



ANA-MPA/Maria Maroyanni

## PM pledges swift action on economic reforms

Greek Prime Minister George Papandreou on Monday pledged that his government will take swift action to promoting bold reforms in the country with the aim to restoring confidence in the economy and calm markets' fears over the country's ballooning debt and fiscal deficit.

Addressing a meeting of social partners, workers' and employers' unions, government ministers and representatives of economic and social groups, at the Zappeion Hall, the Greek premier said the government has the will to take bold actions and urged for consensus with Greek citizens, saying that international confidence on the economy will be strongly and rapidly restored if both the government and citizens agreed to move forward to change the country.

Papandreou presented the main goals of a government reform plan, saying that a dialogue with social partners must have been completed by early next year (end of February), so that the government could begin implementing its new policy.

The premier stressed that the country needed a new social deal. "We must change or sink," he said. He noted that the new PASOK government must take in the next three months decisions not taken in decades by previous governments.

The government will begin a fiscal consolidation plan with its 2010 state budget, Papandreou said and pledged that the fiscal deficit will be brought below 3.0% of the country's Gross Domestic Product in 2013. This will be achieved through the implementation of structural and permanent measures, the premier said and noted that the country's public debt would begin falling from 2012 at the latest.

Papandreou presented a package of measures aimed at cutting the fiscal deficit, including lower operating spending by the state (decrease by 10% of operating costs), freezing new hirings in the public sector for 2010 -with the exception of education, health and social insurance sectors-, closing all press offices abroad (which will be absorbed by Greek embassies), closing one third of the national tourism organisation's (EOT) offices abroad, offering pay rises at the inflation rate, cutting

*(Continued on next page)*

## Politics

### **PM pledges swift action on economic reforms**

#### *(Continued from previous page)*

spending on pay benefits in the public sector by 10 pct, introducing a single payment authority in the public sector by mid-2010 and reducing arms supply programs in 2011 and 2012.

Papandreou also announced a reduction in executive pays in public sector enterprises, freezing bonuses to high-ranking bank executives controlled by the state and taxing private banks' executives' bonuses with a 90 pct tax rate.

He said that a reform of the development law would be implemented in the first three months of 2010, aiming at creating new jobs, supporting export activity and Green Development.

Papandreou also announced bold changes in the public procurement program and in pharmaceutical supplies to state hospitals and noted that all ministries' spending would be reassessed from zero base. He pledged full transparency in the execution on state budgets.

The prime minister also said that drastic measures were being taken in the fight against economic crime and tax evasion while promising a radical change in the way economic immigrants are treated in the country.

He also said that a reform of the electoral law would offer the possibility of cutting down election campaign expenditures and "black money", announcing that the new electoral law would be implemented in next year's local government elections.

#### ***Opposition parties reaction to measures announced by PM***

In a reaction to Prime Minister George Papandreou's statements over the economy on Monday, a main opposition New Democracy (ND) party spokesman said that the premier was "disappointing".

Panos Panagiotopoulos said that in "an exceptionally crucial conjuncture for the country, Greek citizens were expecting from the prime minister to announce a complete and detailed plan for the Greek economy's exit from the crisis. Instead of that, the prime minister restricted himself in declarations of good intentions...When he tried to be more concrete he either referred to isolated measures or to measures already taken by the New Democracy government."

"The government must find the political courage to abandon its preelectoral promises and take the necessary measures for fiscal adjustment," Panagiotopoulos added.

The Communist Party of Greece (KKE) said in an announcement that "no consensus must be offered to the so called patriotic front which aims at creating the new green rich," and called for "a popular alliance and counterattack" for defending the working people's interests.

On its part, the Popular Orthodox Rally (LA.OS) said in his press release "it is certain that the Greek people expected much more from Mr. Papandreou's televised speech."

### **PM: 'We are a government of reforms'**

The government could not afford to stick to the day-to-day management of problems without groundbreaking reforms and some tough decisions, Prime Minister George Papandreou stressed on Monday while addressing an informal meeting of the cabinet.

"If we stick to the management of day-to-day affairs we will suffer wear and lose the major wagers. We must convert the pressures into opportunities in order to cure the long-term ailments of political and public life," Papandreou underlined. The prime minister said the government would succeed in correcting current injustices and protecting both medium incomes and the more vulnerable sections of society, while he welcomed the outcome of the European Council as positive.

He particularly emphasised the recognition of the real problems of the country, such as corruption, bureaucracy and wasteful spending as a result of client-politics.

"Carrying out the decisions requires participation. We have begun dialogue, as we promised before the elections and our organised course lends credibility internationally," Papandreou added.

### **KKE: No consensus, dialogue on measures**

Communist Party (KKE) leader Aleka Papariga on Monday referred to a political leaders' meeting scheduled for Tuesday at the presidential mansion, which will focus on the endemic problem of corruption in the country.

Speaking during a meeting with dockworkers, Papariga noted that the "government attempts to present corruption as the main cause of the (economic) crisis and its alleged battle to overcome this crisis," adding that KKE will not contribute towards this effort and will table its separate proposals for the benefit of the working classes.

She also charged that the prime minister's attempt to portray himself as resisting the EU's recommendations are merely a "theatre of the absurd", claiming that these measures have "already been unanimously agreed to and are included in PASOK's programme."

In conclusion, the communist leader said that a consensus and dialogue on whatever measures must be avoided. "The only dialogue that must take place is the one that will be held in work places on the organisation of a struggle against the government measures".

## *The Monday edition of Athens' dailies at a glance*

**A dire economic and fiscal crisis now directly and pressingly affecting Greece along with the government's envisioned measures to confront it, along with the latest developments in main opposition New Democracy party mostly dominated the headlines on Monday in Athens' newspapers.**

ADESMEFTOS TYPOS: "Public services to remain open in afternoon".

APOGEVMATINI: "Prime Minister George Papandreou will announce on Monday the framework of severe tax measures".

AVRIANI: "The 'old' PASOK against harsh measures".

CHORA: "Clouds of war over New Democracy - Main opposition on head-on collision".

ELEFTHERI ORA: "Dora Bakoyannis rejects ND's leader proposal to become responsible for education, culture sectors".

ELEFTHEROS TYPOS: "Government to impose VAT on everything".

ELEFTHEROTYPIA: "Government hints at drastic measures".

ESTIA: "They're (PASOK government) totally unprepared to govern - They didn't have a plan for economy".

ETHNOS: "Brussels' list of immediate measures".

IMERISSIA: "Time of responsibility for country - Markets awaiting measures on economy".

NAFTEMPORIKI: "Government unveils political position to exit crisis."

TA NEA: "Police in battle against tax evasion".

VRADYNI: "One hundred days of a (PASOK government) nightmare"