

# The troika returns to Athens

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Representatives of the Troika—the European Commission, International Monetary Fund and European Central Bank—have made clear that the cuts of twelve billion euros (\$15.42 billion) previously negotiated with the Greek government are insufficient to satisfy Greece's creditors.

They are demanding that working people face even more cuts as precondition for the agreed-upon disbursement of €31.5 billion in aid, due since June.

The Troika is increasingly openly taking on the executive functions of government, prescribing the cuts that governments should implement down to the last detail.

The planned austerity measures were to be announced in late July, but the announcement has been repeatedly postponed since then. This was to allow the troika to help sharpen the austerity measures and to plan how to implement them despite mass popular opposition. The troika's report, due at the beginning of August, is now to be published in October.

In the last week, the Troika has demanded that Greece not only implement the cuts quickly but also tighten up labour laws. In a letter to Greece's most important ministries, the Troika demanded a six-day work week, increases in the numbers of hours worked per day, new cuts to wages, and the abolition of labour regulations in Greece.

The Troika returned to Athens this weekend. They noted the government's austerity package and set about dictating numerous "corrections", as if they were an occupying power.

Even though information is only coming out piecemeal publicly, the government's austerity programme foresees massive cuts in key social areas. Spending by the Labour Ministry will be cut by five billion euros; pensions and wages in the public sector will fall by up to 50 percent. In the health and education sectors, hundreds of millions of euros are to be cut.

Even before its representatives arrived, however, the Troika had made it clear that they considered the cuts

to be insufficient. In anticipation, at a Sunday meeting, Greek Finance Minister Ioannis Stournaras presented plans for cuts of €17 billion instead of the €11.5 billion originally demanded. Troika representatives were invited to name the cuts themselves, effectively taking over the responsibilities of Greece's executive branch.

Nonetheless, Stournaras' interlocutors said afterwards that the cuts presented were not sufficient to achieve budget-cutting targets. In particular, they rejected a cosmetic demand of the two junior coalition parties PASOK and Democratic Left (DIMAR)—who called for tougher action against tax evasion—to better sell the social cuts. This is unrealistic, the Troika representatives said, and should be replaced by more promising initiatives.

After a meeting with conservative Prime Minister Andonis Samaras (New Democracy, ND) on Monday, the two German Troika experts Matthias Mors and Klaus Masuch and the Dane Poul Thomsen made clear what this meant. They insisted that the government sack at least 150,000 public sector workers by 2015, in order to make substantial and long-term budget cuts.

The government had previously shied away from this, as it expected to face massive resistance that could easily paralyse the whole country. Instead, Samaras wanted to place the workers in a transfer company at a lower rate of pay, carrying out the sackings gradually. The tenure of state employees is enshrined in the Greek constitution.

The cuts in Greece have already led to a social catastrophe and mass misery. Unemployment has climbed to dizzying heights. Meanwhile, Greece is, after Spain, the country with the highest unemployment in the world. In June, unemployment was officially 24.4 percent. Among youth the rate is as high as 55 percent.

Under these conditions, layoffs in the public sector and the brutal social cuts serve to save the deposits of the banks at the expense of the workers. They also have the purpose of providing European and international companies with cheap labour.

Mass unemployment is used in conjunction with the relaxation of labour laws dictated by the EU as levers to

push wages through the floor. The president of the Federation of German Industries (BDI), Hans-Peter Keitel, said this openly to news magazine *Der Spiegel* on Monday. He wants to make the whole of Greece into “a kind of special economic zone” and provide them with “foreign EU personnel”. On this basis Greece will attract foreign investment, he claimed.

That is also the content of the current discussions with the Troika. The government is delaying the announcement of austerity measures only because it fears massive opposition. Some PASOK and DIMAR representatives have criticised some specific proposed cuts on these grounds.

Almost every day, there are strikes, protests and demonstrations against the austerity measures. Since last week, most doctors have been working to rule in protest against cuts in the hospitals. Teachers have announced a strike for the second day of school, and professors have joined them. On Saturday, 30,000 people demonstrated in Thessaloniki against the government’s plans.

Various ministries are in constant discussions with the trade unions to divert workers' anger into harmless channels. The two major trade union confederations—GSEE and ADEDY—have announced a “general strike”, just like they have done dozens of times in the past. It will be of short duration and has been announced long enough in advance so that government and big business have time to prepare. It is only used to let off steam and to demoralize the workers.

Because the bankrupt unions are less and less able to hold in check the resistance of workers, the government is increasingly employing direct repression. Police broke up the demonstration on Saturday using tear gas, arresting 31 protesters, including seven minors.



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