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The Great Depression

Greeks Struggle with Sick-Man Status

By Björn Hengst in Athens

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They've emptied their bank accounts, abandoned vacations and started taking the bus. Now, they fear for their jobs: The Greeks bemoan the difficult crisis that has taken over their country. Above all, they feel humiliated by Germany.

Ilias Lestaris likes to send his customers out into the great wide world: Thailand, Mauritius, India, Morocco. Right now, though, he'd be happy if any of his Greek compatriots were thinking about travelling.

The 65-year-old's telephone has been ominously silent for days, and his office in central Athens has seen few customers walk through its doors. Instead of booking trips, Lestaris spends his time looking at the map of the world on the wall, at his computer monitor and smoking Karelia cigarettes.

Lestaris sold his last package vacation the week before last: three days for a couple in Lesbos, that's it. "It is total stagnation, nothing is moving," he says. He also has low-priced vacation packages -- a bus to Istanbul, seven days half-board for €390 -- but there are dozens of spots still available.

Lestaris has been in business for a long time, but hasn't seen such a slump in travel bookings in decades. He can barely cover the rent of his office with current revenue. Lestaris has two words for his present attitude towards life and business. Uncertainty is one. The other: rage.

What angers Lestaris is that Greek citizens now have to take the fall for the false deficit statistics fabricated by the previous government. It also hurts him that Greece is now widely seen by other EU countries as a nation of lazy people who earn a lot of money, squander it quickly and rely on outside support to stave off national bankruptcy. He himself has paid into a pension fund for 37 years and receives only €617 per month after deductions. "Tell that to Frau Merkel," he tells a German visitor.

Although the EU and the International Monetary Fund (IMF) have agreed to float Greece a €110 billion (\$145 billion) loan over the next three years so the country can avoid bankruptcy, feelings of self-worth among the Greeks have fallen precipitously. In particular, Greeks were appalled by Merkel's stalling and reluctance prior to the bailout agreement reached last weekend.

Sarkozy Celebrates the Greeks -- Merkel Could Let Them Hang

"Angela Merkel? No, Thanks," the Greek daily *To Vima* recently wrote on its front page. The paper also printed a poll ranking international politicians by favorability. In first place was French President Nicolas Sarkozy with 76.6 percent of Greeks polled saying they approved of him. In March, Sarkozy said that France would stand by Greece should the need arise. Following Sarkozy was Russian Prime Minister Vladimir Putin (73.7 percent) and US President Barack Obama (68.2 percent). Merkel brought up the rear, with just 18.4 percent of Greeks surveyed having a positive opinion of her.

Even worse for Merkel, more people, 32.9 percent, found Turkish Prime Minister Recep Tayyip Erdogan more favorable. Erdogan is the leader of Greece's arch enemy -- hardly a vote of confidence for Germany.

Elena Spilotis, a 39-year-old who works in store that sells women's bags in the tony Athens neighborhood of Kolonaki, is more diplomatic in her dislike of Merkel, saying that she was very surprised by the results. Greece is the cradle of European culture, Spilotis says. "Has Frau Merkel forgotten that?"

Every move made by Berlin is closely monitored among Greeks. Many media outlets here picked up on the German business daily *Handelsblatt's* listing of those who buy Greek bonds. The newspaper has called for Germans to buy Greek government bonds in order to support the heavily indebted state as a sign of joint responsibility "even under indisputable financial risk."

Jürgen Grossmann, the CEO of German energy giant RWE, supported the paper's call to arms and wants to buy €100,000 (\$130,000) worth of Greek bonds. Grossmann was honored by the conservative newspaper *Kathimerini* with a large photo.

Will Greece Be Able to Deal with the Austerity Measures?

But what does the future hold for the country? Some economists doubt that Greece will be able to cope with the rigid austerity measures Athens has imposed. And they also expect the recession to worsen as sinking salaries and rising taxes take their toll on the domestic economy.

At the beginning of 2010, the country already agreed on an initial package of austerity measures, including one that raises sales tax from 19 percent to 21 percent. The measures have already had an effect. Greeks are consuming less, and retail outlets are scrambling to boost sales using rebates and special promotions. For example, the Kamoulakos fashion boutique is offering a free purse with every purchase over €70 (\$91). And the number of empty storefronts is growing. That is increasingly the case even on Emou Street, Athens' main upscale shopping boulevard. Several of the glass storefronts are plastered with signs reading "Enoikiazetai" -- "For Rent." For years, such a thing would have been unthinkable.

"Now I don't buy blouses, even when I'm in the mood," says Marianna M., a 34-year-old saleswoman who has had to cancel her vacation plans. And since the government's most recent packet of saving measures includes a 10 percent increase in the gas tax, she's also chosen to no longer drive to work and to buy a monthly bus pass instead. She's also worried about whether she can hold on to her job in a cosmetics store. "We have fewer customers these days," she says.

Hiding Money at Home

Many Greeks are worried that things might get a lot worse. For a while now, they haven't placed any trust in the banks, either. In recent months, businesses and private individuals have withdrawn roughly €10 billion from Greek banks, preferring to either hide their money at home or transfer it to foreign banks.

There are also more and more protests on the streets. On Tuesday, civil servants went on strike, and demonstrating teachers even clashed with police officers in front of the parliament building in Athens. When protesters started pelting the police with rocks and bottles, the latter responded with teargas. Not far away, roughly 200 communist union members launched an eye-catching protest by unfurling two enormous banners off the side of the Acropolis reading "Peoples of Europe Rise Up" in English and Greek.

Some of the security forces are noticeably short-tempered. One police officer seized the camera of a foreign journalist and forced him to erase any photographs including police officers, claiming they were illegal. "Erase it or we'll take you in; those are your options," the officer threatened.

For now, it looks like it will be a while before things calm down in Greece. Wednesday's general strike is expected to be the largest seen in recent weeks.