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Tsipras and Varoufakis Approve of Home Evictions and Expropriation of Depositors

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Global Research, July 27, 2015

Region: Europe
Theme: Global Economy

During their election campaign, the Syriza movement promised the people of Greece an end to the inhumane politics of austerity and the dictatorship of the Troika.

After being elected in January, Prime Minister Tsipras and his Finance Minister Varoufakis negotiated with the EU commission, the ECB and the IMF for almost five months. While fulfilling almost all of their financial demands, Syriza's leaders openly criticized the "institutions" for their tough bargaining and resisted some of their harshest measures.

At the beginning of July, the Troika tightened its grip on Greece. Tsipras and Varoufakis in return called for a referendum in which the people of Greece took a very clear stance and said "no" to the continuation of austerity politics.

Rather than fulfill this mandate, Tsipras responded with a 180-degree turnaround. He dismissed his finance minister, went to Brussels and accepted the most far-reaching austerity measures ever imposed on his country.

Meanwhile Tsipras has survived two votes in the Greek parliament with the support of exactly those forces whom he once called his political adversaries. He has also removed all those members from his cabinet that were unwilling to follow his new course.

Last Wednesday, both Tsipras and his former finance minister went even further by giving their consent to a reform package that will facilitate foreclosures and home evictions. Given the disastrous economic situation, high unemployment and the ongoing capital controls, thousands of home owners will fall into arrears with their interest and repayment installments in the coming months and thus become victims of this new legislation, which will go into effect on 1 January 2016.

Tsipras and Varoufakis, who loved posing as the advocates of the common people during their election campaign, are thus frankly siding with collecting agencies and openly turning their backs on working people strangled by debt.

However, there was worse to come in Wednesday's vote. Pretending to "protect "Greek taxpayers, Tsipras and Varoufakis also gave their consent to the EU's Bank Recovery and Resolution Directive (BRRD). This legislation provides for the replacement of bailouts of banks with taxpayers' money by the partial expropriation of savers, depositors and shareholders.

To understand the true nature of a bail-in, one only has to take a look at what happened in Cyprus in the spring of 2013. There, depositors with more than 100,000 euros in their accounts lost 40 percent of their money, which was used to 'recapitalize' their bank. The measure was a devastating blow for the middle class, small businesses and retirees who lost a large part of their lifetime savings.

Although deposits under 100,000 euros are officially protected within the EU, this is no guarantee that they will be left untouched. After most large depositors removed their money during the past months, the four biggest banks in Greece – Piraeus Bank, Alpha Bank, Eurobank and the National Bank of Greece – presently only hold deposits of around 130 billion euros. It is estimated that 40 to 50 percent of their loans are not being serviced and only 40 percent of customers' deposits exceed 8,000 euros. Strangled by bad loans, these four banks that make up 90 percent of Greece's banking business, are desperate to increase their equity capital and therefore urgently need fresh money.

By the way, the agreement between the Troika and the government of Cyprus in 2013 was not based on any existing laws, but concluded on the basis of a quickly resolved "agreement" between the rulers in Nicosia and the EU. Implementing a similar "emergency agreement" in Greece would probably not present a big problem to the EU or the Troika. As reported by the *Financial Times* and confirmed by one of the banks concerned, such a measure has already been discussed. According to their sources, Greek authorities are aiming at a 30 percent haircut for all deposits exceeding 8,000 euros.

Tsipras as well as Varoufakis must have known this when they voted in favor of the BRRD on Wednesday. They have thus willingly contributed to a further deepening of the assaults not only on the working people and the middle class of Greece, but also on millions of savers, depositors and small enterpreneurs in Serbia, Albania, Bulgaria, Macedonia and Romania who maintain their accounts at the regional subsidiaries of the large Greek banks and whose living standards in some cases are far below those of Greece. They, too, will in all probability be subjected to a bail-in.

On the weekend before before the vote, Yannis Varoufakis gave an interview to the Spanish newspaper *El Mundo* in which he described the creditors of his country as "terrorists". Is there a better way of demonstrating one's moral depravity than by consenting to the partial expropriation of working people and the destruction of the lifelong work of small entrepreneurs only three days after making a statement like that?

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