Euro zone hatches plan to wring further billions from Greece

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A deepening of the subjugation of Greece by the super-rich is being proposed in a plan outlined in a new report by the European Stability Mechanism (ESM). The ESM is the eurozone's €500 billion permanent European "rescue" fund.

Currently being discussed by the troika—the International Monetary Fund, European Central

Bank and European Commission—the scheme proposes to the move state-owned property intended for privatisation into a Luxembourg-based holding company. This would then be administered by foreign privatisation officials. It was first mooted as far back as two years ago and will be formally discussed with the New Democracy/PASOK Greek government when troika officials return to the country later this month.

The *Financial Times* noted, "The new holding company would be empowered to manage the real estate portfolio independently from Greek government interference, including raising cash against the portfolio's value to either pay down government debt or improve some of the lots, many of which are now unattractive to private buyers."

Luxembourg is cited as the location of such a holding company as it attracts investment from global corporations with its low corporation tax and already hosts other special purpose vehicles.

As a precondition of the second troika loan agreement with Greece 18 months ago, it was expected that state assets to the value of €9.2 billion would be privatised by the end of this year and to €19 billion by 2015. Only a fraction of this has been raised by the Hellenic Republic Asset Development Fund (Taiped) launched in 2010. The flagship sale of the gas utility Depa, expected to raise close to €1 billion, collapsed when Russia's Gazprom, the only shortlisted bidder, withdrew at the last minute. In July, new projections were agreed with only €3.2 billion in revenues expected this year and €8.7 billion by 2015.

None of the funds raised from this looting of public assets will provide any relief to the Greek population, which has endured an unprecedented decline in living standards over recent years.

Rather all the proceeds from these sales, which are priced well under their true value, will go to paying off debts owed to the ultra-wealthy banking elite. As an ESM spokesman said, "The benefit of privatisation is to generate resources for Greece to help overall development and pay back its own debt faster."

Around 80,000 state-owned buildings, tourist facilities and plots of land are to be sold off. The ESM report estimates that these state assets are worth "anything above some €20bn".

This week it was announced that the Port of Piraeus in which the state holds a 74 percent stake is to be fast-tracked for full privatisation. China's Cosco Pacific's Piraeus Container Terminal (PCT) presently operates the Piraeus's container piers II and III under a 35-year deal signed in 2009 and worth over $5 billion.

Also for sale are the northern ports of Thessaloniki and Alexandroupolis. Another privatisation considered to be vital is that of the Hellenic Railways' operating company, TrainOSE.

The ESM plan reveals the determination of the troika to extract further tens of billions from Greece and their insistence that no delays in the implementation of mass austerity be tolerated.

The Greece Reporter web site revealed Tuesday that the troika will not allow any recovery measures to three state-owned companies: LARKO, the state mining company; ELVO, producer of buses and military vehicles; and EAC, which produces Greek defence systems.

According to the article, on Monday the troika sent the Greek government an email to “insist on liquidating the enterprises and dismissing their employees without compensation.” The government had proposed to save €12 million after the completion of a programme allowing 350 EAC staff to leave on a voluntary basis.

The last troika agreement with Greece stipulates that a final decision must be made on all three companies by the end of this month.

The privatisation programme is being pushed by the most right-wing layers utterly unconcerned about the social destruction being wrought as a result. Stelios Stavridis, former head of Taiped, gave an interview with Norway’s Bergens Tidende newspaper in which he enthused over the asset-stripping and denounced those opposing it as “averagely clever”.

Stavridis was recently removed as the head of privatisations after he was exposed as receiving hospitality aboard the private jet of oil and shipping magnate Dimitris Melissanidis, soon after the latter had signed a deal to buy the state’s one-third share in gaming company Opap. Stavridis was previously a candidate for the pro-privatisation Drasi party before joining New Democracy in 2012.

In the interview, titled, “ For sale: Sunny country with 11 million inhabitants”, Stavridis commented, “Privatisation; it’s a god’s blessing. Because it’s all about investment, it’s all about job creation, it’s all about wealth creation.” He added, “Growth in this country depends on privatisation. So, we are the last hope and the last resort of Greece.”

Addressing those opposed to the selling off of the former airport site at Elliniko, he stated, “They’re just preaching. They’re just saying no, no, no. F*ck you!”

“It’s the free-market competition”, he continued. “Someone wins; someone loses. Now, if you start, you know, crying your head off because some people are taking advantage of your misery, I mean it’s your own responsibility to turn things around. C’est la vie. It’s a matter of thinking”, he stated.

Such language typifies the extraordinarily privileged and fascistic layers, both in Greece and internationally, who are dictating Europe’s austerity measures. Stavridis’s comments were made as more details emerged on the scale of the social tragedy that has been unleashed against the working class population.

A report by the Labour Institute of the GSEE trade union federation, to be issued in full later this month, states that 1 million jobs have been lost since 2009. Unemployment now officially stands at nearly 28 percent, with 1,381,088 people out of work. In same month in 2009, 452,465 were jobless.

The institute found that 37 percent of the unemployed rely entirely on support from their families. Due to changes designed to slash welfare costs, only 12 percent of the unemployed receive any unemployment benefit. Some 24.6 percent of the unemployed rely on dwindling avings and 9.3 percent are forced to rely on friends for help.

The survey found that 60 percent of those who are jobless suffer from long-term unemployment. The creation of such an enormous body of reserve, cheap labour has resulted in 55 percent of the unemployed now willing to work for any salary and 53.7 percent of men and 38 percent of women prepared to move location for work.

The study found that workers have already lost about one quarter of their previous purchasing power. It forecasts that if high unemployment continues to result in lower wages overall, half of workers’ purchasing power will be lost in 2014.

In just three years, wages of salaried employees and the self-employed have fallen by an astonishing €41 billion.