EU, Greek government plan more mass layoffs, privatisations

Robert Stevens
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On Monday the Greek coalition government and the "troika" of the European Union, International Monetary Fund and European Central Bank announced an agreement over the disbursement of a further loan instalment of €2.8 billion. The release of the tranche, from the overall loan package of €240 billion due at the end of last year, was delayed for months when previous talks broke down.

The troika's statement noted, "Fiscal performance is on track to meet the program targets, and the government is committed to fully implement all agreed fiscal measures for 2013-14 that are not yet in place."

As a result of previous austerity measures, "Inflation was well below the euro area average and improved wage flexibility, which are helping to restore the competitiveness of the Greek economy."

Also discussed was the further "liberalization of product and service markets including transport and retail trade", "privatization of state-owned assets" and "electricity sector reforms to ensure financial sustainability and avoid the build-up of debt."

The statement warned, "It remains important to respond promptly to any slippages that may emerge."

Following the talks the government announced it was on track to receive the next €6 billion euro tranche in May. On receipt, the money will be immediately handed over to banks holding Greek government bonds. Finance Minister Yannis Stournaras cynically commented that he had a "message of optimism but not of complacency," stating that "the road remains rough."

The negotiations took more than a week, with the IMF demanding deeper austerity measures, including sacking thousands of public sector workers this year and next. Some 15,000 public sector workers will lose their jobs by the end of 2014, including 4,000 jobs to go this year.

Under the terms of the second troika memorandum, the government must slash 150,000 jobs by the end of 2015 (a fifth of the total public sector workforce), through hiring cuts, retirement and dismissals. This will massively increase unemployment, which is already running at nearly 30 percent—and almost 60 percent for those aged under 25.

All means will be used to cuts workers' jobs. The troika stated that dismissals will be based on "cases of demonstrated incapacity, absenteeism, and poor performance, or that result from closure or mergers of government entities not subject to the mobility scheme."

An estimated 25,000 public sector employees will be placed into the so-called "labour reserve" by the end of next year, paid for a year on a vastly reduced wage. This is a ruse, as no jobs will remain for them to return to.

The governing parties, New Democracy, PASOK and the Democratic Left (a split-off from the opposition SYRIZA, or Coalition of the Radical Left, party), had only tactical differences with the troika on how to impose the job losses.

Administrative Reform Minister Antonis Manitakis, named to his position by the Democratic Left, insisted prior to the talks that the government would have imposed 180,000 job losses by 2015, more than the 150,000 the troika demands, using its own methods.

As with the recently unveiled Athena plan, which seeks to end the constitutional right to free education, the troika has insisted that the constitutional protection of public sector workers' jobs be ended. Previously a position was permanent as long as the post existed.

Prime Ministers Antonis Samaras commented prior to the agreement, "The constitution doesn't ban the dismissal of state workers whose position has been scrapped."

Addressing the significance of forcing through the job losses, Poul Thomsen of the IMF said, "I am very pleased that the government is making a particularly determined effort in this area. It has always been a surprise to me ... that it's been such a political taboo to get rid of people who underperform."

The agreement also endorsed the making permanent of the hated "emergency" tax levy. This was an additional levy collected through electricity bills; many have suffered cut offs due to non-payment. The coalition's junior partners, PASOK and Democratic Left, do not oppose the tax, only arguing that payments should no longer be taken through electricity bills. The tax will now become permanent and still be taken via electricity bills this year but reduced by 15 percent.

While mass austerity has been levelled against the population, resulting in a decline in living standards not witnessed since the Nazi occupation, the Greek banking elite have had vast amounts of money shovelled in their direction.

The troika statement noted, "Most of the €50 billion available under the program for recapitalization has already been disbursed to Greece and injected into each of the four core banks by the [Hellenic Financial Stability Fund] as advances to cover their capital needs."

Last weekend's European finance ministers meeting in Dublin agreed to an extension of the loan repayment agreements for two other targets of troika austerity, Portugal and Ireland. But the agreement reached in Athens demonstrates that there will be no let-up in their insistence that the working class be forced to bear the full cost of the economic crisis.

The agreement ensures that tens of thousands of public sector workers, who have already suffered massive pay and pension cuts, will join the many already laid off, as well as the more than 1 million private sector workers now unemployed as the result of six years of recession and the 28 percent collapse in GDP since 2008.

Since mid-2010, Greece has received some €200 billion of troika loans, but its debt mountain remains while most of this revenue is funnelled directly into the coffers of Europe's banks and the ECB. The debt-to-GDP ratio currently stands at more than 160 percent.

During the last four years, workers have continually fought against the unrelenting attacks on their jobs, wages and conditions. These struggles have been isolated and betrayed by the union bureaucracy and pseudo-left parties such as SYRIZA, which support negotiation on austerity with the EU.

Previous agreements with the troika imposed massive cuts in public health care. On Wednesday public hospital doctors held a 24-hour strike and nurses a six-hour stoppage. They staged a joint protest march to parliament against forced mergers and layoffs. Also striking were drug addiction and mental health clinic workers who are owed €35 million in unpaid wages.

Workers in other sectors struck in solidarity the same day, including civil service workers. In the northern city of Yannena, workers in the private sector trade unions called a general strike.

Also striking this week were state railway workers and seamen who organised a 24-hour strike that ended Wednesday. Many have gone months without pay, some up to seven months. According to figures compiled by the GSEE trade union, around two-thirds of all private sector employees have had their hours cut or gotten paid several months late.