate of 6.1% (290 basis points more than the rate of 10-year German bonds).



Finally, it is worth noting that the Greek debt is largely internationalised (see the graphic below) because only €40 billion from a total of 385 billion are owned by local banks, according to Crédit Suisse. More generally, again according to the Public Debt Management Agency of the Greek Finance Ministry, local people own 29% of the Greek state obligations. The investors and the banks of the British Isles (Ireland included), the Germanic area (Germany, Austria, Switzerland) and the French area (France and the Benelux countries) are very exposed. They are followed by Italy and, further behind, Scandinavia and the United States.



The eagerness with which the German and French governments reacted to the threats which hover over the Greek debt is thus not surprising. As for the effectiveness of the defence systems being developed (state bond issues coupled with or guaranteed from other states than Greece), they highlight all the limits of the creation of a single currency, the euro, without the parallel formation of a unified capital market and in the absence of a single management of the public purses of Euroland. But this is a problem for the bosses and the states. From the side of the working class, a resolution of the fiscal crisis by quickly cleaning up the Greek state balance sheet through attacks on wages and employment is just not acceptable.

This is a true declaration of war from the Greek state and its peers in Euroland that proletarians must not ignore. They must take up the challenge and fight on the only ground that is worthwhile: the one of defence of the wage by means of a generalised political struggle against every boss and the most powerful and dangerous of them all, the state. Capital's plan to make the exploited pay for its latest crisis is a political one. The Greek example is paradigm of what will happen in the coming decade under different forms for the life of civil society and for the working class in particular. Only a general political offensive plan from the working class is able to counter it. A plan that will not be elaborated in the closed rooms of revolutionary groups but on the contrary will be conceived in the heat of the struggle by autonomous political committees coming from the most determined and conscious ranks of the proletariat. A plan that will attack head-on the state reformism and agent of the capitalist offensive which already rules in Athens.

Workers' reactions against the government plan

Chronology¹¹

10 February

The first strike is called by ADEDY with a rather feeble participation by public sector workers.

23 February

As a prelude to the strike called for the next day, the CP (in fact its trade union current PAME) decided to squat the stock exchange first thing in the morning with a surreal and incomprehensible banner, saying in English "*Crisis pay the plutocracy*". Their aim was, in their own words, "*to show the European Commission inspectors of the European Central Bank and the IMF where the money is*". In fact, the services of the stock exchange had been transferred to another building and the demonstrators left the stock exchange at 2 p.m.

24 February

General strike called jointly by the GSEE and ADEDY. The number of strikers was estimated at between 2 and 2.5 million. In some sectors (ports, shipyards, oil refineries, construction, banks and public sector companies) the level of participation reached between 70 and 100%. In the civil service (education, health, public services and ministries, the post office) participation was much weaker, between 20 and 50%.

Estimates of participation in demonstrations in Athens vary enormously. According to the police, there were 4000 demonstrators while some media spoke of 100,000 and others of between 9000 and 30,000. According to the TPTG comrades who participated in the demonstrations, the figure of 40,000 seems about right.

There are two things to note. The first is the significant participation of immigrants, not only behind the groups of the extreme left but also spread around the body of the march. We should point out that the participation of immigrants is linked to a new law on "citizenship of immigrants" which creates divisions between them by distinguishing those who are eligible for citizenship from the thousands who are not.

The second is the confrontations which took place between the riot police and the demonstrators who did not necessarily come from the anarchist milieu¹². On several occasions, there was hand-to-hand fighting because the police had orders from the government not to use tear gas. Bank windows were smashed and businesses (bookshops, large shops, supermarkets and cafés) were looted and, although in a marginal way, this gave a non-habitual atmosphere to the habitual trade union demonstrations in Athens.

¹¹ This chronology is adapted from a text written in English by the TPTG comrades, completed by their answers to our questions.

¹² The term "anarchist milieu" covers, broadly speaking, the militants and people claiming to follow the myriad of anarchist groups, which it is impossible to list here.

3 March

The Socialist government announced new measures for the “salvation of the country”, including a reduction of 30% in the wages paid for the 13th and 14th months for workers in the public sector, a reduction of 12% in wage bonuses, increases in the prices of petrol, alcohol and tobacco, along with cuts in spending on education and healthcare. The first reactions came from PAME which carried out some spectacular occupations of short duration, this time occupying the Ministry of Finance and some TV stations in provincial towns. Once again, PAME called for afternoon demonstrations in Athens and in various other towns for 4 March. Later, some left trade unionists and extreme left organisations, joined by the secondary school teachers union and ADEDY, called their own distinct demonstration in Athens. Given the short notice and the general sentiment of powerlessness, only about 10,000 people demonstrated in the streets of the centre of Athens, in a rather lifeless manner.

5 March

The initiative for the strike of 5 March was taken by the CP which called a “general strike” and a demonstration. ADEDY and the GSEE followed this with a three hour work stoppage, while the other unions (primary and secondary school teachers and public transport) called for a strike of one day. The PAME demonstration gathered around 10,000 people and it finished before the other one began. The anti-authoritarians and young people had a more visible presence this time and the atmosphere was tense from the beginning in *Syntagma* square near Parliament, where PASOK was voting through its new measures.

The boss of the GSEE, Panagopoulos, tried to speak on his own to the crowd and got some yogurt pots thrown at him, followed by various other projectiles and finally there was a rush towards him. The attacks came from different directions and so his minders were incapable of stopping a large crowd (mostly of anti-authoritarians and leftists for sure) from practically expressing their hatred against him and what he represented. He was pursued and hit all the way along the road up to the entrance to Parliament where he was protected by the riot police. Soon, an angry crowd gathered at the foot of the building. The Parliament guards had to immediately leave the building and fights broke out between the angry people and the riot squads. It is then that the MPs of the SYRIZA coalition chose to make their spectacular appearance by setting up a banner in front of the entrance with a phrase from Breton which said “*The human being is the answer whatever the question might be*”, a sentence which probably made the anti-humanist Althusserian intellectuals belonging to SYRIZA feel uneasy, although it can be read in the proper SYRIZA-like social-democratic way of “*People before profits*”.

The demonstration then started to head for the Ministry of Labour, which was criticised by many demonstrators who saw it as an action by the trade unionists to turn the tension away from Parliament. Nevertheless, spirits remained high and so when the demonstration reached the Council of State building, demonstrators attacked the riot squad who were guarding it. Soon a large crowd began to throw rocks and various objects at them. However, one of the cops stayed behind and was captured and almost lynched by the angry crowd. This incident, which shows at the same time the acceptance of the escalation of violence even by people who have usually not reacted that way and the hatred against the police, lasted long enough for the riot squad to be prevented from intervening by Olympic Airways workers who’d been made redundant.

11 March

There are no precise figures for the level of participation in the strike, but we can say with certainty that it was higher than previously (the GSEE say that the participation reached 90%). It can also be shown by the number of demonstrators, which was almost double that of 24 February. According to the estimates of TPTG, around 100,000 people participated in the demonstrations of PAME and GSEE-ADEDY (PAME organised a separate demo as is its habit), even if the media say it was only around 20-25,000. The composition of the crowd was also slightly different, because there were more students, a few pupils from secondary schools and more young workers, while immigrants were absent for the moment. What’s more, the “anti-authoritarians” blended into the GSEE-ADEDY march.

Another different characteristic was the more offensive tactics used by the police. More than 5000 police tried to prevent the escalation of proletarian violence by surrounding the demonstration much closer on both sides. They achieved their objective because very few people, apart from those from the anti-authoritarian milieu, participated in confrontations or supported them. Nevertheless, there were a few confrontations with the police in various places which carried on around *Exarchia*, as is the usual practice on such occasions.

In addition, it should be noted that this time the leaders of the union federations didn’t just overtly cooperate with the police but effectively gave specific orders to the riot squads to stop the demonstrators on

Patision avenue with the aim of taking over the head of the demonstration and avoiding conflicts with the rank and file and the repetition of the events of the previous Friday, when they got the abuse they deserved. While the police stopped and attacked the front lines of the demonstration (which consisted of the left union groups of primary school teachers) with the aim of preserving the leadership of the GSEE and ADEDY, the coordination committee of these same unions of primary schools and other left trade unionists (such as a group of trade unionists from OTE, the former state telecoms company) politically supported the initiative of GSEE and ADEDY, by changing their itinerary with a detour down 3 September avenue, leaving space for them to take the head of the march and then following just behind GSEE and ADEDY ! What's more, GSEE and ADEDY had done everything they could to help the police control the demonstration.

When they arrived in *Syntagma*, they tried to disperse the demonstrators as they arrived. It is not surprising that the police divided the demonstration in Acropolis, where confrontations broke out, after the block of bureaucrats had returned to its headquarters. We must also note that the trade unionists of the security forces (police, firemen etc.) who waited in *Kolotroni* Square for the separate PAME demonstration were applauded by the PAME demonstrators and applauded them in return. For sure, they disappeared rapidly afterwards because it might not be so agreeable for them to participate in an "*All together!*" with the other demonstrators.

Since 11 March

Some sectoral strikes have taken place: tax officials, staff of driving schools, electricity workers (16 and 17 March), health workers (16 March), service station staff (18 March), taxi drivers (18 March) etc., as well as strikes and demonstrations on 22 and 23 April.

Notes on the political parties and unions¹³

PASOK (Πανελλήνιο Σοσιαλιστικό Κίνημα), Pan-Hellenic Socialist Party, is the principal party of the left and exercises a preponderant role in containment by the control of the two union federations, GSEE and ADEDY. It is the most important party in terms of activists, their number comes to around 250,000 (it's noteworthy that in the internal elections in 2007, around 770,000 "members and friends" voted for the president of PASOK, which represents 6.7% of the population!). Returned to power since 2009, it is putting the policy of austerity in place.

The KKE (Κομμουνιστικό Κόμμα Ελλάδας), Communist Party of Greece, is one of the last really Stalinist parties which still represents people. Its membership consists of 40,000 activists. Apart from its spectacular actions, the KKE rests on its trade union current PAME and puts forward the denunciation of Europe and the plutocrats and is a fervent defender of economic nationalism in line with its Stalinist genes. It refuses any "union of the left" and is for "socialism now". During its last congress (2009), it gave out figures for its social composition:

Employed workers: 76% (private sector 54%, public sector 46%).

Peasants: 2.81%

Artisans/shopkeepers/self-employed: 9.32% (without employing staff 62.8%, with staff 39.2%).

Retired: 7.15%

Students: 2.17%

Academics/researchers: 1.73%

Artists/writers: 0.55%

SYRIZA (Συνασπισμός της Ριζοσπαστικής Αριστεράς), Coalition of the Radical Left, has a minor influence in the unions (apart from a certain influence among university teachers). Recently SYRIZA formed a network of union members but it still doesn't have any real influence in workplaces like PAME does.

Union membership in the public sector is very high in some sectors (banks and public services), reaching 90%, and in some others (education, health) the high level of unionisation can be a sort of "obligation". In the whole of the public sector, the level of membership is around 60%. But in the private sector, the rate of union membership doesn't go beyond 15%, on average.

On a national level, the number of members is around 30% but recent research claims it is even less. Unfortunately, we have no information concerning membership by region, but, generally, in the provinces it is much lower than in the big towns (less than half).

The supposed strengths are: GSEE, 459,000 members; ADEDY, 289,000 members. Of these, 200,000 are also in PAME. PAME is mostly in the metalworkers' union and in a few big factories.

¹³ There are no reliable and recent sources for estimating the number of militants in the political parties in Greece. The figures indicated here are therefore estimations obtained from several sources.

The General Confederation of Greek Workers (GSEE) regroups union federations of various towns which are themselves composed of the basic level unions of all sectors of production. Thus, the GSEE is composed of union federations in Athens, Thessaloniki, Patras, etc. To give an example, the Workers Centre of Athens (EKA) regroups the workplace unions of the private sector, but also those of the public and semi-public sector (banks, post office, state electricity company, contractors in the state administration etc.). ADEDY, for its part, is the union of civil servants (it regroups the federations and the unions of civil servants: teachers, prison guards, employees of ministries etc.). The call for a general strike is made by the leaderships of GSEE and ADEDY and passed down through all levels (workers' federations, basic level unions, civil servants' federations).

First observations

In general

The scale of participation in the national demonstrations and the strikes called by the two union confederations and, within them, the strength and the capacity for initiative shown on these same days by the union wing of the KKE, are the noteworthy facts. The opposition to the government measures put forward by PASOK (cuts in wages, reductions in benefits, more direct and indirect taxes, raising of the retirement age, intensification of police control etc.) has a very large constituency. However, the interpretation of the political deal expressed by these movements merits a more complex and nuanced analysis.

On the problem of the "management" of the state debt, the most common reaction is to assert that those who have created it must pay for it and not the workers. The latter certainly have in mind that the long series of scandals and stories of financial corruption (including the government and the opposition parties, the Church and the private companies) have never been punished. This is why the strikers don't swallow the state propaganda about "national sacrifices" and don't look for a more egalitarian way to pay for the crisis. For their part, the government's fiscal measures constitute a concentric attack against the income of workers with higher wages, against the liberal professions and against other traditional petty-bourgeois strata accustomed to tax evasion. This supposedly egalitarian approach has achieved a certain success amongst the electors most loyal to PASOK but not with the strikers and demonstrators of recent months.

But, if the figures for participation in strikes during the days of demonstrations are important, they are not sufficient to establish the existence of an autonomous action of workers nor of a contestation, even one just starting, of the organising and leading role of PASOK or the KKE. No visible attempt has been made to prolong and root these days of mobilisation in the workplaces by means of strikes on the direct initiative of workers. Above all, at no moment has the struggle against the bosses for better wages and conditions been put on the agenda of general struggle. The bosses have seized on this weakness of the movement and have kept a low profile so that class hatred only rages against their state.

If, from the point of view of proletarians, the days of demonstrations express a real will to fight, from the point of view of the state and its political and trade union organs, they serve to channel the anger of workers and wear out their strength so as to allow the government measures to pass, or alternatively, to promote the politics of the KKE and its long march to power.

Besides, it would be false to think that in Greece (as in other countries) the working class rose up as a single block (bound to be radical) and has, in a few months, swept away the separations which reinforce the everyday life of capital: between civil servants, workers in state or para-state enterprises, workers in the private sector, workers in big companies and micro-companies, full time staff and precarious workers ("the 600 euro generation"), and certainly those between "Greeks" and "immigrants", not to mention the unemployed.

In the factories

There are no revolutionary political groups in Greece which have a regular activity in large workplaces. Whatever the reasons may be, we must not underestimate the force which PASOK and the KKE are able to exercise with their preponderant influence as long as there is no autonomous ferment formalised on the shop floor. Up until now, there has been no visible sign of independent activity by the workers in the factories. No prolonged strike has been declared. And even less one which spreads to several sectors. Wildcat strikes in the workshops and factories are not on the agenda for the moment. In terms of autonomous organisation, it should be acknowledged that some revolutionary militants, mostly coming out of the anarchist milieu, who were involved in the occupation of ESIEA (the journalists' union) in December 2008, still meet regularly. But this is a very isolated phenomenon.

In this context, the grand gestures of the PAME — occupations of public buildings like the Economics Ministry and the Stock Exchange, massive demonstrations and rallies of its followers which have not been normal for the CP at least since 2005 — monopolise the scene, above all when they succeed, on the first call, at making GSEE and ADEDY follow them. It's not impossible that by this tactic the CP is trying to pull the component parts of the big unions towards its trade union transmission belt so as to constitute its own federation.

Two strikes have taken place in the period of the demonstrations, that of the employees of the National Print Office and that of the employees of Olympic Airways.

The employees of the National Print Office, who occupied it on 5 March to protest against the supplementary cut of 30% in the income of employees in the Ministry of the Interior, forbade anyone who "was not employed in the ministry" from entering their premises. Comrades who went to visit them were told to clear off. The Socialist Union of Cadres decided to hastily put an end to the occupation without putting the question to a vote of the assembly on the pretext that "the government has promised" to leave out the particular regulation. The employees didn't appreciate the movement and didn't follow it.

The occupation of the State General Accountancy by the redundant workers of Olympic Airways had a similar outcome. The participants were for the most part technicians who hadn't been paid for three months after Olympic Airways had been privatised or workers made redundant although the management had promised them transfers to other sites. In the course of the first day of occupation they took an official hostage for a few hours. That evening, they confronted and chased away a riot squad. Determined to maintain the blockade as long as necessary, they nevertheless forbade access to "outside" comrades. After 10 days of occupation, their Socialist representatives (from the right of the party) accepted the government's promise to create a special committee to examine the question! It seems that, as with the example of the redundant maintenance staff of Olympic Airways who distinguished themselves during the demonstration of 5 March, there was also within the "guaranteed" workers a division between those who were sacked and those who were spared. This probably explains why the minority of around 300 staff were not able to lead the other 4700 into a more serious struggle with, for example, blockades of runways.

In the demonstrations

In Athens, as a general rule, the metro runs from 10.00 to 16.00 to allow demonstrators to get to their gathering places and also to go home again. Because of divisions in the movement, there were three meeting points and two marches: GSEE and ADEDY normally gather at *Pedio Areos* and demonstrate together. In their march come the cluster of parties of the far left (with the exception of the Greek CP) who for their part gather at the National Museum. Finally PAME, the trade union movement of the CP (KKE) meet up at either *Omonoia Square* or *Syntagma Square* and demonstrate separately.

The composition of these demonstrations was different from those of December 2008. If we look at the strike figures, we notice that there was a bigger participation of private sector workers and therefore a relatively weaker participation of teachers. With the exception of some isolated cases during the last day of action, secondary school pupils did not take part in the marches in recognisable groups. On the other hand, that was not the case for students, who responded to the calls for participation put out by their general assemblies. As for the contract workers and the unemployed, their presence in the demonstrations has not really been visible, apart from the involvement of very small sections of them in violent actions. Once more we need to put aside the misty-eyed vision of a union leadership who "betray". Doesn't the fact that on 5 March, the leader of the GSEE, Panagopoulos, did not hesitate to leave parliament to harangue the demonstrators, even if he was going to be booed and have stuff thrown at him, prove that the bosses of PASOK and the unions are still sure of their influence over the workers?

The May days

After the demonstrations of 1 May, after the measures were voted through, the participation in strikes and demonstrations was important in terms of knowing if, since March, the movement against austerity measures could start up again.

The number of demonstrators was certainly impressive¹⁴, not only in Athens (30,000 with the KKE/PAME, 120,000 with the unions) and Thessaloniki (30,000), but also in many medium-sized provincial towns. The strike reached the same level of participation as in March, notably in transport¹⁵. But always without any trace of self-organisation in workplaces or any autonomous activity.

It is difficult to estimate the participation of students and secondary school pupils in the demonstration on 5 May, because they were not in separate marches. All that can be said is that there were a lot of young people. This does not apply to PAME where the Communist students formed their own march.

In Athens, the violent actions carried out on the fringes of the marches had an irregular intensity, going as far as *Syntagma*, in front of Parliament. Isolated from the others as usual, the KKE/PAME march arrived on the scene first. The demonstrators waited for the columns of GSEE/ADEDY, which allowed the workers to come out and try to attack — without success — the police protecting Parliament, and then those gathered around the monument to the unknown soldier.

All along the roads leading to *Syntagma* (*Panepistimiou* street, *Syngrou* avenue, *Stadiou* avenue), the banks (most of them shuttered), the administrative buildings (a tax office, the Athens prefecture), luxury cars, etc. suffered greatly from the anger of the “autonomes” without the demonstrators opposing them. In many places the police seemed incapable of reacting because their repressive operation was so dysfunctional. The whole thing lasted around three hours¹⁶. On the other hand, in other places the police were firmly in control and pushed back the initiatives of the demonstrators.

Then the news came out about a branch of Marfin bank on *Stadiou* street having been burnt down by the demonstrators and that three non-striking employees had perished in the fire. The next day, 6 May, the demonstrations were far less well attended. The digestion of the event and its consequences by the workers was difficult. Thanks to this major error, the state was able to profit from the occasion and gain the upper hand.

Testimony of a demonstrator¹⁷

1. The attack happened towards 14.00 (according to the newspapers). The bloc of protesters that I was in arrived about 50 metres from the burning bank towards 14.15. The path was then affected, on one side because we couldn't advance, on the other so as to let the fire engines pass (2 vehicles came to add to the fire brigade vehicles already in place). I did not witness the attack. This bank was the only one open at that time and there were no cops nearby... The first firemen arrived very quickly.
2. The “smashers” broke the windows at the front of the building, threw in a flammable liquid and hurled Molotov cocktails. All the witnesses present confirm that the presence of employees and customers in the bank branches was perfectly visible. The demonstrators, including some immigrants (as the TV reports showed), immediately went to help the people trapped in the building (a neoclassical house transformed into an office). Unfortunately, the imposing door was securely locked and they couldn't force it. Some employees were able to leave by the broken flaming window before the flames got too high.
3. Given the impossibility of leaving by the front of the building, because the fire was already raging, the remaining employees climbed to the higher floors where they were victims of fumes produced by the fire. Three people suffocated and died. The others sought refuge on the balconies before being rescued by the firemen who had put up their ladder.
4. The boss came along in the afternoon, between 17.00 and 18.00, and was booed by the people still present

¹⁴ On the face of it, the number of demonstrators was greater than was recorded in 2001, for the demonstrations which prevented the reform of the retirement regime.

¹⁵ In the private sector, according to the GSEE, the rate of participation was 30% in the factories of the north and around 100% for electricians, postmen and council workers. In the public sector, the participation was only 30% with only 1% for primary school teachers.

¹⁶ According to TPTG, many “normal” demonstrators participated in the skirmishes.

¹⁷ A French comrade, who was 50m from the bank as it burned. See: <http://www.mondialisme.org/spip.php?article1494>

(around 200). The demonstration had ended. It's not really important who the boss is. He's a bit like a Greek Berlusconi, he's bought Olympic Airways, owns the Marfin bank, and various media interests. He is a successful businessman who has political ambitions.

5. The "smashers" who operate on the margins of the demos habitually hide themselves in the ranks of the anarchist "blocs". They never show up close to the ranks of the Greek Communist Party, the KKE, which possesses a solid "order service" which immediately chases them, and prefer to hide themselves away in the middle of people who they know won't chase them away. The saintliness of some plays the game of others, with more or less clear intentions.

6. There exists a plethora of little extreme left and anarchist groups in Greece, so-called autonomous groups, including a certain number who practice expropriation of banks and organise bombings and shootings [attentats]. The present situation allows those who call for violence against the cops and the state to feel like a fish in water in the demonstrations. I'm worried that their intervention will cloud the issues.

It is not certain, despite everything, that the accident at the bank has tarnished the image of the social movement. The denunciation was unanimous, and the various anarchist collectives were not the last to denounce what they called, certainly, a murder¹⁸. Everyone knows very well the difference between a general and justified movement of the workers against the state measures (the associations of shopkeepers of the large towns are rather favourable to the workers), and the acts of individuals with sometimes suspect objectives (in the case of Marfin Bank, all the accounts confirm that the presence of employees and customers inside was perfectly visible, which gives a criminal aspect to this "accident").

This terrible event should remind us that the exercise of force is only a tool (and not a neutral one) which, in certain circumstances, the movement can or must seize. In itself, violent action does not have any political value. It can, as was the case for the episode of Marfin bank, be transformed into an extremely harmful instrument. Used as it was here, it is only the expression of a terrible vacuity of thought and in no way an expression of collective strength. The use of this tool must therefore always be carefully weighed up. If proletarian organisation is never a luxury but a permanent necessity of the class struggle, concerted and well prepared collective action is the condition *sine qua non* of any initiative involving force.

The exercise of force is a constant characteristic of any independent proletarian expression, from a simple assembly, to a strike, an occupation, a demonstration and much more. The recognition of this state of affairs must not hide, or make us underestimate, the dangers involved in its use. One thing amongst others which we must beware of is the constitution of a separate and specialised corps.

The eventual targets of the movement must be pursued with the maximum of rigour and organisation so as to avoid at any cost "accidents" of the type which happened here. The exaltation of spontaneity and destruction, in this domain or elsewhere, is in itself pernicious. The avalanche of daft explanations about who's responsible (fascist or police provocation) and who's guilty (the boss for sure, non-striking employees) only demonstrate the lack of political intelligence of the milieus who claim to be so revolutionary. These are the same milieus who made themselves the noble heroes of the revolt of December 2008.

As for the confrontations in *Syntagma*, whatever was the will to fight on the part of the demonstrators coming out of the KKE march, or the other rebels who were present, they represented a spectacular image, although much less harmful on the political plane, of the murderous attack on the bank. Their uselessness was glaring. These uncoordinated assaults were pushed back without the slightest difficulty by the forces of repression. Worse, 200 metres behind at the corner of the street, the KKE-PAME procession remained completely indifferent, proof of the effective political control of the KKE over its troops.

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For all correspondence, please write, without adding else to the address, to:

BP 1666, Centre Monnaie 1000, Bruxelles 1, Belgium

See the Mouvement Communiste web site: www.mouvement-communiste.com

¹⁸ See <http://athens.indymedia.org>