Greek parliament approves “property tax” as PASOK pledges more pain

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The Greek parliament’s approval of a new property tax marks an escalation in the austerity measures that are already destroying the jobs, living standards and futures of millions of working people and their families.

Even by the standards of the PASOK government, which has imposed historically unprecedented levels of poverty on the Greek working class over the past two years, the tax bill is particularly extreme. It will be added to the electricity bills of some 5.5 million homeowners—about 80 percent of households. It is expected to cost the average family €1,000 - €1,500 a year, and those households unable to pay will have their electricity cut off.

The new tax was passed by all 154 members of the ruling social democratic PASOK party, plus an independent MP in the 300-seat parliament. Intended to raise €2.4 billion a year, the tax was originally described as a temporary measure, but the vote makes it permanent.

The tax is a further statement of intent by PASOK and the Greek bourgeoisie that it will take any measures against the population to satiate the demands of the international finance markets and the so-called “troika”—the International Monetary Fund (IMF), European Central Bank (ECB) and European Union (EU).

Passage of the bill is central to troika deliberations as to whether to release a further €8 billion from a previous loan agreement with the Greek government. Without it, the government says it will run out of cash on October 10. EU and IMF “inspectors” are visiting Greece today to supervise the measures being planned.

As the vote passed Tuesday evening, the police erected a ring of steel around the parliament in Athens. Riot police attacked and used tear gas to disperse the several thousand protesters that had gathered. Several hundred other uniformed police were also mobilised to seal off the area overlooking Syntagma Square.

The same day, Athens was hit by a second consecutive day of transportation strikes, including action by subway and bus drivers, causing traffic jams of several kilometres. Tax collectors and customs officials also began a 48-hour strike to protest cuts in wages.

Hundreds of workers from around the Attica region drove to the capital in a convoy to protest government plans to place thousands of public sector staff on “standby” as reserve labour. The scheme will slash the pay of public sector workers by 40 percent for a year, after which there is little chance they will retain their jobs.

Workers at the Athens metro and the Piraeus-Kifissia electric railway (ISAP) held further strikes on Wednesday as well. Tram, bus, trolley bus and suburban railway services were also hit, and taxi drivers begun another two-day strike against the deregulation of their industry.

Doctors today are to start a four-hour work stoppage. Nursing staff are to strike tomorrow, along with further transit strikes on the metro, national rail network, ISAP and tram services.

The property tax is the centrepiece of a new raft of austerity. This includes slashing the public sector workforce by a fifth, cuts in public sector pay by 20 percent (on top of 30 percent cuts already imposed), and new cuts in pensions by an average of 4 percent, in addition to a 10 percent cut previously initiated. The retrospective slashing of tax exemptions from January 2011 is also being introduced.

These measures are being imposed under conditions in which 200,000 people have lost their jobs over the last 12 months, boosting the jobless number by almost 40 percent over last year.

The troika has criticised the PASOK government for falling behind in its €50 billion programme of privatisations. In response, the government will announce plans to raise €1.7 billion in privatisation deals by the end of this month.

Finance Minister Evangelos Venizelos said the government will “be examining additional elements” of the austerity programme and that “painful measures” will be required. “The measures we have taken have not generated the anticipated revenue, serving, instead, the immediate need for slashing spending.”

Prime Minister George Papandreou spent Tuesday in Berlin, ensconced in talks with German chancellor Angela Merkel and representatives of German big business. Papandreou called on an audience of more than 1,000 German industrialists to recognise the “superhuman effort” of his government in imposing austerity measures, under conditions of a deepening recession.

“I can guarantee that Greece will live up to all its commitments”, he assured them. These words were spoken amidst revelations that Greece’s super-rich have Swiss bank deposits totalling €600 billion—nearly double the nation’s entire public debt.

Conditions for workers and youth are already intolerable. Maria Kappa, a graduate of the Athens University School of Philosophy, told the media, “I’ve been trying to find a job for a year now and it’s impossible. I don’t see the rich people hurt by this austerity, it’s always the poor who have to pay.”

Kyriaki Alexiou, a 50-year-old doctor stated, “It’s very bad. We built our lives differently, with bank loans and cards. Now they are cutting our salaries, and business is dropping. How will we pay? This is not getting us anywhere. If they don’t do something to fix this, people will be hungry. They will eventually explode and take to the streets.”

Husband and wife, Dmitris and Mary Andreou, both work but told Britain’s *Daily Telegraph* that their disposable income has dropped by about 50 percent in two years. “We would like to see the politicians executed. Most people are saying this: politicians deserve capital punishment—at the Greek equivalent of Traitors’ Gate.”

Questioning whether further austerity could be implemented without inciting a social explosion, the Athens chamber of commerce and industry said, “The government has exceeded all limits. It is turning the country into an enormous hospice for the poor.”

The Greek *Economic Monthly* warned that the population “could erupt very quickly, because the feeling of helplessness is very intense right now—in a way that makes the petrol bombs and barricades of June look pathetic.”

For nearly two years the government has been able to pass one austerity programme after another only through the complicity of the trade unions. In what has become almost a staged ritual, the Greek trade union federations have called a day of industrial action every few months. The aim of this is to allow workers to let off steam, while ensuring there is no genuine challenge to the government and its measures.

To this end the private sector GSEE and civil servants’ ADEDY union federations have called a nationwide public sector strike for October 5 and a nationwide general strike for October 19.

But the real measure of the unions’ support for austerity is given by the deal recently signed by the OME-OTE labour union that represents OTE telecom workers, with the backing of the GSSE. Under the three-year agreement, OTE’s Deutsche Telekom-controlled management will cut costs by €160 million by imposing pay cuts of up to 11 percent and reducing working hours from 40 to 35.