

Greece faced to the EU: Is Syriza Retreating?

Thursday 19 February 2015, by [KOUVELAKIS Stathis](#) (Date first published: 19 February 2015).

The latest from Europe is not good. Syriza appears to have backtracked in negotiations, and Germany is seeking total surrender.

To use a worn-out cliché, “the times are critical.” In fact, they are more than just that: we are at the edge of a crucial temporal sequence. The whole endeavor of a Syriza government will be judged by its reaction to the unprecedented blackmail and ultimatums it is receiving from its tragically misnamed European “partners.”

And the news from the frontline is not pleasant. To be sure, it is very difficult to have a clear view of the current status of the negotiations — “negotiations” being a oxymoron given the sheer asymmetry in the balance of forces, and the fact that one side has a gun (the European Central Bank’s) pointed at its head. What is clear, however, is that the Greek government has backtracked on crucial aspects, especially concerning its commitments towards the people that brought it into office.

Before examining the substance of the request for an extension of the “Master Financial Assistance Facility Agreement” submitted on Wednesday by the Greek government to Brussels, let’s have a closer look at the “Moscovici document” leaked by the Greek government during the Eurogroup meeting last Monday, which it has declared itself willing to sign.

This document rules out “unilateral action,” sets primary surpluses of an undefined volume as a budgetary target, and recognizes the entirety of the debt. All future adjustments made concerning the restructuring of the debt will have to be in line with the Eurogroup’s decisions in November 2012.

Essentially, the implementation of the fundamental measures of Syriza’s Thessaloniki election program is made subject to the prior approval of the lenders, effectively amounting to the program’s annulment. Additionally, it recognizes the odious terms of the lending agreements, thereby further weakening the Greek negotiating position on the matter. It is obvious that by accepting such a framework as a supposedly “honorable compromise,” the Syriza government is having its hands tied.

The request for an extension of the Master Financial Assistance Facility Agreement includes all of the above-mentioned points and adds to those — for the first time — the recognition of “the supervision under the [European Union] and ECB framework and, in the same spirit, with the International Monetary Fund for the duration of the extended Agreement (point f).” In other words, the troika is back but with a different name. The Greek media has already started talking about “the Institutions.”

But even that is not enough for the EU and German Finance Minister Wolfgang Schäuble. Having understood that the Greek side — eager to avoid any rupture and even any unilateral move — is on a constant path of retreat, the “partners” have opted for total surrender as their primary aim.

By teaching the Syriza government a lesson, they simultaneously issue a warning to Podemos and any other force in Europe that may attempt to challenge austerity, the memoranda, and debt

peonage. The German side has either way rejected the Greek request for the Master Financial Assistance Facility Agreement, apparently aiming for further Greek concessions and the full humiliation of the Greek left-wing government.

And herein, maybe, lies hope. It can't be ruled out that the escalating demands of the EU and the lenders will be rejected by a government that has undertaken some basic commitments to its people. And, more importantly, that they will be rejected by a people that is believing in hope again and taking to the country's streets and squares. A retreat should not be treated as unavoidable, and the Greek government deserves support to the extent that it holds firm in the war unleashed against it.

Whatever the conclusion, one thing is certain. All the reassuring arguments that have circulated in the past few years — about a European “bluff,” about the possibility of overthrowing austerity within the eurozone framework, of separating lending agreements and memoranda, of solutions in the lines of the 1953 London conference on the German debt (that is, of a favorable restructuring for the borrower agreed by the lender) — in other words, the constituent elements of the narrative of the “good euro” — have all collapsed.

At some point, we are owed explanations about all this as well.

Stathis Kouvelakis, 2.19.15

* “Is Syriza Retreating?”:

<https://www.jacobinmag.com/2015/02/greece-syriza-backtrack-europe-negotiations/>

Syriza Holds Its Ground

Syriza has been able to stand up to eurozone finance ministers because of the popular movement behind the party.

As the media and the Athens stock market (down 4 percent yesterday) had widely expected, yesterday's finance ministers' meeting ended in failure, perhaps even a momentous one.

The tone of the Greek government's official communiqué, which the whole media were quick to pick up on, was very tough indeed: “‘Certain circles’ insistence that the new Greek government implement the Memorandum is absurd and unreasonable. The implementation of the Memorandum program was not on the table at the summit, and those who try to put it back there are wasting their time.”

Such language is entirely out of the norm for this type of context. But even before the beginning of the meeting, Wolfgang Schäuble, the German finance minister, had been particularly insulting in his remarks, even by his own standards, declaring that “he felt sorry for the Greeks because their government is behaving irresponsibly.”

He made barely veiled threats that Greece would be expelled from the eurozone if it did not fulfil “the minimum of the claims” and accused the government of acting “as if it was playing a high stakes hand of poker.” We did not have to wait long for the response from the Greek government's spokesperson Gabriel Sakellaridis: “for my part, I can also say that I find the German government's

attitude irresponsible.”

It seems that during the discussions the European finance commissioner, Pierre Moscovici, and the International Monetary Fund’s managing director, Christine Lagarde, accepted a version of the joint communiqué that made no reference to continuing with the present Memorandum program and agreed to Greece’s proposal for a four-month intermediate program guaranteeing European financing of its debt repayments, in exchange for it committing to “refrain ... from unilateral actions.”

But this compromise text came up against German opposition, and Eurogroup President Jeroen Dijsselbloem hurried to withdraw it and put forward another plan which, as Paul Krugman underlines, the Greeks could never have accepted.

Faced with the Greek government’s flat refusal to give in to diktats, Dijsselbloem — this time accompanied by Pierre Moscovici — went on the offensive and gave Greece until Friday to request “an extension of the existing program.” He insisted that the current framework cannot be changed unilaterally and demanded that Greece commit to guaranteeing the loan repayments. Moscovici, for his part, stated that “there is no alternative to requesting an extension of the [existing] program. We have to be reasonable, and not ideological.” Lagarde, speaking for the IMF, declared that there could be no new supply of credit without the troika first evaluating it.

Paul Krugman commented on the Eurogroup’s brutal blackmail in the following terms [\[1\]](#):

"There was absolutely no way Tsipras and company could sign on to such a statement, which makes you wonder what the Eurogroup ministers think they're doing. I guess it's possible that they're just fools — that they don't understand that Greece 2015 is not Ireland 2010, and that this kind of bullying won't work. Alternatively, and I guess more likely, they've decided to push Greece over the edge."

Rather than give any ground, they prefer to see Greece forced into default and probably out of the euro, with the presumed economic wreckage as an object lesson to anyone else thinking of asking for relief. That is, they’re setting out to impose the economic equivalent of the “Carthaginian peace” France sought to impose on Germany after World War I.”

With its very firm statements, the Greek government has effectively rejected the ultimatum: “across the whole of European history, the democracies have rejected ultimatums. They do not sink to blackmail, and nor do they give in to blackmail.”

Let’s not forget that the Syriza government has been backed up against the wall by the ECB’s decision to shut off the main tap providing funding to the Greek banks. But the popular support for the government, abroad as well as within Greece, has reached unprecedented levels — as we saw with Sunday’s demonstrations and mass rallies throughout the country as well as dozens of cities across Europe.

Surveys in recent days have suggested that over 70 percent of the Greek population support the government taking a confrontational approach toward the troika, including a very large majority of Communist Party voters, as well as almost half of the New Democracy conservative electorate.

At the level of domestic politics, the significant opposition within Syriza to the party making European Commissioner Dimitris Avramopoulos its nominee for president of the republic (as seems probable – Avramopoulos being a figure from the “moderate” wing of New Democracy and a former minister in many right-wing governments) has led to this decision being put off until tomorrow evening, in the wake of this evening’s meeting of the party’s parliamentary group. Sunday’s meeting

of the Syriza political secretariat showed that such a proposal – which Alexis Tsipras was meant to announce last night – would meet with strong opposition, far beyond the ranks of the Left Platform alone.

Yesterday, at an emergency meeting of the parliamentary group, Tsipras proposed Prokopis Pavlopoulos, another figure of the “centrist” wing of New Democracy, who is expected to be elected by the parliament this evening. Panagiotis Lafazanis, the leader of Syriza’s Left Platform, expressed publicly his disagreement with that decision but also said that he couldn’t vote against the decision of the prime minister.

So it seems that, faced with rising pressure and increased EU blackmail, the Syriza government has no alternative but to hold firm. In taking this road, it will enjoy the active support of its own people, but also that of a growing section of European public opinion, which is becoming conscious of the stakes of this confrontation for the future of the entire continent.

Stathis Kouvelakis, 2.18.15

P.S.

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Footnotes

[1] http://krugman.blogs.nytimes.com/2015/02/16/athenae-delenda-est/?_r=0