

<https://internationalviewpoint.org/spip.php?article2362>



Greece

No to the 50% haircut, no to the new occupation. Cessation of payments and debt audit!

- News from around the world -

Publication date: Thursday 3 November 2011

Copyright © International Viewpoint - online socialist magazine - All rights reserved

In the early hours of the 27th October, the Eurozone leaders reached a decision marking the tightening of the public debt's grip over the Greek people. The proposed haircut of the public debt held by the private sector will not resolve Greece's debt problem, whilst instead it brings new burdens. The reasons are plenty:

1. The haircut will be accompanied by new loans, worth EUR 130bn, leading to a less than promised debt reduction.
2. The debt reduction is small and unequally distributed, given that the "troika's" bailout loans (worth EUR 65 bn), as well as the bonds held by the ECB (worth EUR 55 bn), are exempt.
3. Pension funds will suffer a blow worth EUR 11.5 bn, which implies that debt restructuring actually means a reduction of pensions and social provisions.
4. The new, guaranteed bonds that will replace the old ones will not be contracted under Greek law, resulting in a more favourable position for our creditors.
5. The haircut will be accompanied by new austerity packages, reductions in wages and mass dismissal of public sector workers, which will push the Greek people further into poverty.
6. As a guarantee, Germany and the EU essentially demand that Greece operates under reduced national sovereignty and in practice impose a new Occupation, following the appointment of a Gauleiter in each important ministry and department.
7. The agreement itself is stillborn and far from complete, given that the expected agreement with the banks is not guaranteed, similarly to the agreement of the 21st of July, which the governments hailed as a great success.
8. The results are highly questionable since, contrary to the government and EU proclamations, the reduction of debt to 120% of GDP by 2020 will not make it sustainable. If this level were sustainable, then why is Italy, whose debt today is equally high, being called to reduce it? Any why was Greece in 2009, with a debt ratio significantly lower than that, forced to accept the bailout package?

For all of the above reasons, the decision of the Eurozone's leaders is unacceptable, and must be overturned through the Greek people's struggle. The selective haircut, which leaves the illegal loans of the troika untouched while it leads the pension funds to catastrophe, shows how necessary are the cessation of payments to our creditors and a democratic, worker-led debt audit. This audit will show which part of the debt is illegal, illegitimate and unconstitutional, and thus it will prompt its cancellation. Debt cancellation is based on the sovereignty of the Greek people, who will force creditors to accept its terms.

On Friday 28th October the Greek people celebrated their resistance to the Axis powers in 1940. The majestic and determined actions of the people, which marked this anniversary, show the way to rid ourselves of the creditors' shackles and end the new Occupation that they attempt today. The Debt Audit Campaign's conference planned for the near future, aims to be a step in our society's struggle to cancel the illegal, illegitimate and unconstitutional debt!