

# Economic crisis makes “very difficult” situation for Greek families worse

Robert Stevens, Alex Lantier  
18 May 2010

A WSWS reporting team spoke to several people at Athens train station this week. The interviews reveal the drastic lowering of living standards taking place in Greece as a result of the economic crisis and the austerity measures implemented by the PASOK government of Prime Minister George Papandreou. Even before the latest €30 billion austerity plan, the government had already carried out severe attacks on workers' living standards.

In March of this year, VAT rose on many items, with immediate consequences. Through the increase, the government is set to raise additional revenues of €1.3 billion, or 0.5 percent of Greece's GDP. According to one estimate cited by Hellenic Radio, the VAT increases on food and other goods will result in an additional annual cost of €1,300 to €1,500 on households.

The increase in VAT applied to all bills issued after March 15. This is the case even if the bills were for periods before March 14, when the old rates were in force. VAT rose from 9 percent to 10 percent for food products, restaurants, cafes, energy use, drugs and hotel accommodation. An increase from 19 percent to 21 percent was imposed for clothing, shoes, mobile phone bills, cosmetics, drinks, detergents, electric appliances and furniture. Tax increases on gasoline, cigarettes, electricity and luxury goods also rose and would bring in a further €1.1 billion, according to government estimates.

These increases were forced through even as Greek consumers already pay higher prices for basic items and commodities than in many other European nations. According to one survey, the Greek population pays up to 70 percent more for toothpaste, beverages and deodorants. The price of flour and flour products is up to five times higher.

Athanasia and Yiannis came to Athens from a small town in northern Greece. They are self-employed and were hoping to find job opportunities in Athens.

Athanasia explained, “My husband makes fences, and

his income has fallen 75 percent, and my dye shop is shutting down. There's almost no work at all. Almost all the other shops aren't working either. In northern Greece, roughly 75 percent of the population is effectively unemployed. We don't have factories [in the north], that is why people either go to Athens or go abroad.”

Asked how they were dealing with this situation, Athanasia replied: “We've cut spending as much as possible. We're cutting entertainment, clothes, shoes. We only buy budget brands. Dairy products and bread are going up a lot; every week the price is 20 cents more.”

Yiannis said, “Last year I earned €6,000; maybe this year I'll make €3,000. We really want a wage, to get a job. We live at my father's house. If you go to our area, you hear a lot of bad stories, young people waiting for their parents to retire so they can live off the pension.” Asked to confirm that this was the total income they would have to live on in the coming year, they replied that it was.

Athanasia said that government cuts were making it even harder: “Now, the self-employed have to pay into funds for health and social security. It's a compulsory €220 a month. We can't pay that, but we have to. And we know it will go up.”

She described the conditions facing her daughters, aged 12 and 6: “Things are very difficult. We can't meet our daily needs like shoes for our children.”

An important area of spending they are cutting is the traditional extra tutoring, Athanasia explained: “We cannot pay for private tutors, either, though it would be nice if our daughters learned English. I try to help them as much as I can with the little English I know. Things will be very difficult for them. I wanted them to work on their own, not in the public sector, but the future is very uncertain.”

Asked what they thought of the Papandreou government, they replied: “All the governments are

tragic. We thought things would be different. Papandreou lied. We thought things would be different, so we took on debt for the store and we've had to close it. We borrowed €15,000 and got the rest from our family. Now, of course, we can't pay it back."

Athanasia and Yiannis added that when they voted for Papandreou, they thought they were voting for "change." "Before that we'd voted either for PASOK or ND [the main conservative party, New Democracy]. Now, maybe we'll vote for smaller parties. Even if we know our choice won't get elected, and we vote randomly, it will be a protest vote."

The WSWs also spoke to Panayotis, a 20-year-old who had just finished his compulsory military service. Asked what his plans were, Panayotis said: "I'm looking for a job in the public sector. My father has passed away, and my mother lives on his pension. It used to be €1,600 [per month], now it's down to €1,300, and we expect more cuts. I'm looking for a stopgap job, so I can support myself."

Panayotis's father was a fireman, and Panayotis hoped to find a job because he had heard that the government was not cutting staff levels for firemen or policemen.

Asked what he thought of the strikes against Papandreou's cuts, he said: "Strikes are good, though I'm not in favour of breaking things. PASOK has been destroying the economy for the last 20 years, and now the whole world is in difficulty. I voted ND in the last elections, but now I will vote blank. The only reason I voted ND was that my family did."

Asked what the economic situation was for young people in Greece, he said, "Of my friends, probably 10 percent have full-time jobs. For the rest, 80 percent have part-time jobs, and the rest are studying or living with their parents. My generation will have it very hard—we'll be paying the debt on the debt on the debt."



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**