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The International Monetary Fund interventions in Greece post the 2008 Global Economic Crises

Dumisani Andrias Dakile

A research report submitted to the Faculty of Commerce, Law and Management of the University of Witwatersrand, Johannesburg in part of the requirements for the Degree in Management in Public and Development.

ABSTRACT

The 2008 global economic crises which originated in the United States of America had a devastating effect to the international community. The International Monetary Fund played a significant role as the Global Development Finance Institutions during the 2008 global economic crises. The purpose of this research is to understand how the IMF intervened in Greece because of the 2008 global economic crises and how such interventions affected the working class and the poor. The researcher adopted a qualitative research methodology, undertook interviews and used questionnaires to experts, academics, trade unionist, embassy representative knowledgeable on the 2008 economic crises and the IMF role in the Greece crises. The researcher also reviewed various documents and reports as a further resource to comprehend, gain more sight and to obtain pertinent and appropriate data on the subject matter. The researcher utilized uniform questions for all the participants across.

The research has established the role that was played by the IMF in the Greece crises which has been very controversial, why Greece it continues to be in economic crises and what should be done differently to resolve the Greece crises. It has established how the working class and the poor had been affected the IMF intervention in Greece and lastly it has proposed measures which need to be undertaken by the Greece to resolve the crises.

DECLARATION

I declare that this report is my own, unaided work apart from contribution cited in the acknowledgments. It is submitted in partial fulfilment of the requirement of the degree of the Masters (in the field of Public Management and Development) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for nay degree or examination in any other university.

Dumisani Dakile

06 April 2018

DEDICATION

I dedicate this research report to the millions of the working class and the poor in the globe. To those who had been heavily affected and impacted by the 2008 Global Economic Crises. The masses who continue paying a heavy price for the systematic and uncaring system of capitalism. It is these workers and the poor that are facing a bleak future of inequality, poverty and unemployment while those who had caused the crises to have become much more richer post the 2008 global economic.

ACKNOWLEDGEMENT

I am profoundly grateful to my supervisor, Mr Digkang Motsepe who patiently directed me, pushed and challenge my intellectual capacity and critical thinking and ensured that I conclude this research report. It would have not been possible to complete this research report had it not been his supportive role when I thought odds were against me. I am heavily grateful to the Lord Heavenly Father`, the Son of God and to the Holy Spirit for giving me faith, hope, strength, insight and bravery to pursue this degree against very difficult and hostile environment. My special thanks go to my brother Tisha Dakile who encouraged me to go back to school. I also owe special gratitude to my wife, Thembi and our only son Siyabonga whom I have sacrificed so much in pursuit of knowledge and education. Lastly to my colleagues at work who provided support and encouragement and to Khanyisile Fakude for her patience and providing resources.

ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank (ADB)
ADB	Asian Development Bank (ADB)
BWI	Bretton Woods Institutions
DFI	Development Finance Institutions
FDI	Foreign Direct Investment
FSB	Financial Stability Board
FSF	Financial Stability Forum
HDI	Human Development Index
IMF	International Monetary Fund
IEO	Independent Evaluation Office
SAP	Structural Adjustment Program
SGP	Stability and Growth Program
USA	United States of America
WB	World Bank
WC	Washington Consensus
VAT	Value Added Tax
PSI	Private Sector Involvement

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CHAPTER 1
OVERVIEW

1.1. INTRODUCTION

The concept of the establishment of the International Monetary Fund (IMF) as development finance institutions originated towards the end of World War II (Mason & Asher, 1973; J. E. Stiglitz, 1999). The process was initiated by the leaders of the Alliance during the war, initiated by the United States of America (USA) and supported by Europe (Peet, 2003).

It was initially intended as a mechanism for the reconstruction and redevelopment of the future international economic co-operation arrangements (J. E. Stiglitz, 1999). The second task of the IMF as envisaged by its initiators was to play a significant role to rebuild Europe which had been severely affected and ravaged by World War II because it became the theatre of the imperialist war (Mason & Asher, 1973).

The purpose of this research report is to reflect on how the IMF intervened in Greece after the 2008 global economic crises and how this intervention affected the poor and the working class.

In undertaking this research, the historical development of this institution will be examined, the IMF and how it has responded to various economic crises prior to the 2008 global economic crisis.

1.2. BACKGROUND

The IMF role was established as a mechanism to, among others, regulate the exchange rate of currencies and stabilize the international balance of payments (Peet, 2003). The IMF was expected to play this role through ensuring global economic stability which it intended to attain by assisting countries to achieve balance of payments, stabilizing exchange rates and encouraging economic growth, employment and workers' income (Monbiot, 2004).

The role of the IMF in economic growth and development across the world has generated both criticism and acknowledgement across the spectrum from activists, governments, academics, scholars, development institutions and within these institutions themselves. Their role has been debated on whether they have been able to achieve economic growth and development. The roles played by the IMF have been a subject of scholarly discourse for the past decades and continue to be debated and discussed.

These debates and discussion have mostly been narrowly located within either pro- or anti- views of these institutions (R. Wade, 1996). Wade further submits that these institutions have been able to dominate and influence public discourse on economic and developmental matters for several decades. The reasons submitted for such domination is because these institutions are uniquely positioned and have three key characteristics (R. Wade, 1996).

Firstly, the institution is located strategically to manipulate and have authority to direct conditions in which loans in the capital markets are granted to emerging and poor nations. Secondly, it has the ability and capacity through its budget and capacity located in its policy and research units that are greater than that of the poor and developing nations. Thirdly, they exert significant influence on the international media that reports on their outcomes (R. Wade, 1996) .

The dominant view and the approach of the IMF during the 1960s and into the early 1970s was influenced by the Keynesian theory which emphasized and afforded the state a greater role in the economy (Wade, 2011). The monetary and financial policies were in the domain of the state as they were able to dictate the financial market (Peet, 2003). The Keynesian theory came under serious attack during the late 1970s due to shifts in the dominant view in the IMF (Peet, 2003). The neo-liberal theory replaced the Keynesian theory and became the dominant view within the IMF through what became known as the Washington Consensus (WC) (Peet, 2003). The IMF as an institution was part of the WC agenda and played a significant role in the promotion of neo-liberalism as the basis for economic policies to be applied by the Third World countries through what was known as the Structural Adjustment Program (SAP) (Monbiot, 2004).

The IMF advocated neo-liberal policies and influenced changes to the economic policies of many countries. It also imposed neo-liberal policies as pre-conditions for the granting of loans and grants in many developing nations (Monbiot, 2004; R. H. Wade, 2011).

In addition, the role of the state in the economic growth and development was heavily curtailed as many areas of the socio-economic developmental trajectory such as health, education and water were privatised and outsourced (Monbiot, 2004; Peet, 2003). Similarly, the involvement of the state in the financial markets was curtailed and “market” forces were left to prevail (Monbiot, 2004; Peet, 2003; J. E. Stiglitz, 2002). For the same reason the SAP became the order of the day as part of the changes to the economic policies of developing nations (R. H. Wade, 2011).

The challenges which faced many developing nations are associated with the prescripts of the WC in the developing world. The slower economic growth and development experienced by several countries, and which included economic crises in the developing nations, contributed to the establishment of other international development finance institutions such as the Asian Development Bank, Asian Infrastructural Development Institutions, African Development Bank, and the BRICS Bank. The recent global economic crisis which originated in the heart of global capital finance has impacted and affected the entire international community and Development Finance Institutions (DFIs) (Stiglitz, 2009).

The level of economic growth and development internationally in both developed and developing nations has also been affected by and exposed the weaknesses and shortcomings of the policies of the IMF and has brought to the fore the shallowness of policies as expounded by the WC (J. Stiglitz, 2009a).

The IMF jointly with the European Commission (EC) and European Central Bank (ECB) in 2010 intervened and provided a bail-out through a loan package to the Greek government for the amount of 110 billion Euros over three years, of which 30 billion Euros was from Europe and 80 billion Euros from the European Commission (Wyplosz & Sgherri, 2016).

The loan as per the IMF policies was granted with conditions such as fiscal cuts of 30 billion Euros over a three-year period (Janssen, 2010). Secondly, the IMF and the European Commission conditions entailed, *inter alia*, the adjustment programme which focused on reducing the government wage bill, eliminating Easter, summer and Christmas bonuses, heavily reduced replacement of retiring workers with new appointments, and cuts in transfers to public enterprises (Janssen, 2010). Thirdly, the conditions meant the elimination of pension bonuses, a nominal pension freeze, and means-testing of unemployment benefits. The fourth aspect was 1.5% of the social benefits to be cut and increases of taxes to highly profitable entities to be increased by 0.3% of the GDP. Finally, Value Added Tax (VAT) increased by (Janssen, 2010).

The study seeks to assess the interventions of the IMF in Greece post the 2008 global economic crisis and its effect on the working class and the poor.

1.3. PROBLEM STATEMENT

The role of the IMF in its interventions during the global economic crises generated both criticism and appreciation from various intellectuals, academics, government, development institutions and activists. It has been regarded as a problem and obstacle to achieving growth and development. There have been various allegations made against IMF as explained in detail below.

Firstly, the IMF policies have been blamed as the contributing factor in the high level of inequality, poverty and unemployment in many developing nations. Secondly, the policy intervention of the IMF has been identified as the contributing factor in perpetuating inequalities within the countries at the expense of the poor and the working-class communities. According to (Stiglitz, 2008) the IMF has failed to give adequate attention to the effects of its policies on most of the citizens in a country as only a few elites tend to do well while conditions worsen for most citizens.

In countries such as Bolivia in Latin America, governments had implemented the policy recommendations of the IMF during the 1990s and experienced the challenges related to the processes, but the gains have yet to be determined. In addition, there is a decline in share per capita income across Latin America (Stiglitz, 2008). Because of the IMF policies in some countries, land taxes increased to between 50% to 60% for the poor (Stiglitz, 2008). In addition, IMF advocated for the privatization of state-owned entities which resulted in societal welfare being lowered and affected poor people around the world (Stiglitz, 2008).

The policies of the IMF witnessed the rising of inequalities in the distribution of income among households as the share of the top 5% of the households in the economy rose from 15,3% to 20,9%, while the 20% of poorest households fell from 5.5% to 4.0% in the period between 1979 and 2004 (Kotz, 2009). The policies of deregulation of sectors such as transport and communication resulted in reductions in wages for the workers (Kotz, 2009).

The research is intended to examine how the IMF intervened in Greece as a result of the 2008 global economic crisis, and how such interventions affected the poor and the working class.

1.4. PURPOSE STATEMENT

The purpose of this research is to understand how the IMF intervened in Greece because of the 2008 global economic crisis and how such interventions affected the poor and the working class. The report will provide an analysis and from that draw out recommendations on how the interventions could have been done differently.

1.5. RESEARCH QUESTION

The study will assess the intervention of the IMF in Greece post the 2008 global economic crisis and how such an intervention affected the poor and the working class. It will explore how the IMF intervened in Greece because of the economic crisis. Below are the research questions to be addressed.

1.5.1. Primary research question

How have the IMF interventions affected Greece post the 2008 global economic crisis?

1.5.2. Secondary research questions

1. How have such interventions affected the poor and the working class in Greece?
2. What are the lessons for Greece and recommendations on how the interventions could have been done differently?

CHAPTER 2.
LITERATURE REVIEW

2.1. INTRODUCTION

The literature review will weigh up the available material on the role and purpose of the IMF. The aim of this literature review is to assess the role of the IMF post the 2008 global economic crisis.

In undertaking this research, it will trace the historical origin and architecture of the IMF as mechanisms that were established to contribute to the task of promoting economic growth and development and providing grants and aid in the world as part of the mandate.

The literature review will reflect on what is role of the IMF supposed to be as the DFI. The review will then reflect on the criticism levelled against the structural architecture of the IMF.

The research will examine the approaches of IMF in relation to economic growth and development, given the ideological and political theories influencing the latter, and how such theoretical approaches influenced economic policies around the world. Finally, it will review how the approaches of the IMF have affected the working class and poor people.

2.2. HISTORICAL PERSPECTIVE ON ESTABLISHMENT OF THE IMF.

The IMF was established towards the end of the Second World War according to (Stiglitz, 1999, p. 1). (Mason & Asher, 1973) indicates that the process was led by the United States and its allies such as Britain and all those who had opposed the Germany and its allies during the Second World War.

These institutions were called the Bretton Woods Institutions (BWI) as the conference that established them took place in the Bretton Woods Hotel in the

state of New Hampshire (Monbiot, 2004, p. 159). There is a distortion of information and knowledge among many critics of both institutions regarding its origins. For example, some within IMF believe that the IMF were established by John Maynard Keynes and that at the founding conference there had been a power struggle between Harry Dexter White and John Maynard Keynes.

According to (Monbiot, 2004), the role of Keynes while supported by many of the countries was downplayed due to the power relations between the United States and Britain given the fact that Britain was heavily indebted and required further funding to pursue the war. The USA at that time was the preeminent economic power. Therefore, the proposals to resolve the economic challenges as made by Keynes through the creation of the clearing house were defeated.

According to (Monbiot, 2004, p. 165) White designed an alternative proposal which finally created the International Stabilization Fund which formed the basis of the IMF and his proposal for the creation of the International Bank for Reconstruction, which became the principal lending arm of the WB.

It is on this basis that Monbiot suggests that Keynes understood how his views, which were defeated in the conference and rejected by the USA which imposed its views and interests and pushed for the establishment of the IMF and the WB, would have prevented recurring challenges and problems which created economic crises and contributed to world wars. In addition, (Stiglitz, 2009) confirms the view that Keynes' proposals were valid.

Keynes' proposals as reflected by (Monbiot, 2004, p. 161) were a formation of the global bank to be named as the International Clearance Union which would have its own currency called "bancor" which would serve as the international currency for the purpose of measuring countries' surplus or deficit. He further suggested each country be accorded an overdraft facility equal to half the average value of its trade over the period of the previous five years. He was of the view that each country would be encouraged to clear either its deficit or surplus and the failure to do so would attract interest on its overdraft which would rise as its overdraft

increased. He further suggested that confiscation of surplus and all other interest raised should be centralized in the Clearance Union Reserve Fund.
This would have revolutionised how nations deal with surplus trade (Monbiot, 2004, p. 162). He therefore thought such an approach would have firstly rendered such countries' exports less attractive; secondly, it would have prevented capital from flowing away from nations with major deficits into countries with surplus; and lastly, it would have encouraged countries with a surplus to spend it in countries with a deficit (Monbiot, 2004, p. 163).

The creation of the IMF was the result of fundamental and institutional challenges and crises facing the developed world rather than the developing world at the time. According to (Monbiot, 2004, p. 159) it was Britain that faced debts and not its colonies. In addition, (Stiglitz, 1999, p. 11) submits that due to the Great Depression of 1929-1933, about a quarter of Americans were unemployed, an indication of the crisis generally facing the developed world.

The priority of the IMF was to help Europe which was devastated by the Second World War, rather than any developing nations (Stiglitz, 2002, p. 11).The rules and the constitution of the IMF as submitted by (Monbiot, 2004, p. 155) favoured the USA as the balance of power was in favour of the USA. Thus, some good and progressive ideas which were well articulated by Keynes could not be implemented and agreed upon precisely because the USA refused, and others were afraid to challenge the USA even though they had support from Europe and Latin America.

2.3. THE ROLE OF THE INTERNATIONAL MONETARY FUND

The IMF, on the other hand, according to (Peet, 2003, p. 66) was established as a mechanism to, *inter alia*, regulate the exchange rate of currencies and stabilize the international balance of payments. This view is supported by (Monbiot, 2004, p. 143) who explains that the primary task of the IMF was to ensure that there is global economic stability which it intended to attain by assisting countries to achieve balance of payments, stabilized exchange rates and improved economic growth, employment and workers' income.

It is also reflected by (Peet, 2003, p. 66) who articulates the above objectives of the IMF according to its original Article 1 which states, *inter alia*, the following as its responsibilities.

- *"Promotion of international monetary cooperation.*
- *Facilitate the expansion and balance growth of international trade.*
- *Encourage exchange stability; maintain orderly exchange arrangement and prevent competitive exchange depreciation.*
- *Assist in the establishment of a multilateral system of payments and end foreign exchange restriction which prevents growth of world trade.*
- *Provide assurance to member states; assist them to correct maladjustment in their balance of payments without resorting to measures which are destructive national and international prosperity.*
- *To shorten the duration and lessen the degree of disequilibrium in the international balance of payments among states."* (Peet, 2003, p. 66)

The next section will assess the ideological and political orientation of the and how this influenced economic growth and development.

2.4. CRITICISM OF THE IMF IN REGARD TO ITS POLITICAL AND IDEOLOGICAL ORIENTATION ON GRANTING OF LOANS.

The roles of both the IMF has generated discussion, arguments and debates within themselves, by governments, scholars and academics, activists and various others who have either benefited from or who view themselves as victims of these institutions.

The IMF has also been accused of driving the ideology and promoting the dominance of the USA and of the Western world at the expense of Third World countries or the developing nations. It is argued that this is done through conditionality which are informed by USA ideology and politics (Havnevik, 1987).

It has been suggested that the conditionality imposed by the IMF and the WB on countries have a class character as they favour the rich at the expense of the working class and the poor who are usually the majority in a developing country (Havnevik, 1987). Such IMF and WB conditionality also favours neo-classical and monetarist policies (Havnevik, 1987).

The conditionality, it is argued, demand restraints which amount to reductions in government expenditure directed to the poor in the society (Feldstein, 2011). They also require the state to reduce the numbers of government employees in return for loans (Feldstein, 2011). The loans made by the IMF further require lowering of salaries and wages of the working class (Feldstein, 2011).

These conditions in addition demand that governments reduce or end food subsidies which will affect the poor and the working class in the society (Havnevik, 1987). It further argues that the intervention of the IMF have resulted in high levels of unemployment, rising malnutrition of children and rising urban poverty (Havnevik, 1987). These conditions also favour large multilateral companies in the agricultural sector at the expense of peasants and co-operatives, with Mozambique providing a good example (Havnevik, 1987). It also compels governments to amend laws in order to promote tax cuts and concessions for the multilateral companies (Havnevik, 1987).

It is submitted by (Fine & Van Waeyenberge, 2009, p. 147) that the critics of the BWI came from all sides including the extreme right which accused it of providing aid to the corrupt and inefficient states while others accused it of a dogmatic approach about the role of the state versus markets. The IMF provided loans to the Apartheid government of South Africa in 1976 and in 1982 even though the majority of the members had rejected this assistance but because of American dominance such loans were granted (Havnevik, 1987).

It is further argued that the conditionality imposed on developing and Third World nations is not the same as in the developed countries. However, the conditions which were imposed on Portugal in 1974 and Italy in 1976 resulted in high levels

of unemployment, restructuring of the labour market and shrinking of social programmes which affected the poor and the working class in these countries.

The IMF in its nature is skewed in favour of the USA and of the Western countries and in particular Europe. It is of interest to note that the IMF is in Washington DC. The head of the IMF is traditionally European, with the deputy being American (Peet, 2003, p. 69).

This criticism is taken further by (Monbiot, 2004, p. 154) who notes that it appears as if the poorer nations fail to comprehend the clear message because the managing director of the IMF appears to be European and at the World Bank the head is American.

The other area of interest is the manner in the IMF operates in relation to decision-making processes. The USA basically has powers to veto any decision that does not advance its interest. This view is reflected by (Stiglitz, 2002, p. 12) as he submits that unlike the United Nations Security Council where at least five of its members have a veto right, in the IMF only the USA has a veto right.

The other interesting observation is made by (Peet, 2003, p. 130) that people deployed by the USA to lead the IMF have been lawyers, commercial bankers or investment bankers who are advancing the interests of the American economy and investment sector at the expense of the working class and the poor. Another criticism is that the WB during its establishment practiced what was known as the Keynesian theory on developmental questions during the early 1950s to the late 1960s. According to (Chang, 2002, p. 16) in the period prior to the establishment of the IMF the scope of state intervention was limited hence the Keynesian theory of the 1950s. It later changed its approach to the developmental role in the late 1970s due to the change of authority within the IMF (R. Wade, 1996, p. 270).

Furthermore, the dominance of the Keynesian theory which afforded the nation states a greater role in influencing and directing economic policies including the types of monetary policies was undermined due to the ideological shifts to the developmental trajectory which generated various debates and discussion.

Furthermore, there was a concentrated campaign and efforts by the USA and some of its allies in Europe to alter the economic growth trajectory and development based upon the Keynesian approach (Wade, 1996). The Keynesian approach was finally abandoned by the IMF hence the Washington Consensus (WC) became the most dominant view and ideology by the IMF in its approach to economic growth and development (Wade, 1996). The new approach did not favour government policies that favoured the working class and the poor (Havnevik, 1987). As a result, the neo-liberalism theory became the basis for funding countries, including providing of grants and aid to countries. The 1980s witnessed accelerated efforts in the promotion and advancement of the neo-liberal approach to economic growth and development around the world (R. H. Wade, 2011) . He suggests that the WC was in fact the brainchild of the US treasury and became the ideological dominant view within the IMF. Furthermore, the neo-liberal ideology which was also better known as SAP was imposed on developing nations and states and has been heavily criticised because it exploited the poor nations and rendered more highly indebted than previously (Wade, 1996).

According to (Stone, 2004, p. 578) the IMF lending policy and enforcement are politicized by the USA and Europe and especially in relation to Africa. (Stone, 2004, p. 580) notes that France and Britain have maintained their influence in their former colonies and provides examples of how France punished Mali for withdrawing its participation in the CFA and how Senegal and Ivory Coast benefited from preferential treatment in terms of aid and trade. (Stone, 2004, p. 587) demonstrates this point by indicating how Egypt utilized its strategic location in the Middle East to benefit from debt relief and immunity from the IMF conditionality's. This view is reinforced by (Barro & Lee, 2005, p. 1246) who indicate that the size of loans was dependent on how countries are connected to the USA and the West.

2.5. THE APPROACH OF THE IMF TOWARDS ECONOMIC GROWTH AND DEVELOPMENT

The approach towards economic growth and development by IMF has been a matter of debates, argument and critique. The role played by the institution on the economic growth and development in many nations has received attention to the extent that on several occasions the IMF has accepted some of the criticism.

The formation of the IMF was meant to supply loans that are intended to stabilize the economies that for some reason find themselves in trouble. The conditions for such loans needed only a condition or commitment to maintain the stability of the country's currency and nothing more but this changed over time (Peet, 2003, p. 66). The conditionality's have in certain instances been imposed due to the vulnerability of the recipients and enabled the IMF to demand a change in the country's economic policies (Peet, 2003, p. 66). The IMF role became that of extracting repayment at the expense of the economic growth and development of the country and at the expense of the poor and vulnerable in the society (Peet, 2003, p. 67). Countries that joined the IMF after World War II surrendered their sovereign and economic policies to the control of the IMF (Peet, 2003, p. 67).

The IMF became the watchdog of the economic systems of member states and created a mechanism known as surveillance for such a purpose. The member states were required to obtain the approval of the IMF in regard to their economic policies and activities, such as the value of their currency (Peet, 2003, p. 67). In addition, the USA used its powers to refuse any country that intended to withdraw their own deposits through veto (Peet, 2003, p. 67).

The 1970s oil crisis presented the IMF with a challenge which resulted in the establishment of committees to resolve the crisis. Three types of exchange rates were agreed upon which signalled a setback for the IMF which had to manage the international financial system as one of its tasks. This was a temporary setback as it recovered and continued to play its role in the financial system with a new focus on Third World countries (Peet, 2003, p. 80).

The 1970s economic crisis further demonstrated the double standards and inconsistencies of the IMF on conditions for loans and grants previously provided to Britain as compared to the conditions which were given to the Third World Countries. There were also anomalies in how American interests in the Suez Canal were protected, and in the refusal to grant Aid to Cuba for political reasons (Peet, 2003, p. 83).

The oil crisis of the 1970s witnessed the IMF under the leadership of Johannes Witteveen playing a leading role as it firstly set up distinctive oil provision which facilitated borrowing by the Third World countries to enable them to pay for the higher oil prices; secondly it established another facility which was meant to provide medium-term support for them; and thirdly, reforms were introduced through the establishment of the Trust Fund from the transaction of its gold holdings to enable them to access longer term loans at the lower interest (Peet, 2003, p. 84).

According to (Monbiot, 2004, p. 154) the fundamental problem lies in the rules of the institution as there are some rules for the rich that are not applicable to the poor. (Chang, 2003, p. 12) submits that the developed nations and especially the USA and Britain adopted protective measures for their industries while imposing limitations such as tariffs on goods from developing countries.

The utilization of the dollar as a principal means of foreign exchange has contributed to the USA being able to withstand the economic crises prior to the 2008 global economic crisis. The dominance of the dollar as the international currency has reinforced the dominance of the USA economically despite its huge indebtedness. According to (Buira, 2005, p. 3), the USA has now became the largest debtor country as compared to the period between 1944 to 1960 when the USA used to be the main funder of the WB and the IMF.

In addition (Monbiot, 2004, p. 154) apportions blame to the IMF due to the roles they played in regard to the economic policies imposed on developing nations which have negatively affected the poor and the working class.

The IMF argue (Monbiot, 2004, p. 154) that it is subjected to the domination of the USA as is the United Nations Security Council with veto rights which simply means that there would be no decision taken without the approval of the USA. It is for this reason that the economic growth and approach of the IMF resembles the policies of the USA and Europe in the main.

2.6. LESSONS FROM THE APPROACHES ADOPTED BY THE INTERNATIONAL MONETARY FUND PRIOR TO THE 2008 GLOBAL ECONOMIC CRISIS

In this section the literature review attempts to identify the lessons which can be learned from the approach of the IMF on how their interventions have affected the working class and the poor during economic crises, based on their formation, their role and approaches drawing on various perspective of scholars, academics, activists, economists and governments.

The literature reflects that the establishment of the IMF was meant to help the world to stabilize the world economy and prevent further economic crisis as experienced during the 1930;s Great Depression and also to deal with some of the causes of World War II (Monbiot, 2004, p. 143).

The experience on the intervention of the IMF could be summarized in three themes which are that its architecture, structures and rules are in favour and bias towards the USA and European, secondly, they are political and ideological in favour of neo-liberalism through the WC and lastly their impact affects the poor and the working class.

The IMF has been designed and crafted to ensure that in terms of leadership appointment such as the Managing Director and its Deputy are drawn in the main from the EU (Peet, 2003). The way in which the IMF is structured indicates a strong bias towards the interests of the United States and Europe (Monbiot, 2004, p. 154). The USA has absolute veto powers in the IMF and as a result no major decision can be taken without its approval even though all other members of the institutions may agree with a proposal.

Secondly the IMF as an institution which was created to stabilize the world economy, maintain global economic stability and assist those countries which are facing difficulties in terms of balance of payments, promoting economic growth and employment in fact adopted policies which reflected the ideology and political will of the USA (Monbiot, 2004, p. 154). In its intervention in Africa, Latin America and Asian crises advanced neo-liberal policies such as WC through conditionality's and as part of the structural adjustment programs promoted liberalization, reduction of tariffs for trade, increases of taxes for the poor such as VAT and decrease to corporate taxes affecting the rich and the multinationals, encourage and promoted cut in government spending on the poor, encourage privatization of state entities (Stone, 2012).

Lastly the IMF intervention had encouraged labour reforms which meant reduction and curbing of workers' rights in areas such as collective bargaining, wages and working conditions, encouraged retrenchment, reforms on the pension benefits for the workers (Herman, 2016).

The IMF has then being pursuing the interest of USA, Europe, multinational companies, speculators at the expense growth, development of the country and of the working class and the poor through conditions which are placed on countries which borrow money from the IMF are placed secondary and those of the banks and speculators are prioritized regardless of the impact and the effect that there might be on the working class and the poor in these developing nations. The approach of the IMF and conditionality's has exposed many people to poverty and unemployment and perpetuated income inequalities in the world (Stiglitz, 2002; Stone, 2012 & Herman, 2016)

2.7. GLOBAL ECONOMIC CRISIS OF 2008

2.7.1. THE CAUSES OF THE 2008 GLOBAL ECONOMIC CRISES

The 2008 global economic crisis could be viewed as one of the worst global economic crises since the 1930s Great Depression and can be traced back to the

USA housing mortgage crisis from the Northern Rock difficulties which resulted in the announcement of the USA being in recession by December 2009, following the application by Lehman Brothers for bankruptcy (Crotty, 2009; Helleiner, 2014; Yap, Reyes, & Cuenca, 2009).

The crisis reflected the failure of the regulation of the commercial banks and capital markets due to the rise of neo-liberalism as advocated by Thatcherism and Reagan in Britain and the United States respectively, and enforced in many other countries (Bresser-Pereira, 2010; Crotty, 2009).

The economic crisis spread to other economies such as Germany, Italy and Hong Kong which also declared recession and it then begin to spread across the world. Nations both in the developing and developed countries, including those who thought they would be immune from the crisis, such as Europe, experienced challenges with three transmission mechanisms which are capital outflows, remittance and trade (Stiglitz, 2009; Weiss, 2008).

The Chairman of the Federal Reserve, Alan Greenspan, admitted that he had erred in thinking that the market could self-correct and the effects are still felt in the US financial system (Stiglitz, 2009). It is on this basis that (Stiglitz, 2009) states that *"the costs of these disruptions are felt not only by the borrowers and lenders who are engage in the transactions but also by workers, small businessmen and others throughout the economy."*

2.8. HOW THE IMF RESPONDED TO THE 2008 GLOBAL ECONOMIC CRISIS

2.8.1. HISTORICAL PERSPECTIVE OF THE RESPONSE TO FINANCIAL CRISES

The global economic crisis of 2008 which began in the USA and spread to Europe had an international effect not only on the USA or Europe but all nations (Weiss, 2010, p. 1). It is therefore critical that given the magnitude of the crisis and its

impact on countries the response required also needs to be global in nature and character (Stiglitz, 2009, p. 4).

The 1929 and 1930s global economic crisis which lead to the World Wars warranted a global reaction and response, hence the establishment of the IMF and the World Bank as global institutions tasked, among others, with preventing the repetition of such a crisis (Monbiot, 2004; Stiglitz, 1999). The 1970s global economic crisis which was caused among others by the rise of the oil price also witnessed a global response which was lead in the main by the IMF (Peet, 2003, p. 83).

During the 1996-1997 financial crisis that confronted East Asian the IMF played a pivotal role as required in terms of its mandate even though its role in this instance was problematic as it caused serious difficulties and challenges in many of these countries such as Java and caused the recession to worsen due to the conditions imposed by the IMF (Stiglitz, 2009, p. 6). The IMF advice to developing nations on reduction of taxes on business resulted in the increase in inequalities in the society (Kotz, 2009). According to (Bond, 2014) the GEAR programme adopted by the South African government on the advice of the IMF resulted in tax cuts for the rich and increase of Value Added Tax which is a regressive tax on consumption, and which leaves poorer people with a greater burden of supporting government.

The 2008 global economic crisis also witnessed IMF interventions which have increased the consolidation of income and wealth at the top while the middle class, the poor and the working class are more deeply in liability to maintain a decent standard of living (Fujita, 2011).

2.8.2. INITIATIVES TOWARDS THE GLOBAL RESPONSE

This section will reflect on various initiatives which had been undertaken in response to the 2008 global economic crisis including the role of the IMF in the process. It is submitted by (Griffith-Jones & Ocampo, 2009, p. 12) that the international response required to deal with the global economic crisis needed to

ensure that it is widely and properly represented hence the need for both developing nations and developed nations to form part of the solution.

It should also be empowered to enforce decisions on the developed countries such as the USA and Britain who have refused to abide by the decisions of the international institutions if these did not serve the interests of these countries. It was also required that the processes should involve the United Nations.

The global economic crisis propelled a dramatic change in the international multinational forums as the G7 countries which had until then dominated the world, imposed its wishes on non-members and undermined the international institutions and multilateral institutions. This rendered the United Nations irrelevant to an extent. The seriousness of the crisis resulted in a new approach in dealing with this disaster and countries such as India, Brazil and China were invited to form the G20 in 2008 (Woods, 2010, p. 52). The meeting of the G20 emerged with a consensus that the global economic crisis would require a global response to avoid a great depression of the 1930s. It further agreed that a co-ordinating mechanism and institutions would be required if such a response were to be effective and tasked the IMF, the United Nations Development Programme, WB and others to establish the Financial Stability Board (FSB) for such a purpose (Woods, 2010, p. 52). It would play an oversight role, monitor national economic policies and promote balance and sustainable growth (Cooper & Bradford, 2010, p. 6). The response of the G20 had demonstrated the capacity of international collective efforts to respond to the global crisis and due to these efforts the crisis was stabilized within a year (Cooper & Bradford, 2010, p. 5).

The irrelevance of the IMF was one of the issues that had to be addressed by the G7 given the fact that many countries had resolved to no longer trust and work with the IMF as it was impacted by three interrelated challenges which are financial crises, illegitimacy due to the manner in which it had intervened in the East Asian countries, and thirdly the rise of the countries of the South, of which the USA was a major debtor by 2008 as compared to being a major creditor in the formation of the IMF and the World Bank. Dominique Strauss-Kahn was then appointed to lead the process of change in the IMF (Woods, 2010, p. 53).

(Cooper & Bradford, 2010, p. 6) indicate that the IMF had suffered from a legitimacy deficit due to its role in the 1996-1997 Asian economic crises. As a result the global economic crisis had enabled the transformation of international finance institutions and the BWI as a focal point of the global response to the crisis (Cooper & Bradford, 2010, p. 6).

The process of reform of the IMF as the main focus of the three main issues can be described as improving its independence, promoting inclusion of marginalised members and improving the response to the financial crisis due to the new resources being provided (Woods, 2010, p. 55). The crisis also afforded the IMF an opportunity to promote its improved credibility and reassert its importance (Cooper & Bradford, 2010, p. 6).

In addition the G20 managed to reintroduce the counter-cyclical approach to the global economic approach towards growth and development and in the process to promote balanced sustainable growth (Cooper & Bradford, 2010, p. 7). The G20 group became the crisis manager and this further demonstrated the collective efforts to deal with the challenges (Helleiner, 2014, p. 5). It is in this regard that an amount of about $1,1 trillion was committed as part of the response mechanism for stimulating economies of the affected countries which assisted the IMF's lending capacity (Helleiner, 2014, p. 5). These funds from the G20 to assist the affected countries was in fact a credit line which suggests the IMF could borrow such resources in the event that its finances would not meet the members' demands (Wade, 2011). Therefore, this intervention by the G20 through the IMF was able to assist in avoiding further challenges. It was accompanied by the reintroduction of regulatory frameworks and included the introduction of the Keynesian approach which had been discredited by the USA, Britain, the IMF (Helleiner, 2014, p. 5).

2.8.3. CRITICISM OF THE IMF POST THE 2008 GLOBAL ECONOMIC CRISIS

This section examines whether the IMF was able to change from the historical role and criticism of their roles in the aftermath of the 2008 global economic crisis and how have they responded to the crisis since then.

Changes were initiated in the IMF which had not altered the balance of power as the ground rules which enforced the hegemony of the USA and Europe still remained intact such as the appointment of the Managing Director, veto power of the USA and that its personnel are still largely trained by the USA (Woods, 2010, p. 56).

The second observation is that the IMF directed most of its resources post-global economic crisis to Europe which accounts for about 75% rather than to Africa which accounts for about 3% (Woods, 2010, p. 58). The conditions which had been imposed by the IMF for countries to access loans had been detrimental to the working class and the poor. The interventions had required countries to privatize their economies and this enabled foreign companies to commercialize critical and important services such as water to the poor and the working class (Janssen, 2010).

The conditions imposed by the IMF had promoted government budget cuts which forced them to freeze employment and reduce wages and other conditions of service to the employees of government. The budget cuts also meant that government expenditure on social wages had to be reduced as part of reducing the government deficit (Janssen, 2010).

The conditionality of the IMF also required that government had to increase VAT which is detrimental to the poor and the working class. The IMF has encouraged governments to make concessions for reduction of taxes for foreign investment and multilateral companies, again at the expense of the poor and the working class (Janssen, 2010).

The lack of resources for the IMF has witnessed other Development Finance Institutions coming to the rescue of the countries in need such as Botswana which had been helped by the African Development Bank (ADB) while the Asian Development Bank (ADB) also provided assistance (Woods, 2010, p. 59). The approach of the IMF and the international finance community thus far has been to utilize the renewal of the multilateral institutions to draw on the resources of developing countries to fund Europe economic crises (Woods, 2010, p. 59).

The replacement of the Financial Stability Forum (FSF) by the Financial Stability Board (FSB) did not yield positive results as the FSB had challenges such as lack of capacity and budget constraints to undertake the critical tasks place on it (Cooper & Bradford, 2010, p. 7). It is also important to note that the FSB inherited the weaknesses of its predecessor even though it had included the new members of the G20. It also had no power to enforce its decisions and acted only as the peer review mechanism for transparency and monitoring (Helleiner, 2014).
In addition the USA in the process had adopted a narrow and individualistic approach as it took unilateral decisions such as the protectionist approach through the Buy American Goods provision which was counter to world trade agreements (Stiglitz, 2009, p. 3). It also introduced the Financial Crisis Responsibility Bill which was meant to recoup the public resources utilized during the bail-out processes (Cooper & Bradford, 2010, p. 8).

Furthermore, the bail-out of the banks process undertaken by the USA which amounted to about US$700 billion could have created a new bank and provided aid and loans to small enterprises. Instead it saved the interests of the few who had in any event created the crisis at the expense of the taxpayers who had endured the worst losses (Stiglitz, 2009, p. 11). In addition, the dominance and strength of the USA dollar during and after the crisis remain intact notwithstanding the fact that the crisis originated in the USA. There are several reasons for this, amongst others the fact that China had defended the dollar given its huge reserves built around the dollar (Helleiner, 2014).

A further factor for the continuation of dollar dominance was that the Euro had not been able to emerge as the dominant currency given the extent of the European debt crisis after 2010. The Chinese currency could also not emerge for various reasons such as China's refusal to allow certain changes to its financial policies which were critical in its growth paradigm and model (Helleiner, 2014, p. 10). It is also noted that the interests of the USA were not affected by the international regulatory framework as the IMF failed to agree on significant changes and in many instances the interests of the USA financial sector dominated the reforms and thus failed to impact on the neo-liberal approach. There were minimal

changes overall, often based on the veto powers that the USA held in the IMF (Helleiner, 2014, p. 13).

The IMF presidents continue to be appointed based on nationality as was the case prior to 2008. The IMF interventions have also negatively affected the working class and the poor through increases of taxes such as VAT. The interventions have resulted in the reduction of social budgets by governments that were intended to assist poor people (Janssen, 2010).

In summary, the literature review revealed the political, ideological and theoretical outlooks of the IMF which have not shifted by the 2008 global economic crisis as they remain dominated by the USA and Europe. It has also failed to distance itself from the domination and influence of the WC in its approach.

2.9. CONCLUSION

The literature review has been of importance as it has examined the existing views and ideas by various academics and authors on the role and purpose of the IMF. It has explained the origins of the IMF and the reasons for its establishment and how it was meant to assist in promotion of economic growth and development, in particular of Europe after World War II. It also aimed to assist the developing nations with aid and grants. In this regard, the arrangement reflects that the USA and its Allies in Europe demonstrated their disregard for developing nations which had helped them in the War and after the War. Institutions which they created such as the IMF continues to perpetuate their dominance over African countries which had supported their economic development prior to the War.

The review also examined the criticism of the roles of the IMF. It assessed literature review on the approaches which had been taken by both institutions as they attempted to intervene during economic crises but have only served the interests of the rich nations and of finance capital at the expense of the poor and the working class. The IMF failed to achieve most of its mandates regarding the objectives set other than the reconstruction and development of Europe.

The literature reviewed the ideological and political mandates of the IMF as it relate to how it intervened during the period of economic crisis and observed that such interventions have negative effects on the poor and the working class.
The conditions imposed by the IMF in granting loans demand that government expenditure must be curtailed which negatively affects the poor. In addition, such conditions demand wage cuts to the working class. The literature review noted that the conditions imposed by the IMF result in high levels of unemployment and increased inequality in the country.

The IMF conditions further encourage governments to increase taxes such as VAT which are regressive and negatively affect the poor and the working class while on the other hand negotiating tax reductions for multinational companies and the rich. These institutions have been created to serve the political agenda of the USA and Europe and promote its hegemony over the developing nations through measures which promote the interest of the dominant class over the working class. The literature review further examined the lessons derived from the approaches which had been adopted by the IMF. It has also examined the 2008 global economic crisis and the role played by the WB and the IMF.

On the balance of evidence as reflected by the literature review it may be concluded that the IMF have not shifted their ideological, political and theoretical outlooks and continue to drive the neo-liberal agenda as propagated by the Washington Consensus at the expense of the working class and the poor.

CHAPTER 3.
RESEARCH METHODOLOGY

3.1. INTRODUCTION

There are various interpretations and understandings of the meaning of research and its purpose which is influenced by different traditions (Bertram & Christiansen, 2014). Research is a way in which researchers undertake and apply an orderly investigation with the aim of deepening their understanding and they rely on empirical evidence (Bertram & Christiansen, 2014). The research process involves employment of methodology and methods in a systematic way to discover and produce knowledge (Neuman, 2005, p. 2). The process in the social research further involves the application of theory and ideology in trying to learn, discover and produce knowledge (Neuman, 2005).

There are various philosophical assumptions or paradigms in the social research process which influence and guide the social research process in relation to the research methodology, research design, and collection of data, its interpretation and its outcome (Wagner, Kawulich, & Garner, 2012). There are three research methodologies that are applied in the process of social science research which have developed over time. They are quantitative, qualitative and mixed research methodology (John, 2009). The quantitative research approach involves data and numbers and the qualitative research approach relies on words, while the mixed approach entails the combination of both words and numbers (John, 2009).

The methodology of research that would be applied in this research process is firstly influenced by the constructive or interpretive paradigm, secondly it employs the qualitative research approach strategy hence an inductive reasoning mode. Thirdly, it utilises the case study research design; fourthly it applies and collects data through interviews and documentation.

In addition, it collects primary data and secondary data for analysis. The sampling techniques which had been used are non-probability sampling and snowballing,

while for data analysis it uses pacing, coding and develop themes and sub-themes. Finally, it would thereafter apply the validation and reliability mechanism.

3.2. RESEARCH APPROACH

The research approach and process undertaken by this research is through the utilization of the qualitative research strategy as in the view of the researcher it is an appropriate strategy to respond to the research questions as formulated.

The qualitative strategy deals with views and feelings of people and is not about numbers and measurable phenomena of the quantitative research strategy. It thus assist in responding to the research question (Bryman, 2012). In addition, the qualitative research strategy assist in collecting data based on words and text and not numbers (Wagner, Kawulich, & Garner, 2012). Furthermore, qualitative research strategy assisted the research process to accommodate reflections and the experiences of the participants in relation to the IMF and the WB (Bryman, 2015; Neuman, 2005; Wagner et al., 2012).

The qualitative research strategy had ensured that the research process produces facts and information on the role of the IMF during economic crisis and how these interventions affected the poor and the working class based on the balance of evidence. It assisted in evaluating the past policies and current existing policies and practices of the IMF in their approach towards the poor and the working class (Wagner et al., 2012).

The qualitative research strategy enabled the collection of data in the field through interviews, questionnaire and through document scans. This was necessary as it was difficult to undertake interviews and direct engagement with the IMF (John, 2009).

The qualitative research process requires engagement with meaning which is constructed by people through their own understanding, interaction and interpretation of the world as they perceive it from their own personal experience,

hence the participants had reflected and indicated their own understanding of how the IMF intervened in Greece (John, 2009; S. B. Merriam, 2002).

The qualitative research strategy afforded the researcher the opportunity to study a phenomenon from the historical and social perspective, hence this research process will enquired about the IMF from the historical and social perspective as reflected by people and how they have understood and experienced them historically, as well as their social perspective in relation to poor people and the working class (John, 2009, p. 8).

In addition, the research attempted to understand the interpretation of the phenomena of the IMF at a point in time and contextualise the evolution of the IMF. The qualitative approach allowed for such an approach (S. B. Merriam, 2002). In this regard it attempted to understand these phenomena in the context of the participants' experience and provide a detailed analysis (S. B. Merriam, 2002).

Qualitative research empowered the researcher to be a primary instrument used to collect data, hence in this research process the researcher personally gathered data and analyse it (John, 2009; S. B. Merriam, 2002). Moreover, the researcher as the key instrument will collected the data through multiple examination of various documents and conducting interviews (John, 2009, p. 175). The qualitative research assisted in ensuring that the research process is not stagnant but is flexible to accommodate changes based on the material situation and conditions during the research process (John, 2009, p. 175 to 176).

The institution which is being studied is historical and political in nature, hence the qualitative approach that assisted the researcher to navigate through the historical and political context of the IMF and WB (John, 2009, p. 176). In addition, the research requires a holistic view and account of the developments of the IMF, hence the qualitative approach was helpful in assisting the researcher to achieve this objective.

Furthermore the researcher is required to adopt a non-linear approach to examine the IMF as a financial development institution and the qualitative approach is

helpful in this regard (Neuman, 2005, p. 152). The research utilizes triangulation to cover various angles and perspectives and the qualitative research approach does accommodate this in the research process (Neuman, 2005, p. 150).

The next point in regard to the qualitative research strategy is that it enabled the researcher to apply the case study research design which relies on the data collected from interviews, questionnaire and documents as part of the research process (Wagner et al., 2012). The qualitative research strategy will build a strong relationship between the researcher and the participant because firstly the qualitative strategy requires the participants to consent to their participation secondly; confidentiality of the participants is assured as some requested it. Consequently, this improved trust between the researcher and the participants and information provided is of a high quality.

One of the main critical advantages that the qualitative strategy offered to the research strategy is the flexibility to accommodate any new lead that arises in the research process. This ensured that during the research process any new development providing insight to the research question was accommodated by the researcher (Charmaz, 2014).

In conclusion, the researcher has provided a richly descriptive report and account of what the researcher has learned about this phenomenon in support of the findings that emerge from the research process. Data in various forms such as documents and participant interviews accompany the research report. This approach fits accurately and within the capacity of the qualitative research strategy (S. B. Merriam, 2002).

3.3. RESEARCH DESIGN

There are various research designs that exist and are utilized for the purpose of conducting qualitative research studies such as narrative studies, phenomenology, grounded theory, ethnography and case study (Creswell, 2012).

The research design that is applied and is appropriate for this qualitative research design is the case study. The case study is defined as a meticulous form of investigation (Creswell, 2012). The case study is further defined as an approach to making enquiries that facilitate discovery of a phenomenon through diverse sources of information (Baxter & Jack, 2008) .

According to (Thomas, 2013), the case study should contain the object and the subject. In this research, the subject is the IMF and the object is the 2008 global economic crisis. The case study could be exploratory, descriptive or explanatory (Yin, 2013). The case study could also comprise single case studies or multi-case studies depending on the nature of the subject being studied, explored, explained or described. This case study is exploratory and a single case study as it examines a phenomenon, being the IMF in Greece.

The case study was helpful in responding to the research question which examines how the institution intervened in Greece post the 2008 economic crisis and how such intervention affected the poor and the working class in Greece. In addition it examine those responses and the reasons (Baxter & Jack, 2008).

The case study is helpful as the nature of the research is exploratory and such an approach is accommodated within the case study research design (Baxter & Jack, 2008). In addition, the case study assists to undertake a systematic and in-depth study of the phenomena which is the IMF and the global economic crisis in context (Thomas, 2013). The case study has also enable the researcher to comprehend how these institutions' interventions have affected the working class and the poor drawing on various sources of data (Thomas, 2013).

The case study has enabled an understanding of the reality of the countries affected by the global economic crisis and how they experienced the crisis and the interventions of the IMF and how has this intervention affected the poor and the working class in Greece (Bertram & Christiansen, 2014).

The case study will enable the research process to respond to the research question by relying on documentation and data generated from the interviews,

questionnaire and various other sources such as government documents, newspapers, leaflets, books or any other sources of data which are relevant and might assist to reveal information about the IMF and the WB in relation to their role in Greece (Corbin & Strauss, 1990; Wagner et al., 2012).

In addition, the case study enables the research process to utilize various sources of data and contribute towards triangulation which has a positive impact on the reliability and validity of the research. This is important given the contested views around the causes of the 2008 global economic crisis, the role of the IMF (S. B. Merriam, 2002).

The research question requires that the research process considers the historical developments of the IMF through the interpretation of the data. The case study is geared to assist in this regard as it tracked the development or movement of this institutions in its role during the economic crisis and its intervention in Greece (Creswell, 2012).

The researcher has determined how Greece and its working class, and the poor experienced the interventions made by the IMF pre- and post- the 2008 crisis and therefore the case study will assist the researcher.

The case study as a research design has allowed the researcher to be flexible and apply creativity and agility in the research process hence its appropriateness in responding to the research question and undertaking the research process on the IMF which are dynamic and complex phenomena (Eisenhardt, 1989).

3.4. DATA COLLECTION

The collection of data is one of the most critical aspects of the research process. The data collection process could be viewed as the tools, technique, methods or instruments in the research process (Thomas, 2013). Data collection according to (Creswell, 2012) is a sequence of interconnected activities with the aim of assembling quality information to respond to the research question.

Qualitative research studies in the main depend on three types of data collection techniques which are documentary, observation and interviews (Wagner et al., 2012).

The data collection instruments in this research process was firstly be informed by the qualitative approach methodology and secondly by the case study approach. The instruments appropriate for this research are based on documentation, questionnaire and interviews and assisted to respond to the research question as formulated. This approach has enabled the triangulation or what (Wagner et al., 2012) refers to as crystallization to improve trustworthiness, credibility and authenticity. The triangulation has been used by the researcher to verify the primary data received from the participants and compared them with the secondary data obtained from the IMF, European Union and the OECD reports. It has assisted to increase the credibility of the evaluation of the primary data.

3.4.1. Primary data

The primary data had been gathered in the research through interviews and questionnaire undertaken by the researcher to gather data (Thomas, 2013). The rationale for the utilization of the interviews was informed by the case study approach as a research design which, *inter alia*, demands flexibility; hence all the three types of interviews would be applied in the research process to collect data. The following participants will be part of the interviews to be conducted:

1. International Monetary Fund
2. Embassy of Greece.
3. World Federation of Trade Unions
4. Academia

3.4.2. Secondary data

The secondary data was gathered through documents study relevant to the subject. The types of documents included various reports such IMF reports, OECD reports, newspaper articles, books, research articles and statistics in the form

meta data obtained from the European Union and Greece Hellenics Statistic institutions which had enabled the research to gather data to respond to the research question around the IMF, the 2008 global economic crisis and working class and poor people. The utilization of the secondary data such as the IMF and OECD reports has enabled the triangulation process and enabled the evaluation of the submissions and conclusions of the participants on the role of the IMF in Greece post the 2008 global economic crises.

3.4.3. Sampling

The sampling in the research process is the non-probability sampling technique as it is a qualitative research design and does not seek to obtain a statistically representative sample or draw numerical inferences (Wilmot, 2005). The sampling method appropriate for this study is non-probability sampling as the researcher had utilized qualitative research strategy and case study design in responding to the research question (Wilmot, 2005).

Furthermore, non-probability sampling had enable the research process to employ purposive sampling which is termed judgemental sampling which assists in developing or testing theory (Wagner et al., 2012; Wilmot, 2005).

This allows the researcher to further apply theoretical sampling which allows flexibility in the collecting of data and its analysis and enabled the researcher to decide on the type of data that will be collected and how and where to find such data.

The non-probability sampling was helpful given the amount of time required to undertake the study and the limited resources which are available to the researcher.

3.5. DATA ANALYSIS

The data analysis technique to be employed is informed by the fact that the study utilizes the qualitative strategy, case study and inductive reasoning. The data was

collected through the utilization of non-probability sampling technique. The data analysis technique contains important criteria as suggested in the case study research design process which, among others, are pattern matching, linking data to prepositions, explanation building, time series analyses, logic models and cross-case synthesis (Baxter & Jack, 2008).

The data compilation and analysis is an interconnected process; it can be done concurrently as this process will enable the research to adapt and rework interviews and reading of documentation as it concerns the role of the IMF in economic growth and development and how the 2008 global economic crisis influenced and affected DFIs (Baxter & Jack, 2008; Strauss & Corbin, 1998).

Furthermore, the interconnection of data compilation and analysis had benefit the researcher to capture all relevant and critical aspects of the 2008 global economic crisis and the IMF as soon as this is available to the research process (Strauss & Corbin, 1998). It then applied theoretical preposition to develop various basic concepts about the phenomena that are the subject of the study.
The research process also identified categories which are regarded as the cornerstone of developing theories or integrating a theory (Strauss & Corbin, 1998).

The research process required constant data analysis and comparisons that was helpful to the research to guide against biasness, create better precision, and strengthen internal validity and consistency (Corbin & Strauss, 1990; Yin, 2013). The researcher used the IMF, OECD reports and economic data collected from the European and Hellenic statistics institution to enhance the qualitative data collected.

During data analysis the researcher attempted to find themes in the data collected assisted to establish why the 2008 global economic crisis occurred and how the IMF interventions affected the working class and the poor in Greece. The three themes emerged which are how has the 2008 global economic crises affected Greece, how have the working class and the poor have been affected by the 2008

global economic crises and why has the intervention of the IMF failed to resolve the Greece crises.

The researcher in the application of the case study technique attempt to collaborate with other people who are involved in the research as part of testing and checking the concepts to build insight and understanding (Strauss & Corbin, 1998).

3.6. VALIDITY AND RELIABILITY

Trust touches everything in the world and research outcomes are not exempt from being subjected to trustworthiness as to what they claim (S. Merriam, 1995) . The questions of reliability and validity have been contested terrain between the qualitative and quantitative researchers which reflect and inform their philosophical assumptions about studies (Creswell, 2012; Shenton, 2004). The researcher has grounded its validity and reliability on qualitative research study to ensure that the outcomes are reliable and trustworthy (S. Merriam, 1995). The researcher has used various reports from the IMF, OECD, European Union and Hellenic statistics institutions to triangulate and validate the data obtained from the interviews.

3.6.1. Internal validity

The critical question about internal validity is mainly about the congruency of the research outcomes with reality. The reality is not static, moribund or stable as the positivists suggest and it is not constructed and interpreted in the qualitative studies as the positivist approach does (S. Merriam, 1995). The reality according to the qualitative paradigm is constructed, shifting and multi-dimensional (S. Merriam, 1995).

The case study applied various strategies to improve the internal validity of the study such as triangulation, members' check, and peer or colleague examination, presenting the statement of the researcher's assumption, experience, biasness and orientation from the beginning.

3.6.2. External validity

The external validity should be understood within the context of attempting to check whether the study undertaken or the research done could be applied to other studies or generalized (S. Merriam, 1995). The study mitigates the difficulties associated with external validity by applying description, multi-side designs, modal comparison and sampling within to improve and attain external validity.

3.6.3. Reliability

Reliability is viewed and understood within the context of dependability or consistency in the qualitative research approach (S. Merriam, 1995). Reliability in the qualitative approach should be understood as a study that seeks to establish whether the outcomes of the study are consistent with the data collected in the context of the world from the perspective of those who are in it (S. Merriam, 1995). The case ensured that strategies such as peer review, triangulation and audit trail are done to achieve reliability in the study.

3.7. LIMITATIONS

The limitations of this study firstly relate to the time available to undertake the research given the nature of the phenomenon under research. Secondly there are limitations of study around the resources in terms of the human capital and financial requirements, as the institution is based in the United States and resources to travel to their Head- Offices for face-to-face interviews was be readily available. It would be possible, however, to approach their regional offices. Greece is also based in Europe and with no resources to travel hence its embassy and questionnaire were used to mitigate.

3.8. ETHICAL CONSIDERATIONS

The study to a certain degree rely upon people interviewed hence the ethical issues are of importance and requires the researcher to observe all ethical

guidelines when interviews are conducted. The researcher must be honest and trustworthy in all dealings with people or documentation.

The purpose and the intention of the research was properly explained to the participants in the research to ensure that they understand what the research intends to achieve and, in the process, obtains their voluntary commitment to participate. The researcher explained that the participants in the research will not experience harm and that their privacy will be respected in the process. Anonymity and confidentiality was assured omitting the identity of the participants as some had requested it hence the presentation of the findings should the participants request this to be done.

The use of voice recording by the researcher was explained at the outset and consent of the participants in the research process obtained. The participants can at any time withdraw themselves from the research process. Hence some requested that the voice recorder not be used.

3.9. CONCLUSION

The researcher in this chapter has been able to indicate as to the type of the research design to be utilized which is the qualitative approach and the reasons thereof. The qualitative approach had then compelled the researcher to follow the trend for evaluating the sampling process, data collection method, questionnaire design, interview process, data analyses, validity and reliability, ethical consideration questions and the limitations which had been imposed by the process. The next chapter will then pay attention on the presentation of the data obtained during the research and interviews.

CHAPTER 4

PRESENTATION OF THE RESULTS

4.1. INTRODUCTION

In this chapter, the results of the research will be presented in accordance to the outline of the research questionnaire and documentary evidence. These are presented in five separate sections which cover the Academia, Trade Unions, Greece Embassy, and IMF and at the documentary evidence. The responses will be presented to each questionnaire according to each responded and thereafter documentary evidence will also be presented in addition to the questionnaire.

These will also be presented according to the themes and the sub-themes and relevant research questions. The main themes firstly being to understand how the 2008 global economic crises affected Greece, the second theme how has the working class and the poor in Greece have been affected by the global economic crises and lastly why has the intervention of the IMF failed to resolve the Greece crisis?

A) Theme one: How has the 2008 global economic crises affected Greece?

i. Sub theme 1**: Could Greece have been able to prevent and escape the 2008 global economic crises**.

ii. Sub theme 2: **How has the IMF historically intervened in countries which had been in economic crises and how was its intervention in the Greece crises**

B) Theme two: **How have the working class and the poor have been affected by the 2008 global economic crises**.

i. Subtheme 1: **How have the changes imposed by the IMF and Greece Government during the 2008 global economic crises affected various socio-economic conditions of the working class and the poor in Greece?**

C) **Theme Three: Why has the intervention of the IMF failed to resolve the Greece crises?**

i. Subtheme 1: **What could have been done differently to resolve the Greece crises?**

ii. Subtheme 2: **What are the lessons for Greece on its crises and the IMF interventions?**

The themes and the sub themes as articulated in the above paragraphs would be in pursued in order to comprehend how the global economic crises unfolded in Greece, how has the IMF intervened in the crises, how has such interventions and economic crises affected the poor and the working class in Greece and what are the lessons that could be deducted by the people of Greece from their economic crises and IMF interventions.

4.2. PROFILE OF THE PARTICIPANTS

Academic

Professor Ben Fine is a well-known academic specialising on economics who have written various academic articles on various economic issues and including the 2008 global economic crises.

Greece Embassy

The representative of the Embassy is an official of the Embassy dealing and responsible for engaging on economic and commercial affairs.

Greece Trade Union Representative

The Greece trade union assigned its international relation officer based in Greece from the World Federation of Trade Unions

IMF Representative

The IMF assigned its Senior Resident Representative in the IMF offices based in Pretoria in the Republic of South Africa.

Documentary Evidence

The study also consulted various documents such as the IMF country reports, OECD country reports, Independent Evaluation Report of the IMF and various publications and articles and books on Greece and the global economic crises.

4.3. THEME ONE: HOW HAS THE 2008 GLOBAL ECONOMIC CRISES AFFECTED GREECE?

The intention was to appreciate and gain a deeper understanding of how the 2008 global economic crises has affected the economy of the globe and Greece, the role of the IMF in resolving the crises, how have IMF intervened in previous economic crises hence the participants were asked the following question and documentary evidence was sort to collaborate and verify their submission.

The academia reflected that the global financial crises are a result of the globalized, neo-liberalised and financialized nature of the contemporary capitalism which has existed over the past decades and the 2008 global economic crises is no exception. The academia submitted and argues that "It *represents all the wrongs of the capitalist system which results in lower and more uneven growth despite the unprecedentedly favourable conditions for the capitalist system*". The academia further submitted that Greece crisis is part of the product of these global factors as well as its own location within the peripheral Europe and the trajectory of its own policies and those who influenced them such as finance capital. The academia further submitted and ask a question "*Can you change the nature of the beast? It would have needed to have cancelled debt or subsidise repayment."*

(Stiglitz, 2008) concurs with this view of the academia and submits that the World has experienced more than 100 economic crises. The history of capitalism has constantly produced crises after crises without any exception and these crises have been occurring over the past 200 years and it was only for the period of 30 years after the Second World War when the system experienced some stability (Stiglitz, 2008). The fundamental problem of the system is that the system is allowed and continues to be allowed to behave badly as part of the global and economic financial system (Stiglitz, 2008).

The representative of the Greece embassy indicated that the crises came at the worst time in history of Greece. The embassy representative submitted and argued that other countries have been able to overcome the economic crises and

move out of the bailout as their public sector has not been as wide as compare to Greece public sector which was bloated and full of corruption. The embassy representative indicated that the other contributing factor to the crises could also be attributed to the structural problems within the economy of Greece. The Greece embassy representative indicated that the state entities also created a huge hole to the budget as they must be bail out by government from time to time. The combination of such factors played a huge role in increasing the public debt which was not sustainable and including the debt incurred because of the Olympic Games.

The Greek Trade union from the public sector responded and indicated that the 2008 global economic crises is part of the cyclical capitalist crises of over accumulation of merchandises and capital as just like other crises that preceded it in various stages of the capitalist economic crises in the world. The crisis is caused among others by the fact that products are produced by many people, but its ownership is private and not to the good of the people.

The Greek Trade unionist further submitted that the economic crisis is a result of the "*capitalist system which focuses on overproduction of goods and overexploitation of workers which renders many others unemployed in the countries and unproductive. The rush for super profits is done at the expense of the people for example in Greece you had more than 200 000 houses build and unsold while on the other hand many people had no houses"*. The trade unionist submitted that the working class must face the prospects and danger of losing their houses because of huge debts that the system provided to them while knowing that some would not afford to pay back. The trade unionist argued that the system reduces workers' wages and dismisses them and forgets that these workers are also consumers and without real incomes they would not be able to consume the goods and services produced in the economy.

The Greece trade unionist further indicated that the economic growth that will follow crisis will be "*anemic, for a short time, a preparation of new crisis. The economic growth that follows such crises is based on impoverishment and unemployment of the working class and the poor"*. He argued that the private

investments cannot absorb millions of unemployed, they can only create very few, unstable and low – wage jobs.

In addition, the trade unionist indicated that the crisis is part of the economic system which destroys productive forces and this stage is an essential process for restarting economy with terms of profitability. The first force that is destroyed by the system is the working force. He further indicated that all capitalists and their states all states agree for this matter and are coordinated on this goal. The process in part of destruction of capital as smaller companies closes and production is assembled in bigger monopolies. Lastly, he submitted that "*we do not think the IMF interventions are problematic, but rather, they are in the interest of specific states, financial forces etc. under the same direction its intervention in Greece was not to solve the issue of the public debt, but to safeguard capitalist profitability."*

This view is supported by (Crotty, 2009) as he states that unregulated financial markets are inherently unstable and capable of triggering a deep economic, social and political crisis. The deregulation of the financial market as articulated and supported by the financial market theories has caused by the flawed institutions and practices of the financial regime (Crotty, 2009).

The IMF representative indicated that at the time of the crises the economy of Greece was growing at about the region of 4 to 4.7 % and this has been confirmed by various reports including the (IMF, 2008, p. 1) which state that "The *Greek economy has been buoyant for several years and growth is expected to remain robust for some time"*. The IMF representative stated that the country started to experience some difficulties in the late 2009 which was a year later from the global economic crises. He indicated that the country could have placed measures to prevent the crises to occur and what triggered the crises in Greece was the fact that the new government started by adjusting its projections and the rating agencies did not take such lightly. The IMF representative then submits that the rating urgency responded by downgrading the economy in which the market lost confident to the Greece economy. This has been confirmed by (Visvizi, 2011, p. 21) and he state that "*The markets remained unconvinced. This was also reflected in the falling credit worthiness of Greece, as assessed by the main credit rating agencies such as Fitch, Standard & Poor and Moody's*.

The (OECD, 2009) report on Greece confirms that the global economic crisis was among others about the declining market liquidity which was triggered by the financial crises. The 2008 global economic crises basically placed the global economy into chaos as witnessed among others by the Lehman Brothers fiasco bankruptcy (Crotty, 2009; Helleiner, 2014a; Yap et al., 2009). The (OECD, 2009) reports further indicates that the Greece economy and its government were caught up without a space to manoeuvre and cushion the weakening economic activities due to the global economic crises which began a year earlier.

The (OECD, 2009) report further states that the Greece banks had become vulnerable to international turbulences through their exposure to Balkans states such as Bulgaria, Romania and Turkey among others and the international finance viewed these countries as weak and not in a position to pay back loans taken from the Greece banks.

According to the (OECD, 2009, p. 42) report states that "*In response to the crisis, the government adopted a support package which among other things aimed to enhance the availability of the credit from the banking sector. The first part of the package is designed to increase the deposit guarantee with lending institutions to shore up confidence in the banking system. The guarantee was extended from EUR 20 000 to Euro 100 000 per customer per bank from November for a period of 3 years. The authorities also made a political commitment to guarantee all deposits. The second part of the package covers a set of aid measures for the banking sector totalling Euro 28 billion (11 and half percentage of GDP), to bolster the sector's capital and support bank liquidity*".

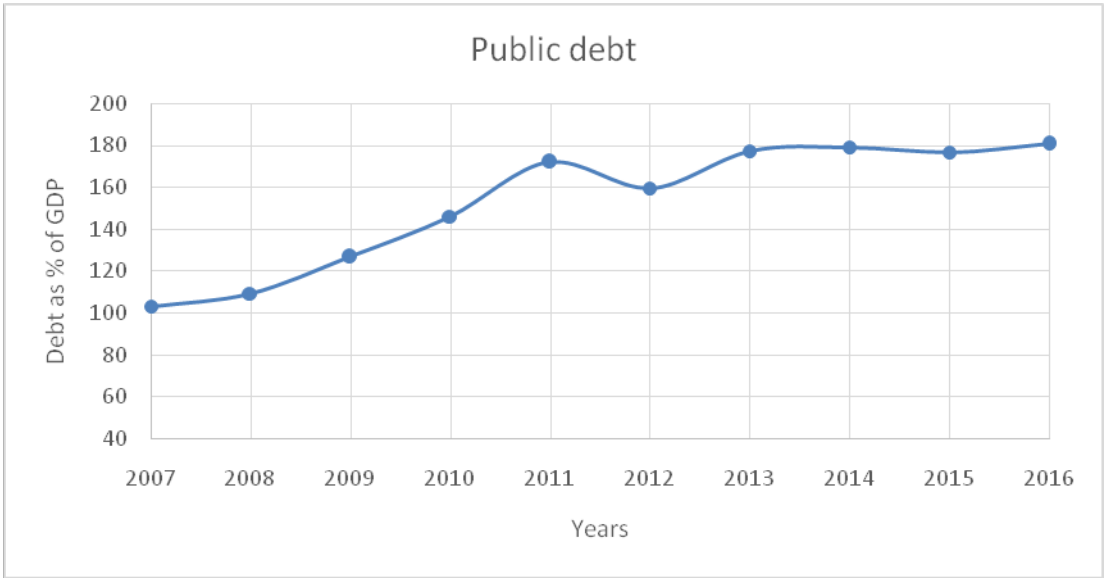
In addition, this has been confirmed by (Visvizi, 2011, p. 17) and he state that "*In 2008, the coverage level of the deposit guarantee scheme was increased from 20 000 euro to 100 000 euro for a period of three years (i.e. until the end of 2011). The political commitment for the protection of deposits in all banks operating in Greece in Greece was reiterated*". According to (IEO, 2016) report indicates that the economic crises left the Greece government with weak fiscal amount to confront the global financial crises and rescission and lastly with little room for monitory and fiscal space as it belonged to the monetary union.

According to (Varoufakis, 2016) the former finance minister of Greece confirms that the 2008 global economic crises meant the collapse of international finance institutions such as the Britain Northern Rock which was the first European Bank to buckle. The 2008 global economic crises exposed the weaknesses of the European Central Bank and its structural deficiencies. He further states that the ECB Charter had prohibited it to bail out member state unlike the American and Britain Central Banks which managed to do so during the crises.

He confirms the power of financial institutions as companies such as Google, Face Book and Greece oligarchs enjoyed tax immunity during the crises (Varoufakis, 2016). The Greece crises threaten the German and French banks which later became the main beneficiaries of the crises at the expense of the Greece economy as it was heavily indebted to their banks as their main creditors (Varoufakis, 2016).

The Greek economy had basically and literally collapsed beneath a mountain of debt and threatens the German and French banks with the fate of Lehman Brothers and the Greece government was forced by the Troika to bailout the international creditors and this approach consequently burdens the Greece poorest tax payers (Varoufakis, 2016). He submits that these bailout loans were given under conditions of income sapping austerity which further attacked the debilitated taxpayers (Varoufakis, 2016).

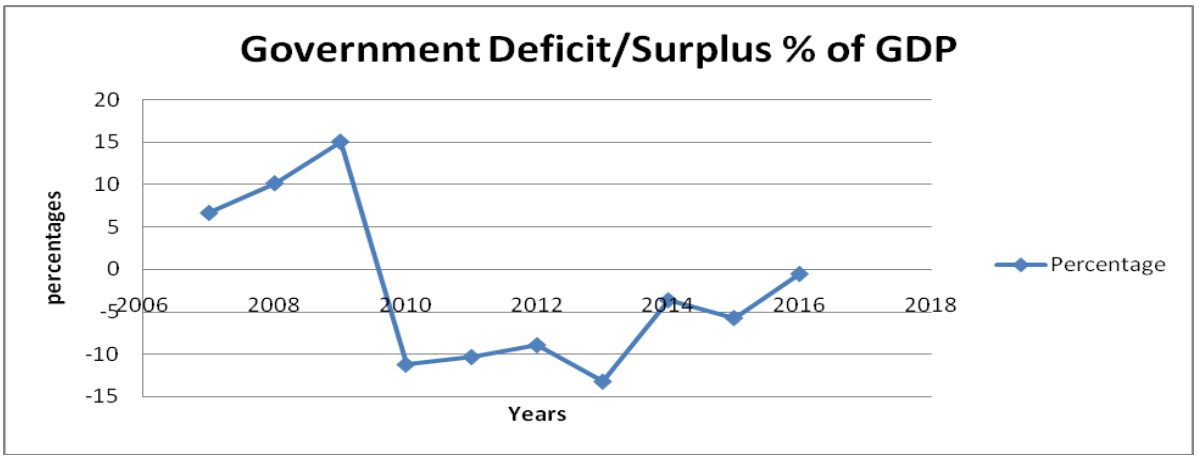
Figure 1:Public Debt



Sources: Hellenic Statistical Authority

The statics from the Hellenic confirms the submission by the Greece Embassy and of the former Minister of Finance (Vardoulakis, 2016) that the Greece economy was facing the mountain of debts as represented by the above Figure 1. At the time of the global economic crises the Greece's debt to GDP stood at 103.1%, thereafter at the time the crises affected Greece a year down the line the debt to GDP ratio was staggering at about 126% which was substantially high (Hellenic Statistical Authority, 2017)

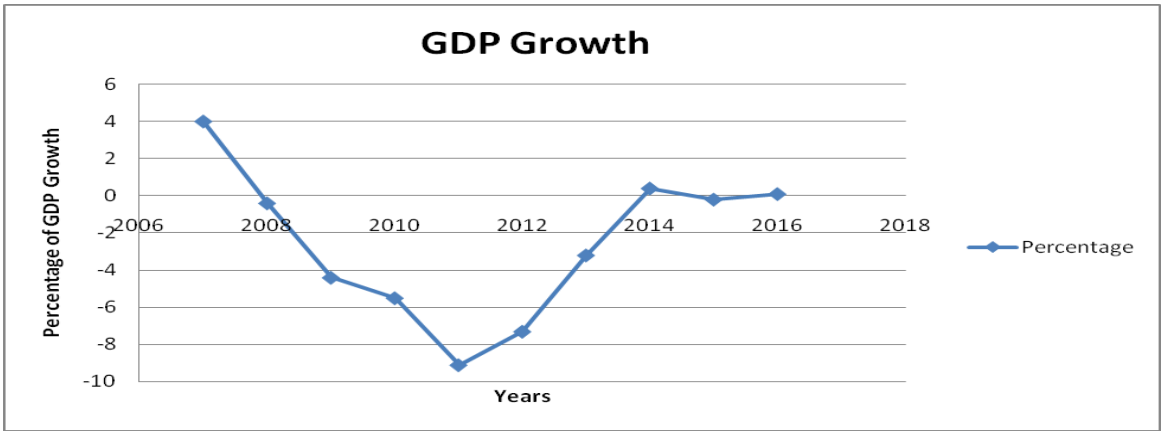
Figure 2: Government Deficit/Surplus as a percentage of GDP



Sources: Euro stats

According to Figure 2 the Government deficit and surplus analyses reflects the failures of the IMF interventions in the Greece economy. In the 2007 the surplus was 6.7% and by the 2008 it had grown to 10.2% (Euro Stats, 2017). At the time of the crises it was at about 15.1% of the GDP and thereafter dropped to -11.2% in 2010 after the intervention of the IMF in trying to resolve the economic crises (Euro Stats, 2017). The decline is attributed to the conditions which were imposed by the IMF which entailed deep fiscal austerity packages and structural reforms (Lane, 2012). It has been in the negative figures terrain ever since and it was at its worse state in 2013 at -13.2%(Euro Stats, 2017). It has recently experienced a positive figure in 2016 at slight 0.5%. (Euro Stats, 2017)

Figure 3: GDP Growth



Sources: Euro Stats

The Figure 3 further demonstrates how the economy of Greece was affected by the global economic crises. The Greece GDP is reflected to have been growing at about 4% in 2007 and dropped to -0.4% in 2008 according to Figure 3. Thereafter it has experienced negative growth as a reflection of the policy failures imposed by the IMF as part of the SAP. The worst year for the economic growth was in the year in 2011 which it encounters a negative growth of -9.1% of the GDP (Euro Stats, 2017). The GDP has been experiencing a negative growth until 2014 which produced a mere 0.4% and it immediately experienced a negative growth in 2015 and recovered to a 0.1% in 2016(Euro Stats, 2017). Figure 1 demonstrate that the intervention has not been able to assist and help the Greece economy to grow at least to the pre-crises period and now it is about a decade since the IMF intervened in the Greece economic crises (Euro Stats, 2017).

4.3.1 Could Greece have been able to prevent and escape the 2008 global economic crises?

The academia indicated that Greece could not have escaped the crises given the Global Financial crises and it became the leading victim of the knee- jerk austerity measure, imposed against democratic will and against all commonly acknowledged economic logic. This view is confirmed by Stiglitz (2008, p. 2) as he indicates that "*There are multiple channels through this crisis is affecting all the countries of the world. The most direct channel through which it began was, of course, financial markets"*. The process of globalization has integrated the world economy and therefore any major downturn in any developed country will have repercussion for any other country in the globe (Stiglitz, 2009).

The embassy representative indicated that "*the country could have taken some proactive measures to prevent the crises from starting when the global economic crises begin but the steps taken where very late. The government could have at least reduced the salary bill, public debt and pensions earlier. It should have cut the privileges of the public servants and dealt decisively with corruption in the state pensions systems as some claimed to have been blind people earning pensions while being taxi drivers as an example which was part of a wide and systematic corruption in the state"*.

The view of the embassy is confirmed by the (IMF, 2008, p. 3) report that had highlighted that there are some measures which are required to sustain strong growth over the economy of Greece, they stated that "rising *labour cost are treat to competitiveness and may ultimately act as a brake on investment and employment growth.* According to the (IMF, 2008, p. 5) further states that "*the current high level of government debt and the projected increase in pension and health care costs related to population aging will adversely affect debt sustainability, the budget vulnerable to shocks that could result in a sharp growth slowdown*".

The embassy representative further indicated that "*There various other examples of corrupt activities which were draining the state such as continued payments of various benefits such as pension benefits for deceased people including hospital benefits. The corruption in the state was so ripe that the state did not even know how many workers it has in its employment. It continued to pay Doctors who are*

working in the private sector while not tendering any services for the state. The measures introduced to deal with these challenges were too late".

The trade unions submitted a contrary view, it indicated that Greece could not have prevented the crises as the crises are *"DNA of capitalism, it cannot avoid them"*. The trade unionist stated that they happen independently from the human will as they are not influenced by a good or bad governing, from the mixes of policy in the frames of the system. The trade unionist further indicated that anti-popular attack is the only way for the system to overcome the crises. The crises will exist if capitalism exists, and the system cannot give anything else but unemployment, impoverishment and wars. They system is "*in decay, barbaric, gives birth to social reactions, social powers and preconditions for overthrowing it"*. They lastly submitted that some measures could have fastened or delay the expression of the crises for a specific period, but such could not have prevented it.

The IMF representative submitted that Greece should have established proper systems and independent body to look at its statistics. The IMF representative indicated that an Independent body should have been professional and adheres to the international standards in terms of reporting and in Greece such was not the case. The IMF representative further submitted that the lack of this resulted in affecting its economic growth and confidence. This submission is supported by (Visvizi, 2011, pg. 24) and he state that "*In the debate on the causes of the sovereign debt crises in Greece, the question of reliability of data plays a prominent role*".

According to (Visvizi, 2011) the new government adopted a confrontational approach to the question of data as following its election, it announced some changes to the previous submitted data and this caused problem for it as it was viewed as deliberately distorting information at the expense of other member states. It is worth noting as he directly states that "*The newly elected government declared that the country's fiscal position differed substantially from that reported by the previous government. What has been common knowledge since the year 2000 was this time presented in terms of a horrendous political lie incriminating the previous establishment. At the discursive level, the unprecedented drama attached to these declarations contributed to the emergence of an image of Greece as*

deliberately engaging with "creative statics" at the expense of the other euro-area member states on the one hand, and of the country being on the brink of collapse on the other" (Visvizi, 2011, p.25)

According to the (OECD, 2009) report confirms the submission by the Greece government and the IMF representatives that the Greece government could have undertaken some steps and prevented the economic meltdown in the Greece economy. It disputes the submission made by the Greece Trade unionist and the academics.

According to the (OECD, 2009) report which suggests that these initiatives could have involved various measures as part of the program to prevent the crises in Greece and these measures could be summarised as follow:

- Restructuring and cutting the civil service employment and freeze government wages.
- Restructuring of government expenditure and reduced structural deficit by at least by 2 and half percent of the GDP for 2009 and 2010 through fiscal consolidation and rein on spending and improve tax collection.
- Introduced a multi-year budgetary framework and legally binding fiscal rule to be monitored by an independent counsel or alternatively inserting this mechanism in the constitution as it's the case in Switzerland.
- Improved the fiscals by embarking upon programs to restructure the tax regime and reduced extensive tax evasion to place the public finances on strong footing. The government should have introduced measures to improve the performance of the public enterprises through introduction of new operational plans.
- Restructured the retirement funds by reducing their number and reduce some early some early retirement incentives.
- Introduced health reforms by introducing hybrid system combining capitation payments for the outpatient and doctors working for the health insurance funds and this would have stimulated competition and improve the supply of the health care.

- Reconsidered restructuring of the education sector and among others amended the constitution to permit the introduction of private universities. It should have considered introduction of funding system for education which would relate to performance indicators that are transparent and simple

- Reduce its structural imbalances and improve competitiveness and raise productivity through programs such as labour market flexibility, scraping of minimum wages, introduction of decentralised wage bargaining and avoid extension of collective agreements to firms not directly represented in the collective bargaining forums.

- Undertaken reforms to enhance pro-competition regulatory stance and reduce the number of procedures for business registration and legal obligations. It should have privatized state entities.

It is of interest to note that these submissions by the embassy representatives and confirmed by the (OECD, 2009) report are also contained in the IMF (2008&2009) reports and formed part of the SAP of the IMF (IMF, 2008; IMF, 2009).

4.3.2**. How has the IMF historically intervened in countries which had been in economic crisis and how was its intervention in the Greece crises?**

The academia response was that the IMF has changed successively from using austerity policies and extensive intervention to guard against crises for security of financial assets. It now deals with the crises as it happens and has introduced measures to prevent contagion.

The Greece embassy representative responded by indicating that the role of the IMF has been problematic in the past and continues to be problematic in the current crises in Greece. The role of the EC and ECB also requires to be examined as they have fuelled the crises in Greece. The country could not utilise its monetary and fiscal policy to navigate the crises as these instruments where controlled by the European Central Bank and should Greece have left the European Union it would have been very catastrophic for the Banks of Netherland and German.

The Greece embassy representative also stated that the German economy has been the main beneficiary of the crises and their role in the crises also needs to be investigated and including the role which was played by the rating urgencies as these urgencies destroyed Greece Bonds which were rated AAA. The Greece embassy representative further indicated that Greece had generous bonds held by the Dutch and German banks until they were destroyed by the agencies and rendered them worthless and in the process helped these banks to continue profiting from the Greece crises.

The Greece embassy representative submitted that Greece should have exited the European Union and used its monetary and fiscal policies to deal with the economic crises. The embassy indicated that German Banks got their money back and further made interest and they continue to exploit the country and it could therefore be deduced that the Germans have basically financed their own banks though the bail out and this relationship has become a triangle. The Greece representative further indicated that should Greece have left the European Union it would have resulted in the European banks collapsing and because of not leaving the EU, Greece Pension schemes where compelled to buy the loans and bonds from the foreign banks. The embassy representative submitted that the savings and surplus of the pension schemes were forced to buy back these debts by force and consequently the private debts became the public debts. In addition, the embassy representative alluded to the fact that the hair cut which was forced to be undertaken by the Greece government affected the working class and the poor. Lastly the embassy representative submitted that these haircuts had exonerated the foreign banks who originally had the loans and enjoyed interest but when things were bad it was the working class and the poor who had to take the pain.

The Trade Unions indicated that the IMF is an international organization of capitalism and its intervention in Greece is related with the safeguarding of the interest of specific multinational corporations and imperialist states, including the safeguarding the bourgeoisie of Greece and capitalist profits. They added that these interventions also served the geo-political interest of specific imperialist forces that dominate within the IMF, such as the USA.

The IMF representative responded by indicating that the IMF intervention differs from country to country depending upon the challenges facing that country at the time. In some instances, the problems are because of over spending. He indicated that the IMF is like a doctor "if *you are a patient for example and you go to the doctor and you give your problems out, so the doctor obviously will sketch some things which may or may not be done by the patient".* The IMF operates on the similar fashion it prescribes the program based on the diagnosis done and if the country does not implement the program as prescribed, IMF should not be blamed.

The IMF *"in some instances come in as a fire fighter because there is actual fire, things are burning, people are losing jobs, and government is unable to pay its debt"*.

The IMF representative further submitted the urgency of the situation in Greece couldn't afford the IMF interventions a space to do a proper research before intervention as it was burning and urgent. In some instances, IMF do commit mistakes which are later rectified such as in the Asian price crises. There are also excellent interventions done such as in the case of Brazil which was very successive. He further indicated Africa is another example of good interventions by the IMF considering the debt relief programs and the economic growth of Africa has been between 5 and 6%. The debt relief enable the African countries to invest in infrastructural development and into social programs. The IMF representative also submitted that he differs with people who say, "*structural adjustment programs where useless or have destroyed African countries as economic growth improved over time and Latin America is a typical example"***.**

The IMF representative indicated that it should be noted that **"***There is no free lunch in economics and therefore some people in various countries may get hurt".* He alluded to the fact that financing from the IMF is meant to rehabilitate the negative impact as by its own nature requires countries to take some pains just like the doctor undertakes an operation to rehabilitate the patient.

In contrary to the submission of the IMF representative and in support of the Greece Embassy Representative, (Stone, 2002) reflect that the IMF structural adjustment programs in Africa have resulted in these countries foreign debt

increasing to 1.2 times of the GDP while before the intervention such debts where at about 50% of the GDP. The IMF had increased the dependence on development assistance which has surpassed 10% of their GDP. The IMF programs in Africa have been found to be reducing growth and redistribution of income away for the working class and the poor and this has been because of their conditions which had been imposed to developing countries (Stone, 2012). In the Latin America the IMF intervention in countries which experience crises meant an imposing of condition such as opening of national markets which compelled reduction of tariffs for trade (Herman, 2016).

It meant lifting of capital controls, liberalization of the capital market, reduction of taxes for the rich and increment of taxes such as VAT which mainly affected the poor, sale of state entities, labour reforms which resulted in the retrenchments and downward employment standards and including the reforms of the pension funds with measures such as increase of the retirement age and reduction on the benefits for the workers (Herman, 2016).

The academia indicated that the main challenge is the nature of interventions as we need to ask a question such as on whose behalf are they undertaken and, they are informed by the corresponding outlook.

The Greece embassy representative responded by indicating that the role of the IMF has been problematic in the past and continues to be problematic in the current crises in Greece.

The trade union representative indicated that they do not think that the IMF interventions are problematic, but rather they are directed towards the interest of specific states and financial forces. The Greece trade unionist stated that the intervention in Greece was not meant to resolve the issue of public debt, but to safeguard capitalist profitability and played a specific role within the intra-imperialist competitions in the contradictions between the USA and German on one hand and USA and the EU on the other hand. According to Greece trade unionist the interventions was not in the interest of the people of Greece.

The documentary evidence suggests that the intervention of the IMF has always been very problematic and influenced by ideology and the interest of its main

donors. The IMF has also been accused of playing political games as it had in Pakistan, Afghanistan and Turkey in which access to funding was withdrawn because these countries had refused to co-operate with the USA on areas such as nuclear test, invasion of Iraq during the Gulf War (Stone, 2004). These decisions had absolute nothing to do with the economic issues in all these countries. Stiglitz (2002) further submit that IMF programs have been very harmful to its beneficiaries. According to (Herman, 2016) the intervention of the IMF was problematic as it advocated the policies of the USA through the Washington policies.

According to the academic the IMF intervention in Greece has been the same as previously in other countries experiencing economic crises however much better and reasonable as compare to the position which was advocated by the European Union and Germany in particular.

The Greece embassy representative indicated that the intervention of the IMF in the crises of Greece only served the interest of the foreign banks such as those in German and Netherlands and this was at the expense of the poor and the working class in Greece.

The trade union representative submitted that the IMF intervention in Greece was meant to protect the profitability of the capitalist class. The intervention has not helped the working class and the poor. The intervention of the IMF ensured that the German Banks remain safe including other multi-national finance institutions.

The IMF representative submitted that IMF intervention in Greece failed to consider the material economic conditions. The IMF representative submitted that the intervention did not assess the debt level and restructure them accordingly as they were based on assumptions which were very ambitious and optimistic. The IMF representative submitted that the economic recovery was overestimated, and sustainability of debts not properly assessed. The issue of sustainability of debt has been raised and programs have been put in place as part of the program to address them. The IMF representative revealed that the IMF has learned lessons that you need not be consecutive about the assumptions of debts. This view is supported by Figure 1 which clearly demonstrates the level of debt in Greece and

the fact that the debt has never decreased since the intervention, but it has continued to grow instead of stabilizing.

According to the (IEO, 2016) the intervention of the IMF was not done as per usual practices, norms and rules governing the interventions as it firstly through the Troika which involved the European Central ECB and the EC. The IMF contributed an amount of about 26, 4 billion euro while the EU and the ECB 80 billion euro in May 2010. The intervention exceeds the normal quota and the IEO states as follows “They entailed exceptional access to Fund resources, meaning that the amount of financing exceeded the normal limits of 200 percent of quota for any 12 months period or 600 percent cumulatively over the life of the program” (IEO, 2016, p. 3).

The rules on the framework was not properly followed and done against the advice of its lawyers and presented to the board in the eleventh hour which undermined the authority of the Board (IEO, 2016). The staff members were exposed to the political influence unnecessary in taking decision than focusing on economic issues and it exceeded quotas as prescribed by the rules of the Fund (IEO, 2016). The directors failed to establish processes and procedures for the sharing of confidential information with other agencies (IEO, 2016). As part of its intention to protect finance capital it failed to neither restructure the sovereign debts of Greece nor consider other various options as part of its program to protect private capital.

The directors and the staff undermined the Board by failing to consult with them on time, looking at various options and to quantify the likely contagion outcomes than the one undertaken (IEO, 2016). The Board members outside Europe were disadvantaged as those within Europe knew of the developments even before the meetings as the operation was conducted with the EC and the ECB (IEO, 2016). The way the IMF intervened in Greece has been viewed consequently as the continuation of the IMF favouring Europe and the decision of Europe being imposed to IMF in regardless of the consequences (IEO, 2016).

According to the (IEO, 2016, p. 24) report of Independent Evaluation office “*the most a conspicuous weakness of the IMF-supported programs for Greece was its*

lack of sufficient flexibility. Greece was forced to attempt one of the most drastic programmes of fiscal austerity in modern history aimed at reducing its budget deficit by eleven percentage points of GDP within three years".

The structural conditionality for Greece was as far-reaching and without proper prioritization and imposed a serious burden to a country without administrative and political capacity to implement these programs (IEO, 2016). These are some of the contributing factors for the program to be unsustainable and unrealistic hence the general population rejected them (IEO, 2016).

4.4. THEME TWO: HOW HAVE THE WORKING CLASS AND THE POOR HAVE BEEN AFFECTED BY THE 2008 GLOBAL ECONOMIC CRISIS.

The intention of this section was to properly understand how the 2008 global economic crises and the IMF interventions in Greece have affected the poor and the working class on various areas hence the participants were also asked:

4.4.1. HOW THE CRISES DID AFFECT THE WORKING CLASS AND THE POOR ON AREAS SUCH AS

a. Education.

b. Privatization of Banks, transport, Airport and ports.

c. The increase of VAT.

d. The reduction and moderation of wages of workers.

e. The removal of the protection of employment.

f. The increase in the retirement age, how did it affect the pensioners?

a) Education

The academia indicated that all these programs have been hard hit. He also indicated that they have been unevenly hit in the light of the overall stance. He also alluded to the fact that the poor must pay the price for the crises which they have not created and not responsible for. On the other hand, the rich continued to

benefit from tax cuts and all business also had to benefit from the restructuring of the labour market.

The representative of the embassy indicated that the government has continued to build new schools and that the number of students has increased. The education is still free, but the quality has been compromised and the standards have decreased. The number of teachers has also decreased and as a result some schools have closed due to shortage of teachers. The quality of teaching has deteriorated. The influx of migrants has also affected the quality of teaching as in some school's majority of the learners are migrants. The government is struggling to provide basic needs in schools such as library and heating during winter.

The trade unions responded by indicating that education was affected as more young students must stop their studies and drop out of tertiary institutions. He submitted that majority of the students had to take a responsibility of supporting their families and pay for the cost of studying in the universities.

The trade unionist submitted that the context and the content of the curriculum were changed as it is now geared to create more flexible and obedient employees. Some of the field of study had to be scrapped such as arts in the schools as they are no longer regarded as a priority for the country.

According to (OECD, 2014) the standard of education has been lowered both in terms of quality and quantity. The government had to cut the education budget due to constrain in the budget and challenges of debts. The schools' infrastructure has been negatively affected by the cut of the budget and it lack maintaining and provision of facilities such as laboratories and other teaching equipment's (OECD, 2014). The government had to cut on salary budget and as a result teacher migrated and this resulted in overcrowding in large cities and many students had been forced to migrate to other countries to seek better and quality education as a results Greece has many students in other countries as compare to other OECD countries (OECD, 2014).

According to the (OECD, 2014) private education began to flourish which could only be afforded by the rich and the elite while children of the working class and

the poor had to face the poor-quality education being offered by the overcrowded public schools.

b) Privatization

The Academia indicated that the Greece government was forced to engage on a large-scale retrenchment as part of the structural adjustment program prescribed by the IMF. This has always been a policy position of the intervention of the IMF and it constitutes part of the conditions for their intervention. It is also an ideological condition which reduces the role of the state in the economy.

The embassy representative submitted that the government has been forced by the Troika to embark upon the privatization program as part of reducing the budget deficit and to raise funds. The process of privatization has seen China and German been beneficiaries of the privatised state entities. The privatization has resulted in massive retrenchment of workers. The challenges with the state entities has been the corruption which has been driven by ideology and the state entities had been previously utilised as part of patronage and used as means to win elections.

The trade unions indicated that the Greek Banks were privatized before the crisis. They also stated that after the crises many of them closed and left only 4 big banks and about 2 small ones which are also facing prospects of closing. The processes of closing the banks have left thousands of people without jobs and some whom are left behind had their wages have been cut drastically.

The trade unions submitted that public transport, airports and ports with the exemption of few public transport systems have been privatized. The government was pushed to privatise almost all small local airports and big ports such as Piraeus and Thessaloniki from the advice and recommendation of the IMF. These reforms and steps taken by the government resulted in the increase in the price of transport for the workers and the working class. It heavily affected the poor who previously were subsidised by the State as part of the social security measures in the country. The privatization of these state entities resulted in increasing levels of unemployment among the people of Greece.

The IMF representative submitted that he has no idea on how the intervention has affected the areas as reflected above and suggested that the staff reports could have information on these areas.

According to the (IMF, 2009) Greece government should speedily conclude the privatization of the Olympic Airlines and including the railway company. The Greece government is further required to embark upon massive acceleration of privatization of the public enterprises. It is further required to focus on areas such as telecommunication industry and electricity wholesale market as part of the privatization program and to boost competition in these industries.

According to (OECD, 2009) the Greece government efforts for the privatization program of the public and state-owned enterprises such as the Olympic Airways and Piraeus Port Authority container terminal are welcomed and encouraged.
It applauds the plan for the restructuring of the public transport and the Hellenic Railway Organization and the process for its privatization (OECD, 2009). The IMF collaborates these submissions and indicates as follows "*The authorities are working towards a more ambitious privatization plan, with the aim to raise at least 7 billion euro's over the next three years (3 percent of GDP), including at least 1 billion in 2011. Plans covering about 40 percent of the total target have been drafted, and 14 companies have been identified for full or partial privatization using different placement methods (including direct sales, auctions and concession agreements)"* (IMF, 2010, p. 15).

c) VAT Increase.

The embassy representative indicated that the government as part of the program imposed by the Troika had to increase VAT on basic product. The VAT on basic staff increased from 9% to 24% and this affected the cost of living of ordinary people, the poor and the working class. The income of workers had been reduced and the increase of vat and of extending it to other basic food affected poor families.

The trade unions indicated that VAT was increased and doubled from 12% to 24%. In some areas such as in Island the increase used to be very low to the

region of about 6% and the increase reached the levels of 24%. The trade unionist submitted that that the increase of Vat affected the poor and the working class as it was extended to even basic food. He indicated that the poor were not exempted from such increase and they had to pay more due to the increase in the prices of basic goods and services as the results of the removal of basic goods from being exempted from VAT. The trade unionist further indicated that the workers also suffered as their income have decreased while the prices of the basic staff had increased.

The IMF representative submitted that he has no idea on how the intervention has affected the areas as reflected above and suggested that the staff reports could have information on these areas.

According to (OECD, 2009) indicates that the Greece Tax system was the most inefficient and required to be transformed to be in line with other OECD countries. It identified weaknesses in areas such as large tax evasion and design with tax exemptions and these have contributing factors to the low tax –to- GDP ratio (OECD, 2009). Furthermore, (OECD, 2009) report raised a concern around the non-compliance by the Greece informal sector which contributes to about 25% of the total GDP. It then suggested that the Greece government should consider increasing of VAT and that it should be made uniform and the list of goods and services that are exempted should be shortened (OECD, 2009).

In addition, (IMF, 2010) welcomes measures being introduced to reform the Greece tax system among other being on the VAT increase. For instance, reasons for the reforms are captured as follows “to simplify the tax system and improve its administration and efficiency” (IMF, 2010, p. 46). Furthermore, the IMF confirms the submission of the trade unionist in some Island the VAT was very low that the reforms had hit hard such Island as the report states that “VAT reform to widen the tax base “e.g. reduce lower rate items and eliminate geographical rate differentiation” (IMF, 2010, p. 46).

The IMF had expected that the government revenue would increase by 750 million euros after the increases of VAT instead it yielded 880 million (IMF, 2010, p. 97). It hence states that “*Increases in the reduced rates of VAT from 5.5 percent to 6.5% and 11 to 13 percent, yielding at least EUR 880 million*”. The intended increases

had meant to increase the revenue to meet the budget however such an increase failed to meet the budget expectation as stated as follows "*On present trends, the budget would fall short of the program target by some three-quarter percent of the GDP"* (IMF, 2011, pg. 10).

d) The reduction, moderation of wages of workers and removal of protection of employment.

According to the embassy representative the workers' wages where halved as part of the imposed program by the Troika which was meant to moderate the wage bill of the government. The reduction of the wages and moderation was also meant to return Greece on a competitive level in the European Union and to attract investors back to the economy.

These measures and steps negatively affected the workers and the poor as the living standard have decrease and must struggle to maintain their families.

The embassy representative submitted that the removal of the protection of employment resulted in massive scale of retrenchment in the country and witnessed many workers losing their jobs**.** The government also implemented measures in which it did not replace some positions within the government and started to employ people on part-time basis.

The trade union submitted that government introduced measures to reduce and moderate wages for workers. The wages in Public Sector have decreased about between 40-60%. In private sector the minimum wage was cut by 21%, and for young workers under 25 it was cut even more, by 32%. The average wages have also decreased about 30-40%. However important element is that most new contracts are part time, casual work contracts, leading to wages which are even less than that of the minimum wage.

These reforms which had been part of the restructuring of the labour market by government as part of the conditions imposed by the IMF have reduced the living standard of the workers in Greece. They could no longer afford to buy some goods and services which they had normally being used to. They also had to face the increase of the basic goods and food which previously had been exempted from

VAT, but government removed such exemptions and increased the VAT from 12% to 24% as part of restructuring of the tax system.

According to the trade union "*All legislation protecting workers' rights, employment and trade union organization have been under continuous challenge by the employers, the Greek Governments and the EU***"**. They further indicated that there was compensation for lay off after 15 days of employment however this was changed to compensation being given only if you have been employed for more than 1 year. In addition, legislation forbidding massive layoffs was amended and as a result to it allowed layoffs of 5% of the total workforce. Further amended where introduced and the current situation allows and gives freedom to employers to proceed with massive layoffs without any restrictions

The reduction of the public-sector wages through the Stability and Growth Program which had contained elements such as moderation of the public-sector increases had been welcomed by the OECD as it viewed the Greece public sector wage bill huge for its GDP size (OECD, 2009). Furthermore, the OECD had also congratulated Greece government steps as part of the SGP of relooking at the staffing levels of its public administration as in its view Greece public sector has witnessed a faster growth as compared to the OECD countries (OECD, 2009). In addition. the OECD had further suggested that there should be massive review of the public pay hence it proposed that Greece government should consider reduction of wages and benefits of its public service (OECD, 2009

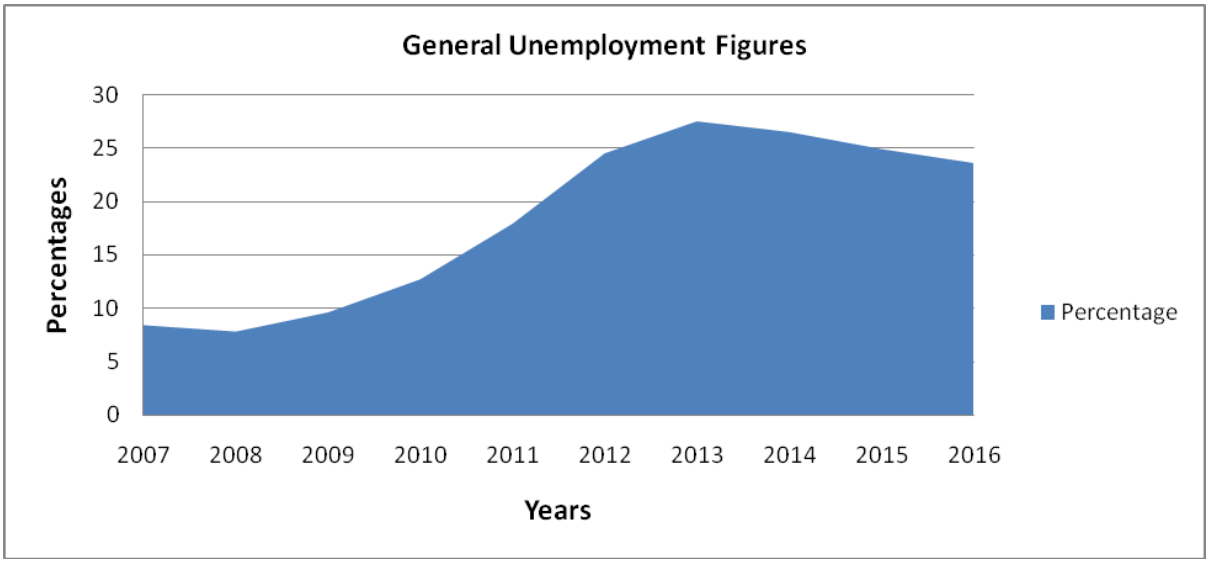
In addition, the institution states that OECD "The policy of only partial replacing public-sector retirees should be pursued" (2009, p. 13). Furthermore, it states that that "The policy of only partial replacing public-sector retirees should be pursued". Also, the OECD calls for other measures such as wage freeze for the public servants, downscaling of the public servants and in its view the Greece government could do the same or similar services with the current 73% of its employees (OECD, 2009). In fact, the institution is critical of the public enterprises and blames them for burdening the state budgets through state grants they receive in financing their deficits and with the requirements for capital injections and loan guarantees (OECD, 2009). For example, (OECD, 2009) indicates that the public enterprises are often overstaffed and have high labor costs. It therefore

welcomes measures for addressing the state-owned entities through cutting of labor cost and introduction of control measures to curb expenses (OECD, 2009). In addition, it indicates that "*the payroll has grown over the past decade. Low and middle rank civil servants have higher wages than similar private sector employees, although they work on average fewer hours and have greater job security. Several measures have been taken correct these deficiencies"* (OECD, 2011, p16).

Furthermore, OECD applauds Greece government of measures introduced such as scrapping of the national minimum wages, relaxation of the employment protection of the permanent workers and increasing of the flexible working arrangements (OECD, 2011). In addition, the institution had previously argued that the government should implement various measures to reduce the budget and save through the SGP and these measures had entailed reduction of staff, restriction on employment, revision of wage management, containment of overtime other expense (OECD, 2009).

In addition, the IMF encourages Greece government efforts to restructure the labour market and to introduce reforms on areas such as employment protection, arbitration and collective bargaining, legislation that cut wages by 10% (IMF, 2011). The IMF states that "*To reduce excess employment in the public sector, the plan will focus, among other things, attrition, tighter policies for contract workers, and vacant jobs cancelations. The plan will identify ways to simply the wage grid, including allowances. While reducing the wage bill, the plan will aim for some decompression of wages across grades and specialized career streams"* (IMF, 2011, p. 68). For example, it states that "the *reduction of the public employment on top of the rule 1 recruitment for each 5 exist in the public sector, the reduction in the public employment on top of the 1 to 5 rule should allow savings of at least 600 million euro's"* (IMF, 2011, p. 112).

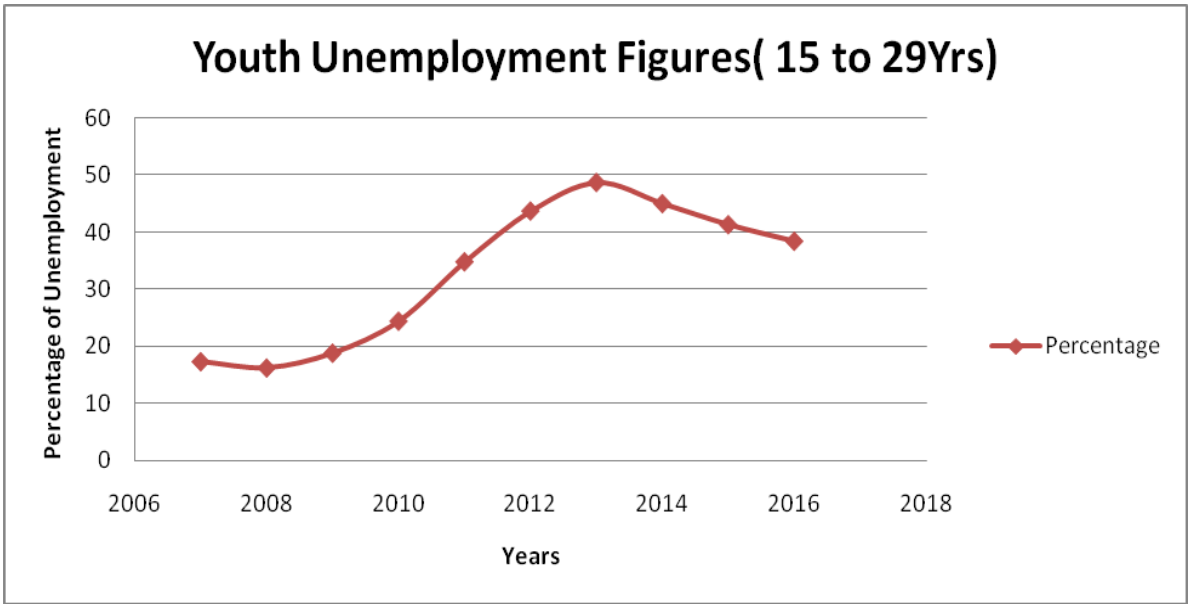
Figure 4: General Unemployment Figures



Source: Hellenic Stats

Figure 4 contains the graph on the unemployment figures for the Greece economy. The IMF intervention and advice has escalated the unemployment figures from a single digit to the double digit. In the year 2007 the Greece economy had about 8.4% of unemployment figures which were reduced to 7.8%(Hellenic Statistical Authority, 2017). At the beginning of the economic crises in Greece in 2009 the figures rose to 9.6% and when the intervention of the IMF commences the figures rose to double digit which was 12.7% by 2010 and increase to 17,9% in 2011 and escalated to 24.5& in 2012 and reached the peak in 2013 at 27.5% (Hellenic Statistical Authority, 2017). It has been on steady decline but within the twenties in 2014, 2015 and 2016 (Hellenic Statistical Authority, 2017). In 2016 the unemployment figures stood at the region of 23.6% which is still far higher than 2007 at the beginning of the global economic crises (Hellenic Statistical Authority, 2016).

Figure 5 : Youth Unemployment Figures

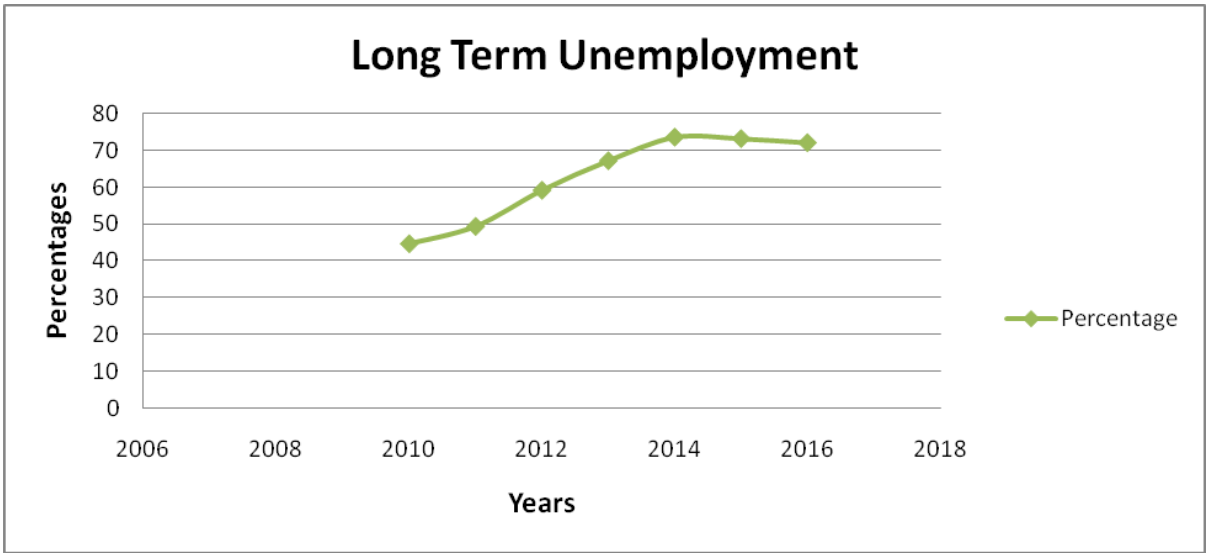


Sources: Euro Stats

The IMF intervention among others indicated that it is meant to resolve the question of youth unemployment and to those that are aged between 15 to 29 years old. According to figure 5 this intervention could not be able to resolve the high level of youth unemployment and instead it was increased as could be seen that in 2007 the youth unemployment stood at about 17.3% of the population (Euro Stats, 2017). The figures decreased to about 16.2 in 2008 before increasing to 18.8% in 2009 (Euro Stats, 2017).

After the intervention of the IMF this figure escalated upward as it was 24.4% in 2010 and increased to 34.8 in 2011, 43.7 in 2012 and reached its highest peak in 2013 at 48.7% (Euro Stats, 2017). It then begins to decrease to 45% in 2014 and to 41.3% in 2015 (Euro Stats, 2017). By 2016 the figure was still very high at 38.4% of youth between the age of 15 and 29 years remained unemployed (Euro Stats, 2017).

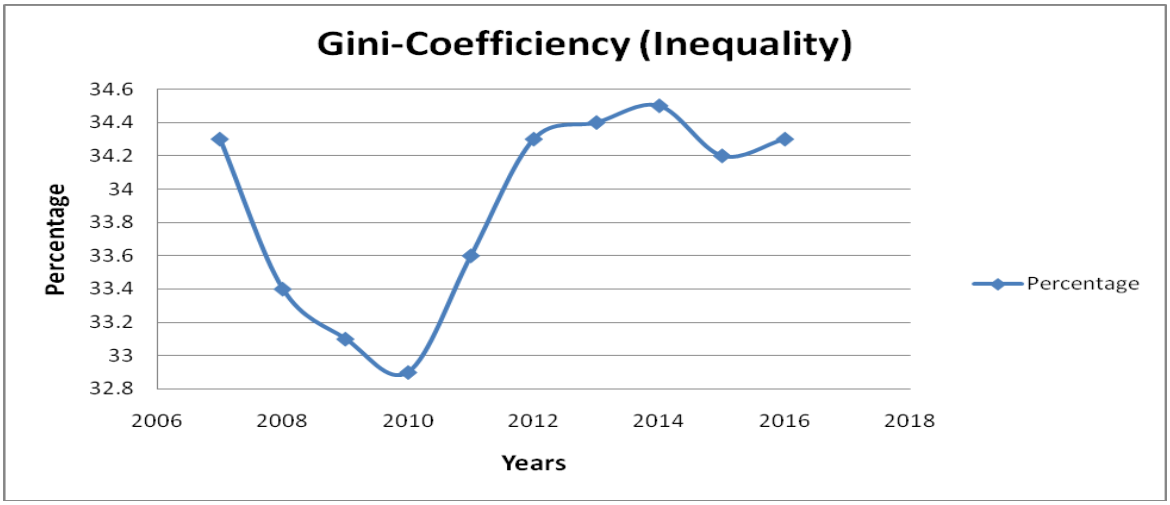
Figure 6 : Long Term Unemployment



Sources: Hellenic Stats

The long-term unemployment in Greece has also been increasing during the period of the economic crises as reflected by figure 5. In 2010 the figure stood at about 44.6% and it has been increasing ever since with 49.3% in 2011, 59.1% in 2012, and 67.1% in 2013 and 73.5% in 2014 (Hellenic Statically Authority, 2017). The figures have just slightly decreased to 73.1 % in 2015 and to 72% by 2016 (Hellenic Statically, Authority, 2017). The intention of the IMF as part of its intervention was to address the long-term unemployment and the results indicate that it has not been able to assist and instead the situation has deteriorated (Hellenic Statically Authority, 2017).

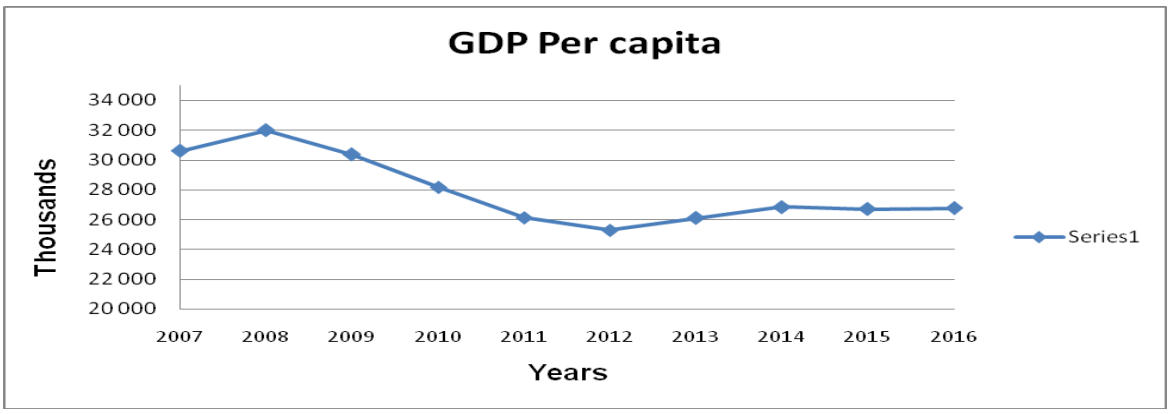
Figure 7 : Gini-coefficiency (Inequality)



Source: Hellenic Stats

The reduction and modernization of the workers' wages and including the retrenchments which were effected in the public sector as part of the structural adjustment program as implemented by the Greece government in the advice of the IMF resulted in the level of poverty and inequality increasing and later stabilizing back to the pre-crises period. Figure 7 indicates that in 2007 the Gini-coeffiency was at about 34.3% and it was in a down ward trend as by 2010 it reached 32.9% in 2011 the figure started to escalate to 33.6% and in 2012 it went up to 34.3% and 34.4% in 2013 (Hellenic Statically Authority, 2017). It has been at 34.5 in 2015 and in 2016 it went back to the pre-crises at 34.3% (Hellenic Statically Authority, 2017).

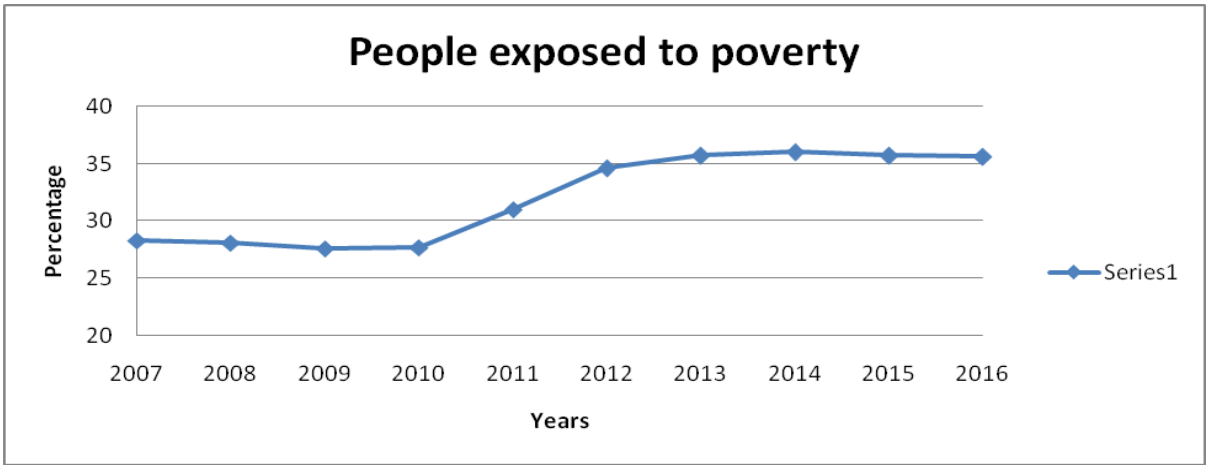
Figure 8: GDP Per Capita



Source : OECD

The Greece GDP per capita was affected by the measures as introduced by the Greece government as part of the structural adjustment program as demonstrated by figure 8. The chnage of the GDP reflect the changes in the living standard of the people of Greece as in 2007 prio to the crises it was at 30 600 euros and in 2008 it went up to 32 000 euros which indicated that the standard of living of improving however the crises affected it downward to 30 360 euros in 2009 (OECD, 2017). The standard of living have then been in the downward slope ever since and reaching its worse case scenario at 25 284 by 2012 and by 2016 it was at 26 746 far lower than the pre-crises period (OECD, 2017).

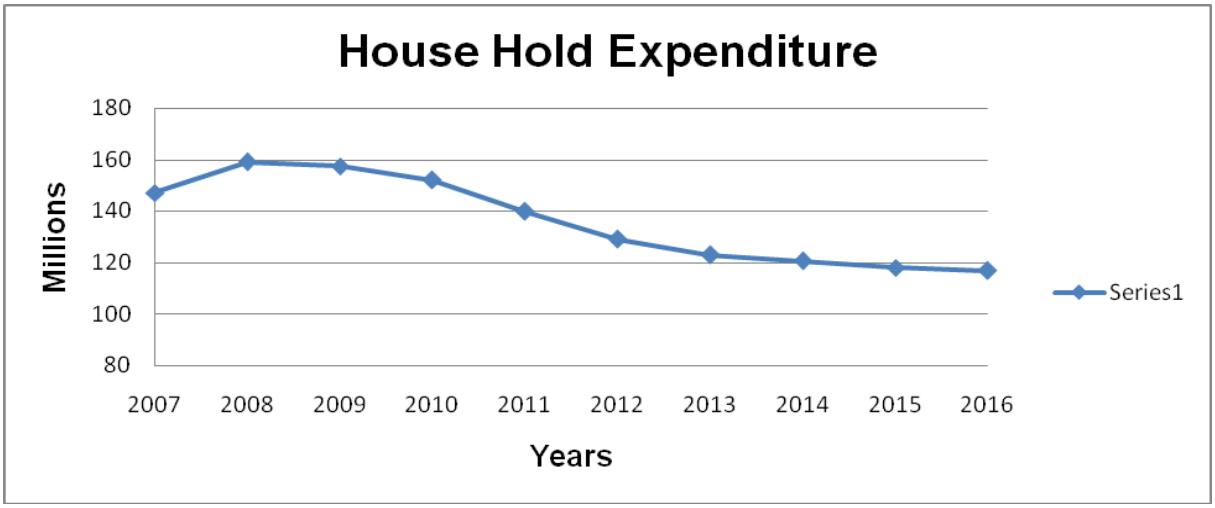
Figure 9: People exposed to poverty



Source : Hellenic Stats

The people who have been exposed to poverty after the distribution of the social security have also been increasing during the period of the crises because of the measures of the structural adjustment program introduced by the government as prescribed by the IMF. Figure 9 indicates that in 2007 about 28.3% of the population had been exposed to poverty and the numbers have been decreasing in 2008 and 2009 and by 2010 only about 27.7% of the people were affected (Hellenic Statically Authority, 2017). Figure 9 further indicates that numbers have been increasing ever since as in 2011 it was 31% and by 2016 the number had reached the region of about 35.6% much higher than the pre-crises period and it has not recovered since then (Hellenic Statically Authority, 2017).

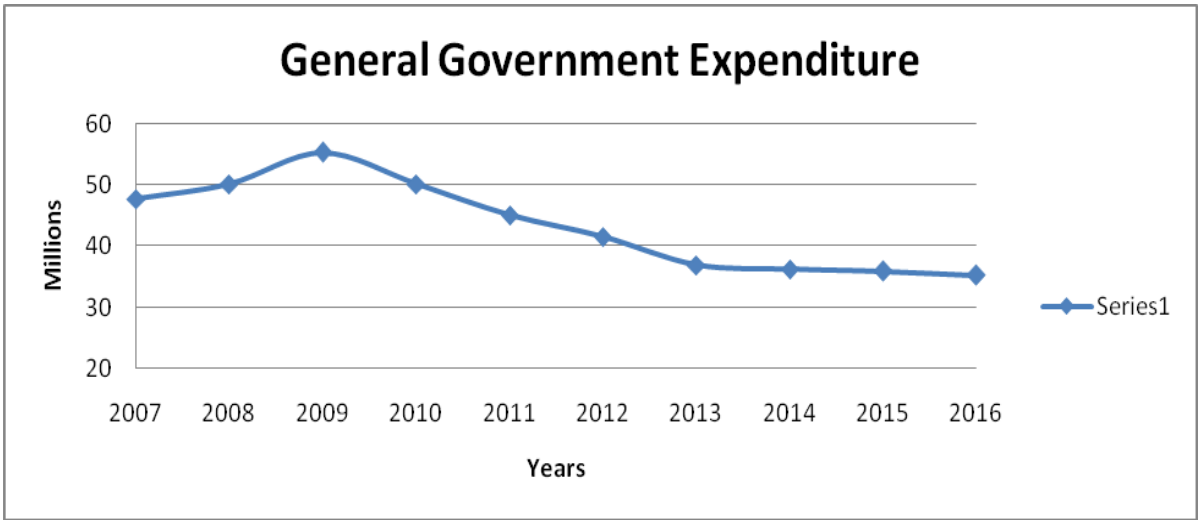
Figure 10: Household Expenditure



Source: Hellenic Stats

The SAP as implemented by the Greece government as per the conditions imposed by the IMF affected the living conditions of the poor and the working class and it could be seen through the Figure 10. The Household Expenditure in 2007 was sitting at about 147 million euro's and the figure increased to 159 million euro's in 2008 and the time of the crises in 2009 it has slightly decreased to 157 million euro's which was still higher than in 2007 (Hellenic Statistical Authority, 2017). The household consumption has been decreasing ever since as by 2011 it was at 140 million euro's and by 2013 it was at 123 million euros (Hellenic Statically Authority, 2017). The household consumption in 2016 had reached its lowest figures at 117 million euro's which reflect how the families have been struggling due to the economic crises and the policies of the IMF as implemented by the Greece government (Hellenic Statistical Authority, 2017).

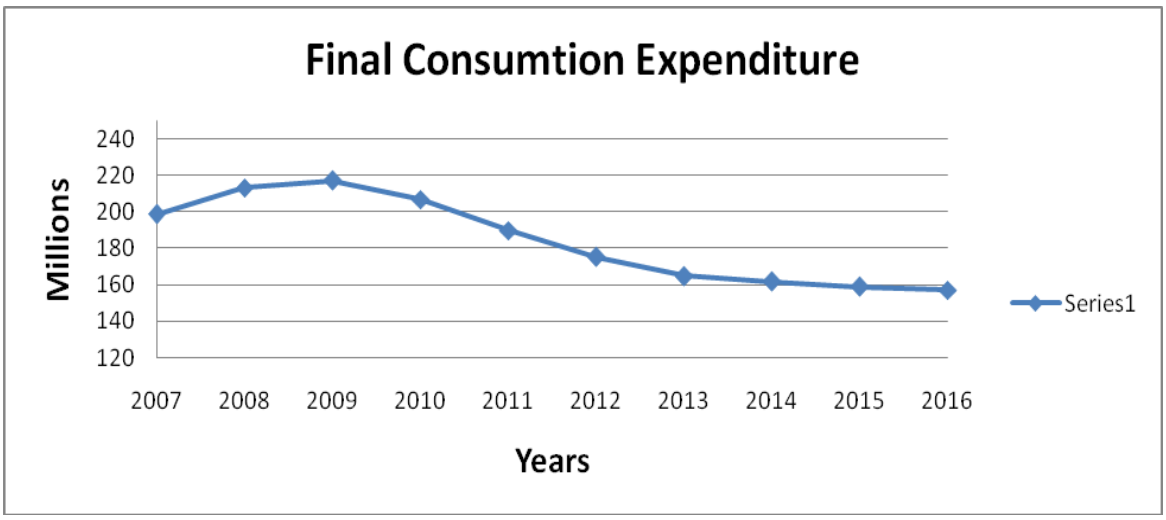
Figure 11: General Government Expenditure



Source: Hellenic Stats

The general government expenditure had been affected by the structural adjustment program as imposed by the IMF to the Greece government as indicated by figure 10. In 2007 the general government expenditure was at 48 million euro's and increased to 50 million euros in 2008 and further increased in 2009 to 55 million euros (Hellenic Statistical Authority, 2017). They started to experience a decline in 2010 to 50 million euro's and ever since have been on the decline as in 2013 have stood at 37 million euros and by 2016 have been at 35 million euros (Hellenic Statically Authority, 2017).

Figure 12: Final Consumption Expenditure



Source: Hellenic Stats

The SAP as imposed by the IMF to Greece coupled with the economic crises affected the final consumption or the total consumption of goods and services as demonstrated by figure 12. In 2007 the general government expenditure stood at 199 million euros and increased to 213 million euro's in 2008 and to 217 million euros in 2009 before decreasing to 207 million euros in 2010 (Hellenic Statistical Authority, 2017). It has been on the downward trend ever since and in 2013 it was at 165 million euro's and by 2016 it was at 157 million euro's and far less than the 2007 pre-crises period (Hellenic Statistical Authority, 2017).

e) The reforms and the restructuring of the pension system

According to the academia the pensioners have been incredibly hard hit with pensions being reduced below the levels capable of sustaining independent existence because of prices and charge increases. The affordability of basic goods and services became a challenge for the pensioners as their income has been reduced while prices had increased among others due to the increase of VAT.

The Greece embassy representative submitted that government was forced by the economic crises facing the country to embark upon massive restructuring and reforms of the retirement and pension sector given its contribution to the government expenditure and considering the level of corruption in the sector. The reforms implemented among others required the increase in the retirement age of workers. The government incentives for early retirements were also revised to reduce the government expenditure and ensure that the system does not collapse. These reforms affected the workers badly as they are now required to work longer years than before, and women had been heavily affected by these measures. The pensioners were also affected negatively because of these new measures introduced to reform the pension schemes in Greece.

The IMF representative submitted that the crisis in Greece was initially underestimated. The Government was required to ensure that it takes drastic steps to reform the pension funds which had a serious impact to the fiscus and affected the budget. The IMF representative indicated that government could no longer continue with the previous arrangements as they were not sustainable and needed serious reforms to stabilize the economy of the country.

The failure to restructure the pension funds could have resulted in the collapse of the system itself and such would have serious consequences for the country. Various section of the society had to make some sacrifices and contribute to the resolution of the crises.

The trade union representative responded by indicating that the increase of retirement age limit came with the decrease in pensions benefits. In addition, they submitted that today, many workers should have already been retired but they are required to work till 67 years of age. Furthermore because of the extreme pension cuts, many try to work even after retirement to survive the worse economic conditions in the country. The trade unionist further submitted that in some sectors the "*The situation is brutal, especially for workers from difficult professions like Construction, Metal etc."***.** These reforms of the pension fund are a clear demonstration on how monopoly subjected the working class and the poor to harsh living conditions. He also submitted that the crises were not caused by the working class and the poor however it this section of the society that had to pay the price for the crises.

For example, according to (OECD, 2011) it collaborates the submission of the all the participants that the government had introduced reforms and restructured the pension funds as stated by the IMF and Greece embassy representative. It indicates that the reasons for these measures and reforms are to ensure that the pension funds relieve budgetary pressure which could collapse the pensions system due to ageing (OECD, 2011).

Furthermore, (OECD, 2011, p. 96) indicates that "*the authorities finally adopted the provisions necessary to ensure long-term financial viability for the pension system, to strengthen its fairness, to simply its management, and to encourage seniors to participate in the labor market*". The report also notes that "the *minimum retirement age for women had been increased to 60 years for man and women and that any person who retires before the age of 65 could be penalized for 6% for each year by which their retirement age predates 65" (OECD, p. 96)*.

4.5. THEME THREE: WHY HAS THE INTERVENTION OF THE IMF FAILED TO RESOLVE THE GREECE CRISES?

The academia indicated that the intervention by the IMF was too little and too late given the degree and extend of the economic challenges which confronted the Greece economy and the extent of the global crises. The academia also indicated that the intervention was deferred within the Troika and not within the parameters of the IMF. The academia submitted that the IMF failed to take charge and direct the interventions as it had to engage and find consensus with other members of the Troika and this resulted in its efforts being diluted by the views and approach of its partners in the intervention.

According to the Greece embassy representative the interventions had been a failure due to the harsh conditions imposed by the IMF and the Troika. The Greece embassy submitted that the interventions have prioritized the interest of the German Banks at the expense of the people of Greece. The Greece embassy representative indicated that the increase of VAT contributed to the failure of the crises to be resolved as it heavily affected the people of Greece and its economy. The embassy representative submitted that the failure by the IMF in cutting the level of debts for them to be manageable and sustainable to the people of Greece contributed to the failure to resolve the Greece crises.

The trade union indicated that "*The IMF intervention did not aim to resolve the crisis in Greece in favor of the people. The capitalist crises cannot be stopped by capitalism and only the overthrow of capitalism could stop the crises".* The trade unionist submitted that in the view of the trade unions IMF intervention should be located within the context, and this context is that the intervention of the IMF succeeded in safeguarding the interests of the capitalists, supporting the capitalist system by imposing hard, brutal exploitation to the working class, with the support of the Greek Governments, whose aim was to support the big business groups.

The IMF representative indicated that the challenges facing Greece were much deeper than thought initially. The IMF representative indicated that the debts levels where very bigger than what has been reported and have proved to be unsustainable. The IMF representative submitted that the economic growth has

also been difficult to address given the lower level of confidence to the Greece economy by the external people and institutions. The embassy representative submitted that the economy of Greece "*has been like a very sick patient and it requires various medicine to successfully heal it*". The initial diagnosis was not correct, and this is a contributing factor on why it is taking so long to resolve the challenges facing the economy of Greece. The IMF representative submitted that there are positive signs that the country would be able to recover even thought this recovering would take some time given the extent of the challenges facing the Greece economy which could be traced back before Greece before even joining the Monetary Union.

According to the (IMF, 2009) report confirms the submission by the IMF representative that the political environment in Greece had been a challenge for the resolving of the crises. The opposition to the reforms introduced by the government had delayed and therefore prolonged the crises. The division within the European government about the Private Sector Involvement (PSI) negatively affected the confidence of market with a fear that the Greece might restructure its debt, and this escalated the spreads (IMF, 2009). The continuous downgrade by the rating agencies further contributed to the crises escalating and impacting on the economic growth and confidence of the market that Greece might default (IMF, 2009). According to the (IMF, 2011) the setbacks on the reforms on areas such as fiscal, financial and structural have contributed to the lack of progress to resolve the economic crises.

However, the (IEO ,2016) confirms the submission by the Greece embassy that the reasons for Greece to be unable to resolve the crises is because of the way the IMF intervened by not conducted a proper assessment of the debt crises in Greece. The IMF failed to be transparent in the way it intervened in the Greece crises which resulted in the suspicion on its intention for intervention (IEO, 2016). Furthermore, the lack of transparency justified the critics of the IMF that it treated Europe differently from other countries (IEO, 2016). In addition, the failure of the restructuring of the debt of Greece has a significant contributing factor for failure of the crises to be resolved (IEO, 2016). Also, the Greece authorities lacked capacity to undertake such a massive structural adjustment program (IEO, 2016).

Similarly, the (ITUC, 2016) concurs with the submission of the Greece Trade Unions that the IMF and its partners have been driven by an ideology of neo-liberalism which is outdated and failed to understand Greece real conditions. For example, it accuses the IMF interventions as driving more destructive deregulation which are driving the domestic demand further downwards and these policies of austerity measures are a disaster and fiasco from the economic point of view (ITUC, 2016). Furthermore, it alleges that the measures imposed would not assist Greece economy into sustainable, equitable growth path which will return the job creation as they are based upon old outdated economic thinking (ITUC, 2016). In addition, it submits that the measures are imposed to please financial capital at the expense of workers (ITUC, 2016). Consequently, the IMF has failed to resolve the Greece crises as ideology has triumph over sensible economics and they are causing more economic devastation than recovery (ITUC, 2016).

4.5.1. WHAT COULD HAVE BEEN DONE DIFFERENTLY TO RESOLVE THE GREECE CRISES?

The academia responded by indicating that the IMF would not have done anything differently and compared the IMF to an animal and indicated stated that the "*IMF is a beast and it could not be change"*. The academia further indicated that if the IMF was serious to resolve the crises it would have cancelled the debt or alternatively subsidies the repayment.

The Embassy representative submitted that the first step requires that the IMF and its partners must firstly accept that their interventions have been a failure and therefore the conditions imposed should be removed. The embassy representative indicated that the economy will gradually improve, and surplus could be attained every year. The embassy representative submitted that Greece should be allowed to go to the international market for loans. He submitted that the repayment arrangements on interest are far higher for Greece as compare to other countries such as German. The embassy representative submitted that the working class must continue to further take the pain to revive the economy as the middle class has being squeezed. He further indicated that the slow process in privatization of the state-owned entities should have been speeded up as this would have provided an incentive for business to invest back to the economy.

He submitted that government must continue with the haircuts and savings obtained must be invested in building infrastructure. He submitted that by investing in the infrastructure will stimulate the economy and provide employment to the people of Greece. He further indicated that the conditions imposed should consider the reality of the economic conditions facing the people of Greece.

The trade union representative submitted that the IMF would not have done anything different as it serves the interest of monopoly capital. Its intervention from the beginning was meant to ensure that the interest of creditors is protected and saved. It hence ensured that the private debt is converted to be public debt to protect the interest of the international banks at the expense of the working class and the poor in Greece.

The IMF representative indicated that the IMF could have done things differently and the Independent Evaluation Office has been very critical on how the IMF has intervened in Greece. The IMF representative indicated that the IMF should have assessed and analysed the situation and looked at various options on the debt level. The IMF representative indicated that the interventions based on assumptions should not have been done. The IMF should have refused to intervene until the issue of the sustainability of the debts was addressed and this is a lesson that the IMF has learned from the Greece experience.

According to (IEO, 2016) there are various factors which could have been considered and the intervention could have been done differently by the IMF in its intervention in Greece. For example, the IMF failed to apply proper and detail analyses of the extend of the economic challenges given that Greece belonged to a currency union and these failures which undermined efficiency and effectiveness of the IMF capacity (IEO, 2016). Furthermore, the intellectual capture of the IMF staff which resulted in the compromise of the independence of the IMF in the intervention should have been avoided (IEO, 2016).

In addition, there was no transparent and honest discussion on the details and possible options which could have been available to the IMF as part of its interventions and including measures available to avoid contagion (IEO, 2016). For example, the IMF should have considered different contagion outcomes under different scenarios especially the adverse consequences of not restructuring debt

were neither rigorously quantified nor thoroughly discussed within the institution and this had a serious contributing factor to the unsustainability of the Greece debts (IEO, 2016). Therefore, IMF should not have lost its characteristics as a crises manager and being diluted by the European Union and the European Central Bank in management of the Greece crisis (IEO).

According to the academia the poor and the working class in Greece did what was within the power however such efforts where undermined by their government due to the extreme pressure from the Troika. The lack of international solidarity also let poor and the working class down in Greece.

The Greece embassy reflected that the working class and poor in Greece should continue to support the efforts of the government and take the pain which in the long term is in their interest and those of the country. The middle class has been squeezed and had sacrificed a lot hence the working class and the poor must also play a role and contribute to the solution of resolving the crises.

The trade union representative submitted that the attack to the workers and the working class is in progress. The working class and the poor know this has no end if they themselves do not put it to an end with the power of organization, unity of the working class and with a plan to overthrow the anti-popular policy and the exploitative relations. The trade unionist submitted that the thirst of the capitalists for profit does not stop.

The trade unionist indicated that the IMF has admitted that the road to the recovery of their profits goes through the growing increase of the exploitation. The trade unionist indicated the attack to the poor and the working class will not stop just because they decreased through their governments the lower wages by 21% and 32% for the young people nor because the part-time work has been boosted, which was aimed for years, and because they abolished most of the sectoral collective contracts. The trade unionist submitted that "*the capitalist class want even more, they demand to have no barriers, to be free to steal from the workers. To employ for as much as they want, to dismiss whenever they want, to pay whenever they want and as much as they want***.** The trade unionist further submitted that IMF requires more restraint and prohibition of the trade union action, to marginalise the labour union movement, make the whole country a large

special economic zone of sever exploitation. The trade unionist submitted that the working class and the poor must defend what is left, through the struggles, in health, in social welfare and in education.

The IMF representative indicated that he has no comment regarding this question.

According to (ITUC, 2016) confirms and supports the submission made by the academia that the working class did a lot to respond to the crisis. It is true that several strike action and mobilization of the society took place against the austerity measures introduced by the government in Greece (ITUC, 2016). In addition, some political parties called for the referendum in order to fight against the austerity measures, but the working class and the poor were betrayed in their fight against the austerity measures as proposed and imposed by the IMF and the Troika (ITUC, 2016). The referendum provided the opportunity for political parties to reject the conditions and the terms of the austerity measures, but such was betrayed by their Prime minister (ITUC, 2016). The working class and the poor played their role to support a fight against austerity measures (Varoufakis, 2016).

4.5.2. WHAT ARE THE LESSON FOR GREECE ON ITS CRISES AND THE IMF INTERVENTION?

The academic responded by indicating that the lessons which should be learned by the people of Greece and other countries is the fact that these IMF interventions do not work. The people should not expect anything different from the IMF as it still operates and undertake the task of protecting the interest of capital.

The embassy representative submitted that there are various lessons which could be learned from the Greece crises. The embassy representative indicated that governments should focus on public finance, accuracies of information, ensure that there is return on investment, and spend on infrastructural investment and not on consumption. The embassy representative submitted that the government should not overspend on salaries and sacrifice other priorities of the society. The embassy representative submitted that the management of pension funds, dealing with corruption and constant monitoring of consumer confidence are important lessons for Greece.

The trade union indicated that the IMF is an institution design to advance certain dominating interest of monopoly capital and specific countries. He further indicated that "*This role has been proven by a series of measures and positions of the IMF during the crisis in Greece. However, there is no scenario, in any country, where the intervention of an international imperialist organization, the IMF, the NATO, or the Wold Bank, was positive for the people. The interventions have always been beneficial for the bourgeoisie, for the big monopolies, national or international, but not for the people*."

The IMF representative submitted that in future the IMF should not intervene, and device programs based on assumptions and for countries that are in deep economic crises. In addition, the IMF representative indicated that the IMF should also be mindful that countries which are under monetary union such as Greece have limited policy option as compare to countries which are able to use fiscal and monetary policy at their disposal to navigate economic challenges.

4.6. CONCLUSION.

The chapter presented the findings as they have emerged from the interviews, questionnaire and documentary evidence in the form of reports and literature over the role of the IMF in Greece. The findings represent the views of the participants that have been able to assist in the research project such as the academia, Greece embassy in the Republic of South Africa, IMF representative in the Republic of South Africa, Greece Trade Unionist and documentary evidence. The participants have not been a homogenous sample and in some instances contradictory in various ways, these divergent have been captured and in most instances captured verbatim. It is clear from the evidence submitted that the IMF gave the Greece people a raw deal as it could be witnessed on how it has impacted on its socio-economic crises level which have increased post the IMF intervention.

The data was presented according to themes, subthemes and various questions as presented to the participants. The findings which have been presented in this chapter will be deliberated at length in chapter five and integrated with the literature and documentary evidence.

CHAPTER 5
ANALYSIS OF THE RESULTS

5.1. INTRODUCTION

The previous chapter dedicated and paid attention to the presentation and discussion of the findings of the research obtain through interviews, questionnaire and documentary evidence. This chapter is going is to devote itself to the analysis and interpretation of the key findings and results as stated in the objective of the study. The analysis and interpretation will be based on the three research questions:

1. How have the IMF interventions affected Greece post the 2008 global economic crises?
2. How have such interventions affected the poor and the working class in Greece?
3. What are the lessons for Greece and recommendations on how the interventions could have been done differently.

This chapter then firstly assess the effect of the 2008 global economic crises to Greece. It also addresses itself on whether Greece could have escaped the crises and what Greece and the IMF could have done differently in their attempt to address the global economic crises as engulfing Greece. It secondly focuses on how the working class and the poor in Greece have been affected by the 2008 global economic crises and the IMF interventions in the crises. It attempts to draws on the lessons which could be deduced from the IMF intervention in Greece. Lastly the chapter is concluded by summarizing the finding of the research and highlighting the conclusion drawn.

5.2. HOW HAS THE 2008 GLOBAL ECONOMIC CRISES AFFECTED GREECE?

The findings reveal that 2008 global economic crisis has been viewed and described as one of the worst global economic crises to confront the world since 1930' Great Depression which nearly brought a sudden end to the Great

Moderation and lead to the most swiftly decline in economic activities across the globe (Adams, Subacchi & Vines, 2012).

The global financial crises are as a result of the globalized, neo-liberalized and financialized nature of the contemporary capitalism that could be traced back over the past decades of which the 2008 global economic crises are not exempted from these crises which have engulfed the globe (Adams, *et al.,* 2012)

The 2008 global economic and financial crises are part of the cyclical capitalist crises of over production and accumulation and is not different from other crises that had preceded it. The history of capitalism has constantly produced crises after crises without exception over the past 200 years (Stiglitz, 2008). The 2008 global economic crises were about the declining market liquidity that was triggered by the global financial crises which placed the global economy into a chaotic state. The 2008 global economic crises originated at the USA housing mortgage crises which witnessed an announcement by the USA government of rescission after the application by the Lornman Brothers for bankruptcy (Yap, Reyes, & Cuenca, 2009). The global economic crises resulted in the collapse of big financial institutions and banks such as Britain Northern Rock (Vardoulakis, 2016). The Banks because of the 2008 global crises stopped borrowing among themselves as they were conscience of the fact that non-among them could be trusted and verified of their status and of other banks due to manipulation which had been occurring over a period (Stiglitz, 2012). The Europeans were hit hard by the crises as it could be seen with Portugal, Italy, Ireland Greece and Spain (Stiglitz, 2012).

It has emerged that the Greece economy was not spared of the global crises as it experienced difficulties in the late 2009. The Greece government was caught up without a space to manoeuvre and cushion the weakening economic activities because of the global economic crises. It could not use the monetary and fiscal policies as it was part of the European Union. It was compelled to provide guarantee to the total of about 11.5% of its GDP to lessen the risk of pro-cyclical tightening of its bank lending conditions. The Greece economy had structural problems because of range of factors such as non-performing state entities, unsustainable public debt among others due to the debt incurred from hosting the Olympic Games. It was left with weak fiscal resources to confront and deal with

the global economic and financial crises. Through this analysis it reveals at the time of the global crises Greece economy had about 103% of its GDP being debt and such has not dampened but had been escalating over the period of the crises hence faced with these difficulties it buckled and surrenders beneath a mountain of debt (Varoufakis, 2016).

5.3. HOW GREECE CONTRIBUTED TO THE GLOBAL ECONOMIC CRISES?

The analysis reveals that Greece could not have been able to escape from the 2008 global economic crises due to various factors. According to the (OECD 2009, p. 24) "*In this difficult environment, Greece is unlikely to avert a recession and a marked jump in unemployment despite the package of more than 3 billion euro which equals to 1.2% of their GDP announced by government"*

The Greece embassy articulated the challenges which had confronted the economy internally of which had not been addressed hence Greece being unable to escape from the Global economic crises. The embassy had reflected the country challenges such as bloated public sector which drained the fiscus, high level of corruption in its pensions fund, health sector, poor tax collection system, state entities which had been bailout on a continuous basis, unreliable and manipulated statistics about its economy. The (OECD ,2009) confirms these various challenges engulfing the Greece economy. Similarly, the IMF has documented number of challenges which had confronted the Greece economy (IMF, 2010).

For example, it indicates that "*Tax evasion remains widespread, especially among the self-employed. This reflects weak collection procedure, a large informal sector, frequent tax amnesties' and a complex tax system*" (OECD, 2009, p. 12).

The report further indicates that "*the repeatedly missed fiscal outlays have risen rapidly with diverse systems of special benefits, wage increases beyond productivity gains and overstaffing in many ministries. Public enterprises, hospitals, social security funds and local authorities, which account for a significant part of the recurring expenditure overruns, lack of hard budget constrains*" (OECD, 2009, p. 11).

The analyses also divulge that Greece could not have escaped the 2008 global economic crises as these crises are the “DNA *of capitalism”* as submitted by the Greece trade unionist.

The Greece crises has been part of the global capitalist crises which are bond to occur not necessary because they are influenced by a good or bad policy and governing but are occurring as they are in the nature and DNA of the capitalist system which produces crises after crises. The academia concurred with this view and indicated that global financial crises are due to the globalized, neo-liberalized and financialized nature of the contemporary capitalism which has existed over the past decades. The Greece crisis has been part of the product of these global factors as well as its own location within the peripheral Europe and the trajectory of its own policies and those who influenced them such as financial capital (Stiglitz, 2008).

5.4. IMF INTERVENTION IN COUNTRIES THAT ARE IN CRISES AND ITS INTERVENTION IN GREECE

The analysis reflects that the intervention of the IMF in countries that are in crises has been very problematic and it continues to be problematic. The IMF structural adjustment programs have been blamed for deepening the crises through the conditions which it imposes to countries which are in crises. The analysis of the literature confirms and supports this finding that the IMF interventions in countries that are in crises are problematic and does not resolve the crises but deepens it and Greece has not been an exception.

For instance, IMF intervention in the Africa during the 1980’s has reduced economic growth and redistribution of income away from the poor and the working class and resulted in high levels of poverty, inequalities and unemployment (Stone, 2012). Furthermore, IMF had recommended policy interventions such as sale of state owned enterprises, liberalization of the capital market, reduction of taxes for the rich such as corporate taxes while increasing VAT which is regressive and impacts negatively to the poor (Stone, 2012).

Also, IMF intervention in Latin America had produced similar results of high levels of inequality, poverty and unemployment following imposed conditions through SAP which demanded such countries to lift capital controls, liberalization of the

capital market, reduction of taxes for the rich while increasing taxes for the poor such as VAT, sale of state entities, draconian labour market reforms such as enabling bosses to easily dismiss and massive retrenchments, reduction of pension benefits and increase of retirement age (Herman, 2016).

In addition, IMF is also accused of having caused the East Asian Crises through its policies such as the liberalization of the financial markets, easing of the capital controls, enforcing fiscal policies which were excessively austere, cutting income and imposing contradictory fiscal and monetary policies which caused contagion among neighbouring countries (Stiglitz, 2002).

The analyses have also revealed that the IMF interventions are not necessary class neutral in a country as they are influenced by the interest of capital to safe guard its profitability. The academia, trade unionist and Greece embassy alluded to this in their respective submission. The academia stated that *"the interventions of the IMF always should be asked on whose behalf and interests are being done".* The Trade unionist in its responds state that "*the interventions are directed towards to safeguard capitalist profitability".* According to Stiglitz (2002, p. 108) the IMF intervention "in *focusing on protecting investors, it had forgotten about those in the countries it was supposed to be helping, in focusing on economic variables, like exchange rate, it had forgotten about the real side of the economy*". He further state "contradictory *fiscal and monetary policies led to massive economic downturns, cutting income, which reduced imports and led to huge trade surplus, giving the countries the resources to pay back foreign creditors (*Stiglitz, 2002, p. 108)"

Furthermore, the analyses revealed that the IMF also promotes a political and ideological agenda as part of its intervention (Wade, 1996). For example, participants such as the Greece Trade union had accused the IMF of advancing the interest of multinationals and those of specific imperialist states and geo-political forces which are dominant within the IMF such as the USA hence this view is further articulated by the academia. In addition, it has also been accused that its lending policy and enforcement are politicized by the USA and Europe and especially in Africa and its use by France and Britain to maintain their influenced in their former colonies (Stone, 2004). Namely, Egypt was favoured favourable in

terms of debt relief; sizes of the loans given to it and given immunity from the IMF conditionality because it was strategic located in the Middle East and connected to the USA interest in the Suez Canal (Stone, 2004). Likewise, IMF has also been accused of pursuing the USA ideology through WC in its intervention.

For instance, WC promoted trade liberalization, financial and capital market liberalization, privatization, minimalist role of the state and these were conditions which the IMF had promoted across the globe and in the East Asian countries (Stiglitz, 2002).

In fact, the analyses have exposed serious shortcomings in the way IMF has intervened in the Greece economic crises. For example, it has been highly criticized by the participants as it has taken a toll to the people of Greece and the IEO also has been critical on the IMF interventions in Greece. In addition, IMF has been blamed for not taking the interest of the people of Greece into account but those of its creditors. For instance, the intervention is alleged to have favoured German Banks at the expense of the economy of Greece.

Of course, the analyses have revealed that the IMF interventions have protected the multinational financial institutions and failed to appreciate the economic challenges facing the Greece economy. As noted, these interventions were not scientific designed to address the economic challenges of Greece but based upon assumptions which had been very ambitious optimistic and failed to appreciate the level of debts in Greece (IEO, 2016). In addition, IMF interventions even failed to adhere to the norms, rules and standards as prescribed by the IMF rules and regulations and undermined the authority of the Board as it was not undertaken in a transparent and very conservative (IEO, 2016).

In addition, the analyses have revealed that the intervention was politically motivated and favoured the European partners of the IMF at the expense of Greece people. For example, conditions imposed by the IMF were historically in the life of the IMF as they exceeded even normal quota and in the period between 2011-14, Greece and other European countries accounted for nearly about 80 percent of entire lending budget by the IMF (IEO, 2016). Therefore, it could be argued that these sacrifices demonstrate the extent in which the IMF is prepared to utilize its resources to advance and protect the interest global capital.

Indeed, the programs sponsored by the IMF were highly inflexible failing to realize serious implications to the Greece economic conditions. Consequently, the IMF caused serious political upheavals and left both economic and social crises in Greece (OECD, 2016).

According to the (IEO, 2016, p. 15) "*the decision not to seek pre-emptive debt restructuring left the debt sustainability concerns unaddressed. It also magnified the required fiscal adjustment, and thereby, at least in part, contributed to a large contraction of output and a subsequent loss of public support for the program*". The report goes further and states that "*the decision not to seek debt restructuring at the outset was a preferred choice of a majority (by voting power) of the IMF membership"*. Therefore, it could be deduced that the failure by the IMF to look at restructuring of the debt was not just a coincident, but a well calculated decision taken by the IMF at its highest level and influenced by the European countries to protect their interest. The analysis reveals that this decision was influenced by the need to protect the interest of Europe and not those of the people of Greece *"regarding the legitimacy, a significant part of the membership felt excluded and thought European countries were treated more favourably"* (De Las Cassa, 2016, p. 27).

Furthermore, failure to undertake a transparent and open discussion on the sustainability of the debts is also criticized "*The IMF management had earlier established small, ad hoc staff task force to explore various contingencies, but the work of these groups was so secret that few within the institution knew of their existence. More open and earlier discussion by a wider group within the IMF, including the Board, could have crystallized the options available for the IMF, allowed the Fund to communicate its official position to European partners before it was officially invited to participate, and likely diminished any perception that the IMF yielded to European interest behind closed doors"* (IEO, 2016, p. 16).

Furthermore, the analyses had revealed that the interventions of the IMF had been done to protect the interest of the multinational financial institutions and German Banks without considering economic challenges facing the Greece economy. For example, the Greece Embassy representative submitted that the beneficiaries of the bailout are the German and France Banks at the expense of the people of

Greece. In addition, the trade unionist also submitted that the bailouts are meant to protect the interest of multinationals and certain states who have vested interest in the debts of Greece. The Greece embassy submitted that the Greece pensions funds have been used to pay these private debts. Likewise, these submissions have been collaborated by the literature "*In the end, the purpose of the rescue package may boil down to a huge shift of debt mostly banks into public hands. The 110 billion euro's now being lent to Greece by the IMF and European governments will be mainly used to pay back the banks and institutional investors who are now holding Greek debt. Banks, insurance and pension's funds are the real beneficiaries" (Janssen* 2010, p 6).

In comparison, Greece has not been the only country in which the IMF intervention served the intention and purpose of serving the interest of monopoly and finance capital as in Mozambique the conditions which were imposed by the IMF ensured that the interest of multi-nationals and banks in the agriculture sector are safeguarded at the expense of the peasants and co-operatives (Havnevik, 1987). Also, IMF interventions through conditions imposed in Latin America during their debt crises served to protect and benefit the interest international finance capital and not the poor and the working class hence the level of poverty and inequalities increased including their debt level (Laurell, 2010)

Furthermore, the analysis has exposed that the IMF interventions failed to be scientifically designed to address the economic challenges of Greece but were based upon assumptions which had been very ambitious, optimistic and failed to appreciate the level of debts in Greece. For example, analyses of economic data from various sources confirms this submission hence according to figure 1 in 2007 the Greece debt amounted to 103.1% of the GDP and it increased to about 109.4% in 2008 to 126% in 2009 and by 2010 it had escalated to 146.2 in 2011(Hellenic Statistical Authority, 2017). Consequently, debt level has ever been increasing and reaching its peak level in 2016 at 180.8%(Hellenic Statistical Authority, 2017).

In addition, the literature predicated that measures introduced would not resolve the debt crises "*The Greek consolidation and reform program as developed and*

imposed by the IMF and the DG Ecfin is contradictory. Despite tough sacrifices being demanded from Greece, the policy program will not address the key problems of getting sovereign debt dynamics under control" (Janssen, 2010, p. 7). In addition, the level and amount of Greece debt has been observed to be the highest around the globe as it relates to the GDP and it has been extended on various occasion by the Troika (OECD, 2016).

Clearly, mismanagement of the debts by the IMF has been historical and not a new or strange phenomenon as in Latin America, the SAP which were meant to manage its debt level escalated debts to the highest level (Almeida, 2007). In addition, in 1980 Argentina had a foreign debt of 27 million $ and by 2002 such debt has risen to reach 140 million $. Also, Brazil in 1980 had foreign debt of 71 million $ and by 2002 such debt has risen to reach 234 million$. In fact, Mexico in 1980 had a debt level of 57 million $ and by 2002 these had reached 191 million $ debt due to the SAP imposed by the IMF (Almeida, 2007).

Furthermore, the analyses further reveal that these debts had increased threefold due to economic liberalization promoted and imposed by the IMF to the Latin America countries (Almeida, 2007). Also, African continent has not been spared from the debt crises and how it had been managed by the IMF through austerity measures and the result have been catastrophic as its debts have increased significant between 1970 and 1988 and caused riots and unrest in countries such as Zambia (Bradshaw and Huang, 1991).

In addition, the analysis has revealed that the programs sponsored by the IMF were highly rigid failing to understand the Greece economic conditions (IEO, 2016). The interventions have exacerbated the economic crises as could be observed from various variables of the economic data obtained from various institutions reports. For example, it is indicated that "*the most conspicuous weaknesses of the IMF supported programs in the euro area was their lack of sufficient flexibility"* (IEO (2016, p. 24).

Nevertheless, the failure by the IMF to be flexible could also be attributed to the partnership in which it entered with the ECB and the EC as part of resolving the Greece crises. For instance, the Troika arrangement had created a burden for the IMF to manage the crises and easily take decision as it was required and compelled to negotiated with its partners who also served as significant funders to the Greece crises and contributed financially far more than the IMF to the crises (IEO, 2016). In short, it is indicated that "*it was extremely difficult to change the programs fundamentally as this would have required a protracted negotiation not only with national authorities but also with the European partners. As a result, an increasingly unworkable strategy was maintained for too long"* (IEO, 2016, p. 24).

Consequently, the analyses had revealed as reflected by the economic data that the government had a budget surplus of about 6.7 in 2007 and it reached 15.1% by 2009 as reflected by Figure 2. In hardly a year since the intervention and during the crises period the surplus became a deficit as in 2010 it was at 11.2% and reached its peak in 2013 at 13.2% and only in 2016 the budget experienced the surplus of 0.5% which is far below the pre-crises level (Euro Stats, 2017).

In addition, the analyses have also revealed that the GDP of Greece have been experiencing serious challenges as reflected by figure 3. In 2008 the GDP was at -0.4 and in 2009 it was at -4.4% and it has been on the negative territory and experienced the worst performance in 2011 at -9.1% and only recovered marginally in 2014 at 0.4, went into -.2% in 2015 and it stood at 0.1% in 2016 (Euro Stats, 2017).

Furthermore, the analyses reveal that the serious blunder and mistake of the IMF was the utilization of the fiscal multiplier of 0.5 by its staff members without undertaken a scientific approach. For instance, the 0.5 multi-plier was based on previous intervention in other countries and applied in Greece crises without consideration of the economic conditions applicable to material conditions in Greece (IEO, 2016). Hence it is stated that "*the 0.5 multiplier was the average value that had been assumed for advanced economies in the past. But this assumption was inappropriate for the euro area programs, given the countries inability to ease monetary policy let alone devalue the currency*" (OECD, 2016, p.

25). It could therefore be concluded that the failure by the IMF to appreciate the objective prevailing economic conditions in Greece contributed immensely and further led to the prolong rescission in Greece as demonstrated by figure 3.

Furthermore, the fear of the IMF and its partners that Greece might exist the European Union propelled them to adopt a lower than previously forecast growth and the political implication of such will have on the economic activities (OECD, 2013). In addition, the Greece embassy in his submission alluded to this fact as one of the reasons for the economic conditions of Greece to have worsen during the IMF interventions. Consequently, reforms as introduced affected and hurt by the working class and the poor more than any other section of the Greece society (OECD, 2016). On the other hand, the product market reforms where not as speedily implemented as compare to the labour market reforms and this approach left monopoly capital safe and rendered the structural reforms less effective (OECD, 2016).

Consequently, the results of this approach had a negative impact to both the government and household expenditure as demonstrated by figure 10 and 11. The government expenditure dropped significantly from 55 million euro's in 2009 to 35 million euros by 2016 (Hellenic Statically Authority, 2017). Also, the household expenditure also dropped from 157 million euro's in 2009 to 117 million euros by 2016 (Hellenic Statically Authority, 2017).

Furthermore, the analyses of the approach to the Greece crises as adopted and implemented by the IMF and its partners has demonstrated that the reforms introduced are not capable of delivering growth as expected and have been worse as compare to other European countries which have faced similar economic crises (OECD, 2016). In addition, these analyses have revealed that the interventions were not rational, logical and scientifically designed to address the economic challenges of Greece but based upon assumptions which had been very ambitious and optimistic (IEO, 2016). Moreover, the analyses of the program as designed and implemented in Greece was anticipated to result and cause Greece to tumble into a prolong stagnation coupled with deflation (Janssen, 2010).

For example, in collaborating the prediction made by Janssen, GDP of Greece as represented by Figure 3 clearly demonstrated that this prediction has become a reality.

Clearly, IMF intervention and its approach has previously demonstrated that it is not capable of resolving countries economic crises instead worsen them by instructing such countries to adopt neo-liberal approach to the economic challenges and further demand introductions of the austerity measures as part of the WC ideology (Wade, 1996). For instance, WC ideology is imposed and introduced as part of the conditions for loans in which the IMF demand devaluation which lead to inflation, government is compelled to reduce spending, wages are reduced, and massive retrenchment are undertaken, and these measures have impeded economic growth (Bradshaw and Huang, 1991). For example, according to (Riddell, 1992) the IMF in Africa imposed SAP which fixtured elements such as currency devaluation, removal of government involvement, elimination of subsidies, liberalisation of trade and resulted in lack of economic growth, poverty, inequalities which lead to the destruction of the continent.

In addition, the analyses have demonstrated that part of the package imposed to Greece by the IMF program was the encouragement and promotion of the privatization of state entities as submitted by the Greece Trade unionist and the academia. For instance, the analyses and submission by the Greece Trade Unionist and including the Embassy representative are collaborated and confirmed in the reports of the IMF and of the OECD. It worth noting the following "*The planned privatization of railways, regional airports and ports hold the potential for further improvements. The privatisation of public enterprises and the transfer of a portion of state property holdings will lay the basis for new investment to boost demand in the short run and will also have a positive medium-term impact on supply and productivity (OECD, 2013, p. 24).*

Also, analyses have revealed that the structural programs had hoped that the privatization of the state-owned entities would bring Foreign Direct Investment (FDI) hence the trade unionist and the Greece embassy representative submitted that the privatization had benefited foreign countries, even though embassy

representative had supported such measures. The assertion by the Greece trade union could be deduced in the following "*Therefore, in addition to implementing structural reforms that boost growth and undertaking reforms that take advantage of the better external demand conditions, measures to accelerate private investment, particularly foreign direct investment, which is very low in Greece, are needed. In this sense, concessions and privatisations can be useful tool. For example, making better use of the cast stock of idle public land through concessions or privatization would crowd in private investment in logistics and infrastructure as well in logistics and infrastructure as well as tourism real estate (OECD, 2016, p. 14)*. The report goes further and indicates that "*Public-private partnership would increase investment and operational efficiency if they brought private sector expertise and capital to bear" (OECD, 2016, p. 15).*

In addition, it has emerged from the analyses and findings that the IMF and the Greece authorities had an expectation that the privatization program would assist in bringing in additional revenues for the state, however this expectation never materialised as the targets from the privatisation could not be realised and this affected the budget and projections of the revenues for the state. In collaborating this point it worth to note the IEO observation which states that "*The fourth IMF program review made highly optimistic assumptions about the revenues to come from the privatization (the estimate was raised from 12.5 to 50 billion over the period 2010-15) as deflation and deeper than expected contraction of output caused the underlying debt dynamics to start overshooting program projections by large margin"* (IEO, 2016, p. 24).

Indeed, the privatization of the state entities is part of the ideological orientation of the WC as contained and promoted by the IMF in its SAP. For example, it demands the minimal role of the state hence it requires that states privatise and play a minimal role in the economy hence it demands privatization of the state entities. Also, literature is rich on the experienced which had been experienced by various other countries which implemented privatization of key state entities in compliance with the structural conditions. The experience in Greece has been observed in various part of the globe as propagated by the IMF. For example, the IMF advocated privatization of state-owned entities which resulted in societal

welfare and affected poor people around the globe (Stiglitz, 2008). Likewise, Latin America and Africa are littered of examples of privatizing its state-owned entities with a hope of bringing foreign direct investment as advised by the IMF. For instance, Brazil and Argentina have experienced massive privatization of their owned state entities which resulted in massive job losses, poverty and malnutrition while multi-nationals expatriating massive profits from the privatised entities (Almeida, 2007). In addition, the people of Africa vividly understand the consequences of massive privatization of their natural resources and state-owned entities which has been because of the IMF imposed conditions (Havnevik, 1987).

Furthermore, the privatization of the state-owned companies is part of the SAP as envisage by the WC which is part of the neo-liberal agenda to weaken the state and promote market forces (Wade, 1996; Havnevik, 1987). Clearly, the intention being to reduce the role of the state in the economy hence these privatization programs are coupled with massive layoffs of workers in the state to advance the private ownership of the state entities and for them to be profitable at the expense of the poor and the working class. Therefore, this ideology is referred as a neo-classical and monetarist as it seeks to reduce government role in the economy (Havnevik, 1987).

In addition, it has further emerged from the analyses and findings that the government expenditure in Greece was highly affected because of the IMF program as they have promoted the cut in the government spending as demonstrated by the economic date in terms figure 10. The fall in government expenditure resulted in government being unable to meet and provide goods and services as required and expected from it. For instance, OECD collaborates these analyses as it notes the measures which had been taken by the Greece government on the cutting of expenditure through what the IMF has called as fiscal tightening and fiscal consolidation and states as follows “The *fiscal stance will remain restrictive, although less so in 2014 than in recent years* (OECD, 2013, p. 1).

Therefore, Greece government was compelled to cut social spending to fulfil the IMF conditions which are part of the SAP condition to be granted loans by the IMF. The correctness of this finding is collaborated by the OECD as it states that "Until *the end of 2012, tax revenues have fallen persistently below expectations and reforms have proven difficult to implement, resulting in major slippage in areas such as health. This has required greater spending cuts to meet targets, depressing domestic demand*. OECD (2013, p. 7). It is true that, the trend of demanding reduction of government expenditure by the IMF could be seen in other countries where it has intervened and imposed same or similar conditions as part its intervention hence the Greece experience is not an isolated case. For instance, countries such as Chile, Brazil and Mexico IMF demanded cutting of government expenditure (Laurell, 2000).

Consequently, social spending is targeted, and the results of this approach resulted in massive poverty and inequalities in these countries which had devastating economic and social nightmare for the working class and the poor in these countries (Laurell, 2000). Likewise, similar approach has been observed in the African continent which produced massive poverty and malnutrition as IMF demand and compel governments to end food subsidies ((Riddell, 1992).

Furthermore, the analyses have also revealed as submitted by the Greece Trade unionist, Greece embassy representative and IMF representatives that as part of the neo-liberal ideological onslaught, pensions and retirement regime was another area which had to be restructured with the objective of reducing government expenditure. For example, IMF SAP demanded drastically changes to the pensions and retirement schemes through elimination of benefits, increasing of retirement age for both man and women, reduced and amalgamated number of pensions funds to save administrative cost and reducing government expenditure. Hence the IMF and OECD reports collaborate this submission as it states that "*the authorities finally adopted the provisions necessary to ensure long-term financial viability for the pension system, to strengthen its fairness, to simply its management, and to encourage seniors to participate in the labour market*" (OECD, 2011, p. 96). The report also notes that "the *minimum retirement age for women had been increased to 60 years for man and women and that any person*

who retires before the age of 65 could be penalized for 6% for each year by which their retirement age predates 65" (OECD, 2011 p. 96).

In addition, it has emerged from the analyses that while the strategic objective of the IMF conditions on the restructuring and reform of the pensions and retirement schemes were to reduce the share of the percentage of the GDP by the pension and retirement scheme instead a contrary outcome emerge as public expenditure on the pensions increased by 5% of the GDP and the savings envisage by the reforms could not be realized (OECD, 2016).

Unquestionable, the analyses have further revealed that part of the ideological onslaught by the WC contain measures of SAP that targets and restructure the tax system and increased VAT. For instance, the corporate tax was reduced while VAT was increased and doubled for some part of the country due to the exemptions which were given to some Island base upon levels of poverty in these parts of the countries. It is true that, VAT as a tax is universal accepted to be regressive as submitted by the academia, Greece Trade Unionist and Embassy representative. Thus, the rational advanced by the IMF representative on the rational for the restructuring of the tax are confirmed by the OECD reports. For example, the report indicates that the economy of Greece was confronted by the prevalent tax evasion which had historical origin (OECD, 2016). Therefore, it indicates that among other challenges with the tax system has been fraud, avoidance and exemptions for certain geographical areas. It further indicates that the country had long been facing these challenges in terms of the collecting taxes and clearing tax (OECD, 2016).

In worth noting how the OECD reveals the true motive for the increase in taxes as it states that "*The significant fiscal adjustment required will not be achieved without a hefty increase in tax revenues, which will in turn demand meaningful progress in tax collection efficiency. This problem is more than in much of the OECD because of the large underground economy and widespread tax evasion. Personal income tax revenues are more than 5% of the GDP below the euro area average, although statutory rates are not especially low. If Greece collected its VAT, social security contribution and corporate income tax with average efficiency of OECD countries, tax revenue could rise by nearly 5% of the GDP*" (OECD, 2011, p. 15).

It could then be deduced from the OECD report that the IMF was motivated by the need to boost the revenues hence the restructuring of tax system and including the increase of VAT was identified as a correct avenue to achieve this strategic objective.

Lastly the lack of appreciation of the political conditions and assumptions about the buy in by the opposition parties and the level of resistance by the society proved that the IMF had not comprehended the political conditions facing the Greece government. According to (IEO, 2016, p. 25) states that "*the programs also proved over optimistic about the national authorities' ability to implement a large number of political difficult reforms".* Admittedly, the working class and the poor in Greece was not the only country to have revolted against the conditions imposed as many other parts of the globe have waged similar struggles. According to Riddell (1992) there has been riots and organised protest by various countries in Africa even though many of these protest and riots have not made headlines in the media. For example, the government of Nigeria was collapsed after it had resisted implementation of the IMF SAP (Havnevik, 1987).

5.5. HOW HAVE THE WORKING CLASS AND THE POOR BEEN AFFECTED BY THE IMF INTERVENTIONS DUE TO THE 2008 GLOBAL ECONOMIC CRISES?

The analysis of the IMF interventions revealed and exposed the serious social consequences for the people of Greece and to the working class and the poor. The interventions resulted in the lowering of the working conditions for the workers in Greece through labour market reforms, restructured pension funds and rules, tax reforms, privatizations of state entities and budget cuts in health and education, unemployment levels increased drastically and the household ability to purchase goods and services was reduced and they could not maintain the standard of living.

Also, the analysis had revealed for example that the IMF introduced various labour market reforms in Greece as part of its conditionality to the Greece authorities with a hope to resuscitate the Greece economy and to please business and investor community. For instance, the ideological onslaught to the workers and their

working conditions witnessed drastic and draconian measures such as scrapping of the national minimum wage, exclusion of employment benefits for the youth, introduction of part-time and flexible working hours and attacking the collective bargaining processes. In addition, youth was excluded from certain benefits with a hope that it will increase their access to the labour market and reduce the number of youth being unemployed. Despite these measures the number of unemployed youth escalated. In addition, measures included the reduction of the number of workers employed by the government which was hoped to have an impact of reducing the wage bill by the state and reduce the budget deficit.

In addition, the analyses and findings had revealed that as part of the ideological onslaught by IMF SAP in Greece, demanded and imposed measures which compelled and required Greece government to introduce legislation which removed protection of employment, changing of laws governing dismissal of workers with the hope that this would among others encourage employers to employ more people in the labour market and decrease the level of unemployment. However, the number of unemployed people in Greece increased drastically. The analyses have further exposed that it was not the working class and the poor which became victims but also their organization and instruments such as the trade unions and the collective bargaining process were not spared from the onslaught by the IMF.

However, it has emerged from the analyses and economic data that these measures achieved the opposite. Consequently, the reforms adopted instead have hurt and subjected the working class to poverty and high levels of unemployment and cost the economy recovery Greece. In addition, these measures have contributed to the prolong years of recession. For example, the Greece working class and the poor have been exposed to higher levels unemployment in the history of Greece as reflected by figure 3,4 and 5. Indeed, austerity measures introduced affected various areas such as wages, pension system reform, health care system introduced as part of the structural adjustment program of the IMF (Visvizi, 2011).

As noted, the analyses and the findings are collaborated by various OECD report that measures which had been introduced to restructure the labour market and

these measures included removal of the protection on employment of the Greece workers, reduction of the minimum wages, cut in employment benefits, retrenchments and attack to the collective bargaining process as it reflects as follows "*Before the crises Greece had one of the most restrictive employment protection legislation in the OECD. Long notice periods, large severance payments, and restrictions on collective dismissal*" (OECD, 2016, p. 16). In fact, the conditions imposed by the IMF resulted in the minimum wage being decreased and set up by government as compare to the previous years when it was a collective bargaining process, and this resulted in the median wage being lower than the OECD average (OECD, 2016). Consequently, these measures impacted and pushed the working class and the poor into deeper poverty as they even lacked access to housing given the abolishment of housing subsidy (OECD, 2016). It can be concluded that the reduction in wages had a direct contribution to increasing poverty levels in Greece.

In addition, the analysis as reflected by figure 1 demonstrate that the level of debts increased instead of decreasing even though such measures were taken by the Greece government as part of compliance with the IMF conditionality to reduce the debt level of the Greece economy. For example, in 2007 the public debt was 103.1% of the GDP and it has been escalating and by 2016 it was at 180.8 which represent an increase of more than 50% since the crises began (Hellenic Statistical Authority, 2017).

Furthermore, the analysis also reveals as demonstrated by figure 3 that the level of unemployment in general had increased a from 8.4% in 2007, reached a pick of 27.5% in 2013 and recovered slightly in 2016 to 23.6% (Hellenic Statistical Authority, 2017). In addition, the youth unemployment was not an exception or immune from the trend as it had increased from 17.3% in 2007 and reached a peak of 48.7% in 2013 and declined significantly to 38.4% in 2016 38.4% (Euro stats, 2017). The trend continued with the long-term unemployment having been at 44.6% in 2010 and reaching a high of 72% by 2016 (Hellenic Statistical Authority, 2017). One of the major causes of poverty is unemployment, and therefore, the significant increase of unemployment had a direct impact in increasing the poverty levels in Greece.

Furthermore, the analysis and findings expose that the onslaught to the working class and the poor was unleashed in various forms including an attack to the pensions and retirement scheme as part of fulfilling the conditions of the IMF SAP For example, the retirement age was increased, conditions for early retirement tightened and various funds amalgamated to address the sustainability of the funds and to improve the government deficit (IMF, 2010). According to (OECD, 2011, p. 17) report state that "*The 2010 reform greatly simplified the pension system and brought its generosity in line of the most OECD system. Conditions for early retirement age (65 years) and minimum retirement age (60 years) will be indexed to life expectancy"*. Consequently, the reforms managed to reduce the number of funds from 133 to 13 and revised the list of strenuous occupation for early retirement (OECD, 2011)

Despite these measures having been undertaken the analyses and findings have revealed that these measures have failed to reduce the government deficit and the objectives had not being achieved as envisage. For instance, in 2007 the government had a budget surplus of about 6.7% of the GDP and by 2009 the surplus was 15.1 and dropped in 2010 to -9.1% of the GDP and the country had been experiencing budget deficit (Euro stats, 2017). In 2013 the budget deficit was worse at -13.2 and only a mere budget surplus of 0.1% was registered in 2016 (Euro stats, 2017).

Also, attempts by government to deal with the budget deficit meant that programs and government expenditure for the poor had to be curtailed and budgets cuts enforced in an endeavour to achieve the IMF austerity conditions hence these imposed conditions created serious harm to the poor and the working class.

In addition, the analyses and findings have revealed and demonstrated that the austerity measures imposed by the IMF further attacked the poor and the working class as it reformed the tax system and doubled the increased of VAT which is a very regressive tax and impact negatively to the poor and the working class. The VAT increases affected the purchasing power of the working class and the poor. It is quite strange that the IMF itself acknowledged that this approach had placed the burden to the working class and the poor hence it states that **"***Significant increases in regressive taxation (e.g., VAT hikes) may have contributed to the*

decline in political support for the program. Also, tax evasion, by the self-employed, contributed to the shift of the burden of adjustment to the poor" (IMF, 2017, pg. 32).

Furthermore, the OECD report further acknowledges that the conditions imposed, and the crises had serious social consequences for the people of Greece as it scores low on various measures of quality of life due to collapse of income for labour, reduced pensions benefits and high level of unemployment consequently the life satisfaction has degenerated (OECD, 2016).

In addition, the analyses and finding have reveals that the austerity measures and the conditions imposed by the IMF affected the working class and the poor as it increased inequality in the society as demonstrated by the economic data. For instance, our analyses of figure 6 demonstrate and collaborate the submission of the Greece trade unionist that inequality has worsen during the period of the intervention. For example, in 2007 the Gini-coefficient was at about 34.3% and the trend was going down as in 2010 it had reached 32.9%(Hellenic Statistical Authority, 2017). The numbers started to increase in 2011 being at 33.6%, in 2012 being at 34,3% and only in 2016 it went back to the pre-crises period of 34.3% (Hellenic Statistical Authority, 2017).

Furthermore, the analyses further reveal that another measure of inequality has increased in Greece as confirmed by the GDP per capita. The living standards of the people of Greece has deteriorated as in 2007 the GDP per capita was at 30 600 thousand euros and in 2008 it became 32 000 euros which is an indication of improvement during this period (Hellenic Statistical Authority, 2017). However, the situation then began to worsen as in 2009 it was 30 360 euros and reached its peak in 2012 being 25 284 euros and by 2016 being at 26 746 and this figure being lower than the pre-crises period (Hellenic Statistical Authority, 2017).

In addition, the analyses and findings have revealed that the ideological onslaught to the poor and the working class by the IMF through its conditionality and austerity measures increased the level of poverty for the working class and the poor. The data obtained and analysed confirmed that indeed the poverty levels in Greece have escalated during the period of the IMF intervention in the Greece crises as reflected by figure 9. For example, in 2007 the number was hovering

around 28.3% and decreased to 27.7% by 2010 (Hellenic Statistical Authority, 2017). Instead, the figures have increased in 2011 to 31% and have been increasing ever since and reached 35.6% in 2016 which is far above the pre-crises period (Hellenic Statistical Authority, 2017).

In addition, the analyses and findings further reveal that the ideological onslaught to the working class and the poor by the IMF had negatively impacted their purchasing power as results of the SAP as indicated by figure 10. For example, in 2007 the household purchase was at 147 million euros and increased to 159 million euros in 2008 and decreased to 157 million euros in 2009. Likewise, it decreased to 140 million euros which was a sharp drop and by 2013 it was hovering at around 123 million euros and reached its lowest figures in 2016 at about 117 million euro's which is far below the pre-crises period (Hellenic Statistical Authority, 2017).

In fact, the OECD report collaborates these assertions and developments as it indicates that "*The decline in household income, high long-term unemployment and well-design social safety net have all raised poverty and the share of the population at risk of poverty. Anchored poverty, which measures poverty relative to its pre-crises level, almost tripled between 2007 and 2013, and on this measure one third of the population was in poverty in 2013. This is the sharpest increase across the OECD countries. High youth unemployment, the growing incidence of child poverty and higher poverty increases the risk that the depression will have permanent effects on employability and prosperity, and might impede intergenerational mobility and long-term opportunities for the younger generations" (OECD, 2016, p. 6)*

Likewise, the impact on the levels of poverty, inequality and high levels of unemployment experienced by the Greece people had been experienced in other countries which had faced similar economic crises and the IMF imposed similar conditions (Stiglitz, 2012). In addition, the increase in the levels of inequality and poverty had been experienced in other continents as the results of the policy imposition through the structural adjustment programs of the IMF (Havnevik, 1987). For instance, the level of poverty has been reported to have increased dramatically, the quality of life had deteriorated, children have been exposed to

poverty and malnutrition, unemployment has suffered heavily because of the SAP as designed and orchestrated by the IMF (Riddell, 1992).

Consequently, OECD has raised serious concerns about the extent of the social crises and a seriousness that the Greece government must attend to this crisis and it suggest the government must look at apportioning savings emanating improvement gained through tax collection and or pensions to attend to the dire needs of the working class and the poor (OECD, 2016). Afterwards, the IMF has also acknowledged the extent of the of the crises on the working class and the poor and it states that fiscal consolidation and internal devaluation had been undertaken at a huge cost to the Greece society (IMF, 2017).

Similarity, the damaged and the cost to the social fibre of the Greece society because of the IMF SAP had not been isolated as it was experienced by other countries such as in Latin America (Herman, 2016). According to (Wade, 1996; Stone, 2004) Africa was subjected to SAP which had serious consequences for the working class and the poor.

All these results are an indication that Greece working class and the poor suffered severely while the economic conditions have not improved in various areas and including the debt level. Furthermore, the analysis and findings have further demonstrated that the intervention of the IMF through SAP had impacted heavily to the working class and the poor in countries which had faced similar economic crises.

According to (Riddell, 1992) the conditions imposed to the African society by the IMF has resulted in the economies of the new independent states being in decline and without any hope despite the grandiloquence of the IMF while on the other hand multinationals are repatriating profits. In conclusions "*The truth of the matter is that where programs similar to IMF adjustment programs have been implemented in developed industries, the results have been the same as in the Third World, including unemployment, downward pressure on wages, inflation, shrinking of social welfare programs, and the bankruptcy of small business"* (Havnevik, 1987, p. 65)

The have been evidence that the SAP produces unemployment, poverty and inequalities in regardless as to whether the country is in the Third World, developing or developed as it could be seen with the analyses that Greece has produced these triple challenges of unemployment, poverty and inequalities. The previous experience of IMF intervention in Italy in 1976 and of Portugal in 1974 bears testimony to the submission (Havnevik, 1987).

5.6 What are the lessons for Greece?

They are various lessons which could be deduced from the Greece economic crises and how has the IMF intervened during the crises. The Greece people should firstly appreciate that the IMF has not changed its colours as an institution. The institution is not a class neutral instrument (Feldstein, 2011). Its ideological influenced and aligned by the dominant ideology of the super powers such as the USA and other Western capitalist countries (Havnevik, 1987). The influence of WC ideology has not changed as submitted by the academia. The IMF driving objectives in its intervention in Greece among others was motivated by the desire and need to protect the European Union and ensure that it does everything within its capabilities to save its unity and discourage any attempts by Greece to exit the European Union which would have disadvantaged monopoly capital.

In addition, the Trade Unionist correctly pointed out and submitted that the IMF is serving the interest of the dominant class which are capitalist class, international imperialist organization and states. Therefore, the rules of the IMF still favour the interest of the USA, Western Countries and multi-nationals as having been indicated previously (Monbiot, 2004). Furthermore, the intervention of the IMF has always been influenced by the dominant class in the society hence it determines which section of the society that should bear the burden of spending cuts hence it insist on measures such as wage cut and tax concessions for multinationals as conditions for granting of loans (Havnevik, 1987). For example, the Greece experience has demonstrated that this logic and philosophy of the IMF has not changed post the 2008 global economic crises.

Furthermore, the rules of the IMF still allow the USA to have a veto right and this fundamental architecture on its design has not been altered since its inception as it remain the same even after the 2008 global economic crises and some cosmetic

changes being done due to the 2008 global economic crises. Similarly, the class and ideological character of the IMF in the intervention in the Greece crises could been deduced in the way it handled the debt crises and only engaged with the question of tempering with the sustainability of the debt three years after its intervention.

For example, IMF interventions in Greece crises demonstrate a clear typical example of how it does everything within its powers and statute to favour and ensure that it serves the interest of the multinational companies at the expense of the poor and the working class in times of economic crises.

In addition, IMF intervention in Greece only advanced the interest of the rich at the expense of the working class and the poor. Hence, it was our considered view that this approach is historically and not any new phenomenon as the IMF has not changed this approach given its interventions in handling debt in Latin America as it only served the interest of Banks and other global financial institutions (Laurell, 2010). Likewise, it was the same approach in Africa which was applied and enforced by the IMF which produced and tripled Africa's debt levels (Riddell, 1992).

Furthermore, lessons which could be deduced based upon conditionalities imposed by the IMF to Greece are that the IMF still pursue neo-classical and monetarist approach based upon the conditions which it imposed, and austerity measures it demanded from the Greek government. For instance, IMF demand trade and liberalization of the finance sector as part of the conditions for granting of the loans. Consequently, these conditions have an impact to the economy of the country as demonstrated by the government deficit as displayed by figure 2 on how Greece government surplus and deficit have been impacted and evolved during the IMF intervention. In addition, the Greece GDP as captured by figure 3 further indicates on how Greece GDP has been impacted upon and stressed with its growth during the IMF interventions. Furthermore, the debt levels in Greece have been impacted by the neo-liberal policies imposed by the IMF and have been escalating and mounting during the period of interventions as demonstrated by figure 1 which confirms that IMF interventions have a tendency of escalating the debt levels in the country than reducing them.

Therefore, these conditionalities are informed exactly by the WC on economic growth and development. Earlier, this approach was and has always been the core of the criticism which had been levelled towards the IMF and with the experience of Greece intervention such has not changed at all. Likewise, the approach of enforcing a classical and monetarist approach in dealing with economic crises and its failure to appreciate that such an approach does not assist the countries which are faced by the crises has been heavily criticized and blamed for the economic conditions of many African countries (Havnevik, 1987). Therefore, it could be concluded that the IMF approach to economic growth and development is still informed by the WC and it has not changed post the 2008 global economic crises.

Also, the lessons that Greece people need to appreciate is that the IMF interventions produces and results in high levels of poverty. For instance, the poverty levels in Greece have escalated during the crises and during the IMF interventions. Furthermore, the children and the poor have been the obvious victims of the IMF policies and austerity measures introduced due to the cutting of the government expenditure and have scaled down among others the subsidies provided to the poor and children. In addition, the level of homelessness and children malnutrition has been noted by the OECD and it has called upon the government to use savings generated to intervene on their behalf given the extend of the damages that the consolidation of fiscus and austerity measures have been impacted upon the poor and the working class in Greece. For example, the analyses and the findings demonstrate this reality as figure 8 indicates on how the GDP per capital has been impacted upon by the conditions imposed by the IMF. Furthermore, the analyses of the people exposed to poverty as captured by figure 9 further demonstrates how has the number of people exposed to poverty had escalated during the period in which the IMF has been intervening in the Greece economic crisis.

In addition, the lessons that Greece people should be able to comprehend about the IMF interventions is that such intervention orchestrate high levels of unemployment. The economic data which has been presented and including the reports of the IMF and OECD have been able to demonstrate this point decisively. For example, the economic data as presented by figure 4 demonstrate that the levels on general unemployment have escalated during the period in which the

IMF has been intervening in the Greece crises. Furthermore, the analyses of figure 5 further indicates that the youth unemployment has also been increasing during the period of the IMF interventions in Greece. Indeed, figure 6 clearly shows how the long-term unemployment numbers have exacerbated during the period of IMF intervention in Greece.

In addition, the lessons that need to be learn by the people of Greece is that IMF interventions produced inequality in a country in which it intervenes due to various reasons but key among others being because the conditions demand government to cut its expenditure and namely those which are meant to help and assist the poor and the working class. For instance, the analyses of the findings as demonstrated by figure 11 indicates that the government expenditure has dropped significantly due to the pressure which has been mounted by the IMF to Greece government.

In addition, the lessons that Greece working class need to appreciate is that the IMF interventions are tilted in favour of the business people and not workers. It is on this basis that the intervention required that the labour market in Greece should be restructured and various labour rights be abolished and changed in favour of the business people. For instance, the analyses and findings have demonstrated that the workers' wages, wages minimum wage were slashed as part of the labour market reforms. The IMF required and demanded that government repeal the protection of employment for the workers in Greece to enable employers to hire and fire easily. For example, the notice period and the severance pay were reduced to enable employers to dismiss workers easily.

In addition, the IMF interventions demanded the government to restructure pensions and retirement schemes. Hence various measures were introduced such increasing of the retirement age for man and women. Indeed, the benefits and other conditions favourable for the workers were reduced to able government to save as part of the austerity measures.

Furthermore, the conditions of the IMF further demanded the increase of VAT and reduction of corporate tax for the elite and capital in Greece which affected the poor and the working class and favoured business and monopoly capital. Accordingly, the increase of VAT was extended to the poor Island which had

exemption previously. Hence the increase of VAT affected the working class and the poor as it is a regressive tax by its nature. Consequently, the purchasing power of the society and working class and the poor was impacted and the results of such affected the house hold expenditure as reflected and indicated by figure 10.

Also, the Greece people must learn that the IMF interventions through its conditionalities and austerity measures produces high level of inequalities. For instance, the analyses of the findings have demonstrated as reflected by figure 7 that the levels of inequalities in Greece have escalated during the period of the IMF interventions.

In addition, the lesson for the people of Greece is that the IMF interventions are followed by the demand for the state to sale its entities to the private sector and for the government to have a minimalist role in the economy. The consequences of these two policy conditions contributes to massive job losses in the country and further lead to increases in the prices of commodities which have been privatised. Therefore, the poor and the working class are unable to afford some these goods and services as they have been commercialised and some privatized.

As noted, the lessons that Greece people should understand is that the IMF interventions had previously produced high levels unemployment in continents such as Africa and Latin America therefore Greece has not been an exception as the IMF interventions have been accompanied by such conditions (Havnevik, 1987; Laurell, 2010). The main areas of government spending which are targeted by the IMF are those which are meant to benefit the poor and the working class (Feldstein, 2011).

According to (Riddell, 1992, p. 67) "*The lesson is if this takes place in Africa, it will occur elsewhere in the Third World, and soon, because of interdependency, the entire global economy will be altered"*. The outcry by Riddell has come so true in the way in which IMF has intervened in Greece. The international community should intervene on behalf of Greece because what the IMF and its partners can continue to plough Greece into deeper crises, Greece will not be the last country to be subjected to the type and kind of humiliation that it has suffered in the hands of the IMF and its partners.

5.6. CONCLUSION

The findings have revealed that the Greece faced catastrophic economic crises of significant magnitude. The findings have exposed that Greece could not have been immune from the global economic crises as it was transmitted through various means even though it experienced it quite later than some countries within the European Union (Stiglitz, 1999). We have been able to discover the role which had been played by the IMF in the countries which had faced economic crises. It has emerged from the analyses that the IMF role in the Greece crises has been identified as very problematic and controversial as it was not undertaken within policy framework, rules and regulation of the IMF as an institution (IEO, 2016).

The analysis of the data has been able to deduce that the SAP as recommended by the IMF in Greece had caused serious damage to the economic recovery and social fabric of Greece (OECD, 2016). The analyses have revealed that interventions of the IMF had caused mayhem for the working class and the poor in Greece. The analyses have revealed that the interest of the foreign banks, multinationals and nations such as German and France took precedent over the economic and social wellbeing of Greece and in the process continue to pay a heavy price in the name of the European Unity (Varoufakis, (2016). The analyses have brought to the fore the impact of IMF and its SAP to working class and the poor across the globe and that what it is doing in Greece is not different to what it did in Asia, Latin America and Africa.

The data presented clearly demonstrate that the IMF representative has failed to acknowledge the damaged which had been caused by the IMF to Greece. The high level of poverty, inequalities, unemployment and unsustainable debts in Greece clearly contradict the submission of the IMF representative. The reports of the OECD and IMF itself indicates the challenges which confronts Greece. The extend of malnutrition among the Greece children demonstrate the brutality of the austerity measures in Greece. The interventions as submitted by the Trade Unionist and the Greece Embassy representative in contrary to the IMF representative indicates on the balance of evidence that the upper class in Greece and Monopoly Capital through Banks have been the beneficiaries of the IMF interventions in Greece. On the other hand, the working class and the poor have been sacrificed in the alter of neo-liberal policy as advocated by the IMF.

CHAPTER 6
CONCLUSIONS AND RECOMMENDATIONS

6.1. INTRODUCTION

The 2008 global economic crisis had a profound impact to the economic and social fibre of Greece (Janssen, 2010). The examination of the literature has further elaborated on how the crises has originated and spread its wings across the globe and affected Greece. The literature has further traced the origins of the IMF and the role that was expected and required to play in preventing the reoccurrence of the global economic crises. The literature has further traced on how the IMF has changed its ideological orientation and adopted the neo-liberal ideology as its driving force and the consequences which followed such a disastrous approach (Peet, 2003). The Literature has further demonstrated the role which had been played by the IMF in various continents such as in Asia, Latin America and Africa. The literature has also observed and documented the failure of the IMF to resolve the Greece crises.

6.2. CONCLUSIONS

The IMF failed to achieve most of its mandates regarding the objectives set other than the reconstruction and development of Europe. The literature reviewed the ideological and political mandates of the IMF as it relate to how it intervened during the period of economic crisis and observed that such interventions have negative effects on the poor and the working class. The conditions imposed by the IMF in granting loans demand that government expenditure must be curtailed which negatively affects the poor (Feldstein, 2011). In addition, such conditions demand wage cuts to the working class (Feldstein). Furthermore, IMF intervention and the conditions it imposed result in high levels of unemployment and increased inequality in the country (Havnevik, 1987).

In addition, IMF conditions further encourage governments to increase taxes such as VAT which are regressive and negatively affect the poor and the working class

while on the other hand negotiating tax reductions for multinational companies and the rich. Also, these conditions which are imposed promotes its hegemony over the developing nations through measures which promote the interest of the dominant class over the working class.

Furthermore, the review and further examination of the approaches and the role of the IMF during and post the 2008 global economic crisis and on the balance of evidence as reflected by the literature review it may be concluded that the IMF have not shifted their ideological, political and theoretical outlooks and continue to drive the neo-liberal agenda as propagated by the Washington Consensus at the expense of the working class and the poor. Of course, the analyses have demonstrated various conditions demanded from the Greece government such as privatization of state entities, selling of government land, restructuring of the labour market which required reduction of wages and benefits for workers and a cut to government spending for the poor such as housing subsidies which resulted in homelessness among the vulnerable in the society.

In fact, the findings have revealed that the Greece faced catastrophic economic crises of significant magnitude. Even so, the findings have exposed that Greece could not have been immune from the global economic crises as it was transmitted through various means even though it experienced it quite later than some countries within the European Union. In addition, we have been able to discover the role which had been played by the IMF in the countries which had faced economic crises. For instance, it has emerged from the analyses that the IMF role in the Greece crises has been identified as very problematic and controversial as it was not undertaken within policy framework, rules and regulation of the IMF as an institution.

Accordingly, the analysis of the data has been able to deduce that the SAP as recommended by the IMF in Greece had caused serious damage to the economic recovery and social fabric of Greece. Consequently, the analyses have revealed that interventions of the IMF had caused mayhem for the working class and the poor in Greece. While, the interest of the foreign banks, multinationals and nations such as German and France took precedent over the economic and social

wellbeing of Greece and in the process continue to pay a heavy price in the name of the European unity. Consequently, the analyses have brought to the fore the impact of IMF and its SAP to working class and the poor across the globe and that what it is doing in Greece is not different to what it did in Asia, Latin America and Africa. The increase of VAT and by doubling it while on the other hand cutting corporate tax demonstrate the brutality of the IMF austerity measures. The cut back of the social services which had been provided by the Government to the poor such as subsidiarization of housing scheme, reduction of salaries, restructuring of pension funds are a clear indication that the IMF is still married to its neo-liberal ideology. The findings confirm the submissions of the Greece embassy, Trade Unionist and the Academic that the interventions of the IMF contrary to the submission of the IMF representative have been driven by the desire and interest to protect foreign capital.

6.3. RECOMMENDATIONS ON HOW THE INTERVENTIONS COULD HAVE BEEN DONE DIFFERENTLY

The submissions and documentary evidence have clearly demonstrated the extend of the Greece crises and the impact that the IMF and its structural adjustment have to the social and economic conditions to Greece. The level of Greece debts is not sustainable and healthy for the country, its people and including the international communities.

We therefore propose the following recommendations for the people and its government as a way of dealing with their economic crises, the IMF intransigency with its European Partners.

- The Greek Government must seriously consider existing the European Union as it has not assisted in resolving its crises, instead it has treated Greece as a criminal and prosecuted through toxic and dangerous conditions to save the interest of the global finance. For example, Britain which participated in the European Union and including in designing policies imposed by the IMF to Greece has exited the European Union and currently negotiating terms and conditions of the exit.

- The Greek government should as a matter of urgency conduct the referendum on whether it would be appropriate for Greece to remain in the

European Union. Britain successfully conducted a referendum which mandated its government to exist the European Union.

- The Greek government should engage with other financial development institutions such as the BRICS as part of finding alternative financial assistance. According to (Stiglitz, 2009) there are other DFI such as BRICS, ADB which could assist Greece. It is also important for Greece government to appreciate that the IMF was assisted by the intervention of the G20 and demonstrated the collective effort to deal with challenges (Helleiner, 2014). According to (Cooper & Bradford, 2010) the G20 reintroduced the Keynesian approach to the economic crises which the IMF is opposing instead it continues to impose WC policies which are not assisting Greece.

- The Greek government being out of the European Union would be in a better position to utilize its fiscal and monetary policies to navigate the crises mush better than it being part of the European Union. According to (Stiglitz, 1999) the countries facing the economic crises requires them to use the fiscal and monetary policies to navigate the economic crises.

- The Greek government should re-engage with the IMF on the conditionalities which are very toxic and disastrous and ensure that the new conditions are favourable and considerate of the Greece economy and its population.

- The Greek government should nationalise all that the Greece Banks which it had invested and played a role to save them during the period under review as this Banks have been saved with the public finance. According to (Varoufakis, 2016) Greece has pumped trillion of euros of public funds to the Greece banks and the therefore it would be entitled to demand to have a stake.

- The Greek government should reconsider some of the steps it had taken during the period under review which resulted in the increase on poverty, inequality and unemployment. According to (OECD, 2017) the Greece government should focus on the devastating conditions which had affected

and exposed children to malnutrition and others to homelessness and poverty.

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