

The 'third memorandum of austerity measures' voted through by the Greek Parliament November 7th 2012 (from *To Vima* (newspaper), include:

- *Restructure of public sector 719 million euro / *Municipalities 210 million euro cuts
- *Wages, bonuses and allowances cuts 1.497 billion euro / *Pensions, increase of retirement age 5,475 billion euro
- *Cuts in social welfare 307 billion euro / * Health care sector 1.113 billion euro
- *Defence spending (closure of military camps, cancellation of new armament deals etc) 406 million euro
- *Education (universities & technical colleges mergers, reducing funding in sports and culture 133 million euro
- *Cuts in state-run enterprises 495 million euro
- *New taxation system (cancellation of tax free amount, tax hikes in tobacco products, tax hike in the interests rates from bank deposits from 10% to 15% etc) 3.89 billion euro.

Cuts, Cuts, Cuts - 230 pages that will leave millions of households with a minimum income enough just to cover basic needs. Some of the main changes will be:

- Cuts in main and supplementary pensions 5% for 1,000-1,500 euro, 10% for 1,500-2,000 euro and 15% for pensions in more than 2,000 euro.
- Increase of retirement age from 65 to 67.
- Social welfare benefits (EKAS) for low-pensioners only for those over 65 years old.
- Cuts for special payrolls 2% for wages up to 1,000 euro and up to 35% for more than 4,000 euro monthly salary. Retrospective as of 1. August 2012.
- Up to 40% salary cuts for employees of state-run enterprises and municipalities.
- Abolition of Christmas/Eastern & Vacation bonuses to wages of civil servants and pensioners.
- Cuts in several allowances of civil servants.
- Increase of the working week from 36.5 to 40 hours for civil servants.
- Decreases in overtime payments
- Reductions in pensions for disabled people
- Reductions in jobless allowances, i.e. seasonal workers
- Reduction in social welfare spending
- Hiring scheme 1:5 until 2015

Cuts in health sector will leave thousands if not millions without sufficient health care. The bill foresees among others: Reducing health services for uninsured (25% of Greeks are without job, while uninsured labour blooms), reducing medicine from official lists, reducing spending for health care cost (medical services and drugs). In addition a new tax system will raise taxes for low and medium incomes and reduce taxes for the rich.

The spending cuts and 'structural reforms' are a precondition for Greece to receive the bailout tranche of 31.5 billion euro. The billions that will come with the bailout tranche will

be spent for the recapitalization of the banks and by the state to pay outstanding debts to suppliers.