

Austerity measures spell social catastrophe in Greece

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A few weeks ago a new emergency loan package for Greece was agreed at a summit of European leaders. Whether described as “aid credits” or a “rescue package”, these measures provide neither aid nor rescue for the people of Greece. On the contrary, they involve a new round of drastic cuts that will completely overshadow the current austerity measures.

The spending cuts introduced following Greece’s first auxiliary credit of more than €110 billion just over a year ago have already led to extreme poverty. Experts warn that the living standards of workers and pensioners will decline by 40 percent by 2015, compared to 2008.

The German media immediately blamed the “corrupt” and “lazy” Greeks for the plight of the country. The Greek press complains about the brutality of the EU, while local politicians and Greek business wash their hands of it. In both countries the population is being fed a lie: the political and business elites are employing nationalist propaganda to cover up the real causes of the crisis—the bankruptcy of the capitalist system.

A look at the social situation in the small country situated on the Aegean Sea exposes the inhuman character of the austerity measures. Humanitarian workers and volunteers running soup kitchens experience firsthand the disastrous consequences of the austerity measures.

“I didn’t think we would experience such a situation in Greece. Unfortunately, we are turning back the clock 40 years”, Nikitas Kanakis, president of the aid organization Doctors of the World, told the newspaper *Eleftherotypia* on July 24. “I am personally ashamed that I meet decent people, people like us, from next door, who at the age of 70 are no longer able to live decently. They have no money for basic needs: for food and medicine.”

Kanakis continues: “I remember one elderly woman who could be my mother, or your mother. She responded sadly when we told her she had to take medication after meals. ‘Don’t presume that I always have something to eat,’ she told us.”

In the last decade, Greece has become one of the first points of contact for many migrants and refugees from poorer countries, who are then exploited as cheap labour in the country’s fields and factories. In Athens and Thessaloniki, they live marginalized and impoverished on the streets, in some cases as drug addicts, criminals or simply beggars.

Up to 2010, it was mainly such people who needed the help of organizations such as Doctors of the World or Praksis. Now, these organisations are confronted with growing numbers of ordinary Greeks at their doors, mostly pensioners or the unemployed and their families. Nikitas Kanakis reported that the proportion of Greeks in need had risen from 3 to 4 percent in early 2010 to about 30 percent

now.

This shift was also confirmed by Tsanetos Antipas, the head of the humanitarian organization Praksis: “This crisis, which for many people means losing their jobs or their social insurance, is forcing us to find new words, such as ‘new-homeless’ and ‘new poor’. One can see that people with a medium or often higher standard of living are being relegated to the bottom of the social ladder.

“Since the end of 2010, some 4,000 Greeks have requested free medicines. In the same period, the health centre offered basic medical aid to 1,500 Greeks in Athens and 800 in Thessaloniki. The corresponding figures from August 2010 amounted to 160 people in Thessaloniki and 580 in Athens,” said Tsanetos Antipas. The majority of those seeking help are men between 37 and 55 years old, suffering from skin problems, mental health illnesses and musculoskeletal diseases associated with poor housing and diet.

The church-run soup kitchens in the city are recording not only higher visitor numbers but also a new generation of homeless and the needy. The long queues at the food counter bitterly recall earlier times of war and severe economic recession. It is not possible to feed everyone; there are too many fighting for survival. Around 4,200 people, often entire families, come every day to the Father Andreas centre in the city centre. They all hope to get something, and devour the food on the spot.

The hopelessness is also driving more people to suicide. The Klimaka suicide hotline in Athens receives calls from about 30 desperate people a day, twice as many as two years ago. “We can hardly believe it. We were once the 29th richest country in the world. This nation is in a deep emotional shock”, a Klimaka employee told the *New York Times*.

Given this social situation, it is sheer mockery to blame “the lazy Greeks” for the crisis. In fact, these allegations are refuted by the official data, summarized in a study by the Friedrich-Ebert-Stiftung (FES) foundation in June 2011. The working week in Greece is on average 42.1 hours, making it the longest across the EU. At least two thirds of workers regularly pay taxes, and the average retirement age is 61.4 years, close to that of Germany, at 62.

At the same time, a small corrupt elite has enriched itself at the expense of the population. Numerous politicians and businessmen are implicated in illegal transactions worth billions, of which only a fraction becomes public knowledge. Even if a scandal comes to light, those responsible are not held to account.

The latest example is the verdict of a special court in the case of Aris Tschatzouloulos. As a PASOK politician, he had held almost all ministerial offices between 1981 and 2004. As defence minister in 2000 he ordered the purchase of four submarines from Germany.

Ferrostaal, a former subsidiary of the MAN company, paid bribes to Tsochatzopoulos amounting to several millions for this billion-dollar contract.

Tsochatzopoulos was charged after the illegal transactions were uncovered. In mid-July, the five-member council of the Supreme Court agreed to drop the charges, attributing this to the immunity clause for MPs. This clause has been cited in numerous corruption cases to the benefit of politicians involved in criminal intrigues. Tsochatzopoulos claims that the funds had arrived in his account without his knowledge. It is being called “passive corruption” and the court is now only interested in finding out whether the funds were taxed.

“It’s mainly the small upper class, which brings the tax authorities annually about €40 billion in taxes,” according to *Spiegel Online*. Robolis Savas, Athens Professor of Economic and Social Policy, confirmed this and complains that Greek politicians and businessmen are never prosecuted for their offences.

Despite this, politicians boast about the apparent successes in the fight against corruption and economic decay. However, the cut in the country’s budget deficit is mainly being realised through savings in the public sector and an increase in indirect taxes and social contributions.

Anna Theodorou, a mother of three, is furious about the ignorance of the rulers. “The politicians are bursting at the seams because of their greedy appetites”, she thunders. “They force the citizens to sell their possessions, everything, an entire household—just to help their children while studying.”

Anna lives with her family in the small provincial town of Kilkis in northern Greece and has been looking for work for years. She is trying to continue her education and has taken evening classes to gain her high school diploma. She is also paying for expensive language exams in German and Greek. “I have done everything I can. I’m now planning to come to Germany to look for work. Perhaps the language diplomas will count more there; it’s still better than here and begging for work. There are no jobs in Greece, anyway.”

The Greek statistics office ELSTAT has reported the new unemployment figures for April, which it estimated at 15.8 percent. Since many people do not even register as unemployed, the real rate is estimated to be significantly higher than 20 percent.

Unemployment is particularly high among young people under 24 years. According to official figures, it has risen in comparison with April of last year by 12 percent, to 43 percent. Unemployment is also above average among young people aged 24-34 years, rising by 7 percent to 22 percent.

Poorer regions such as Macedonia, Thrace and central Greece are particularly hard hit. Here, the rate fluctuates around 20 percent. Something similar is happening on the islands of the southern Aegean, although these are some of the most important tourist centres.

The unemployed only remain eligible for financial support for one year and then must fend for themselves. They are also denied assistance in searching for work. This means that more and more people emigrate or, if they do not have the option of emigration, fall into long-term unemployment.

The youth in particular are forced to watch as their future becomes increasingly uncertain. Private schools and universities are promoted and state facilities have been broken down through the imposition of massive cuts. Buildings and equipment are outdated, teaching staff is insufficient.

In Greece, almost all pupils go to so-called *frontistiria* (cram

schools), because the normal schools do not adequately prepare them for the final tests. Such private tutoring abounds in small and large cities, and mainly offers support in teaching languages. Children going to state schools thus often have to attend private educational institutions.

If parents cannot afford this financial burden, they risk their children not achieving a successful education. According to the FES study, Greek families pay out €952 million for private tuition per year, almost as much as in Germany (€900 million to €1.5 billion), where the population is eight times larger.

Given the dramatic rise in living costs, the risks of becoming homeless and destitute are higher than ever. Even before the crisis began, food prices in Greece were almost as high as in Germany, although wages are only half, or less.

Receiving good medical treatment without having connections or making an additional illicit payment in the form of the famous *fakelaki* (small envelope) has long been a rarity. “If you need urgent treatment, you have to pay”, says Anna Theodorou.

Drastic wage cuts and the increase in VAT (sales tax) to 23 percent, which now applies to taverns, cafes and drug stores, is leading to a decline in consumption. Some 70 percent of Greece’s economy is based on consumption, according to Napoleon Maravegias in the FES study.

The consequences are already obvious: Many companies are cutting wages or laying off their employees. Small businesses, of which there are still many in Greece, are also closing down. The retail sector has suffered losses in the past year of 12 percent. Planned privatizations, like that of the post office, the power grid and the railways, are burdening the population with higher prices and poorer working conditions.

The consequence of the austerity measures is a dramatic economic recession. The only people who benefit from low wages, privatization, and the reduction of social benefits are some entrepreneurs and speculators. It is not uncommon to find social democratic PASOK and conservative ND politicians hiding behind the corporations, in whose interest they push through the corresponding measures. The trade unions support this policy by strangling strikes and stifling any opposition, directing it into harmless protests.

The current social misery in Greece provides a bitter foretaste of what is to come in other countries.

On June 29 the next austerity package was agreed: €78 billion will be squeezed out of the Greek population by 2015. “The bailouts are only for the rich, anyway”, grumbles Anna Theodorou. Like her, many Greeks are trying to seek refuge abroad, or even to go back to the countryside, where they can at least get a piece of land. But farmers too are struggling for their daily bread.

“Sun, lots of sun, is the only thing that’s free. But that doesn’t help us”, says Anna. She knows she cannot feed her family on sunshine.



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