Statement

Greece: What's in the new Memorandum? – "A list of atrocities."

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Presentation:

Greece's Prime Minister Alexis Tsipras won a parliamentary vote approving his harsh austerity agreement with the European authorities, but not without facing a rebellion of members of parliament from his own left-wing party SYRIZA. As SYRIZA's Left Platform argues, Tsipras turned Greece's huge "no" vote against European blackmail in the July 5 referendum into a "yes" to a third Memorandum—the term used to refer to the drastic austerity measures agreed to by previous governments in return for a bailout of the financial system.

The Red Network is an alliance of socialist organizations that is a leading force in the Left Platform. With their leaflet distributed on the day of the parliamentary vote and general strike call, the Red Network included this list of the measures included in the new Memorandum.

Socialist Worker

What's in the new Memorandum?

"A LIST of atrocities." That is how the German magazine *Der Spiegel* described the new agreement. "Tsipras submitted to 'mental waterboarding'" read the headline of the *Guardian*. Tsipras was like "a beaten dog" in Brussels, according to Bloomberg. These are the comments inspired by a humiliating agreement of extreme social cruelty and colonialist character. It is telling that the measures that will be immediately submitted to parliament are not the entire Memorandum, but only a "down payment" in order to secure financing. The complete Memorandum will be agreed to in a new, exhausting and humiliating round of discussions, which will last up to a month!

What is included in the agreement?

1. The IMF does not leave. Greece is committed to ask for the "support" of the bloodthirsty organization from March 2016 (when the current financing agreement with the IMF expires), in questions of supervision, as well as financing!

2. The base of the value-added sales tax is broadened in order to increase revenues, with food bought in restaurants transferred to the highest tax rate. The hated Unified Property Ownership Tax (ENFIA) remains in place for the entire duration of the program. It will amass revenues of 2.65 billion euros annually, according to the projections of the previous government, regardless of dwindling real estate values!

3. No more collective bargaining agreements. For those who don't understand the formulation about conforming to "best practices and EU directives" as mentioned in the agreement, there is also the clear-cut formulation, "Labor market policies should not return to past policy settings which are not compatible with the goals of promoting sustainable and inclusive growth." Massive layoffs are explicitly foreseen.

4. An "Armageddon" in the state pension [Social Security, in U.S. terms] system:

— The Loverdos Act 3863/2010 reducing main pensions is fully implemented.

— The zero-deficit clause is implemented, thus reducing auxiliary pensions. This applies proportionally for lump sum payments as well.

— Strong discentives regarding early retirement.

— The Pensioners' Social Solidarity Benefit (EKAS) is gradually abolished by 2019.

— Minimum pensions are frozen at current levels until 2021.

— With minimal exceptions, the retirement age ceiling is increased to 67 years by 2022, or to 62 years for those with 40 years of contributions to social security.

— All retirees after June 30, 2015, will receive just the basic pension and the rest of it following the completion of their 67th year.

— Implementation of commensurable measures that will compensate for the cost of court decisions that acquitted pensioners who filed against the constitutionality of laws from 2012 onwards.

— Contribution by pensioners to health funds is increased from 4 percent to 6 percent, something also applicable to auxiliary pensions.

— Abolition of all existing social resources.

— Unification of various funds by the end of 2015 and functional unification by December 31, 2016.

5. Real estate property worth 50 billion euros will be transferred to TAIPED (Public Utilization Fund of Private Properties), which gains full autonomy from government interference. This property will be liquidated to pay back the debt and recapitalize the banks. In current price estimates, half of the Peloponnese is estimated at 50 billion. Twenty-five billion will certainly be channeled towards debt repayments (it is, of course, doubtful that this figure can be amassed). It is a lie that this fund will function under exclusive Greek control; the fund "will be managed by the Greek authorities under the supervision of the relevant European institutions."

The worst part is that the decision makes no mention of public property, but of "Greek assets," which can also mean bank property (real estate and savings), but also cultivable private land.

6. Any government involvement in running the banks is prohibited. Thus, the last instrument of some form of independent policy on the part of the public sector is forbidden. The banks will be recapitalized in order to hand them over to the private sector!

7. Forget the ADMIE (the Independent Power Transmission Operator). Electricity distribution is handed over to big capitalists, with all the consequences this entails for the energy security of the population, the quality of service and, most importantly, the price of electricity.

8. The activation of automatic mechanisms of public spending cuts are foreseen in case of deviation from goals regarding primary surpluses (everyone knows the goals are unrealistic, so new cuts—in pensions, wages, social welfare programs, etc.—should be considered inevitable).

9. Sunday is explicitly a working day from now on.

10. A "great success" in the agreement is the liberalization of closed professions as prescribed by the agreement. The only ones mentioned in it are passenger and vehicle ferryboat services in order to allow the entry of foreign capital into Greek shipping.

11. What remains of popular und national sovereignty has vanished. The cynical passage in the agreement reads: "The government needs to consult and agree with the institutions on all draft legislation in relevant areas with adequate time before submitting it for public consultation or to parliament."

12. Excluding the humanitarian crisis law, all other measures adopted by the government in the last five months must be revised. The re-hiring of the cleaning workers at the Ministry of Finance, of workers in public television, school guards and other municipal workers are all up in the air.

13. The financing needs of the resulting bailout will approach 90 billion euros, according to the agreement. Indeed, what will be the ratio of debt to GDP, especially under a SYRIZA government?

14. If any part of the agreement does not proceed as expected, the fault will lie exclusively with Greece.

15. The agreement admits that there are concerns regarding the sustainability of Greek debt. But where does the problem with the debt lie? "This is due to the easing of [austerity] policies during the last twelve months, which resulted in the recent deterioration in the domestic macroeconomic and financial environment." Subsequently, any "haircut"—that is, a restructuring and reduction—of notional debt is ruled out. Only longer grace and repayment periods are envisaged. The next generations are certain to be slaves in a future debt colony.

16. Investment package: This is not worth 35 billion euros, as supporters of the agreement have written boastfully. In the next five years, the European Commission, in tandem with the Greek authorities, will "mobilize" sums up to 35 billion (via different European programs) for investments. Even if some of this money is made available, we know where it will end up. The only guaranteed money envisaged for investments is…1 billion euros, a sum that—even if adequately managed by the government—is truly ridiculous in a country with a 27 percent unemployment rate.

Red Network

P.S.

* http://socialistworker.org/2015/07/20/whats-in-the-new-memorandum

* Translation by Leandros Fischer.