

Greece's Tsipras manoeuvres with Russia in bid to strike better bargain with Europe

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Greek Prime Minister Alexis Tsipras met Russian President Vladimir Putin in Moscow Wednesday, the first day of a two day trip. He was joined on the trip by a delegation of ministers.

The Syriza-led government is establishing closer ties with both Russia and China as a counter to its failure to reach an agreement on imposing austerity to the satisfaction of the European Union (EU), European Central Bank (ECB) and International Monetary Fund (IMF). The moves towards Russia are seen by sections of the Greek bourgeoisie as a bargaining chip in their ongoing negotiations with the European powers over Greece's austerity proposals and the repayment of its €315 billion total debt.

Today, the bankrupt Greek state is to pay a €450 million loan instalment owed to the IMF. However, due to the financial stranglehold the ECB has over its economy, it is likely that Greece will run out of cash within weeks without further external loans. Greece cannot obtain an outstanding loan of €7.2 billion unless it begins the imposition of austerity measures stipulated by the agreement it signed with its creditors on February 20.

Tsipras' trip caused consternation in ruling circles in Europe and the United States. Both are concerned over any breach in their united offensive, as the NATO alliance moves forward with its provocative encirclement and isolation of Russia, while continuing its crippling economic sanctions against the Putin regime. Greece plays a key role as NATO's southernmost flank, with a geostrategic location in the Balkans and large ports and other infrastructure.

In the days leading up to the trip, senior political figures warned Greece that developing closer ties with Russia, including any request for loans or opposition to sanctions, would be considered hostile to EU interests.

European Parliament President Martin Schulz, speaking to the Muenchner Merkur Tuesday, warned Tsipras, "Greece demands and gets a lot of solidarity from the EU. We can therefore also ask for solidarity from Greece and for this solidarity not to be ended unilaterally by pulling out of joint measures." He warned Tsipras, "He should base his actions in Moscow on that."

Judy Dempsey, senior associate at the Carnegie Europe think-tank said, "Relations between Russia and Greece have been very close over the years, but this is a new dimension. Tsipras is trying to play off Russia against the EU in his negotiations to get what he wants from the eurozone. Clearly this is Putin's attempt to trade off one EU country against another."

Putin and Tsipras announced a year of Greece-Russia cooperation and signed a number of accords following their two-hour talk. The most important agreement was signed by Foreign Minister Nikos Kotzias, who along with Energy Minister Panagiotis Lafazanis, the leader of Syriza's Left Platform, was part of the delegation. Along with his Hungarian counterpart Peter Szijjartow, they added their support to Russia's Turkish Stream gas pipeline project.

On Tuesday, Russia secured the support of Serbia, Macedonia and Turkey for the project. The agreement calls for the creation of "a commercially viable option of route and source diversification for delivering natural gas from the Republic of Turkey through the territories of our countries to the countries of Central and South Eastern Europe."

Russia's access to sea ports in the region is a major strategic concern for the US. In February Russia signed an agreement with Cyprus to give its navy access to Cypriot ports. A central factor in the US-backed coup in Ukraine was the US attempt to deny Russia access to

the Crimean port of Sevastopol in the Black Sea, where Russia has a naval base.

Speculation mounted prior to the trip that Greece might ask Russia to provide it with loans. At this stage Athens has not made a request, and the claims were denied by the Tsipras government.

Putin confirmed during the post-talks press conference, "The Greek side did not contact us with any requests for help." Russia was interested in investing in Greece as part of any privatisation programme the Syriza government would unveil, he said. Russia could make loans for "major projects in energy," he added. "Of course we are interested in pipelines, ports and airports, as well as energy generation and other resources."

Tsipras used the occasion to declare Greece's opposition to the EU's ongoing sanctions against Russia, which are due to be discussed again by Europe's leaders in July. As the sanctions require the unanimous support of all EU members, Greece has the power to veto them--a situation that would threaten the integrity of the NATO alliance and the EU.

Tsipras said, "The counter sanctions imposed by Russia have inflicted pain on the Greek economy. But we know the retaliations were a response to sanctions [against Russia], the logic of which we do not entirely share. We openly disapproved of the sanctions. It is not an efficient solution. We think it could bring about a new Cold War between Russia and the West."

Syriza is a pro-capitalist government. Since coming to office, it has sought to reach a deal with the European powers over its debt mountain and austerity measures. While seeking to cement alliances, including with Russia, it is desperate to maintain its relations with Europe's major players.

Tsipras told the media in Russia, "This is a European crisis, not a Greek one--a European solution must be found. Greece is a sovereign state and it has been in a complex economic state."

He added, "We are a sovereign state--I repeat--and we can use this to sign agreements in our common interest in order to combat the crisis... We want to create bonds of trust with Russia, as a member of the EU."

Tsipras' trip occurred only days after Finance Minister Yanis Varoufakis' visit to the US for discussions with IMF Managing Director Christine Lagarde and Treasury officials of the Obama

administration.

Following the talks, in which Varoufakis will no doubt have complained of how Greece is being forced to turn to Russia, the Greek ministry issued a statement emphasising the concern of the US with continuing EU intransigence over Greece's debt. It read, "US officials conveyed the importance the Obama administration places on an honest agreement between Greece and its partners and on preserving the unity of the euro zone." The ministry said the US was ready to act as an "honest broker" in the negotiations between Athens and its creditors.

Tsipras' trip to Moscow has nevertheless done nothing to arrest Greece's mounting financial crisis. On Tuesday, a Greek senior official told the *Financial Times* that Athens would be able to meet its immediate debt repayments to its international creditors, "but it will be a squeeze to raise cash for domestic payments in the second half [of the month]. Next month is a different matter. We are going to run out of money unless reforms are legislated to make some bailout funds available."

Prior to Tsipras' talk of Greece being able to pursue its own strategies as a "sovereign" nation, Wolff Guntram, the director of Bruegel, a European think-tank, said baldly, "A sovereign is called a sovereign as it can decide who to pay first. However, Greece is not completely sovereign, as the ECB has leverage over what the government can do."



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