

DECLARATION

Investment, innovation, respect of social rights

Three key factors for a successful recovery of Greece's growth and employment

Greek workers have gone through extremely difficult times since the financial and economic crisis struck seven years ago. Very high public deficit and debt levels brought the Greek economy to the verge of collapse. Financial assistance was needed but was only provided with strict conditions attached. The result was a fall of 25% in Greece's GDP and a deep humanitarian crisis. After strong negotiations, the Greek government was forced to agree on a new programme for the third time with the severe conditions imposed by the Troika for obtaining new financial support.

Currently, there are some complaints in different European countries about this third Economic Adjustment Programme for Greece. Their grievance is that European countries have paid enough. However, an opposition against additional credits is completely wrong and counterproductive. The fact is that creditor countries have had various financial benefits up to now. First of all, thanks to the ECB's quantitative easing programme they have benefited from savings of lower interest expenses on their own public sector loans. Secondly, the Greek government has already paid interests on the current auxiliary loans. So, the European creditor countries have also collected hundreds of millions of euros from Greece's interest payments between 2010 and 2014.

European governments should only complain if Greece would not be able to refund the credits. It is a paradox that the very economic reform conditions with which Greece is confronted are increasing the possibility of such a payment default in the future. The enforced cuts on pensions, welfare spending and wages are putting massive pressure on economic output, existing jobs and tax revenues. Joblessness increased rapidly with more than 50% of young people out of work, and families unable to pay their rent or mortgage, or struggling to feed their children. The Troika badly miscalculated the extent of the negative impact of the imposed reforms and severe austerity. It created a fatal vicious circle where more lending based on unsustainable conditions is leading to even more debt. There is now a broad consensus that the increase of the debt ratio can only be stopped by debt relief.

We, IndustriALL Global Union as well as IndustriAll European Trade Union and the Greek industrial unions, firmly oppose the idea of a Europe without Greece as the costs would almost certainly outweigh any benefits, not only for Greece but for the entire Eurozone. It would have a detrimental impact on the already weak economic recovery. To us, Greece must be part of Europe's future, and for us a Europe without Greece is unthinkable.

We recognise that the new memorandum is harsh and crushing especially for popular strata, the workers, the youth, the unemployed and the pensioners. Only in case these reforms take a less radical austerity path and:

- Corruption and undeclared labour is combatted
- Greece's government administration is reformed
- Tax evasion is fought

will they be able in the future to bring about some progress.

However, we condemn the still existing belief in austerity and budget-cuts policies:

- We oppose the liberalization of mass dismissals, privatizations, further cuts on pensions, deregulation of labour law and the dismantling of collective bargaining.
- These measures are destroying social security, the income of employees and purchasing power, and they will have an adverse effect on domestic demand and thus on the economic recovery.

The third memorandum could offer an alternative if it were growth and not recession-oriented, without new wages and pensions cuts or new tax increases, only if it breaks the vicious circle of increasing debt and declining GDP, and if it creates again a positive climate in Greece able to bring down unemployment and poverty.

Investment, innovation and respect of social rights are the key factors for a successful recovery of growth and employment in Greece. IndustriALL Global Union as well as IndustriALL European Trade Union and the Greek industrial unions are therefore of the opinion that adequate boosts for growth, jobs and social security must urgently be created:

- **Return to a healthy economy based on a national reconstruction plan (eg manufacturing, primary sector, tourism)**
- **Ambitious plan for growth and jobs as counterpart of the economic reforms.**
- **Investment offensive to modernise the economy, to support innovation, to develop social infrastructure and to improve energy infrastructure and energy efficiency.**
- **Sustainable solution to the Greek debt, necessary condition for hope of growth and recovery of the Greek economy.**
- **Respect of fundamental trade union rights, the right to collective bargaining at all levels, and strengthened social dialogue.**

The above-mentioned conditions are the prerequisite for the restoration of hope amongst a desperate Greek society, which will continue its struggle for better working conditions and a decent life. The Greek government, Parliament and population at large have the will to put their economy and society back on track. Now Europe has to show that it can tackle the common challenges with mutual confidence and solidarity. Now Europe has to return to its founding principles of solidarity and equality, in order for a sustainable future for EU and Greece to be created. To us, saving Greece is also saving Europe in this very difficult economic and political period.