

# Greece: Karamanlis calls for early elections

John Vassilopoulos  
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Greek Prime Minister Karamanlis has called for an early general election to be held on October 5. Many inside Karamanlis's New Democracy (ND) party have denounced his decision, with former minister Michales Liapis calling it "political suicide."

Karamanlis, however, calculates that his administration has little room for manoeuvre. It is deeply unpopular, facing numerous scandals and having been denounced for the incompetent handling of the recent forest fires in Greece.

Above all Karamanlis's move represents a desperate attempt to secure a mandate that will enable him to pass the austerity measures deemed necessary for bailing out Greece's ruling elite from the effects of the economic crisis. Currently he only has a majority of one in the Greek parliament. According to a recent article in *To Vima*, "He didn't want to contemplate announcing on 24 October a new set of measures to secure a two-year extension that the government is asking from the European Commission to reduce its budget deficit below 3 percent as specified by EU guidelines. He would get a headache every time he thought about announcing a new budget in parliament in October, which would freeze pay increases, and a bigger burden through stealth taxes."

The move was also an attempt to steal the initiative for calling elections from his main rival, the Panhellenic Socialist Movement (PASOK) led by George Papandreou.

Papandreou had been planning to use the election of head of state next March as a way to force in an election. The Greek head of state, currently Karolos Papoulias, is elected by parliamentary vote every three years and the winning candidate requires a two-thirds majority. According to Greek law, failing to secure this would require a general election. Papandreou had threatened to withdraw his support for Papoulias, thus forcing a ballot. Karamanlis's fear was that worsening

economic conditions would only see his unpopularity deepen.

The election is also an opportunity to oust members of the government associated with various scandals, most notably the land swap with the Vatopaidi monastery of Mount Athos. This saw the monastery acquire lucrative state land in return for kickbacks for ministers.

The financial crisis has seen the Greek economy shrink for the first time since 1993, with a year on year decline of 0.2 percent in August. Tourism, which makes up 60 percent of GDP, has declined by 10 percent this year. Also hard hit has been the shipping industry as the global economy has seen a slowdown affecting exports, mainly oil.

In a recent press release, Standard & Poor's has announced that Greek banks are facing the highest long-term economic risks in Western Europe: "We view Greek banks' credit risk as heightened by their sizeable exposure to markets with higher economic risks on the back of severe macroeconomic imbalances in some of the targeted markets and the abrupt economic slowdown they are experiencing."

These markets include southeastern European countries such as Serbia, Turkey and the Ukraine.

In a speech this week for the inauguration of the 74th International Salonika Exhibition, Karamanlis did not mince his words about the desperate situation facing his government and the Greek ruling class. "The next two years are going to be very difficult, especially 2010, and so we need to directly apply the necessary policies and lay the foundations for long term development ... the dangers are great if we don't act directly and decisively."

In the speech he cited several measures to be implemented if he is reelected, including a widespread recruitment freeze in health and education. Pay increases are to be set not just against national inflation,

but also against that of the eurozone. There will be a freeze on public sector pay and pensions. In the medium term, as a way of reining in the budget he proposed introducing greater scrutiny of how public money is spent.

Karamanlis's speech was marked by a 10,000-strong demonstration called by trade unions and various left-wing factions. A recent poll put PASOK at 30.4 percent with ND trailing behind at 24.1 percent. The poll revealed widespread disgust with the political system as a whole, since a substantial 27.6 percent expressed support for none of the political parties. The petty-bourgeois electoral coalition of SYRIZA registered only 3 percent, while the far-right LAOS registered 4 percent.

Openly contemptuous of the substantial hostility to the political system, Karamanlis demonstrated with the Salonika speech how narrow his political base is. Fearful that many of his core supporters may defect to LAOS, he has lurched further to the right by announcing anti-democratic measures such as the repeal of the right to university asylum, which prevents state forces from entering university premises. This was a democratic gain following the fall of the junta in 1974 and was precipitated by the student uprising that year when tanks entered Athens Technical University.

None of the other parties represents a genuine alternative. Responding to the call for an election, PASOK has issued vague calls for measures to revamp the economy and to restore trust in the democratic process. But people have little trust in the party. Over 40 percent blame it equally with ND for the economic crisis. The foundation for attacks on living standards was laid by the previous PASOK administration, which dismantled the limited reformist measures implemented in the 1980s. PASOK is also no stranger to corruption. An ongoing court case in Germany involving bribes by Siemens in more than a dozen countries has implicated many members of the PASOK government from the 1980s.

SYRIZA suffered a disaster in the recent European elections. It has also been gripped by a leadership crisis, following the resignation of Alekos Alavanos as head of the coalition. In response to the call for elections, the main component of SYRIZA, Synaspismos (Coalition of the Left of Movements and Ecology), has called merely for a new public shield of

“solidarity” to supposedly protect workers and the economically weak who are suffering the effects of the economic crisis. Synaspismos began its life as an electoral coalition involving the two Greek Communist parties (the pro-Soviet Communist Party of Greece (KKE) and Euro-communist Greek Left).



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