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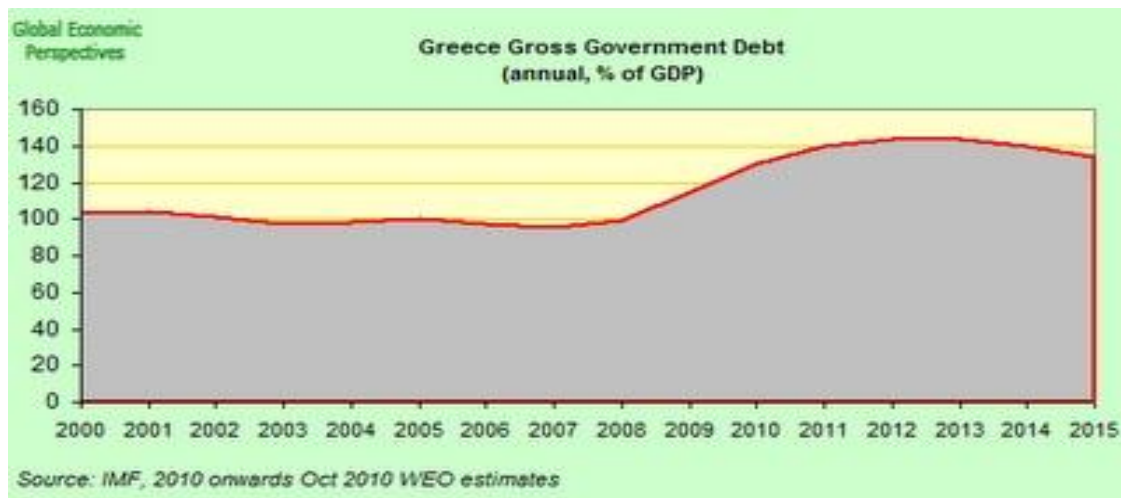
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# 1. General Context of Greece prior to the crisis

Until 2009, Greece Gross Government's Debt was estimated about **300 billion €**. Since 2000 the proportion Debt/ GDP was **100-120 % (Table 1)**.

**Table 1**



Greek Government's debt as well as the one of Italy is really high but the picture becomes different if we compare Greece total debt with that of other European countries. At the year when crisis begun in Europe, total country's debt (if we sum: government's, banks', households' and companies' debt) was about 163% of county's GDP.

In other countries the same proportion approaches to:

Ireland: 1052 %

G. Britain: 431%

Holland: 310,5%

Belgium: 275%

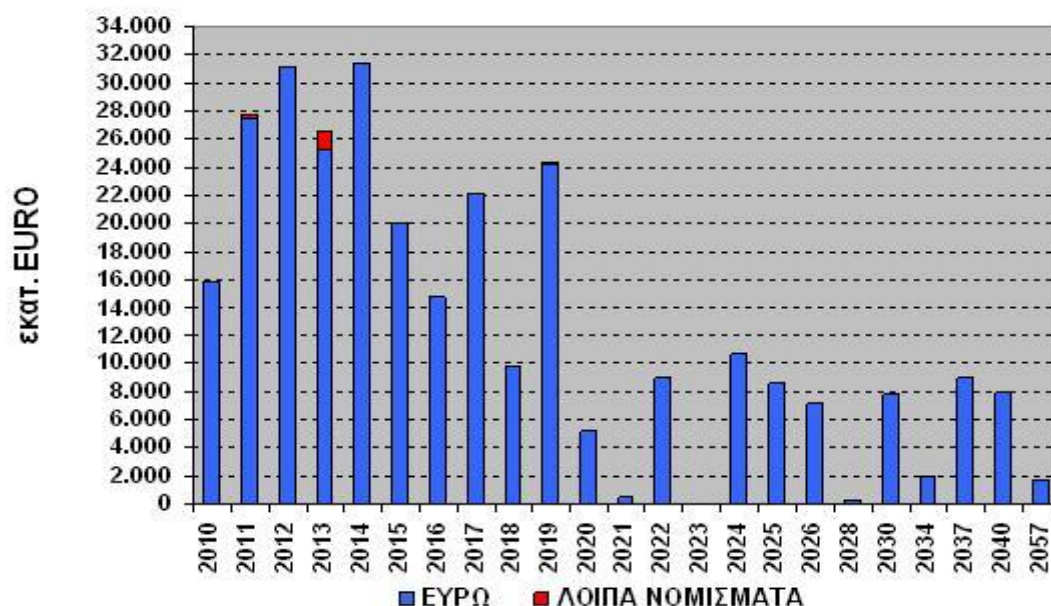
## ***Financial requirements for Creditors***

Our National debt is in bonds and as in every country, our requirements are consisted to the repay of both **Interest** and **Installment** (Capital)

Since 2000, county's spending was in a middle term 10 billion €/ year only for Interest's repayments. During the decade 2000-10 Greece has paid in total **100 billions €** only for Interests. Our annual requirements for creditors after 2010 when many bonds expires **-in million Euros-**, are reflected at **Table 2** (in million €)

**Table 2: Requirements for creditors in € (blue) and other currencies (red)**

Source: Greek Ministry of Economy



Central Government's debt service cost is reflected at **Table 3** and gives a clearer picture about interest's repayment weight in our country's total debt.

**Table 3: Central Government's Service cost**

Source: Greek Ministry of Economy

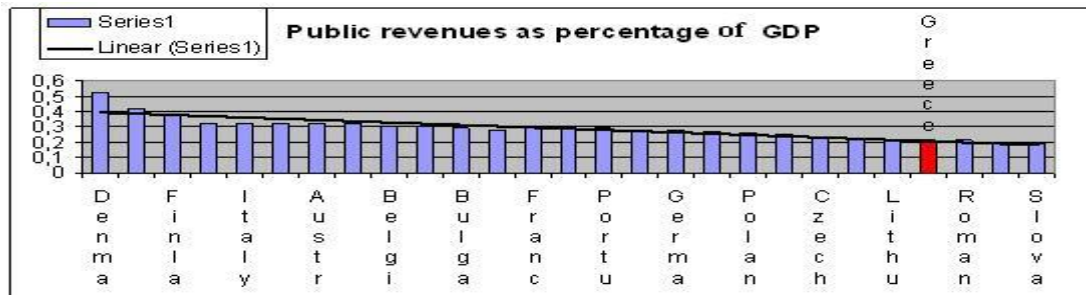
**Central Government's Service Cost (million €)**

	Loan Installment			Interest			Parallel expenses			Total (1+2+3)
	Foreign Currency	National Currency	Total	Foreign Currency	National Currency	Total	Foreign Currency	National Currency	Total	
			(1)			(2)			(3)	
1992	1.539	4.867	6.406	622	3.501	4.123	19	52	71	10.600
1993	1.400	3.307	4.707	692	5.536	6.228	26	109	135	11.070
1994	1.619	5.543	7.162	913	8.077	8.990	26	164	190	16.342
1995	1.952	5.955	7.907	1.214	7.884	9.098	26	281	307	17.312
1996	1.894	8.369	10.263	1.263	8.378	9.641	47	292	339	20.243
1997	3.057	7.088	10.145	1.348	7.461	8.809	29	279	308	19.262
1998	3.550	6.132	9.682	1.625	7.393	9.018	28	142	170	18.870
1999	2.682	6.569	9.251	1.532	7.758	9.290	18	83	101	18.642
2000	4.640	8.491	13.131	1.922	7.577	9.499	20	38	58	22.688
2001	2.566	9.052	11.618	719	8.570	9.289	8	31	39	20.946
2002	2.397	17.883	20.280	391	8.144	8.535	4	55	59	28.874
2003	1.204	19.559	20.763	180	9.028	9.208	6	64	70	30.041
2004	667	17.777	18.444	85	9.198	9.283	3	69	72	27.799
2005	751	19.628	20.379	108	9.508	9.616	4	67	71	30.066
2006	65	16.524	16.589	92	9.349	9.441	1	55	56	26.086
2007	43	22.152	22.195	74	9.583	9.657	1	70	71	31.923
2008	424	25.822	26.246	82	11.052	11.134	1	71	72	37.452
2009	375	28.760	29.135	39	12.145	12.184	3	138	141	41.460
2010	140	19.410	19.550	60	12.920	12.980	80	200	280	32.810

One of the biggest problem for Greek Government debt is the elimination of revenues due to the tax evasion in comparison with other European Countries. Greek state manages to earn in a middle term 20% of its GDP from taxes (direct and indirect) when the middle term in Europe is about 29% (**Table 4**). This is caused by many reasons like corruption, continual expansion of black economy, inefficient tax collection mechanisms etc.

**Table 4: Public revenues as percentage of GDP**

Source: Eurostat



One of the main Mass Media propaganda during the last 2 years derived from political and economic elite was that the main Government's debt cause has been high spending for public servant's salaries and pensions. Furthermore all of the measures have been taken was under the continuous blackmail that Greek state didn't have the ability to pay wages and pensions. In reality, the amount for salaries and pensions in 2009 was just **29 billion €** (now after severe cuts, it is estimated to have fallen **at 20 billion €**) when total public spending was **50 billion €**. With our GDP in **300 billion €**, and tax revenues reaches almost to **20% of GDP**, real state revenues are estimated to **60 billion €**, amount that covers total spending for salaries and pensions. Greece was in 2009, 4th in comparison to other European Countries in proportion of Public Spending for salaries / GDP (**Table 5**) falling just in 2 years in the 13<sup>th</sup> place!

**In conclusion, basic causes for Greek debt is:**

**a) our high liabilities for interest and installments and b) the continual revenue short falls.**

**Table 5: General Government's Expenses**

Source: Eurostat

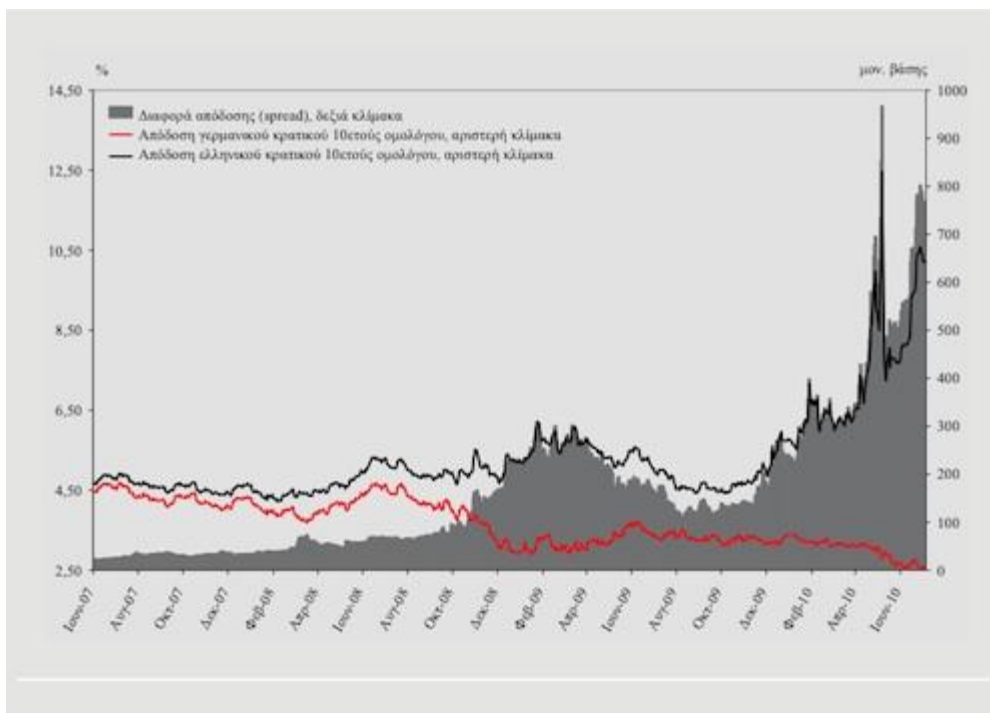
<b>General Government's Expenses (% of GDP)</b>												
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EU	46,8	45,2	46,2	46,6	47,2	46,8	46,8	46,3	45,6	46,9	50,8	50,3
Eurozone	48,1	46,2	47,3	47,6	48,1	47,6	47,4	46,7	46,1	47,0	50,8	50,5
Belgium	50,3	49,1	49,2	49,8	51,1	49,4	52,2	48,7	48,4	50,1	54,1	53,1
Bulgaria	40,0	41,3	40,6	39,6	39,1	38,5	39,7	34,4	39,7	37,6	40,7	37,7
Czech Republic	42,3	41,8	44,4	46,3	47,3	45,1	45,0	43,7	42,5	42,9	45,9	45,2
Denmark	55,5	53,7	54,2	54,6	55,1	54,6	52,8	51,6	50,8	51,9	58,4	58,2
Germany	48,1	45,1	47,6	48,1	48,5	47,1	46,8	45,3	43,7	43,8	47,5	46,6
Estonia	40,1	36,1	34,8	35,8	34,8	34,0	33,6	33,6	3,4	39,9	45,2	40,0
Ireland	34,1	31,3	33,1	33,4	33,2	33,6	34,0	34,5	36,7	42,8	48,2	57,0
Greece	44,4	46,7	45,3	45,1	44,7	45,5	44,0	45,2	46,6	49,7	52,9	49,5
Spain	39,9	39,1	38,6	38,9	38,9	38,9	38,4	38,4	39,2	41,3	45,8	45,0
France	52,6	51,6	51,6	52,6	53,3	53,2	53,4	52,7	52,4	52,9	56,2	56,2
Italy	48,2	46,2	48,0	47,4	48,3	47,7	48,2	48,7	47,9	48,8	51,8	50,3
Cyprus	36,5	36,6	37,7	39,7	44,1	42,0	42,9	42,6	41,2	41,7	45,8	46,6
Latvia	41,9	37,3	34,6	35,6	34,8	35,8	35,6	38,2	35,8	38,8	44,2	42,9
Lithuania	39,9	39,1	36,8	34,7	33,2	33,3	33,3	33,6	34,8	37,4	44,0	41,3
Luxembourg	39,2	37,6	38,1	413,5	41,8	42,6	41,5	38,6	36,2	36,9	42,2	41,2
Hungary	48,4	46,8	47,2	51,2	49,4	48,7	50,2	52,0	50,0	48,8	50,5	48,9
Malta	43,1	41,0	43,1	43,2	47,9	45,6	44,6	44,3	42,6	43,5	43,2	42,3
Netherlands	46,0	44,2	45,4	46,2	47,1	46,1	44,8	45,5	45,3	46,0	51,4	51,2
Austria	53,8	52,2	51,7	51,0	51,7	54,2	50,3	49,5	49,0	49,3	53,0	53,0
Poland	42,7	41,1	43,8	44,3	44,7	42,6	43,4	43,9	42,2	43,2	44,5	45,7
Portugal	41,0	41,1	42,5	42,3	43,8	44,7	45,8	44,5	44,4	44,7	49,8	50,7
Romania	39,2	38,6	36,2	35,0	33,5	33,6	33,6	35,5	36,3	38,3	40,6	40,8
Slovenia	46,5	46,7	47,6	46,3	46,4	45,9	45,3	44,6	42,5	44,1	49,0	49,0
Slovakia	48,1	521,0	44,5	45,1	40,1	37,7	38,0	36,6	34,3	35,0	41,5	41,0
Finland	51,7	48,3	47,8	48,9	50,1	50,0	50,2	49,0	47,2	49,3	56,3	55,1
Sweden	58,1	55,1	54,5	55,6	55,7	54,2	53,9	52,7	51,0	51,7	55,2	53,0
Britain	38,9	39,1	40,2	41,1	42,1	42,9	44,1	44,2	44,0	47,4	51,4	50,9
Iceland	42,0	41,9	42,6	44,3	45,6	44,1	42,2	41,6	42,3	57,8	50,9	50,0

## 1.1 The hit of financial crisis and how Greece joint Troika Agreement

Sudden **spread's rising** was on 2009 as if a war broke. Prime Minister, Minister of Economy, big journalists, bankers, were talking about country's bankruptcy. On the other hand political leaders in Europe mainly Mrs Merkel and Mr Schaulbe, Ministries of Economy in Finland, Austria and Holland, newspapers like Bild etc, engaged in an orgy of our Greece derogation, with statements that includes lazy workers, citizens who want to live with borrowed money against other European tax payers etc. It was exactly the same officials and Media, during our last elections, who urged Greeks to vote for particular political parties – in fond of Memorandum – as well as for particular politicians – mainly in relation to Siemens Company- dispelling any notion of national sovereignty respect of an equal Member state in European Union. All these statements by European Union officials grew strongly anti-Europeanism in middle and low classes during the last two years. Furthermore these statements were the most serious cause for spread's increase. As far as we know, Mr Papandreou had previous secrete deliberations with Mr Straus Kan and IMF leaders long time before his election on 2009, in order to introduce Greece in IMF mechanism as it was proved as well by the technical rise of country's debt from 9 to 14% in co-operation with Mr Papakostadinou (Minister of Finance).

**Table 6: Comparison between Greek's (black line) and German's ten year's bond yield from June 2007 till June 2010**

Source: IMF



On 8th May 2010, Greece was found under the implementation of the 1<sup>st</sup> Memorandum and the relevant Agreement Loan. In this frame Greece was lent **80bill € by 15 Euro zone countries** plus **30 billion by IMF**. These money was given in order our country remain consistent in its obligation to its lenders. This first amount **of 110 billion €**, was given with a **5% Interest rate**. Under this mechanism interest was lower than market's one, but higher than the one that country was landed all the previous year. This breaks one more myth that rich countries pay for Greece, on the contrary, rich countries gain from weaker countries' debts in many ways. This assistant didn't cover whole country's needs for lending so very

soon we had the requirement to be lent more money from markets in a more negative term. The biggest problem was that country had to undertake series of measures with serious effect in our social infrastructures and as it was proved with no improvement in macro-economic performance.

## **1.2 Social Impact of Troika Arrangements**

Now after two elections and the big political loses in both big political parties –mainly to PASOK- Greece is found under the implementation of the 2<sup>nd</sup> Memorandum and its relevant Agreement Loan that lent 130 bill € in addition manly for banks' recapitalization. This new agreement is consisted by 63 new measures such us:

- ⇒ Privatizations
- ⇒ Increase by 25% of utility organization's bills (like Electricity, Water, Transportation etc)
- ⇒ Elimination of tax exemptions
- ⇒ Redundancy of job places in Public Sector by 150.000 till 2015
- ⇒ New programme for availability of workers in public sector
- ⇒ Pensions' reduce by insurance funds' consolidation
- ⇒ New reduction in basic gross salary at 450 € / month
- ⇒ Change in working relationships by the abolition of collective agreements
- ⇒ Opening of all closed professions
- ⇒ Purchase of Public wealth and private control of natural resources and reserves
- ⇒ New development projects like "Hellios" in areas of financial control – whole regions where no environmental and social criteria exists-

In the frame of the 2<sup>nd</sup> Memorandum, are promoted:

- ⇒ Country's subjecting in English law, so any difference with the other Member states Creditors will be resolved in Luxembourg courts
- ⇒ Privatization fund that is in total control of creditors and it gives absolute priority in transfer revenues to them
- ⇒ Troika commissioners' installation in each Ministry that will control and approve every expense in it

In conclusion, under these frames just in few years, all our public wealth will be sold at very low prices in large multinationals in the pretext of dept repayment and Greece will become just a **colony** of the new German Hegemony

What all previous measures under 1<sup>st</sup> and 2<sup>nd</sup> Memorandum caused is a real social collapse. More specifically:

- ⇒ Recession about 5% every year
- ⇒ Huge capital transportation from Greek banks to Helvetian ones
- ⇒ 1,5 million unemployed people
- ⇒ 100.000 closed companies
- ⇒ Working relation demolition and low wage reduction
- ⇒ Reduction in social infrastructure spending specially for education, care and health
- ⇒ Salaries' reduction in public as well as in private sector

According to a more recent study of Institute for Economic and Industrial Research, taking new measures, unemployment will rise to 23, 6% and the recession will rise up to 6,9%. These estimations are much worse than those made from the same organization on April.

Unfortunately although these measures has been taken and caused serious social dramas (**2.500 suicides** – just 350 suicide attempts in June in Attica – **1,5 million mainly young scientist immigrants** etc.) the situation of our economy worsen as our debt just in two years rose from 120% to 160% of GDP because of serious recession.

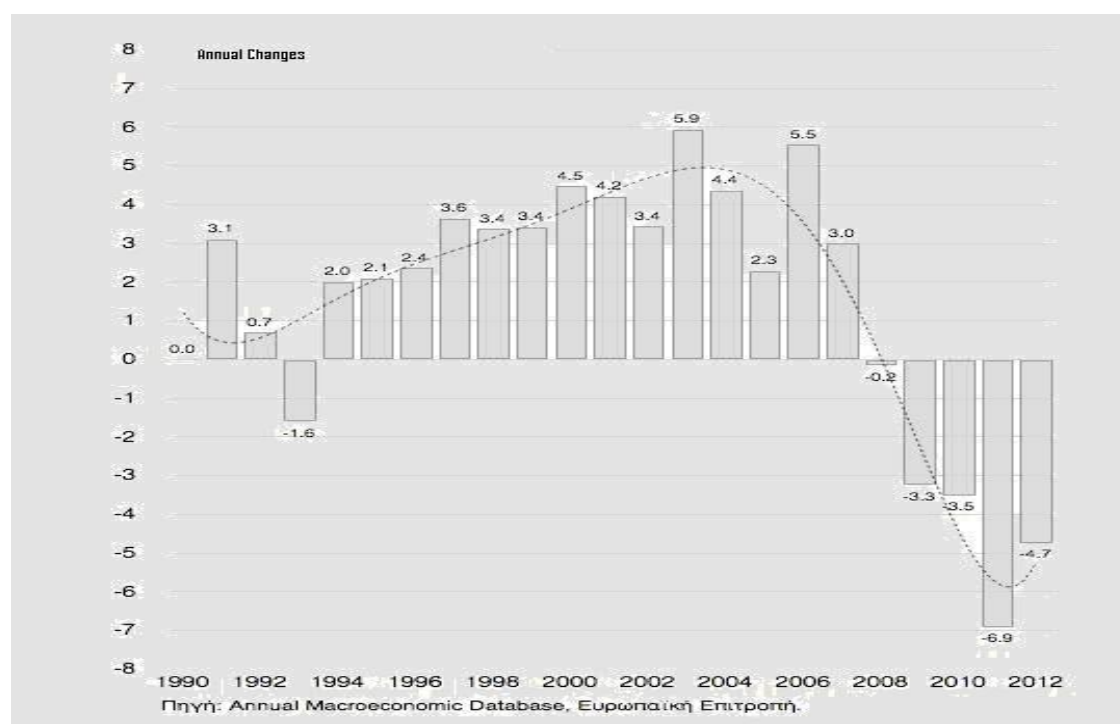
## 2. 2009 – 2012 measures’ effect during Troika’s Policies implementation

### 2.1 Macroeconomic changes

**GDP’s decline** during 2009-2011 period, was 16,7% -in comparison with 2007 - and is estimated to reach to 22% on December 2012 . The real deflection between Greece and EU will cancel the whole progress that took place between 1995 and 2007 (Table 7).

**Table 7: GDP fluctuation**

Source: Annual Macroeconomic Database, European Commission

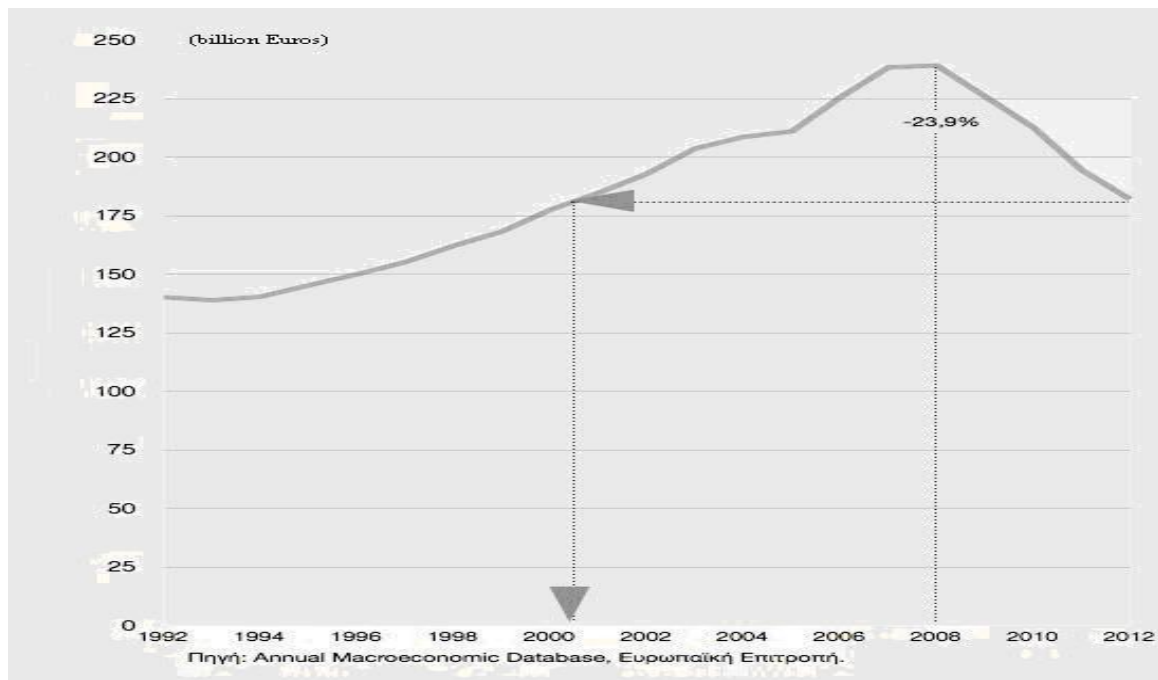


Measures that have been taken during the last two years dropped **sharply internal demand** and caused a serious **recession to the national economy**.

Dramatic internal **demand’s decline (about 25%)** during 2010-2012 reinstated demand’s level to the one of 2000. If the same policy continues at the same terms, internal demand will drop sharply to the level of 1980’s decade (Table 8).

**Table 8: Demand's fluctuation**

Source: Annual Macroeconomic Database, European Commission

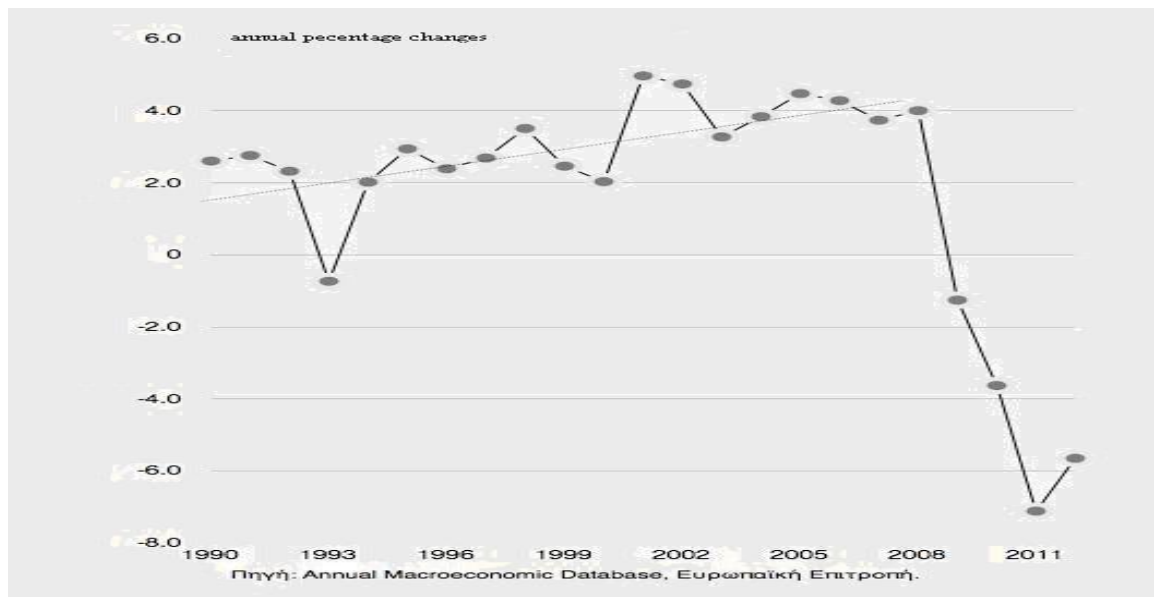


➤ **Private consumption**

**Private consumption's** decline during 2009-2012 period reached 18,8% so it is going to come back to 2003 level at the end of 2012 (Table 9).

**Table 9: Private consumption fluctuation**

Source: Annual Macroeconomic Database, European Commission

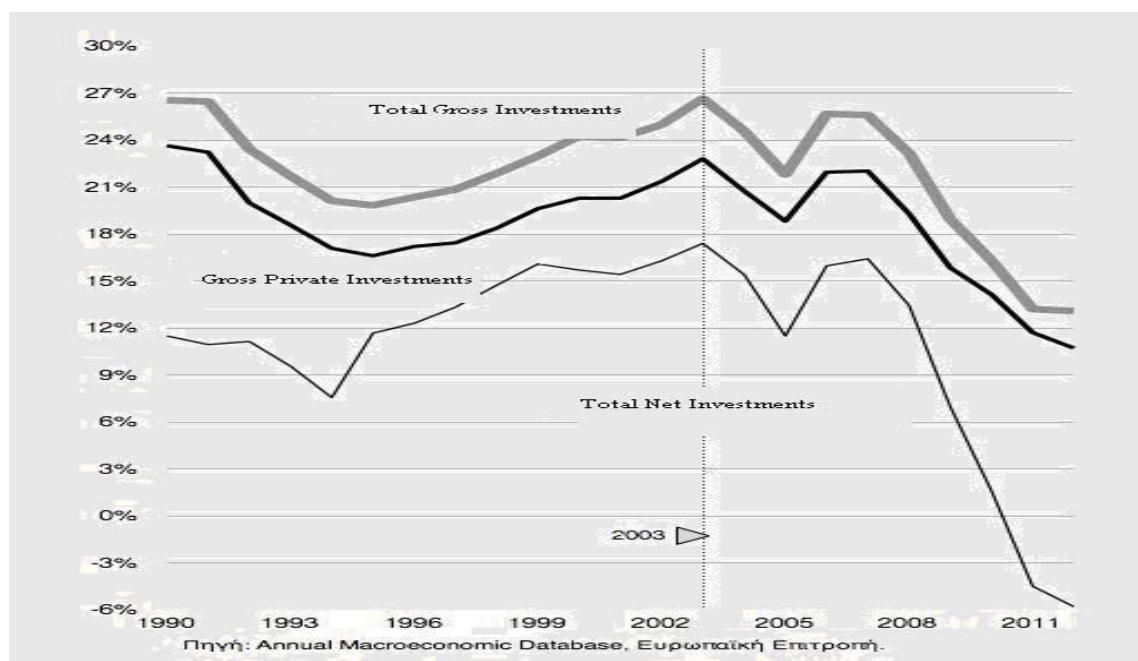


➤ **Fixed capital private and general investment**

**Private and Public investment's decline** was dramatic in every indicator. Net Investments dropped 6% of GDP. From 2009 Greek economy lost its productivity base and was driven to complete dis-investment (Table 10).

**Table 10: Investment's fluctuation**

Source: Annual Macroeconomic Database, European Commission



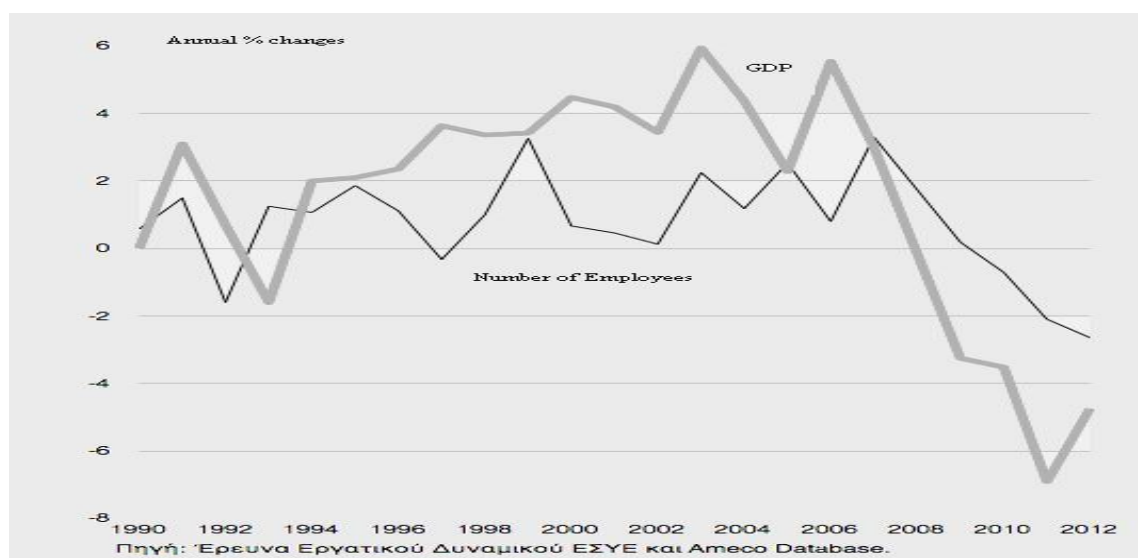
## 2.2 Labour Market changes

### ➤ Employment

Between 2010 and 2011 **employment rate** declined 8,6% , in accordance with 10,4% GDP's national production's drop ( rest 2% came from productivity's decline) (Table 11)

**Table 11: Employment fluctuation in combination with GDP**

Source: Greek Statistical Service and Ameco Database: Research for the Greek Workforce

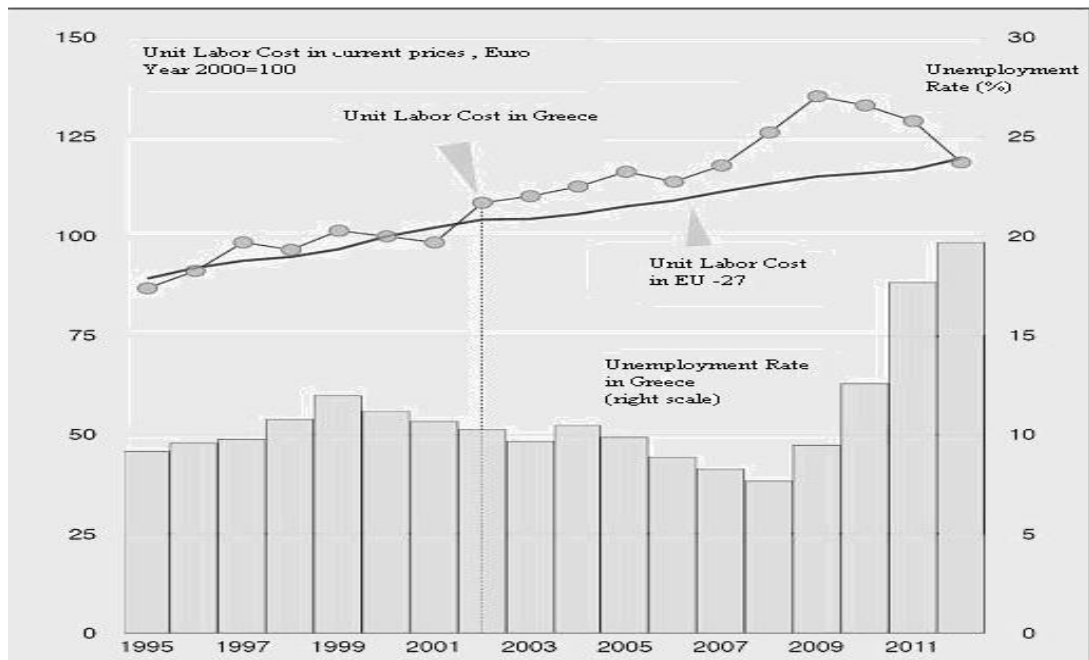


### ➤ Labour Cost

**Labour cost** per unit of work, dropped almost 8% during 2010-2012 period, when unemployment reached to 24% (1.200.000 unemployed) from 17,7% at 2011. 2013 unemployment is estimated to climb at 24% (1.400.000 unemployed) while middle earnings will drop about 30% compared to 2009 (Table 12).

**Table 12: Labour cost and unemployment fluctuation**

Source: Ameco Database, European Commission



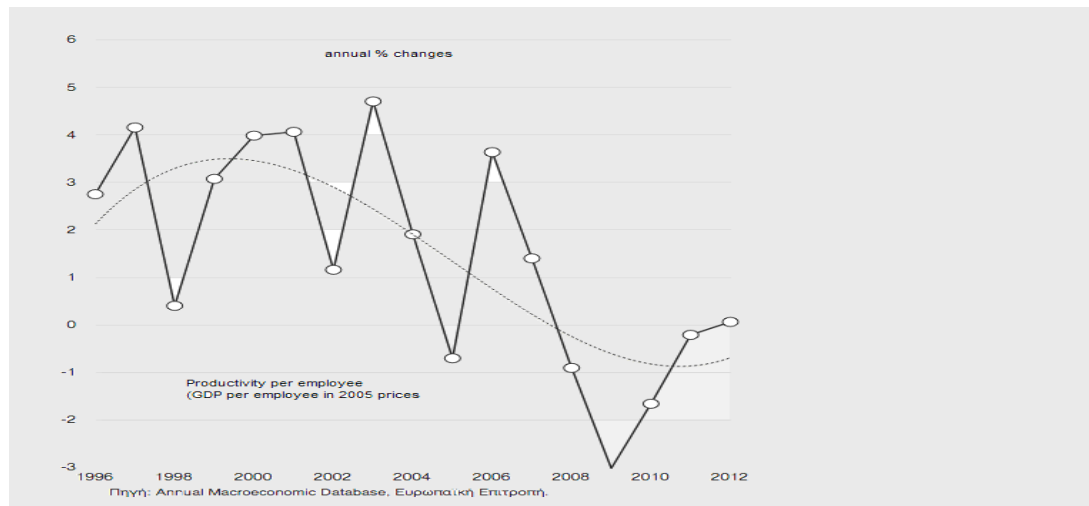
Πηγή: Ameco Database, Ευρωπαϊκή Επιτροπή.

➤ **Labour productivity**

Since 2008, when Greek economy entered in **the recession phase**, productivity dropped almost 5,6 % so it come back in 2003 level. (Table 13)

**Table 13: Productivity fluctuation**

Source: Annual Macroeconomic Database, European Commission

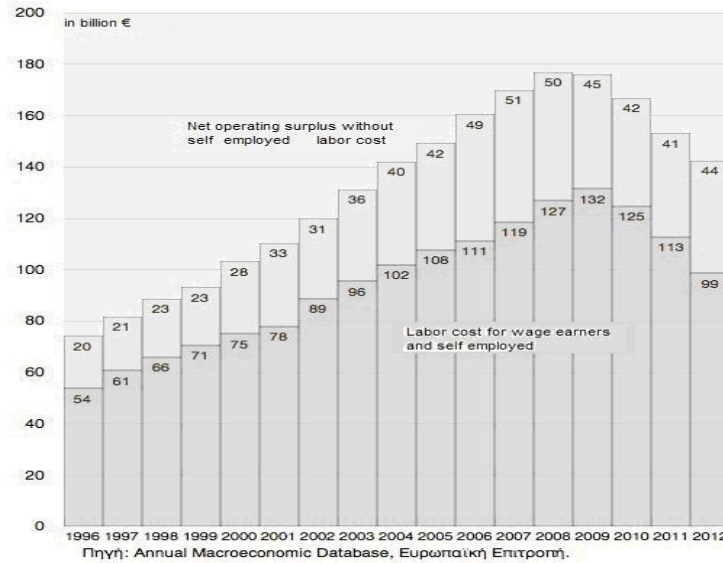


➤ **Labour earnings**

**Purchasing power** declined during 2010-2011 period, about 22,8%. In current prices, Labour earnings decreased 19 billion €. If these cuts continue the same the corresponding reduction will reach 33 billion €. (Table 14)

**Table 14: Labour cost fluctuation**

Source: Annual Macroeconomic Database, European Commission

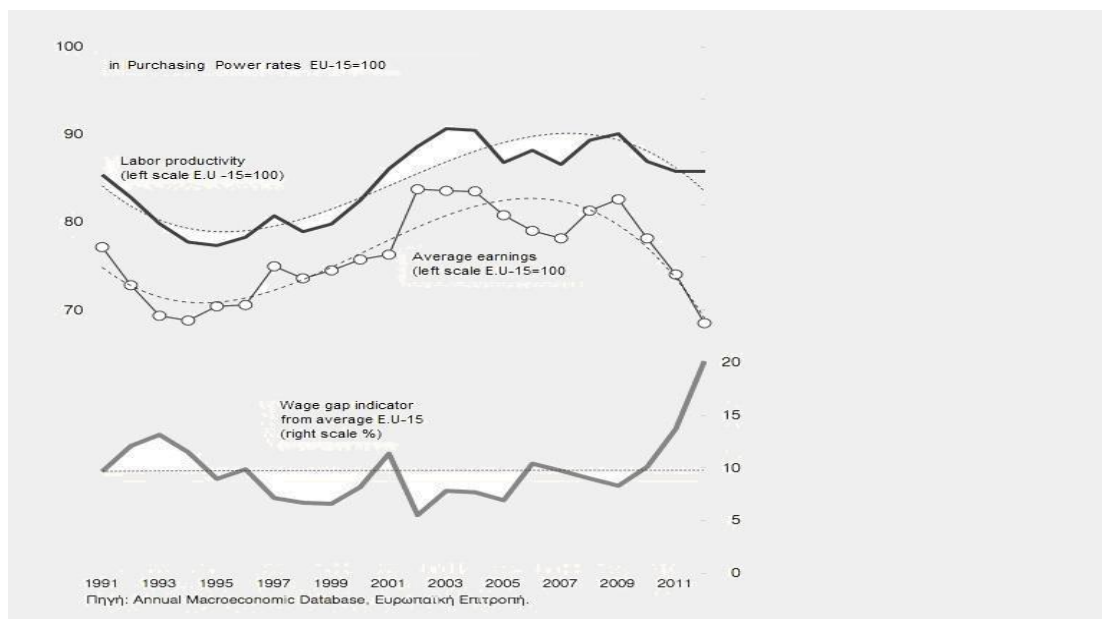


➤ **Labour average earnings and productivity**

Until 2009 real **earnings per employee** increase, contributed to Labour costs' converged between Greece and other European countries. This trend was set back about 68,5% or else in a Labour cost level compared with this on 1993. (Table 15)

**Table 15: Earnings and productivity in comparison with the average EU-15**

Source: Annual Macroeconomic Database, European Commission

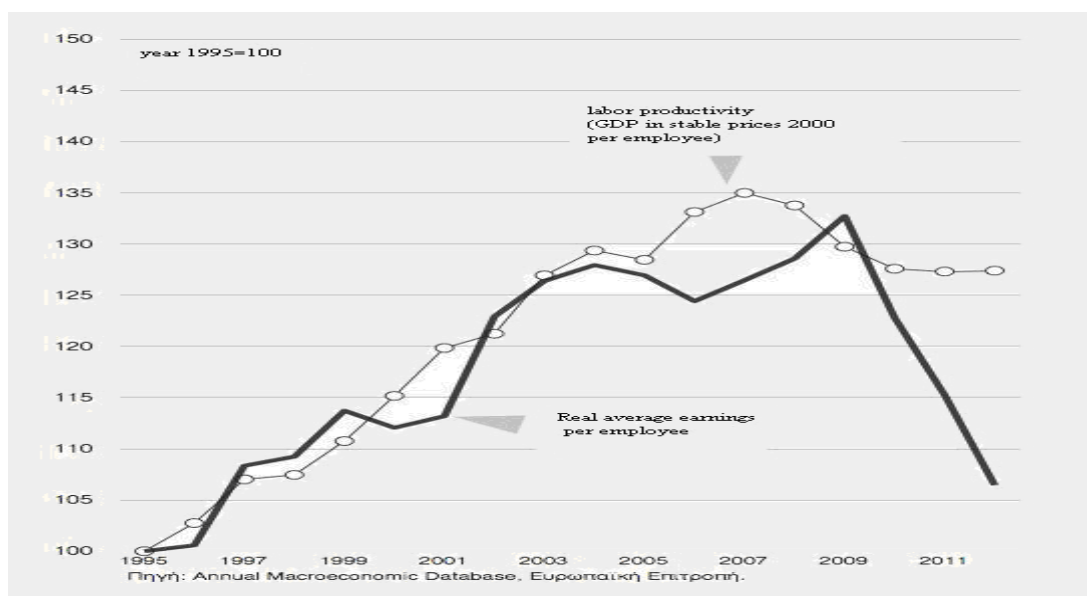


➤ **Real earnings per employee**

**Salaries' reduction** per employee -as they have been estimated in relation to consumer price index- was much higher than the corresponding reductions **in Labour productivity**. During last three years a widening gap between purchasing power and Labour productivity took place (Table 16)

**Table 16: Productivity in comparison with earnings, fluctuation**

Source: Annual Macroeconomic Database, European Commission

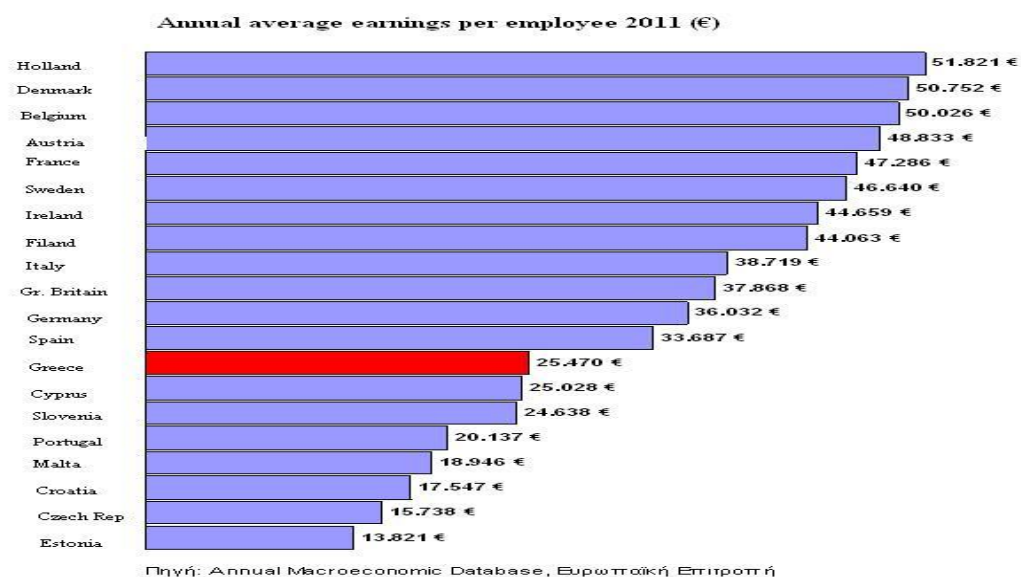


➤ **Annual Labour earnings in EU**

**Average earnings** in Greece in 2011 were about 25.470 €. If the same policy of reductions will continue, earnings will be comparative to those in Croatia, Czech and Estonia in 2012 (Table 17)

**Table 17: Annual average earnings per employee in EU countries**

Source: Annual Macroeconomic Database, European Commission

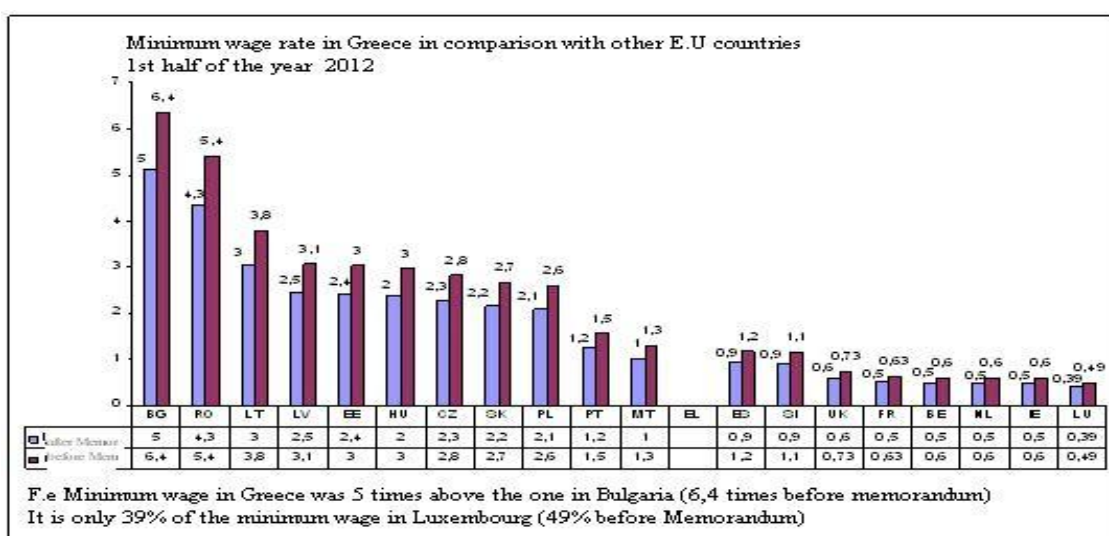


➤ **Minimum wage ratings**

Greece is the only European country that a **reduction to minimum wage** is implemented. As a result –after its 22% reduction on February 2012 – it is estimated to reach to 24% of the correspondent average minimum wage in Europe (its rate was 60% before Memorandum II) (Table 18).

**Table 18:**  
**Minimum wage rate in Greece in comparison with other European countries**

Source: Annual Macroeconomic Database, European Commission



➤ **Security values of public funds before and after PSI**

Greek public's bonds exchange in the frame of PSI implementation, contributed to the Insurance Funds' reserve capital deterioration (53% in nominal values higher than 70% in real values). Insurance funds will gain from interests and revenues after PSI only 120-160 mill € compared with 700-800 million € that was their annual earnings before PSI (80% decline).

**Table 19: Reduction in Insurance –pensions funds reserves after PSI**

Source: Greek Ministry of Employment and Social Insurance

Insurance Funds	Available capital in Bank of Greece			Bonds	
	Before PSI	After PSI		Nominal Value	
	Nominal Value	Nominal Value	Current Value	Before PSI	After PSI
OGA (Farmer's Fund)	164.828	94.256	50.405	1.066.648	863.859
ETAA	5.558.580	3.180.146	1.702.268	823.710	622.010
MME (Journalists' fund)	1.665.556	533.063		382.810	178.006
ETEAM	79	40		18.414	15.257
TEADY	1.798.902	1.026.696	550.116	1.537.518	818.260
TAYTEKO	1.015.788	580.875	310.634	216.626	98.895
TEAIT	2.347.249	1.203.031	671.644	709.765	351.553
TEAPASA	519.718	266.355	141.533	16.600	13.205
TAPIT	1.210.978	692.494	370.325	12.950	6.021
TPDY	351.547	201.031	107.505	28.000	24.989
OPAD	686.303	392.460	209.876		53.666

## 3. New measures and additional impacts

### *Labour market reforms*

**Labour market reforms** that took place during last 3 years with the outcomes described to the above Tables- and are still on current Troika's agenda-, are indicated in two additional fields:

- Stable and full employment continual downgrading in fond of **flexible and without security employment** which means continual wages' and rights' elimination such us the complete working time adjustment into companies' needs
- **Collective agreements' dislocation** that effect directly the way wages are defined as well as the complete breaking down of the layoffs' terms

From the new measures that are going to be announced **new cuts 1,4 bill €** are provided that will come from: 12% cuts in special payrolls (f.e policemen, militarily, professors etc.), permissions' elimination and extra salaries' (13<sup>th</sup> and 14<sup>th</sup>) abolition for public servants , single payroll for all Public Services , 150.000 fewer employees in public sector until 2015.

### *Services*

#### *A) Health*

During 2009-2012, a **consolidation of the whole health offers took place**, with EOPYY adoption (National Organization for Health Services Provisions)

Although a kind of consolidation in various and fragmentary health provisions was necessary, the way it implemented was based dimensional in the origin of "cheaper practice".

Under this policy, addition 35% cuts in services took place that affected directly the quality and the availability of these provisions for the general public and mainly for the most vulnerable (chronically ill, elderly, uninsured, etc.) who have to pay by themselves the whole pharmaceutical expenses. There was no intervention for privileges" elimination against pharmaceutical lobby, big multinationals, "high- doctors", etc.

New cuts in the period 2012-2015 **are estimated 1,4 bill €** and concerns: pharmaceutical expenses' reduction, operational expenses' cut in EOPYY, hospitals' unmerge and abolish for some of them , OGA pharmaceutical contributions' increase (insurance fund for farmers), etc.

#### *B) Education*

Reductions in education since 2009, has driven to the transformation of education **in a very expensive commodity that will be prohibitive for middle and lower social classes**.

Since 2009, 20% cuts have taken place that caused the decline of public spending for education just below 3% of GDP -2,6% are estimated today-. These reductions came of teachers wages' decline, the elimination of new employment, the unmerge of schools, the operational costs' elimination, etc.

For the next 3 years troika demands new reductions that are estimated **at 389 mill €** that will drive public speeding to 2,2 % of GDP. These new reductions will come from: the unmerge of Technological and Higher Education Institutions as well as new reductions to the employment , tuition fees for all master degrees , cuts in operational spending for schools, etc.

### *Poverty Impact*

Changes in the Social Security system with L. 3845/2010 and L 3865/2010, formed a new frame of social and insurance systems' breakdown.

This institutional framework leads to –between others- :

- Pensions' reductions as well as social benefits' continual elimination
- Change of pensions' computation as well as increase of retirement age terms
- Transformation of social- insurance system from distributive (based on social generations' solidarity) to a funded ( individualized with basic low pension and extra private insurance schemes according to one's wealth)
- Social state's transformation into a charity –state

Social benefits, during 2011 and 2015, are going to be cut almost **1,3 bill €** and the corresponding pension cuts are estimated to **3,5 bill €**

**For social benefits** are provided: cuts in disability benefits as well as for unsecured elder people, specific seasonable benefits' abolition, unemployment benefit's elimination etc

**For pensions** are provided: Reductions in main and auxiliary pensions with maximum ceiling establish, lump sums' rationalization, minimum number of salaries that are required for pension's deposit increase from 4.500 (today) to 6.000.

Additional **2 billion** are expected from **public sector's restructuring** and more specifically from Public Investments Program elimination, new wages' cuts as well as operational costs, an **extra 600 million €** will come from **public subsidies to Local Authorities depletion**.

### *Development. What kind?*

New measures for 2012-2015 in the frame of general and complete **privatizations** estimates for 3 bill revenues after profitable public sector's , services' and land's, sales.

Furthermore, with **Specific Zones of Economic Control**, implementation in regions are provided in a frame of a new development model with complete employment, social and environmental rights abolition just aligning with multinational's and big investor's interests. Pilot implementation for these zones' operation, are referred to illegal refugees' employment with no rights, working time limits, etc. – a kind of new feudalism hidden behind big companies' charity.

### *Medium term fiscal policy programme for the years 2013-16 Low: 4093/2012 Urgent Measures for implementation for the Low 4046/2012 and the Medium Term Programme*

It was voted in the Greek Parliament on 7<sup>th</sup> November 2012 with 153 votes in favor by the 3 co-govern parties' MPs. Finally Greek remains at the Eurozone (as the new loan of 52 bill € is given partially) paying the price of its transformation **into a debt –colony**.

**Table 20: Medium Term Fiscal Policy Programme, Targets, Measures and Impacts**

	<b>TARGETS</b>	<b>Revenues (mil €) - : public spending reduction +:Public Revenues</b>	<b>MEASURES</b>	<b>IMPACTS</b>
1	Wage cost reduction	<b>-1.460</b>	<p>a) Public Enterprises : Single payroll implementation- Cuts in specially pay rolls (judiciaries , university professors, doctors, militaries etx)</p> <p>b) Collective Bargaining agreement's abolish (Law wage is going to be determined by Ministry's of Labour or Economy Decision)</p> <p>d) Salary increases will be given only after unemployment will fall below 10% (this is estimated to happen after 2025)</p>	<p>Public sector's malfunction</p> <p>Low service quality</p> <p>Demand's decline</p> <p>Deep recession over 5%</p>
2	Privatizations	<b>+11.100</b>	<p>a) Public property's sell as well as public enterprises' like (water, post, Energy , Lottery, Military Industry , Ports and airports etc)</p> <p>b) Specific zones of Economic Control</p>	<p>New employee's' lay offs</p> <p>Low quality services based only to the profit's increase</p> <p>Strategic control of economic sectors (f.e energy, water, food, defense etc) by multinationals as well as natural resources (gas , oil )</p> <p>Utility Bill's new increases that affect mainly poor families (there are already 30.000 electricity cuts due to unpaid bills)</p> <p>Complete abolish of Labour and environment's protection laws just for multinational's attract in Specific Zones</p>

3	Taxations	<b>+3.890</b>	<p>a) Property Tax Increases  b) Tax free (that is until 5.000€ per year, by now) abolish as well as all tax exemptions (f.e exemptions for children)  c) New taxes to farmers and farm land  d) New Taxes to the Renewable Sources of Energy  e) Heating and Motion Oils' prices equitation  e) Possible new taxes to the bank deposits  d) Tax police (arrest or confiscation of property for those that owes to the state over 500 €)</p>	<p>Tax reforms will affect especially middle class ,( self employees, householders , farmers small and medium enterprises etc)  Uncollectible new debts during only 2012 approaches 13,6 bill €. Many families will lose their property (houses)-more homeless people-  Increase of landless farmers  Demographic problem's increase  Grey and criminal economy increase  Many people especially in Northern Greece and in mountain areas can't afford the cold during this winter</p>
4	Local Authorities	<b>-210</b>	<p>a) New employee's lay offs especially those with limited contracts  b) Observatory of economic Independence per Municipality  c) Reductions in Central Government's grants especial for social services</p>	<p>More unemployed people and precarious workers  Economic Activities' control (like waste management by foreign enterprises )  Local authorities' dues increases (correspondent utility bills increases) to cover budget deficits  Break up of many Social Services ( Families' Help programme for elder and vulnerable people , Municipal nurseries etc)</p>
5	Public Sector's Restructuring	<b>-719</b>	<p>a) Abolition of Permanent job places after the evaluation of structures and staff.</p> <ul style="list-style-type: none"> <li>• During 2013 new merges or removes portions in Universities and Technological Educational Institutes are planned. The same planning is taking place in Public Hospitals</li> </ul> <p>b) New commissioners' establishment in Ministries and Banks ( in addition to the current Task Force of Mr Reichenbach and</p>	<p>New lay offs and transfers of employees (proportion 1 new-comers :5 lay offs ) .150.000 less employees until 2015  Privatizations in education and health sector  Country's conversion into a German's colony</p>

			Mr Fuchtel)	
6	Subsidies	<b>-307</b>	<p>a) Unemployment benefit allowance with income criteria</p> <p>b) abolition of all subsidies ( a single child subsidy is going to be paid horizontally)</p> <p>c) pilot implementation of the lowest basic income to the level of 200 € for the people facing extreme poverty</p>	<p>unemployment increase to the proportion of 30% or about 2million people</p> <p>increase of poverty and social exclusion that is going to affect over 30% of the Greek population (in one year only 400.000 people passed below poverty line)</p>
7	Pensions	<b>5.470</b>	<p>a) Increase of the of retirement's level to 67 years</p> <p>b) gradual cut in pensions' grants over 1.000 €</p> <p>c) Gift pensions' cuts in main and auxiliary pensions</p>	<p>Many elder people can't afford their needs in medication and other personal services</p> <p>Pensions' cuts will affect seriously poverty as many unemployed or low employed young people supported their incomes or covered some of their needs by their grandfather's /mother's pensions</p>

Program will be audited by Troika every 3 months and if its targets are deviated new measures will be implemented. Measures that are not voted by MPs but are adopted as Legislative Content Acts (practices that were promoted in the period of our junta 1967-1974). Under such a practice on **Monday 7<sup>th</sup> of January 2013 the waiver of national sovereignty and the public property against creditors became law of the Greek Parliament!**

**According to the last IMF report in January 2013**, for the Greek situation, after 3 Memorandums, it is confessed that the whole project has failed as they hadn't foreseen the big recession caused by continuous austerity measures. On the other hand the report insists on the continuity of the fiscal adjustment program. More specifically:

- There is a budget gap estimated at 9,6 billion € for the years 2015-2016 as well as further undefined measures of 3,9 billion €
- They insist on the need for a more rapid market's opening, privatizations and the improvement of the tax collection mechanism. The report underlines the imposition of foreign technocrats if Fund for Privatization don't fulfill its targets during 2013
- Budget deficit will approach 178,5 % of GDP on 2013 from 127,5 % on 2012 estimated to drop to 120% on 2020 (where it was before country entered in Troika Policies). They forecast positive development rates on 2016 acknowledging that its estimation for the recession was completely failed
- Unemployment rates will approach 26,6% on 2013 forecasting a decline to 20% on 2017 and 11,3 on 2020 (perhaps with the decline of the Greek population!!!)
- They clarify that schedules for layoffs of employees in public sector are on the ground as the availability and transfers of 27.000 employees on 2013 are not enough for the programme's success. Furthermore salaries' reduction will approach 6,6 % during 2013

**Finally Troika makes for another time political intervention referring that the rise of unfriendly to their policies, political power will cause failure of the programme, bankruptcy and exit from Euro zone.**

## **4. What EAPN is doing /could do**

It is obvious that a policy like this -which is what European Leaders and Troika demands persistently from Greece since 2009 - is completely failed and the measures drives in real deadlock. The current outcomes are: huge economic recession, middle social classes demolish and country's transformation into a colony of economic and political elite in Europe.

We need direct actions both in European and National level as these policies are going to be expanded all over Europe –implementing first in its periphery- changing the current model of Europe into a two or three speed structure under Germany's hegemony.

### ***At European Level***

European Network has to support its origins by defending European values, promotion of solidarity and deepening of European unification. These values today are affected negatively by German Conservatives that under the pretense of fiscal discipline promotes a multi-speed Europe and a "China-zone" in the periphery of Europe.

Furthermore Greece needs to create solidarity with South countries in the frame of a development schedule in the origin of sustainability and social cohesion

Measures like: **euro bonds, taxation of financial capital flows, secrecy lifting in Switzerland banks' deposits, and repayment of occupational loan from Germany, are basic measures that have to be supported in order to ensure European unity and social sustainability.**

### ***At national level***

**What our network demand is the return to the real economy with social justice and solidarity.** In our vision this is going to happen shortly with drastic tax evasion curb and the redistribution of national wealth starting with our national political and economical elite that put their money to Helvetian Banks just from the beginning of the current crisis. For this reason we fully support, **internal bond creation with the obligation of political and economical elite to contribute to our debt as they are the most responsible for it.**

In macro-level we also demand for the **extension of fiscal discipline targets, reduce of lending rates to the level of the rates ECB is lending , Debt's new cut especially to the amount that ECB bought Greek bond in the secondary market , recapitalization of Banks directly by ESM and not through the State as it is planned for Ireland and Spain, debt auditing, and imputation of criminal liabilities to those who illegally appropriated wealth, revenue growth with enlargement of tax base etc.**

In the opposite side of privatizations, our network submits a discipline to **ensure social control on public goods as well as the constitutionally entrenched social goods.** Electricity, water, transportation defense have to be preserved as **public goods** with internal restructuring such like decentralization and regionalization of their administrative structures under social control.

**For preventing or promoting all the above we need a strong legal support in National and European courts as the measures circumvent National Constitution as well as European Conventions on Human Rights.**

Finally we support the rebirth of our production base promoting incentives for decentralization, forwarding sectors with comparative advantage like food, energy and tourism and giving as priority to the cover of our internal needs and the preservation of ecological balance. At the same time we are close to all solidarity initiatives in local level like these of: **Time Banks, exchanges without money, alternative currencies, movement against intermediaries, co-operatives, social economy initiatives, minimum income schemes etc**

**Common initiatives in Alternative economy best practices and for the establishment of Solidarity networks funded by unallocated resources from Structural Funds is an urgent need and fully welcomed from people affected by this crisis.**