German parliament endorses Syriza's proposed austerity measures

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On Friday, deputies from all parties in the *Bundestag*, Germany's parliament, voted to back the extension of Greece austerity programme. The agreement, extending the existing austerity programme by four months, was finalised on February 20 between the Eurogroup and the newly-elected Syriza government in Athens after nearly a month of negotiations.

Legislation in several countries, including Germany, requires that any extension of the austerity programme be voted on in the national parliament.

As Europe's largest economy and paymaster, Germany led the negotiations with Greece. Finance Minister Wolfgang Schäuble insisted that the election of a new government did not change anything. Schäuble's position was eventually sanctioned by all 19 Eurogroup finance ministers, including Greece's Yanis Varoufakis. Syriza will now begin to impose more cuts, coming after five years of devastating EU austerity measures adopted by previous Greek governments.

Introducing the vote, Schäuble said, "We're not talking about new billions for Greece... It is not about changes to the programme, rather it's about providing or granting extra time to successfully end this programme."

He added that any changes the Greek government were considering to the programme had to be agreed by "competent bodies," by which he meant the European Union, European Central Bank and The International Monetary Fund. Previously referred to as the "troika", a term that became hated in Greece and across Europe, they are now referred to as "institutions" or in this instance "competent bodies" to spare Syriza's blushes for accepting their continued diktats.

The vote in the *Bundestag* represented a resounding all-party mandate for continuing austerity in Greece. MPs from the three governing parties, Christian Democratic Union (CDU), its Bavarian sister party, the Christian Social Union (CSU) and Social Democratic Party (SPD) all voted in favour.

The opposition Left Party and the Greens also supported the extension of austerity, with both parties declaring their endorsement in advance. The final tally was 542 deputies in favour, with just 32 voting against and 13 abstaining.

The vote was held amid an unprecedented campaign among right-wing sections of Germany's ruling elite and media, describing the Greek austerity agreement as excessively lenient. One headline in the *Bild* tabloid attempted to portray the Greek population as living a life of luxury: "The bars are full, the ouzo is flowing! So well are the bust Greeks doing."

The front page of Thursday's *Bild* consisted of a front-page headline, " *Bild* readers say No – No more billions for Greece!" In order to fuel this hysterical campaign against the Greek working class, *Bild* made a call for its readers to take a "selfie" of themselves holding up the word "Nein!" and included a selection of such images in Friday's edition.

These views echo those of the nationalist right-wing, anti-euro party Alternative for Germany (AfD) and were reflected in the Bundestag vote. Of the 32 deputies who voted against the Eurogroup-Greece deal, 29 were from Merkel's CDU/CSU bloc.

This is an increase in the number of deputies who voted against the second Greek austerity programme in 2012, on the basis of demanding even more severe attacks. At that time, 13 members of Merkel's Christian Democratic bloc and four members of her coalition partners, the Free Democrats, voted against.

Klaus-Peter Willsch of the Christian Democrats, who has consistently demanded an even tougher attitude to

Greece, summed up the stance of such layers in the debate: “Look at [Greek Prime Minister Alexis] Tsipras and Varoufakis. Would you buy a used car from them? If the answer is no, then vote no today.”

Implying that the Greek people were akin to terrorists, he said, “Better an end with terror than terror without end.”

The SPD’s 193 deputies voted unanimously in favour of the continuation of austerity.

The Left Party overwhelmingly supported a new round of austerity in Greece, with just three votes against and 10 abstentions from their bloc of 64 deputies. The Green Party’s bloc of 63 deputies voted unanimously in support.

The Left Party attempted to dress up their position with a few leftist phases, claiming that the agreement signed with the Eurogroup was on Greece’s terms. Despite the jubilation of the ruling elite internationally, who celebrated to the humiliating capitulation of Syriza, Left Party leader Gregor Gysi ludicrously stated during the debate, “The left government in Greece has broken with the failed austerity policy.” He continued with a straight face, “Now you’ll see that a left-wing government can achieve anything.”

Gysi’s claims were belied by his acknowledgment that under Greece’s existing austerity programme, which he just voted to extend, “90 percent of the 240 billion euro for Greece went to the banks and creditors. Among them was also the Deutsche Bank. Among them were also French banks. 90 percent of this sum didn't go to the Greeks; they have seen almost nothing of it.”

The Left Party is in reality now openly behind the demands of the ruling elite that the Greek people be bled dry, in order that its debt mountain of more than €320 billion be paid off. “*We must help rebuild Greece,*” continued Gysi , “*so it can repay its debts,*” [emphasis added].

The Greens also endorse crippling austerity measures in Greece, in the full knowledge of who is going to benefit. Anton Hofreiter, party leader, supported the extension even as he stated, “This conflict is about the interests of a few super-rich people versus ordinary people in Greeks.”

Following the Bundestag vote, the European Financial Stability Facility (EFSF) board of directors officially extended the Greece austerity programme until June 30. Under the terms of the February 20 agreement, the Syriza government must demonstrate that it has begun to implement austerity before it receives any disbursement of the outstanding tranche it is awaiting from the current European Financial Stability Facility.

In March, Athens must make a €1.5 billion loan repayment to the IMF and then pay a further €800 million in interest payments in April. In the summer, €8 billion in debt repayment falls due, including €6.5 billion to the ECB. The Greek state is bankrupt and cannot access funding through international capital markets. Its banks remain on the verge of collapse and are being propped up only by temporary access to high interest rate loans from the ECB. Greece is totally reliant on funding from the Eurogroup, ECB and IMF to meet these payments.

Reuters noted that Greece has been systematically denied access to funding, stating, “[I]ts options all appear to have problems. One possibility—the transfer of 1.9 billion euros worth of profits that the European Central Bank made on buying Greek bonds—will not be allowed until Greece has completed the bailout program.

“Greece had also hoped it could tap the almost 11 billion euros of leftover money in the Greek bank stabilization fund, but euro zone finance ministers have decided the money would be returned to the Luxembourg-based euro zone bailout fund.”

It added, “The only source of quick cash left to the Tsipras government now is issuance of Treasury bills, or short-term debt that matures in three or six months. But Athens’ creditors have set a 15 billion euro cap on such debt and it has already been reached.”

On Friday a euro zone official told Reuters, "The liquidity squeeze is being used to push the Greeks to very quickly start discussions on the review and finish that as soon as possible – not even waiting for the end of April”. He warned, “Eventually they will have no other choice but to adopt the [austerity] measures, and move quickly”.