# EU, demanding deeper cuts, rejects Syriza's austerity list

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Greek Prime Minister Alexis Tsipras addressed the parliament last night, once again making clear his readiness to implement austerity measures dictated by the country's international creditors.

Tsipras told parliament that the debt Syriza inherited from the New Democracy/PASOK government was larger than had been presented. It was now time to face the truth, he declared.

Syriza, he said, was ready to make an "honest compromise" with creditors, without acting simply as their "mouthpiece."

Tsipras's bluster notwithstanding, he could not say anything of substance about the state of negotiations with Greece's creditors from the European Union (EU), European Central Bank (ECB) and International Monetary Fund (IMF) earlier that day—the ostensible purpose of the parliamentary session. To do so would be to make clear not only the attacks on the working class he had offered to carry out, but also the even deeper attacks being demanded of him by Europe's rulers.

New Democracy leader Antonis Samaras mocked Tsipras, saying he had imagined he'd get money without terms and instead had obtained terms without money.

On Friday, Syriza submitted a further list of austerity proposals, as stipulated in its February 20 agreement to extend by four months the austerity programme of the previous governing coalition. On Sunday evening, the cabinet approved the list.

Athens needs the measures to be accepted by what is now known as the Brussels Group in order to access any of the €7 billion of outstanding loans being withheld. Without access to these funds, it will be unable to repay any more of its €315 billion debt.

However, despite intensive negotiations over the weekend, including a ten-hour session on Saturday, no agreement was reached.

Among the main austerity measures being demanded of Syriza by the Brussels Group are changes to Greece's labour laws to make it easier for employers to fire workers, as well as further cuts to pensions. The *Financial Times* reported that these are "two areas that monitors have insisted are essential to finalising the bailout programme."

However, Tsipras said in an interview with the *RealNews Sunday* newspaper, "There's no prospect of taking any recessionary measures, whether it's cutting wages and pensions or liberalising regulations on mass dismissals."

According to a Bloomberg News report, Greece submitted a 15-page list that "relies on taxing capital transfers and fighting tax evasion." The document states that privatisations currently in place would raise €1.5 billion this year, down from €2.2 billion projected in the 2015 budget prepared by the previous government. It forecasts a primary budget surplus of at least 1.2 percent of gross domestic product.

But such proposals are of little interest to the European ruling elite, who are demanding that Syriza go much further and specify cuts that will further decimate the living standards of the working class and poor.

Reuters cited a senior euro zone official who said, "Greece did not submit a reform list on Friday." The official added that Syriza's proposals "lack detail, and much more technical work will be needed for them to flesh them out into something sufficiently comprehensive and credible to be put to the Eurogroup."

An unnamed EU diplomat said, "The list is much too vague, not credible and not verifiable."

On Monday, the German Finance Ministry said the government would not sign off on further loans to Greece unless the Greek parliament passed concrete austerity measures. Spokesman Martin Jaeger said, "We need to wait for the Greek side to present us with a comprehensive list of reform measures that is suitable for discussion with the institutions, and then later in the Eurogroup." He cautioned that any progress “depends on the quality of the Greek list and how far they cover the elements that are already mentioned in the [extended austerity] memorandum.”

A Greek newspaper report said Syriza included specific privatisations in the proposals. Deputy Prime Minister Yannis Dragasakis, who has just returned from a trip to China, stated on his return that the sale of a 67 percent stake in the Piraeus Port Authority would be completed in a matter of weeks, raising around €500 million. China’s Cosco Group, which already controls two piers at the strategic port, is among five preferred bidders. Also set for completion is the sale of 14 regional airports.

The Brussels group meeting ended with no agreement. According to sources, there are no plans to meet again this week—leaving Syriza to draw up yet another austerity list for sometime in April, while Greece’s financial crisis intensifies. German Chancellor Angela Merkel told the media that Greece’s proposals must “add up.”

Syriza has made a concerted effort to deepen its ties with China and Russia, both of which have geostrategic interests in the region. Senior Syriza representatives, as well as Defence Minister Panos Kammenos of Syriza’s right-wing coalition partner, the Independent Greeks, have warned that one or both countries could be approached as alternative sources of funding for Greece. The leader of Syriza’s “Left Platform”, Energy Minister Panagiotis Lafazanis, is in Moscow. On April 9, Tsipras will visit for talks with Russian leader Vladimir Putin.

On Friday, the rating agency Fitch downgraded Greece’s unsecured currency bonds. Fitch said progress since February’s agreement “has been slow” and it remained “unclear when the earliest disbursement could take place and what will be required for this to happen.”

Fitch added that it was “likely that the Eurogroup will want the Greek government to demonstrate they have implemented some part of this list before funds are disbursed. This pushes back the probable disbursement date well into April at the earliest.”

Since it was elected on an anti-austerity ticket, Syriza and the country’s banks have been systematically cut off from normal funding streams by the ECB. When bank and company debt is factored in, total debt levels are now at around half a trillion euros.

With Greece’s banks all but insolvent, the Syriza government’s projection of a budget surplus has been dismissed as fantasy. Holger Schmieding, chief economist at London-based Berenberg Bank, said, “After capital flight of €50 billion within three months, it is difficult to see how Greece could muster any growth at all this year. And after the plunge in tax revenues in January and February, Greece is on track for a primary deficit, not a surplus.”

Since 2010, Greece has been used as the test case for imposing mass austerity throughout Europe. The continent’s ruling elite now insists that the pauperisation of Greece’s population be stepped up. Syriza’s perspective, based on the interests of sections of the Greek ruling elite and the affluent upper-middle class, of an amicable restructuring of Greece’s debt within the EU is in tatters.