

SYRIZA's pose of opposition to Greek austerity unravels

Robert Stevens
10 February 2014

This is the sixth year of austerity measures in Greece, which have reduced much of its population to penury.

Supposedly in return for such savage cuts, Athens has so far received around €200 billion (US\$273 billion) in loans from the European Union, International Monetary Fund and European Central Bank “troika”, from an overall loan package of €240 billion. These measures have done nothing to arrest Greece’s sovereign debt crisis, which has increased even further to around €340 billion (176 percent of GDP.)

It is clear that no more substantial loans are on offer to the Greek government. Last week it was revealed by *Der Spiegel* that Germany is considering an additional loan to Greece of just €10 billion to €20 billion. The figure was specified in a leaked finance ministry paper. The German finance minister, Wolfgang Schäuble, said at the same time that any additional loans to Athens would be “far smaller” than the €240 billion already made available in two previous bailouts. Schäuble told finance magazine *Wirtschaftswoche*, “What is sure is that any further aid would be much less expansive than whatever help [has been given] so far.”

To put this proposed “aid” into perspective, Greece faces a budget shortfall of up to €15 billion over the next two years and pays an average of €9 billion annually just to service its existing mountain of debt. Just this interest payment alone would fully consume such a “loan”.

The finance ministry document also stipulates that even this loan would be conditional on Greece implementing further “rigorous” austerity measures.

Recent figures confirm the terrible human cost of this ongoing social nightmare. A poll last month by the Small Enterprises’ Institute of the Hellenic Confederation of Professionals, Craftsmen & Merchants found that the income of only 5 percent of

households has not been affected during the crisis. The average Greek family has seen its earnings drop by almost 40 percent between 2010 and 2013.

Some 40.2 percent of households, approximately 1.4 million, have at least one member who is out of work. Just 9.8 percent of the unemployed, less than 200,000 people, receive unemployment benefit.

While nearly half of Greek families rely on a pension payment, the average pension is worth just under €700 per month; 35.9 percent of families rely on a salary or freelance work.

Three-quarters of people said they now spend less on heating and transport and six in 10 said they have cut their food budget. Nine in 10 households have reduced spending on clothing and entertainment.

The survey found that money problems had resulted in more than a third of households being behind in payments to the state, banks, social security funds or public utilities. More than 41 percent of those surveyed said that they would not be able to meet their commitments for this year.

From the outset of the crisis the pseudo-left formation SYRIZA (Coalition of the Radical Left) advanced itself as the sole progressive alternative. On this basis its vote rocketed from 4.6 percent in 2009 to nearly 27 percent by the 2012 election; just a few percentage points from being the majority party.

Its rhetoric was based on a rejection of the memorandum and continued austerity and the pledge that it would renegotiate Greece’s debt on coming to power.

On this basis SYRIZA, along with many pseudo-left movements in Europe, promoted an audit of Greek debt via an “independent commission” in order to establish which debt was “legitimate” and which was “odious” and not payable.

Last month the MacroPolis web site noted that no final figure was established regarding “odious” debt, but that “SYRIZA MP Giorgos Stathakis, part of the party’s economics team, has now suggested that only around 5 percent of Greece’s debt, which is expected to stand at €340 billion or 174.8 percent of GDP at the end of this year, can be considered ‘odious’.”

The article cited comments of Stathakis to the *Sto Kokkino* radio station in which he defined the odious debt as “the arms procurement programmes and the electrification of the Hellenic Railways Organisation (OSE), which never happened.” He elaborated, “Over 90 percent of the debt is traditional, public debt of the markets, in other words bonds. There is no legal process to challenge this.”

Stathakis’ comments make a mockery of SYRIZA’s anti-austerity rhetoric. It commits SYRIZA, as a main governing party, or in coalition with other openly austerity parties, to paying off the vast majority of Greece’s debt.

This is the content of SYRIZA’s central policy of remaining in the European Union at all costs and “renegotiating” the debt.

On Tuesday, SYRIZA leader Alexis Tsipras said a SYRIZA government did not intend to unilaterally default on its debts, but “One weapon we could use if our partners are very, very tough is to stop repaying interest in order to finance the Greek economy. But this is not our intention. Our position is to try to find a consensus solution.”

SYRIZA’s repudiation of its previous radical posturing takes place in the context of a recent discussion in the Greek media and parliamentary parties, regarding the possibility of a future coalition government involving SYRIZA and the ruling conservative New Democracy (ND). SYRIZA MP Manolis Glezos, in comments he later said were sarcastic, asked, “Will the government abandon its lending policy? Will it stop stealing from the people to save the banks? If they do that, then I don’t believe, SYRIZA colleagues, that we will object” (to a coalition).

In response, the right-wing *Kathemerini*, in an opinion piece, asked why “in a period of such an unprecedented crisis, which prompts analysts to raise the danger of a modern Weimar (more far-fetched than real) or the consolidation of a civil-war type climate”,

are Greece’s parties “unable to communicate even on the fundamentals?”

It added, “In all the countries of the European periphery where there were similar crises, the government and the opposition either co-governed or co-signed the Memorandums (Portugal, Ireland).”

Last month a research note from US investment bank JPMorgan pointed out that SYRIZA has a 7 percent opinion poll lead in the key “Athens B” constituency and would most likely win the next general election. It concluded that no Greek party would be able to form a government alone and a coalition between SYRIZA and New Democracy should be considered.

While ruling out a coalition with SYRIZA, New Democracy Prime Minister Antonis Samaras was careful to say of Tsipras’s party that he hoped “to convince them to become a credible and responsible government.”

SYRIZA has been well on the road to being a “credible and responsible government” ever since the onset of the global financial crisis in 2008. In January 2013, as part of a tour of major capitals Tsipras told the Brookings Institution in Washington, “I hope I’ve convinced you that I’m not as dangerous as some people think I am.”

SYRIZA’s rightward shift was underscored recently with its selection of a pro-austerity candidate, Odysseas Voudouris, for the upcoming local elections. Voudouris is a former MP for the hated social democratic PASOK, who imposed the first memorandum as part of the government of George Papandreou. In December 2011 Voudouris’s team visited Kalamata in his Messinia constituency and was confronted by protesters who chanted, “Collaborators leave our town.”



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact