

Greek unions strike over wages policy

By Kerin Hope in Athens

Greece's trade unions will today use a planned 24-hour general strike to put pressure on the country's income policy. The move comes despite government efforts to lower the country's historically high inflation.

The Socialist government plans to limit real wage increases for next year to 1.5 per cent as part of Greece's effort to meet the Maastricht inflation and budget deficit targets for eventually joining the single European currency.

Public-sector workers, including employees at state-owned banks, utilities and Olympic Airways, the state carrier, are expected to join today's walk-out called by GSEE, the Greek trade union federation. The public power corporation has warned of possible power cuts and urged Athens residents to reduce electricity consumption and avoid using elevators.

However, business activity in Athens is unlikely to be seriously disrupted. Few private-sector workers take part in the country's tradi-

tional autumn strikes over budget proposals scheduled for November.

Greek workers have received substantive real wage increases over the past three years despite a gradual tightening of fiscal policy. Next year's budget is expected to limit nominal increases in the public sector to 4 per cent, in line with a projected decline in inflation from 4.9 per cent to below 3 per cent.

GSEE has demanded a 9 per cent across-the-board increase on the grounds that real wages are still below 1990 levels. Union officials say they are not convinced that the fall in inflation, now at its lowest level for almost 30 years, can be maintained.

This year's round of strikes reflects public-sector workers' growing job insecurity after a freeze on civil service hiring and attempts to introduce private-sector management standards to public corporations.

The 1998 budget is expected to bring job losses as the Socialists try to hold down government spending by merging or shutting administrative organisations.