

# Tsipras wins confidence vote in Greek parliament

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Greek Prime Minister Alexis Tsipras won a confidence vote early Thursday in the Greek parliament, paving the way for the passage of the first austerity budget of the Syriza-led government.

The coalition of Syriza and the right-wing Independent Greeks received the backing of all of its 155 members, securing the vote's passage in the 300-seat Greek parliament. Over the next weeks, votes will be taken in parliament on the numerous spending cuts outlined in the budget. By October 15, some 48 "prior actions" must be made law.

The confidence vote was part of a three-day process that began Monday when Tsipras presented the budget draft. It contains sweeping austerity measures that the Syriza-Independent Greeks coalition is pledged to enforce as a result of the July agreement with Greece's main creditors, the European Union, European Central Bank and International Monetary fund.

The budget unleashes the next round of savage cuts against an already impoverished population. Last month the OECD published findings showing that average Greek household income has fallen by 27.5 percent since 2007.

The legislation imposes a €4.3 billion package of fiscal and structural reforms, including the further slashing of pensions, new tax increases, privatisations and the opening up of many sectors of the economy to private competition.

Greece will remain mired in recession, with the *Financial Times* noting that the "bleak draft budget for 2016" predicts that the economy would shrink by 1.3 percent overall next year on top of a projected 2.3 percent decline this year. It adds, "The draft stuck closely to the targets set in Greece's €86 billion third bailout agreed with creditors in August, including a primary budget surplus—before debt repayments—of 0.5

per cent of national output after a deficit of 0.24 per cent in 2015."

The loans Greece is to receive in exchange for carrying out savage cuts in living standards, as in the case of all previous ones, only worsen Athens' economic crisis. Greece's foreign debt is more than €315 billion and rising. The *New York Times* commented Monday, "The draft budget also expects the central government's debt to rise to 198 percent of gross domestic product next year, from 187.6 percent now. The new bailout loans account for much of the increase."

On Monday, the finance ministers of the eurozone countries, the Eurogroup, met in Luxembourg. At the meeting, Greek Finance Minister Efklidis Tsakalotos outlined 48 "prior action" milestones that are part of the draft budget. Athens must pass at least 60 "prior actions" in parliament before the year's end.

The Eurogroup top official, Jeroen Dijsselbloem, declared his support for Tsipras' pro-austerity regime. Hailing July's austerity agreement, he said, "Maintaining that attitude for reform is crucial to regain trust in and outside Greece, so crucial for economic recovery."

Since Greece was transformed into a test bed for austerity throughout Europe, every aspect of government policy has been overseen by officials of the troika stationed in Athens.

Syriza campaigned and won substantial support in the January elections for its pledge to end the troika's monitoring operation. However, as with all its pledges this was thrown out in the July agreement.

Troika officials will arrive in Athens Thursday. Greek daily *To Vima* noted that the European Central Bank, European Commission and International Monetary Fund teams will "monitor the implementation of

milestones as set out by the Eurogroup and to prepare for the program review scheduled for the end of October. Specifically, technical teams specialized in pension systems, public administration, privatisation and energy will work in Athens for a week.”

It added, “Afterwards new teams will arrive to deal with finances, the budget and the banking system.”

According to the newspaper, depending on the extent of austerity imposed, “the heads of the missions—Declan Costello (EC), Rasmus Refer (ECB) and Delia Velculescu (IMF)—may visit Athens for a series of meetings with the Greek government.”

In December the Troika will conduct a review of the entire austerity package. If the review satisfies the European authorities, Greece will receive €6 billion in loans, with virtually all this finding its way back to the banks and private sector. *To Vima* reported that a successful review will “unlock one billion euros that was approved in August by the Eurogroup and five billion euros from the new tranche. This will be used to pay off the €1.6 billion due to the IMF in December and January, support the public investment program... and settle part of the State debts towards the private sector.”

By the middle of December, Athens must also finalise the recapitalisation of Greece’s bank by up to €25 billion. Without the bailout of the banks, the entire loan agreement will be voided.

The budget was passed just days after the outgoing president of the Hellenic parliament, Zoe Kostantopoulou, issued the final report of the “Truth Committee on the Greek Debt.”

It covers the extent of the brutal attacks on the working class and poor in Greece, contained in Syriza’s Third Memorandum programme.

The report notes, “The Third MoU [Memoranda of Understanding] that accompanies the August 2015 loan agreement, just like the previous ones of 2010 and 2012, transfers the weight of structural adjustment to the Greek society. As a result, the Third MoU will increase poverty, class polarization and social exclusion.”

It states the contents of the latest MoU “are of equal or greater social and fiscal impact as compared to the preceding ones.”

The report details how the MoU, “Eases attachment and garnishment processes in favour of tax authorities

and banks. This is to be achieved through the elimination of the existing 25 percent ceiling for the attachment/seizure of wages and pensions and by lowering all thresholds of 1,500 euros. This measure will trigger a new wave of seizures on wages, pensions and deposits.”

Whatever criticisms Kostantopoulou and the commission now make against the MoU, Syriza and Tsipras, she and the political forces she is aligned with also bear central responsibility for the disaster the Greek working class confronts.

While making a few grumbles between February and July, as Tsipras and his finance ministers, Yanis Varoufakis and Tsakalotos, drew up the MoU with the troika, Kostantopoulou remained in the leadership of Syriza.

When it became clear that Tsipras would no longer tolerate even token criticism of the austerity deal being finalised, Kostantopoulou resigned and gave her support to the members of Syriza’s former Left Platform faction, who then founded Popular Unity.

Kostantopoulou stood on Popular Unity’s ticket in last month’s election but was not elected, as they were unable to gain any mass support, winning just 2.8 percent of the vote. The Left Platform was correctly viewed by most as being culpable in Syriza’s betrayal of the anti-austerity programme it was elected on in January.



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