

# Greece's Austerity Plan: Devastating Social Consequences

By [Global Research](#)

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*The Greek government has announced the implementation of an austerity plan which has the blessing of both the EU and the IMF. But in the view of CADTM, the measures it contains are wholly unacceptable. What the Greek government presents as a solution to the crisis is no more than the hijacking of the Greek people, who are being made to shoulder the cost of the irresponsible acts of the financial players who aggravated this crisis.*

This austerity plan aims at saving some €4.8 billion at the expense of the Greek population, for the purpose of repaying creditors. The money saved will also be used to pay the fees of Goldman Sachs, a bank which we now know helped the government conceal part of its debt. Among the measures to be taken:

- a freeze on recruitment and reduction of civil servants' salaries (heavily reduced 13th and 14th months, reduced bonuses, coming after a 10 % decrease in salaries decided in January);
- a freeze on retirement pensions;
- VAT increase from 19% to 21%, despite the fact that this is an unfair tax that hits poorer people harder;
- dramatic cuts in social budgets, including the Social Security budget.

Such measures are not the solution but part of the problem. The current crisis is being used to get rid of dearly won social rights. Instead of learning from the crisis, the leaders of the major powers and the IMF are exerting intense pressure to enforce new neo-liberal measures, increase inequalities, and force the population into greater precarity. At the same time, no effective measure has been taken to ensure that the burden of the crisis is borne by those responsible for it and to prevent new crises from occurring.

CADTM calls on the countries that have been hit by the financial crisis to shun the neo-liberal option that led the world into the present impasse, at a time when radically different choices are available. CADTM supports the Greek people who are massively mobilizing in favour of a break with the neo-liberal model. Socialization of losses and privatization of profits are principles that must be urgently rejected.

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