

# Greek Prime Minister Tsipras selects pro-austerity cabinet

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The cabinet chosen by Greek Prime Minister Alexis Tsipras, following his re-election on Sunday, confirmed his government will act as an austerity-enforcing regime on behalf of the global financial elite.

Syriza will again form a government with the xenophobic Independent Greeks (Anel) which received 200,420 votes, just above the 3 percent threshold required to enter parliament. Anel leader Panos Kammenos retains the vital position of defence minister.

In total 17 ministers retained their portfolios from the previous January-August Syriza-Anel coalition government.

A key appointment by Tsipras was retaining Eucleides Tsakalotos as finance minister. After several months of negotiations, following Syriza's election in January, Tsakalotos was put in charge of the talks in July and signed off on every austerity measure demanded by Greece's creditors—the European Union, European Central Bank and International Monetary Fund.

In return for enforcing austerity, Greece will be allocated up to €86 billion, up to 2018, to pay back its debts to the banks.

George Chouliarakis, another figure central to striking the agreement on the austerity programme, was made deputy finance minister.

George Stathakis was reappointed economy minister, charged with rushing through agreed “structural reforms.”

Welcoming the appointments, the *Financial Times* stated they were “a sign of [Tsipras'] government's commitment to a tough new austerity programme.”

The *Times of Change* website noted that Tsakalotos' remaining in his position was “a gesture toward creditors that the government is determined to

implement the agreement with a minister with whom Greece's partners have made clear they can do business.”

The only significant changes to the cabinet were due to the absence of those once part of Syriza's Left Platform faction. The Left Platform, including its leader and energy minister in the last government, Panagiotis Lafazanis, resigned from the party in August and set up Popular Unity. Standing in the election Popular Unity received just 155,240 votes, failing to win parliamentary representation.

Tsipras is committed to imposing the austerity memorandum, the harshest yet imposed in any country, over the next three years. But the Syriza-Anel regime has no popular mandate to impose further austerity. Nearly half the electorate (46 percent) did not vote in the election, even though voting is mandatory.

Further, the population voted in the June referendum by a landslide to reject the savage austerity programme that Syriza is now going to carry out. Fearing the eruption of mass opposition Tsipras charged Tsakalotos with reaching a rapid agreement with the troika within hours of the anti-austerity vote, in direct defiance of the will of the population.

As a result of this betrayal, some 1.6 million people who voted against austerity in the July referendum were confronted with parties openly committed to mass austerity, and refused to vote for any of them.

Figures show that Syriza and the other pro-austerity parties lost 887,714 votes since January's election. Syriza lost 320,000 (15 percent) and New Democracy lost 192,500 (11 percent). Anel lost 93,000 votes, The River lost 151,758, while the PASOK/Democratic Left alliance lost 130,456 votes in comparison to their votes in January.

Syriza's re-election does nothing to resolve the

enormous economic and social crisis in Greece. The so called Coalition of the Radical Left has agreed to bail out the banks while also imposing even deeper levels of austerity that will inevitably provoke mass resistance.

Since the first troika programme was passed in 2010 by the then PASOK government, Greece has been effectively under the control of Brussels and Berlin. The July agreement enforces this stranglehold, with the Tsipras government unable to pass a single law without the say-so of the troika. According to its terms, it “must agree with the [troika] on all actions relevant for the achievement of the objectives of the memorandum of understanding.”

Under the agreement, the first task of the government is to stem the collapse of the banks. Greece’s main four banks and others will be immediately bailed out and recapitalized by up to ?€25 billion.

Within the next several weeks a “supplementary” 2015 austerity budget must be produced and another drafted for 2016.

Ahead of the arrival in Athens next month of a troika austerity “review” squad, a raft of pension cuts must be legislated to take effect from January. These must save 0.25 percent of GDP in 2015 and a further 1 percent of GDP by 2016.

A “solidarity grant”, used to top-up low paying pensions, is to be legislated for removal. The retirement age for new pensioners will rise to 67 years and early retirement schemes will be cut.

Labour market reforms must also be drawn up, giving companies the power to impose collective dismissals and slash remaining collective bargaining laws.

Dozens of prior actions must be carried out by the end of 2015, including adopting scores of measures to open up “restricted professions” to competition. Fifteen actions must be in place by the end of October.

Central to the troika’s plans for Greece is the completion of privatisation programmes in which up to ?€50 billion in state assets are to be sold off. Fully ?€6.4 billion of state assets must be sold by 2017. Virtually everything of any value owned by the state is to be handed over in a fire sale to the international financial oligarchy.

Among the most desired acquisitions are the profitable and geo-strategic ports of Thessaloniki and Piraeus. According to figures published this week, Piraeus recorded the highest percentage increase in

container traffic between 2009 and 2013 among 50 ports worldwide.

The agreement also stipulates that the process to sell off the national electricity transmission grid must be underway by October. Government stakes in the water supply, telecoms, the postal service, motorways, the ROSCO railway and a dozen airports will be auctioned.

The Greek state will not receive a penny of the proceeds, as they will be sent to a privatisation “trust” under the control of the “relevant European institutions.”

Some €25 billion of these funds are reserved for bank recapitalisation and another 25 percent will be handed over to creditors, as part of paying off Greece’s ?€300 billion foreign debt.

The poorest in society are to face further brutal cuts. Those on less than €12,000 a year will be hit by a four percentage point tax increase from 11 to 15 percent. Those on more than €12,000 will face an increase from 33 to 35 percent.

Figures published this week by the OECD found that Greek household income has fallen by 27.5 percent since 2007.

Recent figures published by the GSEE trade union federation found that average Greek pension is now €833 a month, down from €1,350 in 2009. Pensions were slashed by an average of 27 percent between 2010 and 2014. Forty-five percent of pensioners now receive monthly payments below the official poverty line of €665.



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