Syriza agrees to further austerity measures

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18 October 2016

The Eurogroup of eurozone finance ministers approved the release of €2.8 billion to the Greek government last week, after the Syriza-led coalition met the deadline for implementing further austerity and privatisation measures.

?he bulk of the latest measures were fast-tracked through parliament in a so-called "multi-bill" at the end of September. They are part of the overall bailout package outlined in the "Memorandum of Understanding" Syriza signed in August 2015 with the European Union (EU), the European Central Bank (ECB) and the International Monetary Fund (IMF)—the so-called "troika." This agreement marked the pseudo-left party's final betrayal of the landslide rejection of austerity by Greek workers and youth in the referendum held a month prior.

The funds will be released in two tranches—€1.1 billion immediately, and €1.8 billion at the end of the month, on condition that Athens provide the necessary data linked to the payment of arrears for which the money is earmarked. Greece's state debt is still over €300 billion.

One of the new measures is a universal 6.95 percent levy on gross income for public health care, which, from the start of next year will replace all concessions and discounts previously available to certain groups of people. One such group are the self-employed, who currently pay a flat monthly fee of €90 to receive health care coverage. This means that from next year, a self-employed worker on just €20,000 a year will pay nearly €116 euros a month, almost a third more. Farmers will be hit hard: the new levy on health will nearly double their current contribution.

The multi-bill earmarks a series of state-owned companies for privatisation, including the Thessaloniki and Athens Water Supply and Sewerage Companies, the Public Power Company, the Athens Metro and ELVO—a bus and army vehicle manufacturer. The sale of these assets will be overseen by the Hellenic Company for Assets and Participation, a "super-fund" established in May to which all Greek state assets will eventually be transferred, to be sold off. A brainchild of German Finance Minister Wolfgang Schäuble, the super-fund is to have a life span of at least 99 years; half of all its revenues are to go to service Greece's debts, and the rest to "the development and investments of the fund."

The chair of the Supervisory Council has been named as Jacques Le Pape, a former aide to IMF Chief Christine Lagarde while she was French finance minister. Another leading figure involved is a former head of the IMF Mission to Brazil, David Vegara, more recently a senior figure in the European Stability Mechanism Fund.

In a speech to Greek parliament a few days before the bill was passed, Syriza Finance Minister Euclid Tsakalotos said that while the fund could theoretically be used as a vehicle for privatisation, he saw it as a tool for "restructuring" Greece's public assets "in the interests of the Greek people."

"We are not obliged to carry out privatisations," he declared, vowing that water and electricity will remain in public hands "so long as we're in government." He suggested that as finance minister, he can veto any prospective privatisation proposals. Such rhetoric is worthless from a government that came to power in January 2015 vowing to end austerity, only to sign a third bailout agreement with the troika eight months later. Were Tsakalotos to exercise his veto, Greece's creditors would again pressure Syriza to do its bidding, by threatening to push the country into bankruptcy.

The global financial elite view Syriza as a reliable partner in enforcing austerity. Just how far the Syriza-led government went to accommodate Greece's creditors is underscored by the praise heaped on Tsipras and Syriza after last week's Eurogroup meeting. EU

Commissioner on Economic and Financial Affairs Pierre Moscovici praised Syriza's "tremendous work" in implementing "difficult reforms for the Greek economy and society... I think we must recognise those efforts."

The "efforts" referred to by Moscovici are seven years' of unprecedented social carnage. Since the eruption of the financial crisis in 2008, Greece's economy has shrunk by almost 30 percent—a decline unparalleled in peacetime, outside the collapse of the economy of the former Soviet Union amid the restoration of capitalism in the 1990s. The three austerity programmes imposed on Greece since 2010 led to a 40 percent cut in pensions and wages, as taxes were hiked by around 25 percent. Now, 30 percent of Greeks report that they cannot afford to heat their homes in winter.

A Doctors of the World report states that budget cuts to health care have led to a humanitarian crisis, with 25 percent of Greeks no longer having any access to health coverage and a 51 percent increase in infant mortality in the last three years.

A main factor for this is the country's high unemployment rate of 28 percent overall and 50 percent for youth under 25. This has slashed social security payments to Greece's contributory-based public health system, while the health care budget was also cut in half. This led to an extreme rationing of health care, with hikes in out-of-pocket expenses and access to health care for the unemployed being limited to a maximum of 12 months.

Syriza is now widely despised. In a two-week poll conducted for Syriza-affiliated newspaper *Avgi,* nine out of 10 voters expressed dissatisfaction with Syriza. Most recent polls show Syriza's approval rating has plummeted to 15 percent, nearly 6.5 percent below the conservative New Democracy.

As the measures enacted this year begin to take effect, there is every prospect that there will be an explosive growth of the class struggle. A foretaste of this was seen two weeks ago in Athens, when riot police brutally attacked a protest by Greek retirees in Athens against recent pension cuts.

With private sector economists predicting anaemic economic growth of 0.6 percent for 2017, there is already talk in some quarters of a fourth bailout package by 2018. At the Thessaloniki Summit, Zsolt Darvas, a senior economist at the Bruegel Institute, stated, "there will be a fourth financial assistance programme," as "Greece will not be able to borrow from the markets."

Syriza is desperate to negotiate a haircut of Greece's gigantic debt of €330 billion, over 180 percent of GDP. This has proved to be a sticking point for Berlin, which has rejected any talk of a haircut before 2018. The IMF, whose role in Greece's third bailout has not yet been formalised, supports a haircut in return for further attacks on the workers. In particular, as a condition for its participation in the austerity programme, the IMF demands the legalisation of lock-outs, the end of collective bargaining, and stripping away legislation protecting workers against unfair dismissal.