

# Greece: The EU's Neoliberal Poster Boy

The IMF versus Greece

By [Global Research News](#)

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## by Economic Freefall

From a budget deficit at 120% of GDP in 2010 we are now hovering around 180% nearly four years into the worst crisis in living memory where GDP has fallen cumulatively by 25%, averaging 5% fall annually (whereas during the civil war it fell 12%!).

Unemployment has broken all EU records, hovering officially at 28% overall and 65% for the under 25year olds. Every year the claim is made that growth is returning, but the only growth on the horizon is unemployment (1.5m), soup kitchens, suicides (plus 5k) and homelessness.

Alleging they have created a budget surplus (by adding QE to the budget), the Government is being touted as the poster boy of the EU, but this has been done by reducing Greeks to penury. All new wages (including doctors) are at E580; the pension age has shot up to 67, with 40 year contributions. The latter essentially means the end of pensions for there is no work available for even a discontinuous 40 year period, though there is 'lots' of part time work. In other words, a decade after the arrival of the Euro, hourly wages are now at E2.5 (£2).

The EU's 'Free Movement' destroyed the Greek labour movement as Greece borders the ex-'communist' states of the Balkans. The oversupply of labour in a de-industrialising Greece led to a lowering of wages and the displacement of Greeks from the labour market. It is well known that Greece has large numbers of illegal immigrants who work in a cash economy and send euros abroad. Figures from the Bank of Greece show that billions of Euros went to Albania, Pakistan and Afghanistan. Of course figures on repatriation of funds by illegals is a kind of surrogate indicating the extent of the immigration as well as a scourge for the health of the Greek economy and Greek working people. In 2004 there were 4.5m active workers now there are 2m.

The cost of the Olympics and NATO's agreement that Greece should match Turkey's arms spending in the ratio of 7 to 10, essentially bankrupted the country. The added burden of 72 new property taxes and a collapse in property prices of between 30-80% has led to a 90% collapse in all new building work. This was the capitalist economic model of the last couple of decades and it appears to be in permanent decline.

## Raw Materials: Gold, Gas & Oil: Bonanzas for Multinationals

The Greek gas distribution company Despa was sold to Americans not Russians, who offered

a better deal, will not be functioning for years. A gold mine in Skouries, Thessaloniki, was sold for peanuts to a Canadian conglomerate by the ex-PASOK finance minister, Papakonstantinou, with no share (or even royalties) for the Government. Protestors have been imprisoned on trumped-up charges with demonstrations as large as 30k in Thessaloniki (Greece's 2<sup>nd</sup> city)

## **Health**

The EU has done deals with Israeli pharmaceutical companies TEVA, via Germany, to import non-EU patented medicine for sale in Greece. The Greek pharmaceutical industry which employs over 20,000 people and supports over 30% of the domestic market will be shut down as a result. The model for this are the shipyards, airports and soon to be, railways and transport systems. The Samaras government is sacking contracted to the Greek NHS doctors by the hundreds (Finance Minister Georgiadis had a close escape in a meeting with them) and they have imposed E 25 charges to visit hospitals without taking into account the lack of medicines when one eventually manages to get into a hospital. The increase in mental health issues is such that, before the crisis, 1000 people yearly went to homes. Now it's more than 3000, but most of the mental health institutions are on the verge of closure due to lack of funding.

## **ERT-Public Sector**

The State broadcaster, ERT was shut down in just 24 hours despite the lie that they would be re-hired. It has ceased international broadcasting as a prelude to total cessation of public sector broadcasting. Victory of the state here became the green light for further mass sackings (school caretakers, municipal police etc.).

The EU's rule means the imposition of externally determined budgetary constraints (25k sackings from the 700k strong public sector), making a public service media unviable. There is no other rule to require the existence of one so long as there is 'pluralism' i.e. more than one private sector provider of corporate 'news'. This is directly linked to the Free Trade Agreement with the USA which seeks the abolition of the 'cultural exception' of national governments in cultural life so that Hollywood dominates above all else. This is directed most strongly at France, but would apply to all European nations. The contemporary capacity to wage this cultural assault is in total contrast to the circumstances of 1939 when Greece won an important ruling against a Belgian company for a railway contract when it defaulted alleging if a public service is threatened states have the right to default. (1)

The EU is funding propaganda equating 'Nazism with Communism' under 'Europe for the Citizens' programme for 2014-20 whereby each nation's history is erased to create a 'common European citizen'. Participants (i.e. media outlets and NGO's) can claim up to Euro 100,000 for working towards this aim.

## **Massive strike wave**

In the last twelve months strikes in the transport sector Metro, Seafarers and Secondary School Teachers, have been met with emergency strike bans in total conflict with all the agreements of the EU and ILO's alleged 'right to strike'. A strike by university administration staff facing sackings has been going on for 13 weeks with 3-4 of the main universities shut down for the last 3 months.

The conflict with the Troika and the collapsing Samaras government (which relies on 4 MPs to give it a majority) is now over continued mass sackings, repossessions of first homes and a land tax. As opposed to the rest of Europe, Greek home ownership was accrued primarily via work and not bank loans. So any new laws which aim to repossess properties on behalf of the parasitic banks will be met with fierce resistance, as has already been evidenced over electricity cut offs, imposed due to property taxes, which was eventually defeated on the streets. Thomson from the IMF said if you want a welfare policy buy tents.

None of the socio-economic indicators have improved over the four year programme and none of the declared aims have achieved anything more than a massive worsening of standards of life.

The crisis has no end in sight despite all the official pronouncements and the contradictions building up in the foundations of the EZ are so large than when the debt crisis re-merges again (ECB's money printing ceases) it will make the previous one feel like a walk down the park. Only by breaking up the EU-EZ leaving its budgetary controls can nations embark on a different course.

The irony is that the majority 'left' forces in Greece want a Europe of the 'peoples' whilst the euro-sceptics want a Europe of 'nations' when what is at stake that there is no common Europe for the common man but only for the multinationals and the centrifugal forces pulling it apart raises hope that the sooner it dissolves the better.

#### **Note**

(1) "In a scholarly study on the issue of force majeure in relation to the obligations of States, Mr. Youpis (Greek council) explained yesterday that a State is not required to pay its debts if, by paying, it would compromise its essential public services. The Belgian government would most likely agree with the principle thus stated."

<http://droit-public.ulb.ac.be/wp-content/uploads/2013/07/Working-Paper-The-ERT-case-or-when-a-screen-gone-blank-reveals-the-plight-of-public-service-in-Europe-a-documentary-breviary-to-fuel-the-debate.pdf>

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