



Written by [Bruce Walker](#) on October 20, 2011

Greece: 100,000 Protest as Austerity Vote Nears

According to the Associated Press for Oct. 20, more than 100,000 people assembled in front of the Greek parliament yesterday to vent their opposition to the proposed austerity legislation. The AP added of today's scene: Protesters gathered by the tens of thousand[s] outside the Greek parliament Thursday, ahead of a vote on intensely unpopular new measures needed to secure continued payment of international rescue loans that have so far prevented the country from sliding into bankruptcy.



It is the second day of a general strike which has essentially shut down the country. GSEE, Greece's largest private-sector labor union, announced that there was 100-percent participation in strikes against shipping, refineries, and transport, and 90-percent participation in strikes against construction, banks, power companies, phone companies, postal service, and water companies. Municipal garbage pickup was delayed, and hospitals, courts, and schools were also affected.

Some rioters threatened the Greek parliament building itself, and a few broke through a police barrier and ran to the tomb of the unknown soldier in front of the parliament. In Thessaloniki (biblical Thessalonica), the second largest city in Greece, protesters vandalized shops which remained open in spite of the strike.

Prime Minister Papandreou announced on Tuesday, "Greece is being held hostage by strikes and protests. This government has been fighting for two years to save the country and still has much work ahead. We will give battle and we will win." At the same time, Papandreou pled with European political leaders for help: "Europe hasn't been able to halt the crisis. We have to achieve the relieving of the debt burden which is weighing on each Greek."

According to the AP:

Creditors have demanded measures before they give Greece more funds from a \$152.11 billion package of bailout loans from other eurozone countries and the International Monetary Fund. Greece says it will run out of money in mid-November without the next ... (\$11 billion) installment.

[Papandreou](#) is pushing a tighter austerity package to help make his case at a summit of European leaders on October 23. Finance Minister Evangelos Venizelos recently commented, "Without the measures, the 2011 budget won't be met, [and] neither will the budget in 2012...What the country is going through now is not the ultimate point of the crisis[;] it's an agonizing attempt to avoid



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experiencing the ultimate and deepest point of the crisis.” [PASOK](#), Papandreou’s Sociality Party, has a four-seat majority in Parliament, but Greek politicians are proceeding cautiously about how to handle the increasingly violent rioters.

Yiannis Panagopoulos, head of the labor union GSEE, warned politicians about the PASOK proposal:

This policy has no future, and those who express this policy have no future. Those who are voting through these measures need to think again, and again, what they’re about to do, against a people undergoing conditions of social barbarity.

In 2009, Prime Minister Papandreou’s Socialist Party defeated the more conservative New Democracy Party. In the flush of victory, Papandreou promised his countrymen “... a good fight to bring back smiles and hope to Greek faces,” and assured them that he would “change the country’s course into one of law, justice, solidarity, green development and progress.”

At the time, outgoing Prime Minister Karamanlis warned the Greek people that a program of national austerity was necessary in order to save the country’s economy. On the other hand, PASOK was ideologically at odds with that sort of policy, favoring instead higher wages, progressive taxes on capital gains, and a wide range of socialist programs. When the Socialist Party had taken power from the military generals in the mid-1970s, it was one of the most militant governing parties in Europe — considered by many to be radically Marxist.

To a large extent, the policies of the Greek Socialist Party have been implemented in that ancient country. Over the almost four decades since PASOK was first voted into power, Papandreou and his fellow leaders have been the principal influence on Greek economic policies. So when Greek protesters clash with police in Athens, these protestors — who are now demanding lower taxes, less government regulation, an ending of green environmental policies, and privatization of government businesses — are not asking for the policies of the primary opposition party, the New Democracy Party, but for something else.

There is little doubt that the rest of the world, especially the European Economic Community, which has an increasingly heavy stake in preventing Greece’s sovereign default and an implosion of its economy, wants real government austerity. Indeed, the very horns of the dilemma for Papandreou is that what other European nations now demand from Greece as a condition of financial support to prevent default runs squarely against what the militant crowds want.

Outside Greece, opinions were cautious. Ben May of Capital Economics observed:

If Greece can dramatically reduce its debt burden and interest payments, that may well mean that it needs to implement slightly less austerity in the near term. It certainly won’t solve all of Greece’s problems and it will have to continue to reduce its deficit over time, but it might make that process a bit more manageable and less painful.

Political leaders such as Germany’s Chancellor Angela Merkel have already taken a hefty hit in state elections for participating in bailouts of Greece. President Nicolas Sarkozy of France faces a tough reelection battle next spring where the meltdown of Greece will certainly be an issue, particularly as France faces a drop in its credit rating as well, largely because of the decline in the creditworthiness of sovereign debt in Portugal, Italy, Greece, and Spain. Even without a downgrade, the interest which the French government had to pay on its bonds jumped.

Analysts find it hard to see how the socialist governments of France and Germany will make the



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spreading crisis easier to handle. More likely, they say, is that the pattern in Greece — riots, strikes, and threats of political retribution — will spread to other European nations as well.

Photo: A protester wrapped with a Greek flag holds a placard with anti government slogans outside the Greek Parliament in Athens on Thursday Oct. 20 2011: AP Images



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