

THE ECONOMIC PROGRAM OF SYRIZA-USF

(Coalition of the Radical Left – United Social Front)

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PRESENTATION OF THE ECONOMIC PROGRAM OF SYRIZA-USF

by Yiannis Dragasakis



Comrades and Friends,

Alexis Tsipras, the president of the Parliamentary Team already presented a large part of our economic program and primarily the rationale of the program. That allows me to focus on a few specific points. Listening to Mr. Samaras yesterday, and also on other occasions, reading out long lists of measures, I feel the need to explain what we mean when we talk about a program.

THE PROGRAM AND OUR VALUES

1. The program, for us, goes beyond mere slogans and measures, although we know that these are necessary as well. For us program means a set of values, principles, straight-out orientations and diligent positions. Our program is based on the values of solidarity, justice, freedom, equality and environmental responsibility. Based on these values we will manage, if necessary, even the most mundane tasks.

2. Program, for us, also means a way of thinking, a way of analyzing, understanding the problem, and ranking priorities and needs. And for us, it is the needs of the people that are over and above profits and all selfish or partial interests.

3. For us program means a continuous dialogue. A scientific dialogue, a social dialogue, and a political dialogue. A dialogue with the social movements, a dialogue with the citizens. We want to shape our program together, through such a continuous dialogue.

4. Program for us also means a process for the formation of social alliances. The building of consensus from below. Unifying the people is also an issue of the program. Our program then is the foundation, the blueprint of a broad social alliance among the working people, the people of knowledge, the people of culture and the youth. It is a social alliance to ward off any further impoverishment of society. To avert any further decomposition of the productive fabric of our society. To find the way towards recovery and hope.

5. It is in this sense, that the program for us is a continuous process. It is not a static and timeless text. It is a ceaseless endeavor, open to new ideas and innovative actions.

6. Finally, when we say program, we mean a political process. A process of not simply managing the current conjuncture, but of opening up new paths and this is exactly what our program does. It attempts to cut new paths. It attempts to preclude new dangers. It attempts to face up and to make use of the possibilities.

OUR GOALS

The second point I would like to refer to, is the political goals of our economic program. As it has been mentioned already, it is not our choice to exit the Euro, but neither can we consent to the continuation of policies that offer no guarantee for the survival of our society and our country. SYRIZA proposes to the Greek people, and also to the people of Europe, the only pragmatic option that consists of a new, honest, and binding agreement with the institutions and the people of Europe, one that will allow us to achieve three goals:

The first is to relieve the people who are suffering, the victims of this crisis. The second is stabilization and recovery. And the third is the implementation of a program of radical reforms and transformations, through which an effective reintegration of our country to the European future and to the international division of labor.

How will we achieve these three goals?

The first goal we will achieve with specific measures that are directly applicable and effective. With these measures we will attempt to ease the pain – to put it this way – of those who have suffered so much from the crisis and the policies of the Memoranda. Such measures are laid out in our program.

Our second goal concerns recovery and stabilization. It is of vital importance and a requirement for the implementation of the other measures. We cannot proceed with serious reforms in an environment of social and economic breakdown. We aim at achieving recovery and stability by freezing the measures that involve further reductions in wages and social expenditures, by halting the violent redistribution of income against the weakest. This we will achieve by implementing a set of measures aimed at the recovery of investments, public investments in principle but also of all other forms of investment, and at boosting employment, with a new fiscal framework for a just and sustainable reduction of deficits.

As far as our third goal is concerned, that is the restraint of insecurity and the resurgence of hope and perspective for our society as a whole: we shall pursue this target by restoring the sovereign right of the Greek people to choose their own destiny. From the Memoranda we take note of the problems. Yes, we have an issue of fiscal deficit, yes, we have a problem with our balance of payments; yes, we have a problem with corruption – but we need not the memoranda to know this. Yes, we have problems in the management and running of the state. The solutions, the goals, the pace, and the measures must and will be chosen by the Greek people. By replacing the Memorandum with a plan for the recovery of society, the reconstruction of the economy and an equitable adjustment. With the adjustment of the debt and the terms of the future financing for the development of the economy.

Why a new type of reforms and transformations

The third point I would like to refer to is, 'why reforms' To be sure, we refer to reforms in a completely different context. I listened to Mr. Samaras talking about measures and more measures. Of course measures are necessary. But in this country, the first presidential decree for the establishment of a land registry was issued in 1831 by I. Kapodistrias, the first governor of the country. Even today we lack a complete land registry.

The first announcement for setting up a wealth registry was made by PM Charilaos Trikoupis in 1893. Still, in 2012, we do not have a complete and comprehensive wealth registry.

The first serious attempt to reform public administration was made by Eleftherios Venizelos. Even today we are still living with the halfhearted measures that were finally adopted then.

The first serious discussions about fundamentally reforming the tax regime were launched in 1955 by Varvaressos, a bourgeois economist. The reforms he proposed have yet to be implemented.

So when are we actually going to do all this? If not now, when?

And who will implement all this, if not a government of the Left?

The second reason is that the crisis in which we are living is not merely an administrative crisis, but a crisis of the system itself. Consequently, safeguarding the interests of the working people and guaranteeing the rights of the working people, cannot be done by simply conserving or restoring the collapsing old system. This will be done on the basis of a new model of development, a new social model, a new labor model and this is the goal of the reforms we are proposing.

The third is that the crisis has taken the form of a crisis of de-legitimization of politics, as a result of the vicious two-party system and of the harsh and inequitable policies. The crisis has also taken the form of a crisis of trust towards institutions, the parliament, political parties and trade unions. Therefore, it is only through new institutions, democratic institutions of social control, institutions of direct democracy that we can regain the trust of the people in a new plan that will restore hope.

THE MOMENTUM OF OUR PROGRAM

I would like to close with one last question: On what does the momentum and the outcome of our program depend?.

First, it surely depends on ourselves. On the pace and ability that we will manifest through an abrupt maturing to become the political subject of collective and solidarist responsibility that will bring together the wider forces which can implement this plan.

Second, it depends on our society. The ability of society to overcome fear, the ability of each and everyone to turn to a positive perspective, to shape a new relation with politics beyond the logic of 'contracting' and of clientelist relations.

The third factor will be developments in Europe. From the outset we have stated that our program and our struggle is at the same time both national and European. From the outset we said that we want to change the blueprint. Both

for Greece and for Europe. And that is why our victory on the 17th of June will be a boost for positive changes for the people across Europe. And the path Europe will follow, will in turn influence our endeavor.

Fourth, the momentum of our program will depend on the positions that the other powers outside the Europe Union, Russia, China, the Arab world, Latin America, and countries and people with whom we will strive to create coequal relations. Consequently the momentum of our program will depend on their stance as well.

However, the primary and lead role in this contract of hope that our program represents, lies with us, the Left, and society itself. . The responsibility to fulfill it until the end lies with us. It is up to us to turn this realistic utopia that history has presented us with, into reality.

It is up to us to fabricate a spring in this heavy winter of crisis. To put an end to the middle ages, towards which neo-liberalism is driving us. To proclaim the end of destruction for a renaissance to begin both here and in Europe. The stakes are high, but it is worth fighting this battle and winning it as a people and as a society.

THERE IS A WAY OUT!

II. SYNOPSIS OF THE ECONOMIC PROGRAM OF SYRIZA-EKM

A. The policies of the Memoranda and of ‘internal devaluation’ have proved devastating.

- Two years after the adoption of the policies of the Memorandum and of the policy of ‘internal devaluation’, not only has recession not given way to growth as the “Memorandum 1” prefigured, but it is out of control and the economy has shrunken 20% in total.
- Not only did the Public Debt become unsustainable, in contrast to what the “Memorandum 1” prefigured, but even after ‘the haircut’ it remains out of control.
- Unemployment is at unprecedented levels for a period of peace, at a rate of 23% of the overall population and a 50% of the youth unemployed. The standard of living of a large part of society has collapsed, with poverty increasing to a threatening dimension.

- Not only are the long-term structural problems of the Greek economy unsolved, but they are becoming entangled in a vicious cycle and a perpetual deadlock.

B. Repositioning: Basic directions of our plan

The Memorandum as a 'remedy' has proved more devastating than the crisis itself. The policies of the Memoranda built around the 'internal devaluation', have been proved a weapon of social mass destruction. A lethal experiment conducted on the Greek people, which must be halted now, before the devastation becomes irreversible.

We need to put an end to these destructive policies. The vital question, however is, in what way and in which direction will we move?

We maintain that the reasons for the failure, lie at the very core of the initial drafting, in the erroneous diagnosis and ranking of the causes of the crisis. That is why prolonging the same policies will not be adequate. What is necessary is a new diagnosis, a restating of the problem, an entirely new orientation, at the very opposite of the neoliberal paradigm that domestic and international interests attempted to impose on us.

We clearly put forth the new directions that comprise our alternative plan, directions that lie at the very opposite of the devastating Memoranda:

i. We reject the theory of the 'collective guilt' of the Greek people for the policies implemented by Greek and European governments. We reject perceptions that deliberately conceal the responsibilities of the policies applied and the interests that benefited from these. It is not the 'genetic makeup' of the Greek people that is responsible for the fact that we do not have a decent taxation system or an effective social state. Specific policies and interests are responsible for that. It is precisely those policies which must be overturned.

ii. The crisis in Greece does not constitute a 'national peculiarity', but is part of a broader European crisis, with both endogenous and external causes. It is only within a framework of a common European solution that the particular and existing problems of Greece can be dealt with.

iii. Fiscal consolidation and sustainable public debt cannot be achieved in an environment of austerity. It is only under conditions of economic recovery that the necessary reforms can be attempted and sustainable solutions found.

iv. Development presupposes environmental reform, developmental redistribution, and the fighting-off of poverty, unemployment and social inequalities as components of its content.

v. The 'structural adjustments' of neoliberal persuasion do not solve social problems, they simply redistribute assets and rights to the detriment of the weak. Exit from the crisis requires overthrows, a new type of structural changes, radical reforms and restructuring of the state, the economy and the political system, such that will tackle the roots of the problems, reduce inequalities and release idle resources within society, opening new paths and prospects.

Yet no real reforms can be implemented in an environment of economic disintegration, constant blackmail, the curtailment of democracy and the imposition of collective guilt on society.

So here is what is in fact at stake in the next elections: Will the same destructive policy be followed under the pressure of blackmail and the terrorizing of society, or will we follow a path of pragmatic hope, making a leap forward, as SYRIZA proposes with its alternative plan?

C. Goals of our alternative plan

SYRIZA does not consider an exit from the Euro as one of its options, but neither can it consent to the continuation of the same destructive policies, even with minor adjustments and prolongations, as PASOK and ND have of late been proposing, since these options are not able to support any prospect of survival.

Consequently SYRIZA proposes to the Greek people and to the people of Europe the only viable way out of the crisis, which is a new, honest and binding agreement with the people and the institutions of the EU, one that will permit Greece to implement a plan of radical reforms and transformations in the following directions:

- Avert even more massive impoverishment of large sections of the working class and the middle classes.
- Avert even greater destruction of the productive fabric.
- Put an immediate end to the forceful reallocation of resources against salaries and social provisions.
- The direct implementation of an alternative set of policies for the relief of the working people and the recovery of society.

- The implementation of a new policy framework for a just and sustainable fiscal stabilization.
- The development of a new paradigm of social, environmental and economic development.
- The substantial 'reintegration' of Greece in European developments, in a reliable fashion and based upon terms of mutual respect, equality and dignity.

The collapsing two-party system is handing down empty coffers, a collapsing economy and a fragmented society. Two thirds of the population are living in great insecurity, whilst only a small section of society is prospering. The lower end of society, which is constantly growing and already exceeds 40% of the population, comprises of the victims of this crisis and the policies of the Memoranda. It is the unemployed, those receiving minimal incomes and pensions, bankrupt households, insolvent professionals and small business holders. The social stratum directly above this is still surviving financially, but lives in depressing insecurity. It is comprised of the middle strata of people receiving relatively high wages, professionals and small business holders. They can still make ends meet, but will not be able to do so for much longer if the same policies are continued. The entire society is trapped in a dead-end, with no prospects in sight.

In view of this dire and dangerous social reality, the three immediate political goals of our program are: first, the immediate material relief of the victims of the crisis and the policies of the Memoranda; second, the aversion of an even more massive and deep economic catastrophe, by directly stabilizing the economy; and third, to restrain the generalized insecurity, to revive hope and create new visible prospects.

As far as the immediate material relief of those living close to or below the poverty level, priority will be given to making use of all available means and resources to meet this goal, with interventions concerning their incomes, taxation, credit policy, access to public resources and support to forms of economic solidarity (see specific measures in the annex).

Concerning the goal of recovery, this will be pursued in the following ways:

- The freezing of all measures that concern reductions in wages and social expenditure, the forceful re-distribution of income to the detriment of the weak, and all other measures deepening the recession.
- Through an array of measures aimed at the recovery of the economy, public investment, employment and incomes, from the bottom up.

Concerning our third target, namely the reduction of insecurity and the rebirth of hope and prospects, we will pursue this on the basis of a plan, which includes:

- Re-instating the fundamental right of the Greek people to determine their own future.
- The replacement of the Memoranda with a new plan for social recovery, economic reconstruction and just fiscal stabilisation.
- Adjust the accumulated debt and the conditions for future funding of development, by writing off a large portion of the accumulated debt, with provisions for servicing of the remaining debt to be linked to the rate of development, and suspensions of payments on the interest until the economy rebounds. This adjustment will be pursued within the framework of a common European solution for the public debt of all EU countries, and in the event that this does not prove feasible, on the basis of bilateral negotiations.
- The implementation of a program of radical reforms and transformations of the state, public administration and the economy, aiming to create a new, sustainable, just and ecologically sound paradigm of development.

As far as the vital issue of fiscal policy is concerned, we commit to follow a program of pragmatic and socially just fiscal stabilization. The structure of this program consists on the one hand of stabilizing public expenditure at a level of approximately 44% of GDP and a reorientation of this expenditure on the basis of social and economic effectiveness, and on the other hand of increasing public revenues, which are currently substantially below the Eurozone average (41% of GDP vs 45% of GDP), by taxing wealth and high incomes. The target is to increase revenues from direct taxation to the average European levels (+4% of GDP) over a four-year period (+1% of GDP per annum), through a drastic reform of the tax regime, so as to identify the wealth and income of all citizens, and to equitably distribute the burden of taxation. Our broader target is to restore the essential role of the state budget, from being a mechanism for transactions between the ruling political and economic groups, to being a tool for income re-distribution, redistribution of productive assets and a tool of macroeconomic policy (see Annex).

D. The method: a program of radical reforms and transformations of the state and the political system, with society at the forefront.

The reversal of the descent towards degradation and marginalization cannot be achieved without the implementation of a radical program of reforms and transformations of the state, the political system and the entire 'body' of the Greek social formation.

First, because the crisis we are living through is a crisis of the system itself, rather than simply a management crisis of the system. Everything must change: the political system, the state, the relation of the citizen with the state and with politics. Consequently, the way out cannot be found in a return to some version of the past. The way out lies in opening up new paths to new productive and consumption paradigms, to new forms of real democracy, to new social arrangements based on equality and solidarity, the respect of human dignity and the environment.

Second, because important reforms, such as in the tax regime, public administration and the redrawing of the relations of the state with the church, all constitute pending issues from the past, even the distant past. These pending issues of our collective historical life, have become pressing necessities and conditions for survival, and urgent preconditions to avert a catastrophe.

Third, because the administration of the country by a corrupt two-party system over so many years, the chronic inequalities and injustices, and finally the destructive austerity of the last years, have delegitimized and destroyed any sense of trust in the institutions, the parliament, the political parties, the trade union organizations of this country and even in the constitution itself. So it is necessary to form new democratic institutions and reform existing ones, so that they can inspire trust.

The reforms and adjustments we are proposing here, constitute a permanent component of the entire program, they constitute long term changes. But they must, and can, commence immediately. And very soon they can bare their first fruits.

The reforms we are proposing can be separated into three main categories. The first (taxation, wealth registry) has as its target the increase in public revenues. The second refers to reforms (public administration etc.) which relate to the productivity of assets. The third category concerns reforms and transformations which in tangent with the previous ones, aim at increasing the wealth produced, at reinforcing society and the economy.

(i) The wealth registry

The constitution stipulates that Greek citizens have equal rights and obligations (article 4, paragraph 2), and that ‘...they contribute without discrimination to the public burdens, according to their ability’ (article 1, paragraph 5). This constitutional provision has been shredded by the corrupt two-party regime, with institutionalized de facto tax reliefs for the powerful and widespread tax evasion.

The wealth registry will record the wealth of all Greek citizens, both in Greece and abroad, in all its forms as fixed or movable assets. That will allow for the establishment of a single basic tax, upon which provisions for tax reductions or surcharges can be applied, with special diligence observed in all occasions, to avoid double taxing.

The wealth registry will mark the starting point of an entirely new tax regime, one that is just, simple and effective. Once fully developed, it will allow for the substantial tax relief of those receiving minimal wages, low pensions, small property owners and small holders of shares and bonds, while simultaneously allowing for an increase in the total revenues of the state.

(ii) Tackling the ‘black economy’ as a ‘structural problem’

The so called ‘black economy’ is not the result of ‘low tax conscience’. It is primarily the result of a perverse reaction to the problem of competition from large companies and monopolistic formations faced by small businesses and the professions, and of the absence of a state policy to tackle such issues.

Evading taxes and national insurance contributions substitutes comparative advantages, and ensures the survival and in certain cases the unwarranted accumulation of wealth.

Consequently the ‘black economy’ can be tackled with revenue and taxation measures, as well as sectoral policies and programmatic agreements, in a rubric of targeted productive reconstruction and policies to face cartels and unfair competition. Within the framework of such agreements, mutual commitments will be made, both by the state and by the bodies representing specific sectors.

(iii) Reexamination of all the special tax regimes and creation of a modern tax revenue system

The complete reexamination of all the special tax regimes established after WWII, constitutes the second element of the tax system reform. These special tax regimes have rendered the tax system replete with loopholes and ineffective, and for this reason they must be repealed within the framework of creating a single universal tax regime.

The complete restructuring of the tax revenue system, with extensive application and rational utilization of information technology, the adoption of groundbreaking measures to tackle tax evasion and the creation of Research Centers for issues pertaining to tax policy and fighting tax evasion and especially internationalized tax evasion,

(iv) Public administration reform

This is the second 'historically pending issue', after the reform of the tax regime.

Public administration reform can only be implemented as an endogenous process based on the values of solidarity, social justice and respect of public assets, and in direct correspondence with the needs of the Greek society. This process involves the political system, the administration and society. Simultaneous and combined changes will be needed in all three areas, with the aim of separating political administration from public administration and management. It is only through such a combined change that political party meddling, inside dealing, waste and corruption can be tackled.

In the new 'division of labor', politics will give the vision, the direction, make decisions and open new paths. The administration, together with the necessary scientific, research and educational institutions, becomes capable not only of implementing, but also of proposing policies and alternative scenarios, depending on the capacities, the political choices and the needs of society.

Based on such a fundamental reform, innovations and practices can be productively incorporated in the public administration system, such as democratic development programming, double entry accounting systems, program budgeting, systems for the monitoring and evaluation of the effectiveness of social expenditure, new technologies and information systems.

(v) Eliminating the clientist system, is a precondition for reform in the political system

The entrenched two-party political system, is based on inside dealing and supports widespread corruption. This system and its structures have infiltrated all aspects of public administration and the state, and many sectors of society. The May 6th elections sent a strong message, that Greek society does not tolerate this system any longer.

The dismantling of the clientist system will be the result of combined actions from the 'bottom up' and from the 'top down'. It requires the transition from the citizen – client, who passively handed over his or her fate to the government of the day, the party or to authority in the generic sense, to the active democratic citizen, who thinks and acts not as an isolated individual, but as a member of the 'Demos', of society. That presupposes regaining trust in politics and in institutions. Our proposals and our plan, seek not only the vote of the citizens, but primarily this very trust. And this, in order to change the state from a domineering force to a servant of society. So as to implement everywhere objective criteria, transparent processes and public accountability, so that citizens have the knowledge and the ability to support and to control.

This process of dismantling, taking apart and finally eliminating the clientist system, requires the contribution of society, of the parliament and of the legal system.

- The legal system has to respond to the universal popular demand that those responsible be punished, no matter how high positions they may hold, always within the framework of the constitution and the rule of law.

- Parliament must repeal those laws which institutionalize and protect the two-party system, introduce proportional representation and put an end to the regime of overlapping laws, which allows for self-serving interests to be pursued with impunity.

- Society must press for the establishment of a democratic political life and a political discourse based on values, ideas and programs that offer solutions to problems.

In this way not only will the clientist system be dismantled, but the political system and the terms of political life will be democratically transformed.

(vi) New institutions of social and workers' control

SYRIZA will create the conditions for the emergence and establishment of new forms of social control. Transparency in all decisions of the administration and public accountability are required for this.

All public administration, but especially bodies and structures which manage public funds are accountable to society and the taxpayers.

In parallel, new forms of authentic expression of the will of working people and citizens must emerge, on the basis of direct democracy, removed from clientist, party affiliated, employer or statist rationales of the past, which were nourished by the established two-party system.

(vii) Establishing the principle of democratic programming and of long term planning at all levels of the state

An 'invasion' of democracy, meritocracy and democratic programming must be arranged in the day to day functioning of the state and public administration. Knowledge and experience must be acquired so that new or alternative plans and options for progress can be developed. This requires a broader mid-term plan. For critical problems, the configuration of programs, and the formation of groups of experts to study them on a long-term basis, are required. Such problems, among others, are:

- Environmental issues and tackling the effects of global warming.

- Demographic trends and the consequences of the ageing of the population.

- The management of water, natural resources and seismic protection.
- Energy planning etc.

This plan must involve the parliament, the scientific community and society at large, and must be linked to specific policies.

(viii) Reconstruction of the economy: transforming and upgrading the productive system together with the labor force and society

For a viable recovery of investment and employment to occur, a combination of measures and public policies is required, in parallel with corresponding measures from the banking sector. These must encompass the support, and wherever necessary the rescue of the collapsing old productive base and the corresponding work force, with measures and policies that encourage new productive activities. These activities aim at reducing the dependence on imports and external borrowing, at supporting employment and respecting the environment.

A productive reconstruction of this sort is tied to the reconstruction of the state, the readjustment of labor relations, the upgrading of labor and the role of the work force in decisions taking and the immediate abolishment of labor laws that weaken the force of labor contracts. Furthermore, the bargaining power of the labor force must be reinstated, including the emergence of new forms of collective representation, beyond the traditional clientist, party-dominated and employer-controlled networks.

The transition to a new productive paradigm will not occur spontaneously through the markets, but requires a robust long-term plan. Policies and the corresponding programs that will have a direct impact can be applied imminently to reduce youth unemployment, unemployed engineers and other scientists, as well as other labor cohorts that have been especially hard-hit by the crisis, such as construction workers.

One of the priorities of a government by the Left and other progressive forces, will be to launch a broad political, social and scientific dialogue for the productive, social, labor and environmental paradigm that we must develop as a society for the decades ahead, aiming towards a society of justice, full employment and solidarity, with an enhanced and equal position in the European and international division of labor.

In a world that is changing radically in terms of scientific, technological and geostrategic conditions, the formulation of such long term planning is a condition and a prerequisite to deal with the immediate and often dramatic social problems.

This is the orientation that encompasses all the reforms and transformations included in this program. Beyond these, the active contribution of the working people, local communities and especially people working within state institutions and scientists will be needed.

Also, among others, it is of vital importance to redefine the role and contribution of all economic forms, public enterprises, small private enterprises, large private enterprises, cooperatives and solidarity based economic initiatives, within the framework of a mixed economy, for a planned and targeted transition to a new, socially just and environmentally sustainable productive system.

SYRIZA has developed and will present more detailed and specific proposals along these orientations.

(ix) The public sector as a lever for the qualitative and quantitative upgrading and reconstruction of the productive system

- We are committed to intensify the processes of modernization and reconstruction of public enterprises and organizations. To develop new organizational and management models, which will ensure the effective and transparent operation, the protection of public interest and will concretely tackle the issue of corruption, inside dealing or subjugation of public enterprises to private interests.
- We support the formation of new institutions for the genuine collective expression of the working people, away from the clientist rationale of party or employer interests.
- We will directly investigate the options for the formation of programmatic collaborations between the public sector and private enterprises, local and foreign, aiming at developing enterprises and expanding them into new operational directions both in Greece and abroad.

(x) Banks at the service of society, a lever for development

The immediate targets of SYRIZA with regards to the banking sector, in line with the rest of our program, are:

- To guarantee of bank deposits by all available means, and to enhance liquidity of banks and of the economy.
- Bank recapitalization through the issuing of ordinary voting shares, so as to ensure the interests of the Greek state and taxpayers. Public administration and social control of banks that are recapitalized with public funds.
- To launch the dialogue with stakeholders for the shaping of an effective system of public control.

- A restructuring/haircut of the private debt of households towards banks, with a ban on the seizure of primary homes for the lower income brackets and readjustment of monthly installments, so that they do not exceed 30% of the monthly income of debtors.
- To reform 'Tiresias' in order to relieve individuals and companies from burdening data, and to introduce special regulations that take into account the special conditions that have been created by the crisis and the restriction of credit.
- To adjust the criteria and the operating conditions of the banking sector, in order to function as a lever of development in support of the real economy and of a targeted productive reconstruction.
- To develop a full range of services for small companies, the self – employed, farmers, new productive enterprises, cooperative and solidarity-based initiatives.

(xi) Regional planning requirements and land registry

The 'regional planning everywhere' initiative concerns the zoning of housing, tourism, small industries, waste recycling, renewable energy infrastructures, animal breeding, mining, fish farming etc, as well as the restructuring through strict regulation of holiday and tourist housing.

Town planning in combination with an emphasis on small rather than large-scale public works, will give environmental and economic content to a vast range of professional and economic activities, offering an outlet towards sustainable development. The zoning of waste recycling and the planned transition to renewable energy sources will become a vital field for the social economy and municipal entrepreneurship. The privatization of the land registry company, 'Ktimatologio Ltd', must be averted. The completion of the land registry must be accelerated.

(xii) A complete strategy for the financing of development and the needs of society

The *de facto* bankruptcy of the country, the destruction, depreciation, exhaustion, the flight abroad of a large proportion of domestic savings and movable assets, as well as the prolonged and deep slump, have created an acute problem in the funding of development and the future requirements of social security for the years ahead.

Our priorities are:

- To create those conditions that will stall the flight of deposits abroad and reconstitute deposits to the banking system.

- To increase public revenues through tax reforms, combating tax evasion, restricting insurance contribution evasion and the 'black economy'.
- To establish agreements to secure the taxation of bank deposits abroad, until the wealth registry is operational.
- To stall interest payments within the framework of a new agreement on national debt.
- To restructure and accelerate the rate of absorption of the NSRF and other European funds.
- To fully investigate and make use of the opportunities for the development of cooperation with third countries, under the rubric of a multidimensional foreign policy and the implementation of economic diplomacy.

E. Existing obstacles and why SYRIZA is the only power that can overcome them

The leap forward that we describe above is feasible, but it will meet specific obstacles:

- The decay of the established two-party system and the internal dealings of the regime's political and economic forces, which aim to control social developments and avert changes that will upset their privileges.
- The substantial curtailment of democracy and national sovereignty, and the loss of the choice to define political targets and means.
- The spiraling depression, depreciating speculation, the fear and widespread insecurity about prospects and the future.

Only a new coalition of political and social forces such as the one that SYRIZA proposes can tackle and overcome these obstacles.

- Because only the long standing values of solidarity, justice, equality and freedom that the Left represents can inspire a spring of hope and open up new prospects.
- Because SYRIZA is the Left of the working people, the unprivileged, the young parents and the social forces who need these changes and transformations.
- Because the Left is a power for the transformation of society, not the temporal management of circumstances. We do not want the state as a trophy, as the parties of the two-party system do, but as a lever for the transformation of society. That is why we must transform the state.

- Only the Left can support a new culture of active participation, a fighting stance against the logic of the citizen as 'customer', and the rationale of 'contracting' that requires the citizen to be a passive observer of developments.

- Because only SYRIZA has an alternative plan to the Memoranda, a plan that opens up the prospect of a just and sustainable fiscal consolidation, economic reconstruction, transformation of the state and of politics itself.

We call upon the Greek people to give even greater power and international resonance to our alternative plan with their vote on the 17th of June.

Because we believe firmly that there is a way out, there is hope.

With SYRIZA's alternative plan.

With a powerful SYRIZA.

With society at the forefront.

With a new social and political coalition of power.

ANNEXES

Annex I

1. Orientations for the direct material relief of the weakest

The following measures are indicative. They are complemented by social policy measures, which are expanded upon in a separate chapter.

These measures, together with other related measures, beyond offering a direct material support to the poor and the new poor strata, will also contribute to the stabilization of economic recovery.

(1) We will pursue through renegotiation, for the period of the effort towards fiscal adjustment that a portion of the NSRF funds is made available for a special program to combat extreme poverty, establishing a minimum guaranteed quality of life, securing shelter and food for the homeless and a special subsidy for households with no members employed or receiving no other adequate income.

(2) Restitution of the minimum wage to previous levels and extension of the [right to] unemployment benefit.

(3) Direct measures for tax relief (provisional property taxes etc.) for the first home, the unemployed and everyone who lives below or around the poverty line.

(4) Measures concerning credit policies, adjustment of loans included, as it is outlined in our proposal.

(5) Securing access to health services, education, means of public transport and other public goods.

(6) Measures and policies against high prices.

(7) Redesigning of existing programs for the support of young farmers, as well as employment programs, to maximize their social effectiveness.

(8) Encouragement of forms of solidarity-based economic activities.

(9) Allow for enterprises that are insolvent or have closed down, to continue to function or to be re-started by their work force, through cooperatives or other collective legal formations.

(10) Encourage forms of direct trade between producers and consumers.

(11) Formation of a permanent all party parliamentary committee, which will develop a comprehensive policy for combating poverty on a mid-term basis.

Annex 2

The new framework for a just and sustainable fiscal stabilization

One of the fundamental causes of the fiscal crisis in Greece is the absence of a state mechanism that retains its relative independence from private economic interests. This political weakness has transformed the state budget into a mechanism of transaction, which ensures the systematic financing of specific private interests that at the same time enjoy a beneficial regime of tax immunity. So long as this system of economic and political transaction is maintained, it is impossible to solve the fiscal problem. The government of the Left intends to overturn this system of inside dealing and achieve fiscal consolidation with a radically different class orientation.

Expenditure

Our starting point is that public expenditure must offer a level of operational effectiveness of the state mechanism, provision of public goods and social welfare that guarantees the decent living standard of citizens, as well as the funding of public investment to ensure the long-term sustainability of the country. We estimate that to be in a position to meet these aims, the level of

primary expenditures cannot be further reduced, but must be stabilized within a range of 43% to 46% of GDP (i.e. with a minimum of current levels in Greece and a maximum of the Eurozone average).

However, the issue of public expenditure does not only concern the level of expenditure, but also the quality of expenditure. The services which are finally offered to citizens, are disproportionately low compared to the outlays. This is caused by the interlinkages between business interests and public expenditures, which have rendered fundamental sectors such as health, public works, investment incentives, projects, subcontracting of services and numerous other activities, hostage to an extremely costly and ineffective use of public funds. Consequently there is issue of redistribution and of the reorientation of public funds to more financially and socially effective uses.

Indicative measures

- Immediate freezing of reductions in social expenditures, salaries and pensions, in order to halt the marginalization of lower income cohorts and the downgrading of middle incomes.
- Fundamental re-examination and redistribution of public expenditures. Rationalize and promote savings in cases of overlapping services, resource waste and socially ineffective expenditures. Funds that are saved will improve the quality of public services and goods provided, and will be channeled to sectors which are underfunded, such as health and scientific research.
- Operate and reinforce the central authority for state provisions, which will monitor the pricing of goods and services, which are purchased by the state from the private sector.
- Application and extension of regulations that serve the direct monitoring of expenditures, such as 'diavgeia', online medical prescriptions and monitoring of all public expenditures via online information systems.

Revenues

The consolidation of expenditures will have to be covered by the increase in public revenues, which are well below the Eurozone average (41% of GDP vs 45%). The adjustment we are proposing will derive from the taxation of wealth and high incomes. The target is to increase revenues from direct taxation to the average European levels (+4% of GDP) over a four year period (+1% of GDP per annum), through a drastic reform of the tax regime, so as to identify the wealth and income of all citizens, and to equitably distribute the burden of taxation.

The need for fundamental reform of the tax system derives from the realization that the low tax revenues are due to the design and constant

alteration of the existing tax regime, which, the more complex it becomes, the more ineffective it is rendered. Its most fundamental failure is the inability to tax wealth and high incomes (revenues from direct taxes are just 8.3% of GDP in Greece, as opposed to 11% in the Eurozone). This is due to extensive tax evasion, as well as a mesh of tax exemptions and favorable regimes that leave the strata with the greatest taxpaying ability untouched. Consequently, what is required is a simple and functional tax system, which will offer the correct motives, will be easy to monitor in its application and will ensure the equitable distribution of the tax burden among all citizens.

Indicative measures

- Change the tax rates and income brackets of individuals and legal entities (to the average European levels), so as to achieve an increase in revenues with a lightening of the burden for the worst-off and an increase of the burden for the better-off.
- Gradual reduction in VAT rates and near elimination of these rates for priced food products (bread, milk etc.). (This and the previous measure will have a positive multiplier effect on domestic demand, due to the greater propensity to consume in the lower income brackets).
- Modernize and staff tax revenue offices with expert personnel and reinforce information systems for auditing, cross-checking and long term monitoring of the tax base.
- Implement a comprehensive and universal wealth registry, where the wealth of all Greek citizens, mobile or immobile, in Greece and abroad will be recorded. Reexamine all special tax regimes and tackle the 'black economy'.

The size of the public sector which results from the above is of the order of magnitude of 45% of GDP, a proportion which is close to the Eurozone average and we believe correspond to the provision off the necessary public goods and the tax paying ability of the private economy.

So long as the crisis continues and until this stabilization is achieved, we will follow a special purpose fiscal rule, which will aim to consolidate the primary regular budget (in other words exempting interest payments and public investment; in 2011 this deficit was just 1.3 billion Euro). This rule derives from the conclusion that a new renegotiation of the debt and its interest payments is a condition for sustainability, as well as an urgent need for financing support of public investment that can lead to the remobilization of the economy, increasing in parallel productivity and the physical capital stock.

Annex 3

Resources for funding the Greek economy

The Greek economy has entered an impasse in terms of development funding, which, under the current policies, has resulted in the deepening of the recession, the contraction of incomes and unemployment approaching devastating levels. Identifying liquidity resources for the funding of development and social needs is a priority for a government of the Left. Both domestic and external sources of funding can be identified.

Domestic sources

Irrespective of difficulties at the current juncture, the basic orientation of SYRIZA is towards finding domestic funding resources.

More specifically:

1. Create the conditions for the restitution of deposits and the stabilization of the financial system.

SYRIZA's program aims to create the necessary conditions for the stabilization of the financial system and the security of deposits. The necessary steps to achieve this are:

- Reversal of the policies of economic destruction and social dismantling, so as to create a positive economic climate, which will contribute to the restitution of deposits.
- Recapitalize banks with public control, so as to ensure the capital sufficiency of banks under terms that benefit the interests of society.
- The government of the Left will take the initiative to create a pan-European mechanism for the protection of bank deposits, which will constitute a powerful lever to restore the trust of depositors.

2. Increase resources through reform of the tax system, for a developmental redistribution of income.

Through a radical reform of the tax regime, in a socially just and economically efficient manner, an increase in revenues will be achieved, which in turn will constitute the source of funding for the economy.

This is the aim of our proposals, which constitute a major tax reform.

3. Curbing contribution evasion and the 'black economy'.

One of the most important losses of revenue in the Greek economy derives from tax evasion and contribution evasion, which is due to the wide 'black economy' and 'uninsured black labor'. These deficits are swelling due to the recession and the explosive levels of unemployment, which contribute to the

loss of revenues. Tackling these issues constitutes a priority, as set out in the relevant chapters.

4. Exploitation of mineral resources and hydrocarbons, and the creation of a special fund to manage resulting revenues.

The exploitation of mineral resources and hydrocarbons, with respect to the natural environment and local communities, through developmental joint ventures or other relevant formations, can constitute a source of revenue and a basis for the funding of the economy. In this direction, it is of strategic importance to develop a national strategy for the exploitation of natural and mineral wealth, under conditions that will serve the public interest, boosting the role of the public sector in ELPE [Greek Petroleum] and DEPA [Gas], and upgrade IGME [Institute of Geology and Mineral Exploitation], in contrast to their current downgrading.

5. National wealth and social security fund

All rights upon the natural and mineral wealth of the country, including possible deposits of hydrocarbons (if extraction proves financially viable), as well as all the mobile and immobile tradable wealth of the state, will be transferred to a special exclusively public fund which will be created for this purpose. Resources from this fund will be used by priority to cover future needs for social security.

6. Signing of a bilateral agreement with Switzerland and other countries for the taxation of deposits of Greek citizens.

It is a known fact that Greek deposits worth many billions are resting in the banks of Switzerland and other countries, without ever having been taxed. It is a long time since Mr Venizelos promised to contract a bilateral agreement with Switzerland [on this issue], but apparently he lacked the political will.

For the government of the Left such an agreement will constitute a priority, so as to reveal the names of Greek depositors and to examine the origins of this wealth, to retrospectively tax this accumulated wealth and to impose the relevant taxes on the interest of these deposits.

7. Suspension of interest payments

This constitutes a fixed position of SYRIZA-EKM that will lead to the freeing of tens of billions of Euros, which, instead of being deposited with the creditors, will be used to cover the funding needs of the economy. The period of this suspension – which will derive from negotiations – will depend on the condition of the Greek economy. Furthermore, within the framework of the negotiation of the public debt, considerable relief will derive from a clause

linking interest payments with the growth of the Greek economy and employment, following the end of the suspension payments.

External funding

8. Redesigning the NSRF and increasing the rate of absorption

9. European program for the funding of investment in EU-member states as a response to recession

Greece, like other countries in the Eurozone which are facing liquidity constraints, must be supported with interest free funding from the European Investment Bank or with alternative means of funding within the framework of the European Union, taking into account the sectoral structure of the Greek economy, but also the social needs which must be covered by the funded investment, so as for them to be efficient.

Additionally, Eurobonds can constitute a co-funding tool for the Greek economy.

10. Developmental cooperation with third countries

The government of the Left will pursue the development of equitable relations with other countries outside the European Union which are willing to contribute to the development of the Greek economy. Strong possibilities for developmental cooperation exist with Russia, China, nations of the Arab world and other countries. A first step in this direction will be the exploration of such possibilities.