European Union steps up financial pressure on Greece

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Eurozone finance ministers announced a further delay in agreed loan payments to Greece after negotiations on Monday. The release of the next tranche of €2 billion was made dependent on the Greek government implementing additional reforms within a week, a joint statement declared.

In addition to the €2 billion to flow into Greek state coffers, which will above all go towards paying back loans and interest due, the Greek government is awaiting release of €10 billion for the recapitalisation of the country's banks.

Athens is attempting to complete the recapitalisation this year, because from January 1 new EU banking guidelines come into force. These make possible the use of savings above €100,000 for bank capitalisation and would therefore completely alter the conditions of recapitalisation. To avoid this, Greece must reach an agreement with its creditors before December.

"Time is limited, we need to complete that first set of milestones," said Eurogroup President Jeroen Dijsselbloem. "It needs to be done very quickly and also some of the prior actions for example regarding the governances of the banks, the future governance, needs to be sorted out, so there is a lot of time pressure, but also on the optimistic side a lot of work has been done and is being done."

German Finance Minister Wolfgang Schäuble also made clear that differences remained, above all on the issue of bankruptcy law. This had been a "clear condition" of the agreement reached this summer of up to €86 billion. Schäuble said the chances were "that we will take a step forward." But he was "still a bit cautious" about predicting a breakthrough.

The new regulations for bankruptcy law are aimed above all at enabling banks to forcibly seize apartments and houses used as a primary residence. Currently, banks are legally prohibited from throwing delinquent debtors onto the streets. This currently applies to 320,000 households.

The government and creditors disagree on which groups should continue to be protected from forced repossessions. The Greek government's latest proposal, to protect families with three or more children up to a value of €300,000, was rejected by the so-called institutions, made up of the EU Commission, European Central Bank, the EU's permanent bailout fund (ESM) and International Monetary Fund. The institutions are in favour of permitting forced repossessions by the banks for properties valued at €120,000.

The new regulation of bankruptcy law is certain to lead to a further deterioration of social conditions in Greece. The government, composed of the pseudo-left Syriza and right-wing populist Anel, has long agreed that the protection of homes for tens of thousands should be lifted, thereby dramatically increasing the numbers of homeless, while at the same time making billions available to the banks.

Security has been sharply increased at Greek courts, because it is widely anticipated that an increase in forced repossessions will lead to resistance in the courtrooms. The dispute with the creditors is only over details in the new law.

Syriza Prime Minister Alexis Tsipras urged his ministers at a cabinet meeting on Tuesday to reach an agreement with the creditors this week. An agreement had "top priority," according to Tsipras.

Along with the bankruptcy law, an agreement on the increase in sales tax on private schools must be reached. Syriza had already agreed to this, only to declare during the election campaign that it would enter further negotiations.

Tsipras has left no doubt over recent months that he is committed to severe social attacks in order to guarantee Greek solvency and its membership in the EU.

On Friday Parliament adopted a massive increase in taxes paid by agricultural workers for diesel. Whereas they previously paid €66 per tonne of fuel, it will now cost €200. The way was also cleared for the privatisation of the profitable port of Piraeus, and further pension cuts were imposed.

It is obvious that such policies will further deepen the recession and worsen social misery. According to the latest figures, the EU Commission and the Organisation for Economic Cooperation and Development (OECD) predict an economic contraction of 1.4 percent this year and 1.2 to 1.3 percent in 2016.

The government's discussions with the creditors about one or another aspect of the agreement are nothing more than the attempt to present government policy in a better light in the face of mounting opposition from the population. This is becoming increasingly difficult, even for Syriza. Opposition is growing in the working class.

The two main trade unions, GSEE and ADEDY, have called for a general strike. Since the announcement, a growing number of individual trade unions have joined the call. Subways, buses and ferries will not run. Museum workers as well as public servants intend to participate in the protest. Hospitals will operate on an emergency basis.

Agricultural workers have also announced the plan to come to Athens with their tractors to demonstrate against the tax hike.

The trade unions, which are led by representatives of the conservative New Democracy (ND) and the social democrats (PASOK), have played a central role in the past in demobilising the resistance among workers to austerity policies and directing it into safe channels. But in spite of this, the strikes at the end of the week could become, despite the unions' intentions, the spark for renewed opposition.

The issue of refugees is emerging as a central social problem in Greece. Syriza has not only reassured the EU that it will impose the attacks on Greek workers. It has also promised to go to great lengths to prevent refugees from crossing the land border from Turkey to enter the EU.

The establishment of so-called arrival centres close to Greece's external border, where refugees are to be confined and then deported as quickly as possible, is supported by Syriza. Syriza's harsh attacks on Greek workers go hand in hand with the brutal measures against refugees.