EU, IMF demand lower wages, longer hours in Greece

By Stefan Steinberg
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Days before sending financial inspectors to Greece, the troika—the European Commission, European Central Bank, and International Monetary Fund—sent a letter to key ministries in Athens demanding fundamental changes to Greek labour law.

The letter calls for frontal attacks on basic rights of the Greek working class and for drastic "reforms" in every aspect of working life. Amongst the proposals made in the letter are the following:

*Increased flexibility in work schedules, in particular, an "increase in the number of maximum workdays to six days per week for all sectors".

*Decreasing the minimum period between work shifts to 11 hours and eliminating further restrictions on shift work.

*Slashing Greece's monthly minimum wage—already cut this year to €586, or US$736—and carrying out corresponding wage cuts in the private sector.

The letter cynically implies that these attacks, which entail new wage cuts and a drastic increase in working times, are necessary to create jobs, stating, "Unemployment is too high, and policies are needed to prevent it from becoming structural."

In fact, the current record level of 30 percent unemployment in Greece is a direct result of austerity measures imposed by the troika. Now the same bagmen for the international financial elite are demanding that the minimum wage be reduced further to a pittance. The aim is to force the army of unemployed in Greece to accept the most degrading of jobs paying poverty wages.

The letter also calls for new powers for employers to facilitate sacking workers. Companies are to be allowed to reduce the period of notice before firing workers and to cut severance packages by up to 50 percent by arbitrarily reducing workers' time in service. Employers will also be allowed to stipulate the holiday times taken by the many Greek workers employed in the tourism industry.

The measures proposed by the troika are incompatible with existing Greek labour legislation. In order to evade legal hurdles, the troika also proposes that Greece's labour inspectorate be placed under European supervision.

While working conditions are to be decimated, the troika letter calls for further tax cuts for companies. The letter calls for non-wage labour costs to be lowered by permitting employers to reduce their contributions to pension and health insurance funds, plus additional forms of tax relief.

Commenting on the troika proposals, Panagiotis Sotiris from the University of the Aegean said: "I think we are going to see a total dismantling of labour law which would possibly even include a 7-day work week. It's also interesting that they are trying to reduce the number of hours between shifts to only 11 hours. The idea is that an employer can call up an employee at any time, giving the employee no stability of working hours."

Sotiris also noted that the troika "wants a dismantling of the labour inspectorate, which is the public service responsible for implementing labour law. So it's not only about making the labour market more flexible."

Moves to lengthen the workweek come after the release of an OECD (Organisation for Economic Cooperation and Development) report revealing that the average Greek employee already works longer hours (2,017 hours per year) than in any other European country.

This latest assault on the rights of the Greek working class is an integral part of plans to return across Europe to the working conditions that prevailed in capitalist countries in the nineteenth century. Last weekend, the president of the European Parliament, Martin Schultz of Germany’s Social Democratic Party, called for the setting up of special economic zones (SEZs) in Greece to attract investors with low or no taxes. The goal is to create conditions for the super-exploitation of workers that are common in Chinese and other East Asian SEZs.

Schulz accompanied his call for SEZs with proposals for the creation of a “European growth agency,” to permit EU officials to impose Greek forms of labour exploitation across Europe.

Predictably, the Greek union of private sector employees (GSEE) responded to the troika document by calling upon the government in Athens to reject its proposals. The GSEE’s call is cynical and impotent.

The Greek union federations have played a key role over the past five years in suppressing opposition in the working class—permitting both the former PASOK administration and the current government, led by Prime Minister Antonis Samaras, to implement the austerity agenda laid down by the troika.

While the unions sought to sow illusions that Athens could be pressured to defy the troika, leading Greek government ministers were sending a very different message. At a meeting in Berlin on Tuesday, German Finance Minister Wolfgang Schäuble told his Greek counterpart Yannis Stournaras that Athens must fully implement troika structural reforms to receive any further aid.

The response from the Greek side was prompt. “There is political agreement on the package. It will be sealed next week and presented to the troika,” Stournaras told Reuters.

Greek trade unions are intent on deepening their collaboration with the government, even as hostility to the ruling elite in Athens is escalating. On Tuesday, pensioners attending a rally in central Athens pushed their way through a police cordon and occupied the Health Ministry for about 20 minutes to protest health care cuts. They were protesting not only government plans to slash their pensions and benefits, but also their inability to obtain medicines.

Pharmacists are currently refusing to accept prescriptions on credit and doctors are cutting back on surgery hours. Both groups maintain that the government has reneged on its obligation to fund the country’s main state-run health care insurer, which provides for 90 percent of all those insured.

The pensioners occupying the ministry demanded to see the health minister, who refused to meet with them.