

Right-wing comes to power in Greece

Lena Sokoll
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In parliamentary elections in Greece last Sunday the right-wing Partei Nea Dimokratia (New Democracy Party—ND) recorded a clear victory over the reigning Pan-Hellenic Socialist Movement (PASOK).

The ND won 45.37 percent of the vote, 5 percent more than PASOK, and according to Greek law now has a clear majority in the Greek parliament (165 out of 300 seats). Together with the two big parties, ND and PASOK, the Greek Communist Party (KKE) with 5.89 percent and Synaspismos, a union of various left-wing groups that won 3.26 percent, were also able to take seats in the parliament. The victory by Nea Dimokratia was not unexpected and the new Greek prime minister and chairman of ND, Konstantinos Karamanlis, presented his new government on Tuesday.

The election result is broadly seen as a result of widespread disillusionment with PASOK, which has dominated Greek politics since the 1980s like no other party. It was the governing party in 1981-1989 and 1993-2004, and in addition exercised considerable pressure over the country's trade unions.

Under its founder, chairman and long-time Greek prime minister Andreas Papandreou, PASOK defended nationalist positions expressed above all in anti-American and anti-European rhetoric while carrying out a number of social reforms. Since the middle of the 1990s the party increasingly embraced "free market" policies and, under pressure from the European Union (EU) and international finance institutions, switched to a programme aimed at dismantling the Greek welfare state.

In 1996, Konstantinos Simitis took over from the ailing Papandreou as prime minister and steered the party towards a "Europe-orientated course of reforms." Simitis imposed a strict policy of consolidation and austerity measures, restricting social rights in order to measure up to the Maastricht criteria (for entry into the EU) and qualify for membership to the European

Currency Union.

As a result of its policies of deregulation and neo-liberalism, which led to a massive loss of jobs, together with its support for the NATO-led war against Yugoslavia, the government lost an enormous amount of popular support. It was, however, able to record a narrow election victory over the ND in April 2000 and govern Greece for a further four years with an absolute majority. The PASOK victory in 2000 was closely bound up with its promise, in the course of the election campaign, to increase living standards and "re-divide wealth".

Wealth has been re-divided—but upward, to the social elite. Although Greece has had the highest levels of economic growth in Europe during the recent period, there has been a dramatic decline in living standards for broad layers of the population.

In comparison with other European countries, Greece has a high level of unemployment—officially recorded at 10 percent—and, alongside Italy, Greece has the highest percentage of long-term unemployed in the entire EU. Young people and women are especially hard hit by unemployment and those Greeks who do have jobs tend to work longer hours (42.3 per week) than the European average. More than a fifth of the population lives under the poverty line.

Over the past few years the government of Simitis has organised the privatisation and sale of numerous sectors of public owned interests—raising a total of 5.8 billion euros in the past two years alone. Additional so-called "de-nationalisations" are planned for this year, for example, Olympic Airways, the Greek Post and Postbank, gas concern DEPA, as well as property and interests involved in the tourist industry. These sales are meant to bring in an additional 3 billion euros. Alongside the privatisations, mass redundancies and cuts in social services have taken place.

Public discontent with the PASOK government was

highlighted by protests against plans to reform pensions put forward by Simitis in the spring of 2001. The proposals included substantial cuts in pensions and an increase in total working age before pensions could be drawn. The plans led to a wave of indignation concretely expressed in two general strikes and large-scale demonstrations.

The trade unions sought at the same time to offer support to PASOK while attempting to canalise public anger, but they themselves were taken aback when no less than 85 percent of Greek workers followed their call for a one-day strike on April 26, 2001. The demonstrations that day in Athens and other cities were the biggest to rock Greece since the end of the military dictatorship in 1974.

Following this massive expression of protest Simitis initially withdrew his plans for pension reform, but kept to his main course of action. In order to diffuse and divide public opposition, the government decided to parcel out its so-called reforms in smaller packages aimed at individual groups, specific generations, etc. A number of left-wing groups in Greece predicted that as a result of the mass protests PASOK and the trade unions would be pressured to the “left”, but this did not take place.

Simitis and his “course of reforms” were confirmed by a substantial majority at a special conference of PASOK in the autumn of 2001. For their part, the trade unions had no alternative to offer and declared that a “reorganisation of the welfare state was necessary.” Popular recognition of the fact that popular interests are no longer defended by the trade unions is demonstrated by the haemorrhaging of its membership. In 1981, membership of the Greek trade unions totalled 782,500. Twenty years later this figure had nearly halved to 440,000.

In a similar manner to the German Social Democratic government of Gerhard Schröder and the Socialist Party-led coalition government formerly led by Lionel Jospin in France, the Simitis government has, with its policies, succeeded in making PASOK highly unpopular—currently hitting an all-time low in opinion polls.

Following Simitis’s declaration in January 2004 that parliamentary elections would take place on March 7, he resigned from the party’s chairmanship in favour of the party’s leading candidate, Greek Foreign Minister

Georgios Papandreou. This youngest child of the Papandreou clan (his father and grandfather both held the post of Greek prime minister) was supposed to lend his name and reputation as a “left”, and prevent a debacle for PASOK based on memories of better times. However, things did not work out that way.

The PASOK government effectively prepared the way to power for the ND under Konstantinos Karamanlis, which is intent on carrying forward the policies introduced by PASOK, but is prepared to completely ignore the interests and needs of the population as a whole. In the struggle for votes Karamanlis promised to free up resources for the welfare, education and health sectors, but at the same time announced plans to lower company taxes and seek to win the approval of the global money markets.

Just a few days before the election Karamanlis declared: “The world will experience a country in Europe whose policies are directed at making it attractive for foreign capital and which is prepared to privatise public enterprises.” Greek stock markets reacted to the victory of the right wing by rising to a two-year high.

Under conditions where the social crisis in Greece has intensified and a broad majority of the population has made clear its rejection of neo-liberal policies aimed at dismantling the welfare state and encouraging economic deregulation, the ND, in common with its PASOK predecessor, is intent on orientating its policies to correspond to the demands made by the International Monetary Fund and the European Central Bank. These institutions are calling for further cuts in the sphere of pensions, the lowering of wages, the commercialisation of the education sector, further privatisation and reforms to the health service as well as more redundancies in the public service sector.



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