

Greece's Syriza government pledges to serve the EU

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After the first round of talks on Wednesday with eurogroup finance ministers over loan terms for Greece produced no results, representatives on both sides made clear their readiness to compromise on Thursday.

Before an EU meeting in Brussels, Greek Prime Minister Alexis Tsipras of the Coalition of the Radical Left (Syriza) said it was time “to move on with the changes that the previous government did not make, to put an end to the corruption and to tackle tax evasion.”

“We will need to find a solution that respects the positions of all parties, so this agreement will have to be based on the core values of Europe, democracy and the vote of the people, but also on the necessity to respect the European rules,” Tsipras said.

Prior to the conference, Tsipras met with Belgian Prime Minister Charles Michel, British Prime Minister David Cameron, and his Latvian colleague Laimdota Straujuma. A planned meeting with Ukrainian President Petro Poroshenko was cancelled on short notice, due to the Minsk peace talks.

German Chancellor Angela Merkel also spoke of the possibility of a compromise before the conference. “Europe is organised in a way, and this is the strength of Europe, to reach a compromise,” she said. “Germany is prepared for that.”

Today, the Greek government will meet with the troika—the International Monetary Fund (IMF), European Commission and European Central Bank—for the first time, before the next meeting of finance ministers on Monday.

In terms of content, the German side made no concessions. Finance Minister Wolfgang Schäuble declared that previous loan agreements with Greece were non-negotiable. “Every country is free to do what it wants. But we have this program, and this program will hopefully be brought to a conclusion, or otherwise we have no program,” said Schäuble.

His Austrian colleague Hans-Jörg Schelling spoke in similar tones, declaring, “Programs cannot be overturned by election results.”

Syriza won the Greek parliamentary elections in January with the promise to put an end to the social cuts demanded by the EU in exchange for a bailout for the indebted country. However, Syriza made clear from the outset that it would neither leave the EU nor cancel state debt.

Just two weeks after the election, the significance of the defence of the EU is clear. Far from trying to improve workers' social conditions, Tsipras and his cabinet are trying to maintain the loan agreements with the EU under a new name and to impose this on the population.

The Greek government's representatives began negotiations by promising to implement 70 percent of the memorandum in exchange for receiving bridge loans in the coming months. The remaining 30 percent was to be replaced by 10 reforms which are yet to be presented in detail.

As a result of EU measures, Greek state debt has skyrocketed to €320 billion, or 175 percent of GDP. By June, a total of more than €7 billion in loan and interest repayments are due, and Greece cannot finance this from its budget. The yields for short-term government bonds have recently risen rapidly. Having recognised the debt in full, it is next to impossible for the Syriza government to repay it without EU loans.

There are contradictory reports about the first round of talks among EU finance ministers on Wednesday. The German daily *Handelsblatt* cited a passage from a joint statement that was ultimately not agreed.

In it, it was stated, “The Greek government commits irrevocably to fulfill its financial obligations to its creditors.” Athens was prepared “to consider all possibilities for a lengthening and successful conclusion of the bailout program, although the plans of the new

government must be taken in to account,” the draft stated. According to the newspaper, Greek finance minister Giannis Varoufakis initially agreed to the statement, but withdrew his consent after a phone call with Tsipras.

On the other hand, Britain’s Channel 4 News reported that Schäuble removed a formulation at the last minute that would have committed Berlin to improving the bailout program. Only then, according to this report, did Greek representatives withdraw their support.

The Greek government indicated that they had been critical of the statement from the outset and that the telephone call between Tsipras and Varoufakis had only strengthened this position. The main issue for them was that it was not about extending the current agreement, but about a new bridging agreement.

However things may have gone at the talks, the Greek government’s statements make clear that they have no fundamental disagreements with the EU leaders, but merely want to make minor modifications to and rename the EU austerity package.

Varoufakis left no doubt about this. “We understand each other much, much better now than we did this morning, so I think this is a major achievement because, you know, from understanding, the agreement follows,” he commented.

In an interview published on the *Stern* website on Thursday, the Greek finance minister went even further in his servility. “Angela Merkel is by far the most astute politician in Europe. There is no doubt about it. And Wolfgang Schäuble, her Finance Minister, is perhaps the only European politician with intellectual substance,” he claimed.

The two politicians praised by Varoufakis are the two most important architects of the EU’s austerity policy, which has led to an unprecedented social disaster in Greece while securing untold billions in profits for the banks. His nauseating attempts at flattery illustrate Syriza’s grovelling attitude to the EU and European capitalism.



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