

Greece proceeds with further austerity after government survives confidence vote

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The Greek government narrowly survived a vote of no confidence in the early hours of Saturday morning. Out of a total of 300 deputies, 155 from the ruling coalition parties—the conservative New Democracy (ND) and the social democratic PASOK—voted with the government. Voting against the motion were 131 deputies, with two abstaining. Absent from the vote were 10 deputies, eight of which are the fascist Golden Dawn members currently in custody.

The decision to table a motion for a vote of confidence was taken on October 1, a few days after an opinion poll put pseudo-left opposition party SYRIZA ahead of ND by 11 percent. Based on its results, the poll estimated that SYRIZA would get around 146 seats in parliament, while the ruling PASOK-ND coalition would get around 91 seats between them, wiping out their slim majority of 155 deputies.

From a high of 179 seats after the June 2012 elections, the ruling coalition's working majority has been dwindling ever since former junior coalition partner, DIMAR (Democratic Left), a right-wing SYRIZA splinter, left the government in June 2013. In addition five PASOK and two ND deputies have left their respective parties and declared themselves Independents.

Speaking to Skai TV shortly after the decision to table a motion, government spokeswoman Sofia Voultepsi said, "The country is going through one of its most critical periods, the negotiations with the troika are about to start, while with the talk of early elections and doomsday scenarios the [bond yield] spreads are going up... Are we going to throw everything away so that [SYRIZA leader] Tsipras can survive within his party?... No one will be willing to lend to us if they are not sure that we're safe and that there is political stability."

The vote of confidence was preceded by a three-day debate. Prime Minister Antonis Samaras chose Health Minister Makis Voridis to represent the government in the motion debate, while he attended a one-day EU summit in Milan. Logically, the job should have been delegated to Deputy Prime Minister and PASOK leader Evangelos Venizelos. Samaras' decision to appoint Voridis to deputise for him was a provocative move.

Voridis began his political career as leader of the National Political Union's (EPEN) youth wing, succeeding current Golden Dawn leader Nikos Michaloliakos in the post. EPEN was the pro-junta party founded in 1984 by former dictator Georgios Papadopoulos from his jail cell. In 1994 Voridis founded the National Front before joining forces with the far-right LAOS party in 2005. He joined New Democracy in February 2012, after he was expelled from LAOS for voting for the latest austerity package.

The choice of Voridis to represent the government is an expression of the increasingly authoritarian nature of successive governments in Greece since the first austerity package was signed by the troika in 2010. In July, a strike against the privatisation of the Public Power Corporation was broken, as workers were issued civil mobilisation orders placing them under martial law and forcing them to return to work. Civil mobilisation orders have been issued repeatedly since 2009 by successive governments, in order to break strikes that were a threat to government policy.

Behind the government's decision to move a vote of confidence was their need to ensure a working majority is in place when next year's budget is put to the vote next month after it has been approved by the European Central Bank, European Union and International Monetary Fund, collectively known as the troika, in talks that are set to take place over the next few weeks.

A draft of the budget was submitted last week in parliament, with Greek financial journal *Naftemboriki* describing it as “yet another austerity budget, despite the prediction of at least some limited growth.”

According to economic analysts cited in a *New York Times* article, the budget will in all likelihood be revised by the troika given that the 2.9 percent growth forecast for 2015 is deemed too ambitious.

In an effort to foster the illusion that Greece is now in a position to negotiate a better deal with the troika, Samaras declared in his speech on Friday before the vote of confidence, “Greece will not need another bailout package or another forced loan. Greece can exit the memorandum one and a half years earlier.”

These comments were contradicted earlier in the week by IMF chief Christine Lagarde. Cautioning against Greece ending its relationship with the IMF in December, Lagarde stated, “The country would be in our view in a better position if it had precautionary support.”

Speaking to *Bloomberg*, Costas Panagopoulos, CEO of polling company Alco, described the vote of confidence as a move “to show there’s political stability in the country and diminish the chances of a snap election in the next months... The target is to calm the markets, even briefly, and solidify support for the governing coalition among its lawmakers.”

By Friday, when a government victory in the vote was certain, Greek bond investors reacted positively. In the afternoon, Greek 10-year bond yields fell by 8 basis points to 6.55 percent after having jumped by 34 basis points in the previous three days.

Far from being a new lease on life, the vote of confidence has essentially given the government at most another few months, at which point elections will become inevitable. Next February, the term of the current president of the republic, Karolos Papoulias, is due to end. According to Greek law a president must be elected by at least 180 deputies, otherwise new parliamentary elections must be called.

However, a SYRIZA-led government, which is likely to succeed the current administration, will be no less committed in implementing the austerity measures dictated by the troika. In his recent speech at the Thessaloniki Trade Fair, SYRIZA leader Alexis Tsipras admitted as much when he declared that it was not a question of what the party would like to do, but what

was feasible. It was simply impossible to reverse the massive wage and pension cuts carried out at the behest of Brussels in recent years, he stated.



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