

Professor Maria Negreponi-Delivanis, the distinguished Member of the Editorial Board of the “Romanian Distribution Committee Magazine” (<http://www.distribution-magazine.eu/maria-negreponi-delivanis-is-joining-the-%e2%80%9eromanian-distribution-committee-magazine-editorial-board/>), allowed us to publish her article below, a paper to be delivered in french to the International Economic Conference to be held at the University of Valahia in Romania, 4-6 October 2012, being also under publication in Paris by L’HARMATTAN, as part of an effort to publicize the problems faced by Greece. It is worth to remember once again within this context, that two years ago, Professor Maria Negreponi-Delivanis posted on July 6, 2010 some comments to James Galbraith’s expressed opinion on the occasion of his appearance, on June 30, 2010, before the US Commission on Deficit Reduction (July 4, 2010, <http://rwer.wordpress.com/2010/07/04/galbriaths-statement-to-the-commission-on-deficit-reduction/>). As Economist-former Rector and Professor in the University of Macedonia Maria Negreponi-Delivanis argued, while agreeing with the analysis made by James Galbraith, that the economic particularities of Greece make awfully dangerous for its future a long term austerity policy ...

The end of the Eurozone: European North against European South*

By Maria Negreponi-Delivanis

Introduction

The dramatic events taking place during the last two years and especially during the last few months within the EU and the eurozone, make it impossible to hide the harsh reality. The latter consists of a breach between the rich European North and the poor and indebted South, which is constantly growing and leaves no hope for convergence. This is because the bluntness with which the EU headquarters treat the indebted economies indicates a total absence of cohesion and solidarity among the member states and something even worse: that the belief these elements ever existed is clearly utopian. That the enthusiasm towards the united people of Europe which prevailed during the ‘50s and ‘60s, especially among the young, as well as all those promises supporting its birth lacked a solid foundation. They were organized attempts at camouflaging the real objectives of the union’s leaders who belonged to the same nationalities as today’s leaders. Namely Germany, who through the EU wished to finally pursue its twice failed dream: ruling over Europe. In order to realize this dream, Germany was persuaded to adopt the common currency which enabled the unification of the two Germanies¹. As for France, the second country playing a

**Paper to be delivered to the International Economic Conference to be held at the University of Valahia in Rumania, 4-6 October 2012 (in French). It is also under publication in Paris by L’HARMATTAN, as part of an effort to publicize the problems faced by Greece.*

leading role in the development of a united Europe, her objectives were always narrower in scope. It would be enough for her to acquire a permanent leading position in Europe. The problem France faces however, and which partly justifies its full adoption of the German choices², is its largely ambiguous identity. It is not fully clear whether her economy belongs to the European South or the European North, while it is perfectly obvious that she would like to fully identify herself with the latter.

However, there is a possibility that the situation was not so cynical initially. One cannot rule out that the founders of the EU may have had good intentions and most importantly, that they may have believed in their ability to fulfill them. Personally, I feel a great need to still believe that the fathers of Europe³ were striving to achieve peace, democracy, equality and prosperity for all, rapid growth and full employment and that they would be crushed if they were able to see the degeneration of their ambitious idea⁴. For they would be horrified to realize not only that nothing has been implemented out of their initial designs, but furthermore, that an undeclared but devastating war has recently broken out between the North and the South of Europe. A terrible and peculiar form of conflict, without weapons of mass destruction, but with munitions which prove more potent, more effective and more toxic than all traditional weapons. In fact, Germany who is exploiting the debt of the European South as a Trojan Horse, seems to be rapidly entering the implementation phase of a plan to subjugate the South to the North, which relies on a form of neocolonialism with herself as the undisputed leader. Apart from the now openly expansionary ambitions expressed by Germany, this hellish plan is supported by the rapid developments in relation to the global economy which threaten to marginalize Europe

¹ According to the well known economic analyst Max Keiser, as recently aired on the central news bulletin of the satellite TV station *Russia Today*

² At least during the presidency of Nicolas Sarkozy

³ L'acte fondateur de l'Union européenne est la *Déclaration du 9 mai 1950* de Robert Schuman, ministre Français des Affaires Etrangères. Sous l'impulsion de personnalités politiques surnommées « Pères de l'Europe », comme Konrad Adenauer, Jean Monnet et Alcide de Gasperi, six États créent en 1951 la Communauté européenne du charbon et de l'acier. Après l'échec d'une Communauté européenne de défense en 1954, une Communauté économique européenne est instaurée en 1957 par le traité de Rome. La coopération économique est approfondie par l'Acte unique européen en 1986.(Wikipedia)

⁴ Because I was one of the first European students to participate in the initial meetings in the Netherlands in the '60s, aiming at the promotion of United Europe

and the West as a whole.⁵. These refer mainly to the growing competition from emerging economies, led by China. Germany's competitiveness is being seriously endangered and as an antidote, the country is on the look-out for abundant and cheap labor⁶. This is exactly what the European South promise to secure⁷, in case the latter is indeed subjugated to some form of colonialism.

In this paper, I shall attempt to show that the European South which has suffered as a result of an economic union whose directives were since the beginning designed to serve the more powerful partners instead of its own needs, which has been witnessing the long-term erosion of its development potential, which is the victim of a constant although disguised exploitation by the wealthy North⁸, has reached the moment when it will be transformed into a holocaust on the altar of the rekindled German plans.

In Part I of my Paper I shall refer myself to the brutal frontal attack led by the wealthy North on the European South, naturally led by Germany, while Greece serves as the tip of the iceberg. Part II of my paper shall refer to the consequences, mainly for Greece, which however are already spreading to the rest of the European South.

Part I. The outright attack on the South

The obsession, especially of Germany, to implement tyrannical, and yet totally ineffective measures initially in Greece, which however are already affecting almost all of southern Europe, can no longer convince that these are intended to save it. However, before dealing with the final, as it seems, phase of the tragedy facing the

⁵ Published 17 years ago in Eleftherotypia, on 9.5.1995 and signed by MAR. POL.: «People - declared a VIP Nazi 50 years ago- forget fast. This is exactly their difference in comparison to a nation with a good memory, like the superior race of the Germans. The money channeled towards the restoration of Germany is a lot. Those who have fought against us will come to work for us. We are an industrious race which will recreate a strong, united Germany. You will see that we shall become the strongest country in economic terms. And then Goebels will be able to rise from his grave and shout: "We have finally won"».

⁶ The independent evaluation agency Egan Jones degraded the German economy from A+ to AA— under the justification that the deepening debt crisis in the eurozone shall affect the German exports.

⁷ During the first semester of 2011, the number of immigrants from Spain and Greece to Germany rose by 84% and 49%, accordingly Voir Une enquête d'Olivier Cyran "L'effroi du retraité allemand face à l'épouvantail grec" (2012), *Le Monde Diplomatique*, No 700-59e année, Juillet

⁸ Thanks to the surplus trade balance of Germany, the obligation of the South to buy military equipment from the North and the very negative consequences of the Stability Pact for the weaker European economies

South, I would like to recall that all kinds of attacks against the latter do not represent a recent phenomenon. On the contrary, the European South has faced since the beginning, the negative consequences of the coexistence, within the same economic union, of more and less advanced economies. What however practically demolished the less advanced European economies was, undoubtedly, the Stability Pact⁹, which Germany demanded in order to abandon her strong and stable mark in favor of the euro. However, as I have already mentioned in¹⁰, it was not the weaker economies of the European South which were unable to withstand the strict and recessionary provisions of the Stability Pact, but rather Germany which inspired them. In fact, without the slightest hesitation and seconded by France and Great Britain, on 25.11.2003, Germany triggered the decision to suspend the implementation of the Stability Pact, for about 4 years, with the excuse that "it dangerously limits its growth rates ". The obviously scandalous nature of this decision is not the abortion of a pact, which certainly had a devastating effect on Europe, but the exception from this abortion, of southern Europe. Indeed, the two mighty European economies, Germany and France, excluded themselves from the risky application of the stifling provisions of the infamous pact, while still demanding from the miserable European South to adhere even more strictly to the latter¹¹. This decision of November 2003 essentially turned the South responsible for the stability of the euro, while strangling all its development potential. It is only today, nine years after the conviction of the South by the EU leaders, that the German magazine *Spiegel*¹² reveals that Germany has "built the euro to suit herself" and thus saved herself, by destroying the South. Specifically: "This effort was secretly initiated by the Chancellery in the summer of 2003. At the time, the German economy was stagnant, with almost zero growth rates, while unemployment and public deficit were constantly increasing". Another major negative consequence on the South was the permanent and huge trade surplus of Germany, as well as the extremely dangerous, for the weaker economies, enforcement

⁹ A significant drawback for the development of the member-states but necessary support for the euro, because of its serious inherent problems

¹⁰ Negreponti-Delivanis, M., (2004), *The fate of the euro*, Delivanis Foundation and Cornelia Sfakianaki, Thessaloniki, p. 32 (in Greek)

¹¹ *ibidem*

¹² Published in [olympiada](#) on 18.7. 2012

of a common rate of interest for all the member states, in spite of their very different inflation rates. This common interest rate was largely responsible for the increased indebtedness of the South¹³. However, these very important issues were deliberately ignored by Germany, which during the last two years has been leading an unprecedented pogrom against the South, having chosen Greece as the weakest, as well as the most symbolic link for Europe¹⁴. In addition to the other wealthier member states of the European North, the IMF was also invited to join this pogrom, thus raising quite reasonable, although still unanswered questions surrounding its exact role in dealing with purely European problems.

1. *Measures aiming at robbing¹⁵ rather than saving the South*

In Europe as in the rest of Europe, prevail since the '70s the views imposed jointly Mrs. Thatcher and Mr. Reagan. These consist of a mixture of extreme neoliberal fanaticism and the belief that the alleged trade liberalization is beneficial to all. The extremities of this macroeconomic regime created an environment that seems to ignore completely the passage of John Maynard's Keynes on Earth, in spite of the fact that the very rapid growth rates of the western economy after the end of the Second World War, as well as the more equitable distribution of the fruits of progress, were largely attributed to the implementation of these views. It was within this Europe of rampant new liberalism that the Troika and the bankers began the looting of Greece. Let us now examine one by one the phases of this robbery:

A. Warming up

Since almost two years, a singular genocide¹⁶ is taking place in Greece, combined with a gradual depletion of the European South as a whole.

¹³ For a more detailed analysis, see M. Negreponi-Delivanis (2011), *The whole truth about the debt and deficits and the way to be saved*, Delivanis Foundation and Ianos (in Greek)

¹⁴ As a consequence of the subjugation of Greece, the foundations of Europe are endangered

¹⁵ The looting of Greece through the memoranda and the loan treaty by the troika and the bankers, is realistically describe in the *New York Times*,
http://www.defencenet.gr/defence/index.php?option=com_content&task=view&id=43278&Itemid=139

¹⁶ «Greece is a crime scene», (2011) Video CNBS, «Dylan Ratigan Show» 15.11.

The organized destruction of Greece began with a masterly attempt at presenting her as a very exceptional case, which can under no circumstances be compared to the other southern European economies¹⁷, even if they share common problems. This totally conscious attempt to isolate Greece from her geo-economic space which could have been perfectly attributable to Goebels, excluded a priori the development of any common front formed by the southern European economies in order to confront the German plague, as one would reasonably expect. On the contrary, until very recently, it was quite common to hear formal statements on their part that “they are not and will never be like Greece”. Thus, all the terrible hardships cumulatively imposed on this unfortunate tiny European country, according to the view held by Merkel that the latter should be harshly penalized for her “crimes”, were disguised under some form of legitimacy. And almost as in the Middle Ages, all witnesses enjoy the tortures imposed on those convicted, in the hope of their own salvation. This is the reason why the awareness of the people of the South, the only factor which could prevent the worse from happening, was delayed for so long. The Spaniards only recently began to finally realize what is happening to them and are rioting in the streets shouting “Help! This is a robbery”.

The criminal attack against Greece, a member state of the EU-eurozone, began with desultory insults, especially on the part of German officials, as well as a portion of the German Mass Media, full of unimaginable ironic remarks – although highlighted by the beloved German comparison between the alleged superiority of their people and the supposed inferiority of all others- , numerous mockeries and unimaginable threats, all embellished by tremendous and highly imaginative lies. Thus, the Greeks appeared as “lazy”, in spite of the fact that according to official data they work more hours per week on average¹⁸, in comparison to their European counterparts, as conscious “tax evaders”, although the structural peculiarities of the Greek economy, with nearly triple the rate of self-employment in total Greek employment, largely explains the reasons behind this certainly significant tax evasion, as maintaining an oversized public sector, which supposedly should be instantly cut down, although official data indicate exactly the opposite, as obviously corrupt, although the activities of Siemens

¹⁷ The former socialist economies belong to this group, with varying degrees of the difficulties they face

¹⁸ *Eurostat*

in Greece would have to discourage this kind of conclusions¹⁹, while the same applies to Ferrostaal²⁰.

Unfortunately however, as one may learn from all past genocides, the targeting of a people, aiming at its destruction -physical, economic, ethnic, geopolitical, cultural- while a whole conspiracy is being organized to label this people as useless, alcoholic, fraudulent etc., will eventually and fatally result in its disappearance from the European and global community. This is exactly what is being attempted against Greece²¹ for the past two and a half years, with admirable consistency and the results so far are so spectacular, that a large part of the Greek population has been convinced that it is fit for nothing not even to engage in development process.

And, yet, tiny Greece was not the only fiscally naughty country, compared to other EU member states. As far as the fraud concerning its basic statistics in the aim of acceding to the eurozone, I will not make use of such mitigating factors as the undeniable fact that there is almost no member state that does not have recourse to some form of "creative accounting" to beautify its financial picture. I shall mention the self-evident fact however, that the EU officials should be held equally responsible to Greece, the main tasks of which clearly include monitoring the statistics of the member states, especially of the candidate members of the eurozone . Therefore, these European supervisors should have been aware of the acrobatic activities of Goldman Sachs, in relation to the Greek case -and they certainly were. It is more likely however, that they preferred to visit the Athenian departments and offices with *eyes wide shut*, so as not to impede the easy flow of procurement of defense equipment to Greece- submarines, frigates, fighter planes, etc, mainly from Germany and France. Also, in the midst of the indiscriminate torrent of accusations, against Greece, which is supposedly responsible for the destruction of the eurozone, we are ignoring some very important dimensions of the problem. First, that it is not only Greece facing fiscal problems, but unfortunately almost all of southern Europe is drowning. Secondly, that Greece's debt represents only about 2,5% of the total European debt,

¹⁹ Negreponti-Delivanis, M., (2012), « Lettre ouverte à Madame Christine Lagarde », *Le Monde* électronique, 18.06

²⁰ As derived from the relevant Munich brief, the head of Marine- affiliate of Ferrostaal in Greece, declared the following: «We all knew that if necessary, we would give money to the decision makers». Again according to the same brief, the German company was looking for the adequate people in Greece in order to promote a batch of submarines, as early as 1996-97.

²¹ Klein, N., (2010 for the Greek translation, *The Shock dogma* , Livanis, Athens.

estimated at 8.215 trillion €, while Germany, France, Spain and Italy record debts that are three times higher than the debt of the 13 other member states of the eurozone, and these debts amount to 6.44 trillion €. Third, that there is no evidence to support the usual accusations related to an allegedly wasteful South who supposedly lives at the expense of the North, since there is no evidence in any of the official statistics towards a virtuous financial management on the part of the North. Let me indicatively mention that Germany records a debt of 81.2% as a percentage of GDP in 2011, corresponding to 85.8% for France, and 120.1% for Italy respectively. Should these countries not be ousted from the eurozone, on the basis of the strict German standards? At least, shouldn't this joke of extremely bad taste against Greece, come to an end? Isn't it ridiculous to aim this absurd fury against Greece, which is supposedly to blame for the intractable fiscal problems faced by the EU? Finally, we are forgetting the most important fact: that the economies of the South who became, in effect, hostages of the famous markets are no longer able to react efficiently, as long as they have abandoned their national currencies.

Since the beginning of the Greek crisis, the Troika strongly supports "that it is saving" Greece, and that mainly the Germans are sacrificing themselves, by providing untold monetary sums. However, the truth is very different because it impoverishes the Greek people, while the total of the loans added to the initial debt go to the lenders, mainly banks. Following, are some indicative relevant data:

* public spending was € 170 billion for 2012. However, out of those, only € 21 billion will cover net government spending, while € 149 billion goes to lenders.

* Official data was published according to which Germany gained € 55 billion since the beginning of the Greek crisis, due to differences in the interest rate at which it borrows and then lends to Greece.

* Banks are borrowing from the ECB at 1% and then lend to the government at 7%. Naturally, the difference is borne by the Greek people.

* The ECB has also speculated against Greece, buying Greek bonds from the secondary market, which were underestimated at 25% of their nominal value, and

then refusing to accept a 50% 'haircut' of the latter, although its gain would still be 100% compared to the sum at which they were purchased²².

* Within the last 15 years Greece has paid € 265 billion for annuities and €156 billion for interest on loans. As noted by the economic editor of the BBC, Stephanie Flanders, in her analysis of the Greek debt in the website of the British network²³, the interest paid by the country in 2011 was by 23% higher compared to 2010, despite the "low interest" loans provided by the Europeans and the IMF.

The author also points out that capital has already been repaid and that now the country is paying out interest.

* The famous "haircut" of the debt, which was supposed to alleviate the economy was in fact a fiasco, which reduced the debt by only €30 billion, but also dangerously "clipped" pension funds, hospitals and universities. However, given that Greece received a new loan, which was added to the existing one, the debt continues to grow and from € 250 billion in the beginning of 2010 is currently estimated at € 303,527²⁴ billion.

B. The program towards an impossible "salvation"

The second phase of the unacceptable activities, followed in order to supposedly save Greece, refers to Memoranda, the loan contracts, updates, medium term commitments and all this unbelievable ragbag which impoverishes the people and the land. In spite of the fact that there were indeed Greek officials who agreed to sign while they should have publicly denounced these agreements – as the Spaniards are currently doing – by shouting “help, they are robbing and murdering us”, these signatures cannot however change the atrocity of these agreements and Greece could possibly be rid of them by appealing to the International Court²⁵, as there is no moral basis in the demands of the

²²http://news.kathimerini.gr/4dcgi/_w_articles_politics_2_01/07/2012_487609

²³ <http://www.bbc.co.uk/news/business-18099336>

²⁴ According to the Bank of Greece, July/2012

²⁵ In 1936 the Greek government under Metaxa declared that it was unable to service a loan by the Belgian Bank Société Commerciale de Belgique, and explained in a special memorandum that “the interests of the Greek people concerning public administration, economic life, public health and internal and external defence of the country did not leave the government any other choice”. The International Court accepted the argument and vindicated Greece, creating a legal precedent, which was later exploited by Argentina in 2003, in an effort to proceed to a suspension of payments.

lenders who impose their own interests at the expense of the survival of an entire people.

The philosophy behind the program's alleged rescue of Greece, - which applies to the entire European South with a few variations-, is based on two assumptions, which are not only unproven, but also prove to be completely erroneous. These are:

* First, Mrs Merkel's obsession, which is unfortunately not contradicted by those surrounding and deciding with her, - that everything is the fault of the irresponsible and wasteful South, which should be exemplarily punished, which should suffer and pay"²⁶. It was very intelligently, stated²⁷, that "the debate about the current crisis brings to mind a crusade, in which white horsemen attack the infidels." Certainly, we should note that, although it seems inconceivable, it is estimated that since the beginning of the crisis, real government spending brutally fell by 25%, with no provision to assess the consequences of this dramatic reduction on the well-being of the people²⁸. Nevertheless, our partners support that we "are doing nothing".

* Second, Berlin operates as if it believes that constant restrictions of all forms of expenditure lead to development²⁹. Berlin does not view this austerity policy as a short-term measure, but on the contrary, as a permanent one, which has been incorporated in the new Competitiveness Pact, constitutes an obligatory provisions in the Constitutions of all member-states and provides for severe penalties for those who do not comply.

The program which has been imposed on Greece however, and extended to one after the other of the southern European economies seeking help to deal with their debt, is unprecedented³⁰ on a world-wide level. It consists of a policy of internal devaluation,

²⁶ Krugman., P., (2012), "Europe's great illusion" IHT, 5.6

²⁷ Fehrie, B., (2011), "Pourquoi Mme Merkel a raison de douter", Frankfurter Rundschau, publié dans le Courrier International du 6 au 12 octobre

²⁸ Based on the last FMI report on Greece : <http://blogs.mediapart.fr/blog/mehdi-zaaf/050212/la-grece-en-panne-de-democrati>

²⁹ Ewing, J., (2012) , "Berlin clings to austerity despite pleas", IHT, 9.1

³⁰ As ascertained by the former representative of Greece to the IMF, P. Roumeliotis. (http://www.epikaira.gr/epikairo.php?id=41095&category_id=88)

intended to replace, the traditional policy of external devaluation and is aimed at economies that no longer have a national currency, such as the eurozone economies. The consequences of this policy for Greece are tragic. At the same time, all serious economists in the world, including international financial journals³¹ argue that this is a destructive and ineffective which must urgently be replaced. Germany, however, not only insists on its continued enforcement, but in the case of Greece, demands a gradual intensification of the latter, with the result that this small European country has already been forced to third world conditions. The same behavior towards Greece has been adopted by the IMF. Obviously, however, the persistence of the troika, which not only seems inexplicable but incoherent, and alleged belief that this program may in fact be successful, can only be explained by a lack of other alternatives. Indeed, in spite of been aware of the fallacy, the troika has no other solution but to accuse Greece of being “responsible” for the disaster that the troika itself has brought upon the country.

The internal devaluation, therefore, consists of massive, arbitrary cuts of wages and pensions, as well as all forms of expenditure in the economies where the program is enforced. Wages initially in the public sector which is being victimized, and eventually in the private sector, are being heavily cut, on the excuse that this will restore the diminished competitiveness of the indebted economies, as an increase of exports will signal the beginning of economic recovery. The restriction of expenditure also refers to the welfare state³², and includes education, health, public administration and the defense of the economy in question. We are talking of a total dissolution of the economy, society, education and public administration, of a program which lacks any theoretical basis and has never been applied before³³. Especially in the case of Greece, it is a priori unrealistic to expect a revival of the economy as a result of internal devaluation for two additional reasons. First, because the contribution of exports to GDP is low and less than 20% and second because more than half of its exports compete with products exported from emerging economies. It is certainly not

³¹Including the new liberalistic journal *The Economist*

³² As long as it attracts the hate of fanatic new liberalists

³³Lately, there is an effort to present the consequences on the Baltic countries, as a success of this policy. However, the satisfactory growth rates in these economies were achieved at the expense of very high unemployment rates

serious to expect that the level of wages in European economies could drop to the level prevailing in emerging economies³⁴.

What happens in Greece, is already being generalized in the European South and described in great humor, and with great astuteness in the excellent article by Slavoj Žižek in the newspaper *Le Monde*³⁵. Summary: "Those who deciding in Brussels could be compared to juggling Chinese plates ... the difficulty is in maintaining the movement, without which the plates fall and break." Also included are excerpts from the film *Nitotchka* of Ernst Lubitsch, which aired in 1939. Someone ordered a coffee without cream, and the waiter replied, "Sorry, but we no longer have cream, we only have milk. Can I get you a coffee without milk? ". In an effort to argue that "it will not be the Greeks who will benefit from the ordeals imposed on them", but the banks. Also Dominique Strauss-Kahn recently said from Beijing³⁶: "The IMF's prescription has not been implemented correctly in Greece and that is a shame." Nobel laureate Paul Krugman³⁷, is also on the same wave length .

The Greek debt is not manageable, like any debt in excess of 90% of GDP³⁸. The famous "haircut" did nothing to alter this grim reality. On the contrary, while at the beginning of the crisis the debt represented 115% of GDP in 2012 it is approximately 170%, while there has been an effort which is already considered unsuccessful to bring it at 120% in 2020³⁹. The deep recession, which was caused by the austerity program in the Greek economy constantly worsens the existing debt as a part of a GDP which is dropping at frightful rates. Therefore, any discussions referring to a Greek bankruptcy, to when or how this will happen, to a possible reversion to the drachma, to the alleged intentions of the troika etc, are simply designed to save time. The realization, beyond any doubt that the Greek debt will not be manageable even as

³⁴ Although their level is already rising quite rapidly

³⁵ «Lamentable fiction, l'austérité continue de servir et de servir les Banques, » 13.07.2012

³⁶ Who in spite of all his problems, is still one of the most famous world economists and IMF experts..
<http://www.ethnos.gr/article.asp?catid=22769&subid=2&pubid=63592023>

³⁷ "The troika's scenarios are irrational" (2011) article published in the electronic newspaper of *New York Times*, 7.2

³⁸ According to relative studies by Carmen M. Reinhart and Kenneth S. Rogoff

³⁹ Meaning that the whole effort at an alleged "salvation" would under the most favorable conditions lead –but will not- 11 years later and in spite of the inhuman sacrifices of the Greek people, to a worse point in comparison to the starting point

late as 2020, which also signals the failure of this policy, may serve, among others, as an explanation of the recent statement by the IMF that it will cease to finance Greece⁴⁰. It is well known that the IMF Constitution prohibits it to finance non-manageable debts. Therefore, the clumsy efforts at disproving this reality constitute still another deception against Greece.

Still, the troika with the tacit consent of the Greek officials commute to and from Athens, and undaunted, completely detached from the "Greek deadlock concerning the memorandum," claim that "the Greeks are to blame for failing to meet the objectives," and that "there will be no discussion about modifying the program, if there is a failure to implement the commitments." Those commitments leading Greece to its doom.

2. *The obscure objectives of the alleged rescue*

The obvious certainty that memoranda, loan agreements etc. not only do not help the Greek economy to overcome the crisis, but, on the contrary keep pushing it deeper into the dark tunnel, naturally led to the quest for other objectives, apart from those officially declared. Because all of the world economists, whether neoliberal or Keynesian, succeeded in doing something in the case of the Greece, that seemed impossible in principle: that is to unanimously agree that the program imposed on Greece leads to the destruction rather than the salvation of the country. Even more amazing is the fact that several of the alternating members of recent Greek governments have, at times, publicly and categorically stated that "the program imposed by the troika leads to a deadlock!" However, when they come into power, they exhaust all their energy and intellectual power towards the greatest possible satisfaction of the members of the troika, who now openly behave as conquerors of the country, and their willingness to play along with them at the expense of the Greek people. Undoubtedly, both sides, the troika and the Greek government, are fully aware

⁴⁰Der Spiegel [by economicos](#), 22.07.2012

that the measures, which the former impose on the latter drain the economy from any development opportunity and deepen the impoverishment and despair of the Greek people, leaving no room for any hope towards recovery. This is an integrated plan for a peculiar genocide, which directly affects the survival of the country for an indefinite number of years.

Under these tragic circumstances it would be inexcusably naïve to refrain from seeking the real objectives of this unholy policy of the troika, which, clearly is a crime against humanity. One should obviously reject interpretations of the kind that the troika committed an error, that they are, supposedly unaware of the particular elements of the Greek problem, or even blinded by ideological fanaticism. Any such interpretation hides the real objectives of this Armageddon, which engulfed Greece and are now very clear. These are:

A. The end of the Welfare State⁴¹

The simpler would be to attribute the fury of the troika against the public sector and especially the welfare state, to their clear ideological choices. Obviously, however, this interpretation is now extremely inadequate to interpret the brutal objectives pursued, and which can only be justified on the assumption of establishing a world government and a world currency, passing through a Germanized Europe⁴². The global economy, which was prepared thanks to globalization, shall be totally dominated by banks and bankers, whose physical manifestation is an extremely small group of people who tirelessly and in all geographical latitudes, shall collect and accumulate global wealth. This process has already begun, mainly by means of reducing the high tax rates imposed on high incomes, which have shrunk the middle class in America and Europe⁴³ and led to the culmination of inequalities.

There is no longer any doubt that the welfare state was developed in the West just to prevent the uprising of workers as a result of the social welfare programs, taking place

⁴¹ Schuman, M., (2011), “Au Revoir Welfare State”, *Time*, 28.11

⁴² M. Dassù, M., (2011), “Une Europe allemande est née”, *Courrier International*, no 1095 27.10-2.11

⁴³ Sachs, J.D., (2012), “Why America must revive its middle class”, *Time*, 10.10

in the Soviet bloc. For this reason, they were hastily abandoned as soon as this danger was eliminated. The overt goal of rulers now in America and Europe, is the rapid application of so-called *structural reforms* to eliminate all labor rights and restore the labor market to the regime prevailing in the beginning of the 19th century.

This disproved the widespread anticipation of the '60 and '70 under which the development and maturity of capitalism would be accompanied by greater equality and prosperity for all.

The ugly truth can no longer be hidden, that Greece was chosen as a guinea pig, and this objective was achieved almost without reaction. However, Greece is not the ultimate goal of this project, just the bridge over which the impoverishment of workers, with wages corresponding to those prevailing in China or Africa, and no form of protection in the labor market will pass and spread across Europe. Therefore, there is no question of improving this program of genocide, imposed on Greece, until the completion of her total destruction.

B. The plunder of our national wealth

The second paramount objective, pursued through the Greek genocide, is the seizure of public wealth. Greece, of course, will not be able to meet its obligations, which were undertaken in absentia, on its behalf, on the part of the signatories, who, in some cases, did not even take the trouble to read them. Quite simply, these are obligations that cannot be achieved. However, they will deepen the despair of the people, will rob them of any national dignity, convincing them that they are useless and preparing them to passively surrender their fate and property to their conquerors.

Various misleading terms such as the purported "exploitation of public property," the alleged effort to "attract investors", the so-called "reorganization of the public sector", the so-called "long-needed reforms," and other similar views aim at justifying the tragic conditions under which is planned the most atrocious crime against Greece and its people: the general sell-out of its wealth.

One should not assume that I am expressing ideological objections concerning the Greek privatization program. I do object however, -as every Greek man or woman

ought to- to the methodology as well as to the primary objective which is being pursued and which is solely the contribution of privatization to the repayment of the debt repayment and certainly not the exploitation of Greek public assets.

It is indeed clear that this anti-national activity does not concern public firms, or public assets in general for which some sort of serious previous comparative study has shown that they might perform better if passed by the state to individuals. Even more so, neither certain sensitive services to the welfare of the citizens have been excluded from this criminal enterprise, such as electricity, water, communications, defense, public health, etc.

Under a constant pressure, intimidation and blackmail as to the non-disbursement of installments, or the possibility of an uncontrolled bankruptcy or expulsion from the eurozone our partners are forcing Greece to hasty privatizations- or a total liquidation of all public assets- at any cost or sacrifice. Regardless of the fact that public service companies must not, under any circumstances, be privatized⁴⁴, let alone be passed on to foreigners, it is now clear that, for Greece this is the worst possible timing for privatizations or asset sales. The reason is not only the limited value of anything Greek abroad, but also, the unbelievable declaration of the Greek minister of Finance , that whatever is liquidated “can be paid through Greek bonds”, meaning that any such assets will be practically given away considering the devaluation of their nominal price by as much as 80%.

The sell out was fortunately delayed due to technical reasons, as there are many difficulties in selling⁴⁵, and even mature cases need 2-3 years for the process to be completed. One can still hope, therefore, that things may change in order to avoid this outrage, equivalent to a lifetime bankruptcy of Greece, even at the last minute.

C. The protectorate of GREECE

Last but not least, all this shadow shoe, all these delays in decision making, all this embarrassment and all-night meetings aiming at simply gaining time, not finding

⁴⁴ Negreponi-Delivanis,M., (1993) *Private and public enterprises*, Thessaloniki-Athens, *Sakoula*, (in greek).

⁴⁵ Pavlopoulos, P., (2012), “The constitutional limits of privatization”, *olympiada*,21.07

solutions to all these threats and exhortations, seem to conceal still another evil objective, which is being pursued through the existence of the debt, and may no longer be easily concealed. The EU-eurozone, if it manages to survive instead of dissolving - although the latter is more than likely- will no longer consist of equal partners but of rulers and serfs. The dividing line between these two categories is the financial condition of the partners. As aptly pointed out by the economist Philippe Murer⁴⁶ this division is really the restoration of the ancient custom of enslavement of a people due to indebtedness, which was abolished by the Romans 2000 years ago. Indeed, very recently, all European newspapers published Mrs Merkel's intention to post a non-Greek "supervisor" at the top of the budget department of Greece, which equates to the establishment of a protectorate.

The dismal fate of this, which has been currently reserved for Greece -if it does not react instantly and decisively- shall undoubtedly be extended, with several variations, throughout the European South. This refers to the scenario which is already being promoted by the leaders of the EU-eurozone concerning a Europe of two or more speeds. Let me remind that such an intention existed since the creation of the EU but was decisively rejected by the leaders of that time.

There is a number of indications, not to say evidence, that Greece has been selected as a guinea pig to voluntarily abandon its national sovereignty and democratic elections to lead to a sham democracy. This is because those who are ultimately elected –with various manipulations-- to occupy key positions belong to a tank of pre-selected powerful individuals connected to Bildenberg or other similar organizations. It is therefore reasonable to expect that such people will not have as a priority to serve the national interests of their country, but rather to promote, the orders given by their principals.

Part II: The consequences so far

⁴⁶Vidéo ici http://www.dailymotion.com/video/xrv99o_une-guerre-invisible-contre-la-population-l-esclavage-moderne-par-une-dette-

In Part II I shall now deal with some of the consequences of all these dramatic developments that have transformed Greece into the first "guinea pig of the EU." The attitude towards the Greek debt has already totally ruined the Greek economy, society, education, public administration, defense of the country and has crushed any future perspective. It should however be clear that this policy of inhuman austerity is not a "Greek privilege", but rather a 'moment of death foretold " for all the indebted economies of southern Europe. Greece becomes the holocaust of Europe, unwittingly, paving the way for the same fate hitting the whole of southern Europe⁴⁷.

I will now briefly refer to these disasters, which have already occurred in Greece, and the erosion of the European idea, which tarnishes the EU-eurozone:

1. The Greek economic genocide

Based on serious considerations, if we had the opportunity for development - or even a recession not exceeding 2% - we would succeed in balancing our budget in 2013, meaning that would no longer have to borrow, while from 2014 onwards we would be able to start repaying our debt. The truth is however, that our partners have - consciously- excluded this possibility, forcing us to implement a program that is literally strangling any development potential for our economy.

This recession of the Greek economy, unprecedented in peacetime, both in terms of duration and intensity, is stifling it for the fifth consecutive year. We are witnessing a depression which is even longer than the one which hit the U.S. following the 1929 crisis. Apart from its duration however, the recession has literally ravaged the Greek economy, having already caused a cumulative drop of GDP exceeding 20%, of the average purchasing power exceeding 50%, of unemployment around 22% (52% for the young). It is furthermore estimated that the depreciation of assets, reduction of bank deposits, discouragement of development initiatives, especially investment equals 500E billion. It is therefore extremely naive to maintain any hope for the

⁴⁷ Up to a point, because Greece is a special case, from a geographical-strategic point, as well as from the point of the country's mineral and marine resources, estimated to be quite significant

recovery of such a weakened economy through investment of such scale, while such an evolution would necessitate investment with extremely high return equal to at least 10-12% of GDP.

In rough times, with such a deep economic, social, political and moral decline, the psychological factor becomes crucial. Thus, now Greece is dominated by fear, insecurity, lack of confidence in the various governmental announcements, and nothing works anymore. It is therefore not surprising that Greece ranks among the five most pessimistic economies in the world⁴⁸. Not surprising, still, that 7 out of 10 young people wish to leave the country. Since the beginning of this plague, Greece records a reduction of wages and pensions, of 25% on average- but still, the Troika believes that this reduction is not enough and that at least an additional 20% is necessary - 439,000 children live in poverty⁴⁹, students at many public schools faint from hunger, the “rubbish eaters” and the homeless have flooded major cities, the soup kitchens, offered mainly by the church have increased the number of servings by five times, (data referring to only June 2012), and only in Athens 350 desperate people have committed suicide. Industrial production is falling by more than 30%. It is estimated that 500,000 stores have closed down already, while 4 out of 10 consumers declare that they have no income left after meeting their basic needs⁵⁰. Parents leave their children in orphanages and then commit suicide while in a country with low fertility births are reduced as a result of poverty, which already progressively embraces the middle class. Desperate people are looking for buyers for their organs.

⁴⁸ Published in *economikos* in July 2012, based on studies of Consumer Confidence by Nielsen, 2nd quarter of 2012.

⁴⁹ Unicef for Greece

⁵⁰ Newsbomb.gr

Many low-income or low pension citizens are unable to afford heating oil and revert to coal, which was the main heating medium of past decades. The country's hospitals lack basic drugs and dressings. The defense of the country has essentially been abandoned because every available euro is channeled to the lenders. The state machine is destroyed a little more every month. The NHS is dwindling. Taxes can no longer be collected and the great "crash" is expected in early autumn. However, the application of this inhuman program did not save Greece. On the contrary, our country now lies much closer to bankruptcy than in the beginning of the crisis. The probability of bankruptcy, according to CMA rose to 96.7% in the second quarter of 2012. As one should have expected, tax revenues are plummeting, in spite of the fact that unimaginable taxes were applied for the first time in Greece. These forms of taxation are unconstitutional, undemocratic, counter-progressive and also, highly ineffective. In spite of this whirlwind of taxes, tax revenues have sunk. Let me mention that in April 2012, the VAT revenue was reduced by 13.4%, or € 221 million, compared to the previous year, thus enlarging the Greek problem, while for the full year a reduction of approximately € 1 billion is expected. Rampant recession, rising unemployment, the rapid reduction of total income, the decline of the welfare state and all forms of benefits, an array of new taxes, all of these could undoubtedly be expected to lead to this generalized destruction.

Still, the troika continues undaunted. They demand more human sacrifices and persist in carrying out reforms in a direction that has already proven erroneous. They balk even at a hint towards restructuring / rescheduling. They keep repeating that we are responsible for the failure of the program they have imposed on us, assisted by the officials of some member states, who feel confident about their financial virtue and unscrupulously declare that they "are tired of us stealing their hard work and not honoring our obligations". Unfortunately, they are assisted by the majority of Mass Media⁵¹.

They certainly know that the program imposed on us leads to a deadlock. They certainly know that they are destroying us. However, their objective never was our

⁵¹ Al Jazeera (22.07.2012): the Greek Mass Media are under the control of the troika!

salvation. Their goal is to bankrupt us, on their own terms. With the precise that suit them. With our demise as an independent nation, the program imposed by the troika is leading us to our doom. They are reluctant to proceed however, because they fear for the possible consequences on the other southern European economies. Now, with Spain and Italy on the verge of collapsing, Greece is remitted to the sidelines.

2. The destruction of Europe

The destruction of Greece and the whole of southern Europe naturally brings the end of Europe, at least as we know it. Europe, having grievously abused half of herself, embarks on a dangerous one-way journey. The image of Europe has been tarnished by the debt crisis, the unemployment rate reaching 11.5% and the recession. It has also been severely tarnished by the vacuum of democracy, the culmination of disparities, the lack of cohesion and solidarity. Precisely because of the collapse of southern Europe, caused by the requirement for rapid financial reform, a deceleration of economic growth is to be expected in the eurozone, in 2013. Let me indicatively mention the categorical statement by Soros –not the only one– according to which "Germany is pushing Europe to economic disaster." However, apart from the evolutions within the EU the big question is how can its fate be possibly left to the inspirations and decisions of the leader of just one among the 27 member states, who is assisted, mainly regarding the style at which the European South –and especially Greece– is demeaned, by the head of the IMF Ms. Christine Lagarde.

Under these circumstances, one should not be surprised by the results of polls carried out in Europe, showing that while in 2007, 52% of respondents in 27 countries-EU members had a positive opinion on the euro and the eurozone, this figure dropped to no more than 30 % in 2012. It is inconceivable, and yet true that the EU is no longer able to promise the new generation a better future. Even worse is the widening vacuum of democracy in Europe. As an example, let me mention that both in Greece and Italy, non-elected prime ministers came into power in 2011⁵², as a result of various manipulations, but Mrs Merkel felt the right to officially support the

⁵² M.Schuman (2011), "New Faces, Old Problems", *Time* 28.11. Il s'agit des M.M. Monti et Papadimos

candidacy of Mr. Nicolas Sarkozy and vehemently oppose the election of Mr . François Hollande, who however, eventually prevailed.

The disaster scenarios for Europe are numerous and not impossible. These however, shall be the subject of another paper.

General Conclusion

Not only Greece, but the whole South of Europe is the victim of an outright attack from the north and is at grave risk. It is certainly clear that the Greek officials, instead of submitting to the Memoranda, etc., instead of endless discussions and unsubstantiated estimates as to the most effective methods for bleeding the Greek people in order to satisfy the troika, should outright declare that “the program is inhuman and doomed to failure and that consequently, they refuse to continue its enforcement” At the same time, they should have attempted a coalition with the other southern European economies which are also on their way to destruction.

Though the attitude of our partners towards Greece, theoretically an equal member state of the EU-eurozone, is unbelievable and unacceptable, it is nevertheless the dismal truth. The memoranda, imposed on us, condemn us to third world conditions, a fact which does not seem to trouble them in the least. On the contrary, they continue to insult us, they fail to recognize our bloody sacrifices, they threaten and blackmail us on a daily basis, they deceive us mercilessly and eventually articulate the final dramatic demand “give up everything”. In any case, all perspectives are desperate, from every angle. The collapse of the large economies of the South, Spain and Italy and perhaps even France, preclude any hope for negotiating a better deal concerning the treatment of the debt.

If the hardships, the privations, the psychological warfare to degrade us, the horrible caricature, which supposedly represents our people and our nation, which has been drawn against us, and spread all around the world by "our partners", the indescribable panic, skillfully nurtured as to what might happen to us "out of the European fold" if all those ordeals we have been witnessing for the past two and a half years have still left us with the remnants of a will to survive, now is the time to run towards our

salvation. Staying where we are, we are lost, simply because all our sacrifices benefit our lenders without alleviating our own problems. Taking our fate in our hands, will not eliminate the existing difficulties. There will, however be some hope for improvement, and much will depend on our own decisions.

It is simple. Everything will depend on the comparison between the fear that holds us captive to a dead end, and our confidence that we will succeed.

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- Graduate (with honors) of the Aristotelian University of Thessaloniki and the University of Sorbonne in Paris where she studied on a scholarship of the French Government and was awarded the Doctorat d'Etat es Sciences Economiques with honors and distinction. Student of specific fields at the London School of Economics and the Universities of Berkeley (U.S.A) and the European University Institute of Florence.

- Professor and Rector at the University of Macedonia at Thessaloniki, Consultant at the Ministry of Coordination, YPABE and OECD in Paris, member of the International Scientific Board for Vocational Orientation of the University of Marseilles, Vice-President of the Administrative Board of the Union of French Speaking Economists and of CEDIMES, President of the "Dimitri and Maria Delivanis" Institution.

- She was honoured by three elections as rector (first woman rector in Greece), she was awarded various scholarships by the French Government, NATO and the European University Institute of Florence, four gold medals by the Holy Metropolis of Thessaloniki, she was awarded the title of honorary citizen of Komotini, the first prize of the Athens Academy, a formal invitation to the USA on the part of the State Department, she was elected a Jean Monnet Fellow, and her doctorate was published all expenses covered by the French CNRS in the SEDES series.

She is Doctor Honoris Causa of the Universities of Dimocritos (Komotini), Valahia (Targoviste-Roumania), Kainar (Almaty-Kazakhstan), Altai (Barnaoul-Sibéria-Russia) and Annaba (Badji-Mokhtar) in Algeria. She was honored of the French Legion d'Honneur and she has been elected honorifique member of the Roumanian Scientific Academy.

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- Her published works in Greek, French and English numbers to 47 books and research projects and 650 articles, interviews, opinion views and was honored with the award of first prizes, cum laude and critics. Her works were published by publishing companies abroad such as, among others, Macmillan, SEDES Sithoff-Leyden, Cujas, Tiers Monde, Revue d'Economie Politique, Newsletter, L'Harmattan and in Greece, published by Papazisis, Livanis, Maliaris, Sakoulas etc. Her curriculum vitae has been included in numerous Who's Who directories all over the world.