

EUROPE

GREECE

Athens under pressure over pay demands

By Kerin Hope in Athens

Greek university teachers led a march through central Athens yesterday by several thousand public sector workers seeking bigger salary increases than provided for in next year's budget.

Doctors at state hospitals, local government workers and officials from the statistical service joined the protest, which was timed to coincide with the presentation of the draft budget to a parliamentary committee.

Nikos Christodoulakis, the Greek finance minister, last week announced real salary increases of 3.4 per cent for the public sector.

Teaching staff at universities were allocated increases of almost 8 per cent. In line with the Socialist government's pledge to make teaching salaries compatible with other eurozone countries.

University and technical college teachers went on strike three weeks ago claiming the government had reneged on an agreement for a 10 per cent increase this year and next. High school teachers have been awarded a 9.7 per cent increase but are staging intermittent walkouts to press for extra benefits.

A spokesman for the Greek government said yesterday that giving additional increases would "undermine the economy" in a year when spending is set to

increase significantly because of the Olympic Games in Athens.

But trade union leaders have indicated the government's incomes policy would continue to be tested in the run-up to next month's budget debate.

Last month the government, led by Costas Simitis, announced a €2.4bn spending package of pension and unemployment benefits aimed at winning back dissatisfied left-of-centre voters.

Mr Christodoulakis said the package would be financed out of increases in tax revenue, following a streamlining of the income tax system and a projected increase in value-added tax receipts.

The Socialists also announced the launch of a "convergence charter" aimed at raising per capita incomes in Greece from 70 to 80 per cent of the EU average. But the announcements encouraged teachers' and some civil servants' unions to push for bigger salary increases than had been agreed.

Recent opinion polls indicate the Socialists have narrowed the popularity gap with the right-of-centre New Democracy party by about 3 percentage points. But the governing party is still trailing the conservatives by at least 6 points, according to a poll published at the weekend.



Two Greek firefighters operate new cranes at a presentation in Athens yesterday. The cranes are among 735 new vehicles ordered for the Greek fire department in readiness for the Olympic Games next year AP