Looting of Greece continues under new government

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5 July 2013

This week, officials from the “troika”—the European Union, European Central Bank and International Monetary Fund (IMF)—were embroiled in talks with the Greek government, the latest stage in their massive looting operation against the country’s 11 million population.

In regular quarterly checks, Greece is forced to comply with massive austerity measures demanded by the troika. Without their successful implementation, the troika withholds the latest tranche of Greece’s overall €172 billion second loan. The latest loan tranche required by Greece to avoid bankruptcy amounts to €8.1 billion.

The new conservative New Democracy and social democratic PASOK government said prior to the talks that they planned to reach agreement with the troika this weekend, ahead of a meeting of the Eurogroup states on July 8. A government official said, "Negotiations must be concluded by Saturday or Sunday at the latest in order to have a (troika) staff agreement that will be discussed at a Eurogroup meeting on Monday.”

On the basis of an agreement, the government plans to immediately table an omni-bill before Parliament. Ahead of the talks, the heads of the finance, health, interior, labour and administrative reform ministries met, as each were due to conduct separate negotiations with troika officials.

Following the meeting, a Finance Ministry official described this round of talks as “truly difficult”, with another commenting, “The biggest issue in the negotiations will be the delays in public sector reforms.”

Reuters noted, “The lenders are unhappy with progress Greece has made towards reforming its public sector.”

Before talks began, the government signalled its readiness to enact new austerity measures. On Sunday, New Democracy Health Minister Adonis Georgiadis gave a newspaper interview stating that all health spending would be monitored, including hospital spending. Georgiadis, who defected to ND from the far-right LAOS party, warned, “If I have to close hospitals, I will do so.”

On Tuesday, following the troika’s talks with the health ministry, the Athens News Agency reported that “an agreement in principle with the troika has been reached over a new spending-cutting mechanism, although it was still unclear whether the measure would temporarily close a fiscal gap in pension funds.”

The state-run health insurer EOPYY has a shortfall of more than €1 billion, and further brutal cuts will be imposed in the health sector as a result of such automatic spending cuts.

New statistics continue to document a social nightmare as a result of deliberate policies designed to impoverish of millions of people.

This week the Hellenic Statistical Authority (ELSTAT) released figures for the first quarter of 2013 showing that wages continue to plummet. In the last year, Greek workers in the private sector have seen a further 10 percent cut in their salaries. Unemployment is edging towards 30 percent, with 1.3 million out of a job, including more than 60 percent of young workers. ELSTAT also revealed that more than 1,200 people committed suicide in Greece between 2009 and 2011. Greek police report that 3,124 committed or attempted suicide between January 2009 and August 2012.

On Tuesday, four eurozone officials said Greece had just three days to reassure the European Union and the IMF that it would implement the austerity conditions attached to the loans it receives. Later on Tuesday, the

European Commission denied that a deadline was in place. However, the following day a “senior eurozone official” told Reuters, “If we don't conclude this review, I don't see any disbursement to Greece over the next three months."

Under the IMF’s rules, a government, in order to receive further funds, must be fully financed for the next 12 months. Currently Greece meets those conditions, but if the troika fails to agree further loans, it would likely not be in compliance. In August, Athens must redeem about €2.2 billion of bonds it owes.

A senior Finance Ministry commented, “There is no chance that we will satisfy the current demands as they are set out.” Another ministry official stated, “In the worst case scenario we will have to increase the issuance of T-bills, we will delay repaying arrears and it could lead to further delays to payments.”

The troika is insisting that Greece immediately carry out agreed plans to cut 4,000 public sector jobs this year as part of overall cuts of 150,000 by 2015. The troika also raised its concerns that Athens missed a June deadline to place 12,500 state workers into a “mobility scheme”. Under the scheme workers are involuntarily removed from their jobs and are forced to take a large pay cut for a year and then face the sack.

On Thursday, the troika met Greek Administrative Reform Minister Kyriakos Mitsotakis for a third time this week over the issues. Mitsotakis informed the troika that the government had recently fired 2,600 workers at the Hellenic Broadcasting Corporation (ERT) and that these should be counted as part of the required job losses. Various sources reported that the troika refused to recognize the 2,600 sackings at ERT as permanent dismissals. Amna reported, “Until they are given detailed plans of how the new broadcaster will operate and how many employees it will take on, the officials will not accept that the government has carried out any firings.”

On Tuesday, the government made an offer to the ERT workers regarding the transition to a new broadcaster. ERT staff have refused to accept their mass firings and remain in occupation of its Athens HQ. They threw out the government’s proposal, which involves only around 1,000 workers remaining in the new set-up.

During the talks, Mitsotakis, who was selected as administrative reform minister to impose the job losses required due to his background as a McKinsey consultant and Venture Capital executive, requested three to five months more to complete work on the mobility scheme.

Greece is also billions of euros behind in funds it agreed to hand over to its creditors through a troika agreed privatisation programme. After failing to find a buyer for its natural gas company DEPA, due to Russian firm Gazprom pulling out, and ongoing problems with the €700 million sale of the OPAP state gaming monopoly, the government reportedly asked the troika to reduce its privatisation target of €2.6 billion this year. DEPA and OPAP were selected as the two flagship privatisations, with their revenues expected to raise half of the €2.6 billion. Privatisation income has not even reached €1 billion this year and the target has already been revised downwards twice.

A June review by the IMF warned that due to the “slippage” in the privatisation programme, a deep hole would appear in the government's budget and “additional financing will need to be identified.”