SYRIZA makes fresh pledge to defend Greek capitalism

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Today, Greek MPs will vote in the second of three rounds for the election of the New Democracy/PASOK presidential candidate Stavros Dimas. Greek presidents can only be elected by a three-fifths majority. If a head of state cannot be elected, general elections are immediately triggered.

Despite a slight drop in polling numbers, SYRIZA (Coalition of the Radical Left), is ahead of the crisis-ridden ruling New Democracy (ND) by between 3.4 and 6.5 percentage points, according to two recent opinion polls. It would emerge from a general election as the overall winner.

SYRIZA has been the beneficiary of mass opposition to the savage cuts in living standards imposed since 2009 by firstly a social democratic PASOK government and then successive governments including the current ND/PASOK regime. From a party that registered just a few percentage points in elections prior to 2008, it almost won the 2012 general election, finishing just 170,000 votes behind ND. SYRIZA won the European elections, in May by a margin of four percent over ND. Led by Alexis Tsipras, it campaigned on a policy of opposing cuts and abolishing the hated "memorandum"—the austerity agreement agreed by the Greek government and the European Union (EU), European Central Bank (ECB) and International Monetary Fund (IMF), known as the "troika".

But despite its radical pretensions, SYRIZA does not oppose the Greek state and its capitalist foundations and is a supporter of the European Union (EU) and its institutions. Its perspective is not the socialist transformation of society in the interests of the working class, but to create better conditions for the upper-middle class and ensure the continued exploitation of the working class by the bourgeoisie.

Having repeatedly assured the European and US ruling elites that his party is not a danger to their interests, Tsipras announced in September that it was now impossible to reverse the massive wage and pension cuts carried out since 2009.

Earlier this month, the *Wall Street Journal* summed up the distance travelled by SYRIZA since 2012.

"Mr. Tsipras no longer talks about nationalizations", it wrote, adding, "Syriza has replaced the term 'debt default' with 'debt renegotiation,' and while the party promises to freeze public sector layoffs and reverse minimum wage cuts, it no longer says it will hire back workers. Likewise, the party says it can't offer any tax relief measures apart from very few targeted ones."

An article on the *sofokleousin* financial news web site Sunday hailed the fact that SYRIZA "has reached an understanding with the troika" and like the "SEV [Hellenic Federation of Enterprises], economic players, etc SYRIZA wants modernisation and the smooth operation of the state, while securing the presence of Greece within the euro". SYRIZA, it added, "will also attempt the restoration and efficient operation of the public finances."

Nonetheless, the financial markets fell by nearly 13 percent in response to the possible collapse of the Samaras government.

This has prompted SYRIZA into renewed frenetic activity to placate the international bourgeoisie. In a December 18 interview with Reuters, Tsipras insisted that contrary to "the fear-mongering of 2012 and the fear today that if Syriza comes to power in Greece Europe will be destroyed… A Syriza victory will break the bad spell and liberate markets. It will create a feeling of security."

Tsipras repeated SYRIZA's claim that once in power, "We will cancel austerity through the Greek parliament, we will cancel the bailout." He added, "Greece with a SYRIZA government will exit the bailout, without new austerity measures. This for us is not negotiable."

The reality of these claims is that SYRIZA's much-vaunted cancellation of the existing austerity programme would be accompanied by another agreement with the troika, in which continuing cuts would be repackaged under another name.

This was made clear when Tsipras revealed that SYRIZA would make no "unilateral" demands in negotiations with the troika over Greece's debt mountain of €319 billion euros. He said, "'Negotiation' means that we want an agreed solution," adding, "We are prepared for a substantial and tough negotiation. And therefore, we are aware that European partners are likely to have a tough stance in the initial phase, although we won't demand something unrealistic."

Reuters stated, "He [Tsipras] said that Europe should 'cut or erase' a big chunk of Greek debt as a sign of solidarity with Greece," before outlining SYRIZA's commitment to paying off the vast majority of the debt.

Tsipras told them "that loans from the IMF must be paid and that he would seek an extension to maturities on bonds held by the ECB. He also ruled out writedowns on bonds held by private bondholders."

Given that the debt owed by Greece to private bondholders totals €56 billion, this pledge confirms what the class character of a SYRIZA-led government will be.

Reuters notes, "The comments were the first time Tsipras has clearly spelled out the party's plan for debt renegotiation."

It highlighted the fact that big business were also listening, as Tsipras' promises "helped push the Athens stock exchange to close up 1.5 percent" after its precipitous recent fall.

Tsipras' interview followed that of John Milios, SYRIZA's head of economic policy, who told *Bloomberg Business Week* that debt owned by private bondholders "doesn't come into" negotiations SYRIZA proposes over Greece's debt. In November, Milios and another leading SYRIZA figure, Giorgos Stathakis, met representatives from a number of global banks and hedge funds in London in a closed door session.

Under conditions where the ruling elite throughout Europe are opposed to any retreat from the austerity programmes, a SYRIZA government would immediately be put on notice to continue this offensive.

This scenario was outlined by an unnamed "senior Eurozone official" quoted by the *Wall Street Journal*, who said, "If the central elements of fiscal and structural policy are adhered to, then cooperation [between Syriza and creditors] would be possible". He added, "What I do wonder about is what happens when [the troika] program lapses on 28 February 2015. If Tsipras were to have won elections and then he doesn't want a program, then he will be without one and markets will go berserk. It will be quite a difficult time for Greece."

In a recent analysis of Greece's debt burden Paul Mason, economics editor for the UK's Channel 4 *News* warned, "Whether the next government is a revamped coalition led by the current prime minister's New Democracy, or one led by Syriza, it will face the same, harsh debt dynamics."

Mason observed that "around 5.3 billion euros of the bailout loan is due to be given in 2015, which would be withheld if he [Tsipras] cancelled the conditions. On top of this it would have to find another 14 billion euros over the next two years if it simply balances the books and refuses to run them 'in the black' as the Troika demands. (b) At the same time he will cancel the privatisation programme that is set to bring in 5.6 billion euros over 2015-16, adding that amount to the 22 billion euros Greece needs to borrow [for the fiscal years 2015 and 2016, after its loans from the troika are set to end]. (c) On top of this, 2015 is a massive year for having to roll over or repay debts: 17 billion euros become due in 2015 falling to 7 billion euros each in 2016 and 2017, and about 5 billion euros in 2018."

Analysts at Bank of America Merill Lynch, states Mason, "think Tsipras will face a budget black hole of at least 28 billion euros in the first two years of his government, with nowhere to borrow from and 17 billion euros of repayments to make in the first year."