Syriza makes new pledges to impose troika austerity

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On Monday, Greece's Syriza (Coalition of the Radical Left) government continued talks with representatives of its main creditors, the "troika" of the European Union (EU), European Central Bank (ECB) and International Monetary Fund (IMF).

The "technical talks" between Greece and its creditors—now called the Brussels Group—began last Wednesday in Brussels and continued in Athens the following day. They are centred on finalising the austerity measures to be implemented by Syriza by the end of April.

The talks stem from Syriza's February 20 capitulation to the troika, when it agreed to a four-month extension of the hated austerity programme. They will reportedly focus on "structural reforms", including changes in labour regulations and privatisation policies, and assess a list of reforms proposed by Syriza.

The troika's stranglehold over Greece has tightened since Syriza's election, with banks unable to access money markets and reliant on temporary, high-interest loans from the ECB. Without a further tranche of €7.2 billion in loans, now being withheld by the troika until an austerity package to their satisfaction is agreed, Greece will be forced to default on its €320 billion debt in a matter of weeks.

On Monday, Greece paid €580 million due to the IMF; it must pay a further €350 million on Friday.

This weekend, Greek prime minister and Syriza leader Alexis Tsipras and Finance Minister Yanis Varoufakis deepened their commitment to the troika's austerity agenda, making clear that the pledges made in Syriza's election programme are to be shelved indefinitely.

Varoufakis chose the Ambrosetti finance forum in Cernobbio on Saturday as the venue to sell Syriza as the only force capable of enforcing the necessary changes to make the Greek economy internationally competitive.

On Monday, the *Financial Times* hailed his appearance under the headline, "Varoufakis spreads gospel of radical reform to Italy's capitalists". The *FT* wrote that in a "bravura performance", Varoufakis "appeared to win over a sceptical audience of Italian business leaders."

Varoufakis told his audience that "successive Greek governments were to blame for many of his country's problems," the *FT* noted approvingly. Varoufakis said, "We blame ourselves. That is why this government was elected. We are the leftwing riff raff that has been arguing for decades that the Greek oligarchy is the greatest impediment to growth." He called on the ECB—who responded to Syriza's election on an anti-austerity ticket by cutting off the new government's access to any external funding—to loosen credit and introduce a "kind of Quantitative Easing in cooperation with the European Investment Bank."

On the sidelines of the conference, Varoufakis said of Syriza's election pledges, including increasing the minimum wage, that "our promises concern a four-year parliamentary term ... They will be spaced out in an optimal way, in a way that is in tune with our bargaining stance in Europe and also with the fiscal position of the Greek state."

On Sunday, Syriza continued to grovel before the troika. Varoufakis told German public broadcaster ARD, "Our intention is to do everything possible to pay back every single euro. My message to the viewers this evening is very simple: help us to grow, so that we can pay the money back."

The latest pledge to adhere to the rapacious demands of the financial aristocracy came after Tsipras secured a "Joint Document of Co-operation" with the Organisation for Economic Co-operation and Development (OECD). The document aims at the "design and implementation of the structural reforms needed to ensure inclusive and sustainable economic growth."

It states, "Greece is already making important progress in a number of other reform areas identified by the OECD", referring to the OECD's leading role in designing austerity measures imposed on Greece since 2010. By January 2014, the previous New Democracy (ND) government had agreed to around 80 percent of the OECD recommendations. Two months later, the OECD authored a "Competition Assessment Review" on Greece, noting that its study "identifies hundreds of competition-distorting rules and provisions."

Syriza's OECD agreement takes over where ND left off. It calls for new measures, "Reducing the administrative burden to business" and commits to policies in favour of big business, including "good labour practices". Under the section on "Public finance and spending", it calls for a plan to "improve the efficiency of public financial management frameworks."

Another key area of cooperation is "Disrupting oligopolies and cartels through greater competition and product market reform" and setting up "a dynamic business environment."

The clearest indication of the type of measures being prepared is the following boast: "Since the crisis, the OECD has been providing targeted advice to a number of governments, including Mexico, Ireland, Portugal, Italy, Spain and France ... OECD recommendations are regularly used as the basis of reforms and legislation". In all these countries, crippling austerity measures have been forced through, with no popular mandate, over the last decade.

While Syriza is doing everything possible to reach an agreement that will satisfy finance capital, there are concerns within ruling circles that the troika's intransigence leaves no room for Syriza to manoeuvre and placate social opposition that will grow as austerity worsens.

In a sign of growing tensions, Panos Kammenos—who leads Syriza's coalition partners, the right-wing xenophobic Independent Greeks—is ramping up his party's nationalist bile.

He was responding to comments by German Finance Minister Wolfgang Schäuble, who said due to a lack of progress on an austerity agreement, Greece could accidentally leave the euro zone, in a so-called "Grexident". Schäuble said, "We don't exactly know what those in charge in Greece are doing", and warned "we can't rule out" a Greek exit from the euro zone.

Kammenos said, "I don't understand why he turns against Greece every day in new statements." Describing Schäuble's comments as "psychological war", he said, "I get the feeling that the German government is out to get us and some really want to push us out of the euro zone."

Previously, Kammenos threatened to use Greece as a base to send thousands of migrants to other parts of Europe, including Germany, if Greece was forced out of the euro zone. Repeating this, he said if Greece exited, "Then no agreements would be valid anymore, no treaties, nothing. We would no longer be obliged to take in refugees as a country of arrival. Whoever wants to push us out of the euro zone should know that."

Kammenos also demanded that the EU compensate Greece for its loss of trade due to ongoing sanctions against Russia. Kammenos, who previously said that Greece could seek funding from Russia instead of the troika, warned if Athens received no compensation from the EU, "[W]e can't and don't want to take part in sanctions against Russia, which are only damaging our economy."

The daily *To Vima,* which supported the previous ND/PASOK government, raised that the demands of the troika were "destabilizing the economy and businesses", forcing "Tsipras into a constant retreat, capable of exhausting and undermining him politically."

It said, "The government has made a major turn and is prepared to back down some more," and "are even prepared to accept privatisation and tax measures that the previous government would not even date discuss."

It warned that an agreement may not be reached by April, and "Our partners want us on our knees by June, committed and incapable of anything, to be addicted and pleading for a new €30-40 billion loan, which will bind us forever, once and for all."