

On-the-spot report

Unemployment, wage cuts destroy living standards of millions in Greece

Our reporters
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Plastered on the windows of the unemployment office in the Neos Kosmos district of Athens are posters with slogans denouncing the austerity measures of the unelected Greek government of Lucas Papademos. One of these is from the employees of the unemployment office. Another, from members of the physicians' union, demands free health care for all.

Posted on the door is a sheet of paper stating that the basic level of unemployment benefits has been reduced from €460 a month to just €360. That is the total amount an unemployed person receives in government benefits.

The supervisor of the office told the *World Socialist Web Site* that the number of unemployed has increased enormously in the local area, but he would not give any concrete figures, explaining that he had been instructed not to.

Young people entering the building to register as unemployed were visibly angry. A woman told us, "It is a terrible situation. I just want to say one thing to you and that is that the politicians just lie. All of them just lie."

One of the main features of the recession in Greece, now in its fifth year, is the enormous increase in youth unemployment. More young people are now unemployed than have jobs, with 51.1 percent of youth unemployed.

Dr. Kostas Dimoulas, a lecturer in industrial sociology at Panteion University, told the WSWs that even this is an underestimation. The real figure is as high as 60 percent. Dimoulas is a senior consultant with the Labour Institute of the General Confederation of Greek Workers (GSEE).

More than 1 million people are now unemployed. For

December 2011, the rate was 21 percent, up from 14.8 percent for the same month in 2010.

Dimoulas forecasts a massive rise this year, saying that by the end of 2012, it will probably increase by at least 300,000, to 24 per cent. "Most of the companies are already using a new law that allows employers to dismiss 5 percent of their staff per month," he said.

At the unemployment office, Dimitra, 29, said she was used to working for very low wages. She worked for years in a call center for €700 per month, as she was unable to find a job in her field of education, the agricultural sector. One year ago, she was dismissed.

In Greece, unemployment benefits are strictly limited to 12 months. "This month, I get my very last unemployment payment," Dimitra said. "Fortunately, I have found at least a temporary job in a hotel on Crete for the next six months."

When her contract ends, she wants to leave Greece to find employment.

Charilaus, 65, is a former hotel cook. He cannot find work. In his last job, he worked part-time for one year. In a year, he hopes he will receive his state pension. "Hopefully, I will get €500 per month, but I don't think so, since there will be further cuts in June," he said.

Charilaus is a father of three children and has five grandchildren. He has sometimes had to ask his children for money to buy food or clothes, but "they also don't have enough money," he said. One of his daughters is a professor but is still unable to get a job. "It's hard when you don't even have a few euros to buy chocolate for your grandchildren. At the same time, there are 10 rich families in Greece that are living at our expense."

Unemployment is also hitting sections of the middle

class. Irene is married and has a daughter. She previously worked as a freelancer in event management. In the last two years, she has hardly received any contracts. For a year, she tried to handle the situation without resorting to registering as unemployed, but she had to register to receive benefits for the last four months.

When her business was going well, she was earning up to €3,000 a month. Her husband, a TV journalist, has had pay cuts every two or three months. His salary has been cut by about €1,500 a month to just €2,000. “We don’t know how to make the loan payments for our house,” she said. “We’ve already had to cut our expenses sharply.”

She continued: “You can say that at least one person per family is unemployed, and then other people in the family have had big wage reductions. The next year will be even more difficult.”

“It is now very commonplace for businesses to reduce work days to four per week and cut wages accordingly,” Dr. Dimoulas said. “The employers use the high unemployment rate to push through wage cuts.”

Half a million workers are not receiving their full pay, with many employers delaying paying salaries for months until they dismiss the workers outright. As many as 25 percent of Greek employees now have a part-time contract and get paid on this basis, but are working full-time hours.

Zana, a single parent, migrated 20 years ago from Albania to Greece in the hope of a better life. She has two children in her adopted country, 14 and 18 years old. She previously worked as a cleaner, but was laid off. “Now I get just €360, but I have to pay €250 just for my rent and €100 for electricity and gas,” she said. “I have to ask relatives for money in order to feed my children.”

After working for 13 years as a computer technician, Takis was dismissed two months ago. His employer cut staff levels by 10 percent. Takis used to receive €1,000 per month and is now down to the €360 unemployment payment. His wife is working at Athens airport and earns just €900 a month, after having her wages cut by 10 percent. They have a two-year-old daughter. “Life is becoming more and more difficult,” he said.

He has been on many of the demonstrations over the last three years against the government. “The rich have

used this crisis to get even more money and to exploit the poor,” he said.

Takis was skeptical about both the trade unions and the pseudo-left parties in Greece, such as SYRIZA (Coalition of the Radical Left). “The strikes and demonstrations were led by the left parties, but they don’t really want to change anything,” he said. “People should organise themselves independently—not only in Greece, but throughout Europe. Greece is just the testing ground to implement similar measures in every European country.”

In an article published in the daily *Ta Nea* this week, Robolis Savvas, professor of economics and social policy at Panteion University and director of the Labour Institute of the GSEE, estimates that wages will decline by 40 percent by 2015.

Dr. Dimoulas said that negotiations are currently being held between the Greek government, German foreign minister Guido Westerwelle and German companies to create “special economic zones” in the north of Greece, where unemployment is particularly high. In these zones, a cut in the corporate tax rate from 20 percent to 2 percent is being considered, along with a minimum wage of just €300.



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