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Greece

Moment of truth for the Third Memorandum

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We've reached a point where we might well say, "Enough with the jokes already!" I'm referring to the silly talk about the supposedly positive "compensatory" measures to protect the poor that will flow from the new austerity program.

In reality, we've reached a moment where the truth of the Third Memorandum will be exposed to the light of day. The government will have to sign an agreement with the creditors, and parliament will have to adopt deadly measures concerning social security, taxes, wages and hiring in the public service sector, as well as unpaid mortgages.

The creditors enacting this agreement will deal a serious blow to both social and labor rights. Daily life in Greece will become that much more difficult for workers and the poor. At the same time, this agreement doesn't include any measures that threaten the interests of the capitalists—the part of society that hasn't suffered during the crisis. Instead, they have increased their profits and accumulated even more wealth.

The creditors' anti-social cruelty will come to light as soon as the measures concerning social security become known. They constitute an unprecedented attack on the most vulnerable people among those covered by social programs—people who aren't able to demonstrate their right to a full pension, because of a period of unemployment among other reasons.

Until now, people in this category had expected to receive at least the minimum pension benefit, which up until August 2015 had stood at 486 euros a month. The SYRIZA government reduced the minimum to 392 euros a month under measures proposed by the Minister of Social Security, Pavlos Haikalis, of the conservative Greek Independents (ANEL).

The agreement under discussion would further reduce the minimum benefit to 346 euros a month. Whole sectors of the working class who are employed intermittently in seasonal or construction jobs, for example, will suffer a 30 percent reduction in their retirement pensions compared to 2014.

Another example of the social violence being committed by the government is the agreement to reduce EKAS [a type of social insurance allowance for the elderly and disabled] even faster within the next six months, including eliminating benefits for widows under the age of 55.

Many women—who capitalism have forced to stay locked within their homes in the name of expanded reproduction for the working-class family—will be forced to survive until reaching this age without any other form of income if they lose their husbands, something that often happens as a result of workplace-related accidents and diseases. Worse still, it's impossible for working-class women to find work when there is an unemployment rate of 38 percent in the sectors most reliant on unskilled women's labor.

This brutality will affect the entire working class, but pro-government press downplays everything. Ethnos (The

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Nation) reassures everyone of "up to a thousand euros"â€"a blatant falsehood, and the popular news site EF.SYN describes the measures as "just a bit of a retreat."

These statements demonstrate that the promises made by the very popular Minister of Labor, Social Insurance and Social Solidarity Georgios Katrougalosâ€"who declared that "The pensions will not be reduced"â€"are simply a thing of the past. Even after 40 years of work, a 67-year-old retiree in Greece can't expect to receive more than 1,000 euros a month in total allowances.

The meaning of this policy is quite clear: with SYRIZA's stamp of approval, the various thefts perpetrated by the capitalist class will ultimately be paid back, over a period of time, by current and future retirees.

The measures concerning taxes reveal a situation that is equally cruel. The value-added tax (VAT) rate [a consumption tax that hits working people and the poor hardest] is set to rise above 24 percent on bills for water and electricity. As a consequence, thousands of families will be forced to live without these necessities.

Previously, the income tax didn't apply to the lowest of income brackets. This is no longer the case today. The government has proposed a tax exemption for those making up to 9,100 euros a year; but the creditors want to lower the threshold to 8,200 a year. Based on these figures, the greater part of the tax increase, estimated at 1.8 billion euros for the years of 2016, 2017 and 2018, will be paid by taxpayers who have an annual incomes of between 9,000 and 20,000 euros.

Conversely, the government and creditors seem far more concerned with taxation on the most privileged. The proposal to tax profits on OPAP [an organization that controls gambling on football games] has been completely forgotten, even though this could bring in 500 million euros. A similar fate seems to await the proposal to tax overnight staysâ€"in five-star hotels, for exampleâ€"following a barrage of statements that this would deal a "fatal blow to Greek tourism enterprises."

The ruling class secured complete protection for its privileges, even as it continues to excitedly assert that sacrifices are necessary from everyone for the "good of the nation"â€"with just a few certain exceptions. Chief among the "exceptions" are those who deposited impressive amounts of money into Swiss banks, as revealed by the "Lagarde list" of wealthy Greeks with overseas assets or the Panama Papers. [\[1\]](#)

It's clear that the SYRIZA government is participating in the social brutality toward those at the bottom while treating those at the top with kid gloves.

Anyone who has doubts on this score need only consider the meaning of Alexis Tsipras' invitation to the honorable Messrs. Evangelos Marinakis [the president of the Olympiakos professional soccer team, who has a particularly dubious business reputation] and Dimitris Melissanidis [a major player in the petroleum industry, principal shareholder of the Greek sports betting company OPAP and owner of the professional soccer team AEK based in Athens] to meet with him at Maximos Mansion, the prime minister's official residence.

These two are the exactly the sort of characters who SYRIZA used to disparagingly refer to as "underground contractors" in the pastâ€"and who the party promised to neutralize once coming power. Today, they are invited to participate in a "dialogue" under the supervision of SYRIZA and the government. The fact that this comes at a time when violence is erupting during football matches, leading international bodies to intervene, speaks volumes.

The current government has been cultivating these relationships shamelessly, as part of a project to confront

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corruption and conflicts of interest in the spirit of "entrepreneurialism." O tempora, o mores!

The agreement with the creditors includes other harsh measures, including the abolition of any protection for unpaid mortgages, which will lead to large numbers of evictions, and wage cuts and strict limits on hiring in the public sector.

Differences among the European Union, European Central Bank, European Stability Mechanism [an intergovernmental organization that specializes in eurozone finance], the International Monetary Fund and the Greek government have resulted in a delay in signing the agreement. However, this time, the government took part in the negotiations without displaying the least sign of resistance.

Two factors explain the delay.

First, there are differences among the international institutions themselves—for instance, between the IMF and the European part of the quartet. For example, German Finance Minister Wolfgang Schäuble has made it clear that he would not discuss the possibility of easing Greek debt while the IMF, on the other hand, stresses that the Greek government must take more drastic measures for the program to be "viable."

This grueling process reflects the crisis of leadership among the governing bodies of the EU. The day after negotiations over a new agreement fell apart on April 12, Martin Schulz [president of the European parliament and member of the Social Democratic Party of Germany] repeated his formula concerning the danger of a "collapse of the eurozone." He then appealed to leaders of the EU to take bolder action under these conditions of "sharp polarization."

Second, in order to be effective, the "drastic measures" demanded by the IMF require the establishment of a stronger political power in Greece. The institutions now know that Tsipras cannot apply them alone with only 153 members of parliament in the SYRIZA-ANEL government.

Thus, the creditors are presenting their demands in completely blunt language to Finance Minister Euclid Tsakalotos and Economy Minister Giorgos Stathakis. They are sending a message that they want to accelerate political change—that is, they are pushing Tsipras to broaden his parliamentary base by opening up his government to more centrist and conservative parties. In turn, this broader-based government would take on the responsibility of applying the Third Memorandum.

Workers and popular forces should expect nothing from these negotiations that are capturing headlines. Instead, their determined entrance into the social and political landscape—beginning with an absolutely necessary 48-hour strike against pension reforms—is an essential prerequisite if we want to defend our rights and achievements. [2] The immediate goal should be the repeal of all the Memorandums!

Looking ahead, the mobilizations in France [3] indicate the potential for changing the political agendas set by the highest echelons of our governments.

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[1] [BBC News](#).

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[2] See [ekathimerini](#).

[3] See [Nuit Debout: let the gems sparkle.....](#), [France rises up in the night](#) and [March 31: a new step towards a general mobilization against the labour law](#).