

Table 2

**Greek government's proposed austerity package for 2013-2014;
Key components & expected impact (EURbn)**

| | |
|---|--------------|
| Overhall of Public Administration | 1,274 |
| 25% reduction in non-salary expenses of ministries and other public sector entities | 750 |
| Electronic procurement system in public sector | 104 |
| Full implementation of the "SYZEFXIS" project | 35 |
| Rationalisation of Public Investment Programme (PIP) expenditure | 300 |
| Reduction of subsidies to political parties; cuts in parliamentary deputies' privileges | 47 |
| 50% reduction in special benefits to department heads, directors, general directors | 21 |
| Abolishment of parliamentary committees, horizontal reduction in rent payments by state | 17 |
| Municipalities | 736 |
| Closure/merger of local government legal entities | 18 |
| Outsourcing garbage collection to private companies | 30 |
| Internal quality control systems | 25 |
| Photovoltaic installation in 500 primary schools | 18 |
| Better utilisation of municipal property | 123 |
| Other | 522 |
| Health Care | 1,387 |
| Reduction in pharmaceutical spending of social security funds | 800 |
| Reduction in operation costs of EOPPY | 195 |
| Reduction in pharmaceutical spending of public hospitals (greater usage of generic drugs) | 111 |
| Increase in farmers' social security contributions (Agricultural Insurance Organisation) | 131 |
| Other | 150 |
| National Defense | 504 |
| Extention of payment schedules of armament programs | 437 |
| Closure/commercial utilisation of army camps, military hospitals | 32 |
| Reduction in operating costs | 35 |
| Education | 389 |
| Merging of Technological and Higher Education Institutions | 40 |
| Reductions in textbook supplies | 34 |
| Imposition of annual tuition fees to certain student categories | 65 |
| Reduction in teaching staff | 22 |
| Increase in teaching hours; other | 148 |
| Reduction in operating costs for central and regional education services | 30 |
| Reduction in State subsidies & grants | 50 |
| Public enterprises (DEKO) | 274 |
| 25% rise in public transport fees | 40 |
| Restructuring of public entities & reduction in operating costs | 179 |
| Sale of non-strategic activities | 5 |
| Rationalisation in subsidies provided via the state budget | 50 |
| Taxation | 450 |
| Increase in lawsuit fees | 100 |
| Recuction in VAT refund to farmers from 11% to 7% | 121 |
| Other | 229 |

September 16, 2012

Focus notes: Greece

| Pensions | | 4,598 |
|---|--|---------------|
| Annulment of 13 th & 14 th installment in main & supplementary pensions (all) | | 2,240 |
| Cuts in <i>main</i> and <i>supplementary</i> pensions cumulatively exceeding €1,000 gross per month (€1,000-€1,500:2%, €1,500-€2,000:5% and above €2,000:10%) | | 640 |
| Rationalisation of lump sum payments to retirees | | 211 |
| Retrospective rationalisation of lump sum payments already granted | | 402 |
| Reduction of pensions to military and police personnel due to the annulment of promotional salary increases | | 300 |
| Reduction in pensions due to cuts in special wage regimes | | 400 |
| Other | | 405 |
| Wages | | 1,333 |
| Rationalisation of special wage regimes | | 360 |
| Rationalisation of pay scale system (with the exception of DEKO) | | 128 |
| Reduction of the 13 th and 14 th installment for public servants | | 339 |
| Labor reserve | | 167 |
| Elimination of automatic promotion salary increases in security forces | | 165 |
| Implementation of the Single Salary System to public enterprises (DEKO) | | 75 |
| New pay scale for parliamentary employees | | 13 |
| Other | | 86 |
| Preferential benefits | | 930 |
| Rationalisation of family allowances | | 352 |
| Rationalisation of disability benefits | | 272 |
| Medical re-examination of current recipients of disability benefits | | 94 |
| Adjustments in pensions received by the uninsured elderly | | 26 |
| Abolishment of social welfare benefits (EKAS) to pensioners under the age of 65 | | 114 |
| Elimination of seasonal allowances | | 50 |
| Elimination of special unemployment allowances | | 30 |
| Other | | 82 |
| Provision of special allowance for long-term unemployed | | -35 |
| Other | | -55 |
| Total | | 11,875 |

Source: Local press