

Mass layoffs expected in Greece

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With news of massive layoffs throughout Greece in the coming weeks and months, high-ranking trade union officials warned last week that the ongoing protests gripping the country could escalate.

“Starting next year, a wave of layoffs will hit the country that will cut about 100,000 jobs. This would increase the unemployment rate by 5 percent,” stated Stathis Anestis of the General Confederation of Greek Workers (GSEE).

Following the police murder of 15-year-old Alexis Grigoropoulos two weeks ago, Greece has been rocked by massive protests. Students are currently occupying about 600 schools and universities. Huge demonstrations, protests and clashes with the police are a daily occurrence.

At the root of these protests are the precarious social conditions and widespread unemployment affecting Greek workers and young people. Anestis noted that roughly a quarter of the protesting youth are unemployed. According to official unemployment statistics, 28 percent of university graduates below the age of 30 are jobless.

Alexis Dimaras, an educational historian, said that the violent outbursts are directly connected to the lack of economic prospects for youth. He told the newspaper *Avghi* that youth are “stuck” in an education system that stems from the previous century.

The British *Independent* quoted economist Petros Linardos, who said that “due to unemployment a quarter of the under 25-year-old population live below the poverty rate.... The percentage has risen steadily over the past years. A diffuse, pervasive sense of hopelessness prevails.”

For the working population as a whole, the situation is not much better. The official unemployment rate stands at 8.4 percent. This does not reflect the actual level of unemployment because the long-term jobless and unemployed young people still living with their families are not counted. Unemployment affects women at twice the rate of men.

While the unemployment rate may have declined slightly in recent years, this is mainly attributed to the fact that many workers have been compelled to take low-wage jobs. It is normal now for many Greeks to have a second job.

A recent study revealed that roughly a third of Greece’s population lives at or below the poverty level, which has been set at €470 per month for an adult. The study confirmed the steady growth of a “third world” within the country.

In particular, privatisations in recent years have destroyed tens of thousands of jobs. Negotiations are currently taking place to privatize the state-owned Olympic Airlines. There have also been rapid increases in basic commodity prices, while wages stagnate. The inflation rate reached 4.9 percent in June, the highest in the last 10 years.

The already dire condition of the Greek economy has been compounded by the international financial crisis. “Due to the worldwide recession Greek politicians are facing a dilemma,” writes the British *Economist*. The *Handelsblatt* worriedly ponders “what social tensions Greece will face when the recession becomes noticeable and wage cuts and layoffs occur next year.”

While Greek economic growth rates were between 3.8 and 5.1 percent for the previous eight years,

financial minister Giorgos Alogoskouphis expects only a 2.7 percent growth for the coming year—a figure considered too generous by economic analysts.

Due to the economic crisis, 40 percent of Greek businesses are contemplating staff cutbacks. Industries such as industry, shipping and tourism, which have been previously responsible for the country's economic growth, have been hit by the international crisis.

This year alone, general strikes organized by the trade unions brought Greece to a standstill for days on end. There were also militant industrial disputes by dockers, street blockades by farmers, and dozens of regional strikes as well as strikes limited to individual workplaces. Only recently, archaeologists and public service workers struck for 10 days at the Parthenon and other historic venues to protest the government's refusal to pay promised bonuses. According to the tourism department, the closures caused by the strikes caused far more damage to the industry than the violent altercations in Athens last week.

The conservative government under Prime Minister Costas Karamanlis, which commands only a very narrow majority, is constantly coming under more pressure as the protests continue. Karamanlis may have apologized for "omissions" by his government and announced reassignments in his cabinet, but he is determined not to change any of the government's fundamental policies.

He explained that the country needs a "calm hand" to get through the economic downturn, rather than "election and succession scenarios." Simultaneously, he declared he would take steps to introduce further "reforms."

Foreign Minister Dora Bakoyannis was even more blunt in an interview with *Der Spiegel*. She said that the policies that had led to the anger and disapproval of broad layers of the population would be continued: "We need the privatizations and the education reform which we started last year." At the same time she was not surprised that these politics had been met with massive disapproval, commenting, "You can't put radical reforms into practice without arousing the

reaction of those affected."

The ND (New Democracy) government has received the backing of big business for its stance. George Provopoulos, head of the Greek central bank, reaffirmed the necessity of "structural reforms and the restriction of public spending to regain the trust of investors and the markets."



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