Troika arrives in Athens to organise looting of Greece

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5 July 2012

The New Democracy-led Greek coalition government is meeting officials from the troika—the European Commission, European Central Bank and International Monetary Fund (IMF)—today.

Christine Lagarde, IMF's managing director, marked the occasion with a stern warning to Athens that the austerity programme must continue. In an interview with CNBC Tuesday, Lagarde said, "I am not in a negotiation or renegotiation mood at all."

Referring to reports that the Greek government is to present figures recording the social misery caused by years of austerity to press the case for a renegotiation of the country's debt, she added, "I'm very interested in seeing what has been done in the last few months in terms of complying with the programme."

Despite the majority voting in the June 17 general election against parties supporting the Memorandum with the troika on harsh debt repayment terms, the coalition of ND, the social democratic PASOK and the Democratic Left is intent on meeting the demands for further savage cuts. Its talk of renegotiating a two-year extension for paying back Greece's 350 billion euro debt is hot air. No such compromise is on offer, as Lagarde makes clear.

A popular repudiation of the austerity agenda of ND and a collapse in the vote for PASOK, with SYRIZA (Coalition of the Radical Left) finishing second by campaigning on an anti-cuts ticket, forced the coalition to pledge not to impose certain planned cuts, such as a 22 percent reduction in the minimum wage.

Within days they were forced to retract such promises due to the hostile response of the troika. Prime Minister and ND leader Antonis Samaras responded with a letter to EU leaders affirming that government accepted "ownership of the adjustment programme and is fully committed to its targets, its objectives and all its key policies."

Lagarde's remarks neatly bookend comments she made just weeks prior to the election, in which she insisted that there was no alternative to the mass social immiseration being imposed in Greece. Asked by the *Guardian* if she was "essentially saying to the Greeks and others in Europe, you've had a nice time and now it's payback time," she responded, "That's right."

Prior to the visit of leading troika officials, their technical teams have been working with government ministry officials to establish the exact state of Greece's finances. According to the right-wing daily *Kathemerini*, they will detail any "progress in implementing agreed-on reforms, before compiling an audit that creditors will use as the basis for negotiations when they return to Athens..."

The troika is acting like a liquidator, collecting debts on behalf of the global banks by selling assets and demanding cuts. And it is the Greek working class that is being made to pay.

Since the onset of the global crisis in 2007, the Greek economy has been plunged into a recession made worse by the demands of the troika. After five years of shrinkage, the economy is set to contract by nearly seven percent this year. Government spokesman Simos Kedikoglou said Tuesday, "We will present information [to the troika officials] that is astounding. It is alarming in terms of the recession and unemployment, and it shows beyond any doubt that the current policy does not bring results."

But even as it warns of the results of such policies, the government is making clear that it will carry out further measures, including the closures or merger of around 60 state-funded organisations, many of which provide vital social and cultural services. To meet the rapacious demands of the banks and European corporations, it plans a fire-sale privatisation of whole sectors of the Greek economy. The *Financial Times* reported, “plans to accelerate privatisation and other structural measures aimed at persuading international lenders that it is serious about speedy economic reform.”

The *FT* cited a finance ministry official stating, “We intend to put a big emphasis on disposals in order to send a message that Greece is changing. That could mean privatising a hardcore case as an example, such as PPC,” the electricity utility.

Six planned privatisations that could not be carried out because of elections in May and June will be revived, and the privatisation of the state railway service and Agricultural Bank of Greece added to them, revealed the official.

Figures released in the last week demonstrate the almost unfathomable scale of the social counter-revolution unleashed against the Greek people. Millions are already living in desperate poverty and over a million more will shortly lose their unemployment benefit entitlement, a pittance of 360 euros a month. The Institute of Labour, affiliated to the main trade union federation, released statistics showing that by next month only 165,000 of the more than one million jobless Greeks will still receive unemployment benefits. This is because the two-year period of benefit entitlement was reduced to one, as demanded by the troika.

An advisor to the Institute, Giorgos Romanias, predicted that the unemployed will total nearly 30 percent by the end of the year. The Institute had previously forecast an increase to 1.48 million. According to figures from the official ASE agency, in June 1.8 million Greeks were registered as unemployed in a nation of just 11.3 million. Statistics made available by the Institute’s scientific director, Professor Savas Robolis, show that in real terms, available income of Greek employees, after taxes, has been reduced by 50 percent since 2009.

The cost of labour to employers has fallen drastically. Robolis said that unitary labour costs have been reduced by 8 percent in the last two years. Under the terms of the memorandum, an additional reduction of 15 percent is to be in place by 2014. The insistence by Lagarde that there can be no back-tracking on the Memorandum punches a gaping hole in the claim of all the main Greek political parties—including SYRIZA—that compromises with the troika were possible. SYRIZA’s main point of disagreement with ND and PASOK was its argument that, given the developing crisis of the eurozone and the recent bailout of the Spanish and Italian banks, a more aggressive stance was possible in negotiating on behalf of the bourgeoisie, while still preserving Greece’s position in the EU and the euro.

SYRIZA leader Alexis Tsipras was billed as a “Guest of Honour and Keynote Speaker” at a conference this week in Athens, sponsored by Britain’s *Economist* magazine. Before an audience who had paid more than 1,200 euros-a-head (significantly more than the average monthly wage of a Greek worker), Tsipras again called for the debt to be re-negotiated—only criticising the ND coalition for sending a “clear message that it has given up on Europe before it has even started.”

The Greek banking elite would have been heartened to hear first hand from Tsipras of SYRIZA’s policy of handing over billions of euros to them in the form of a direct recapitalization from the European Finance Stability Fund.

Tsipras spoke despite the conference being called under the heading of “16th Roundtable with the Government of Greece.” It is further proof that SYRIZA’s promotion of itself as a strenuous defender of Greek capitalism and a political force dedicated to heading off mass social opposition to further cuts has been heard by its target audience.

On Wednesday, SYRIZA announced its shadow cabinet, stating it “will be exercising hands-on, combative and responsible opposition, with strict oversight and also with its own proposals”. It established a committee “to deal exclusively with matters concerning the application of the memorandum signed by Greece and its lenders for structural reforms,” reported *Kathemerini*.