Troika representatives return to Athens

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On Tuesday, representatives of the Troika—the European Central Bank, European Union and International Monetary Fund—returned to Athens to negotiate a credit agreement with the Greek government. The talks are due to begin on Thursday and finish by August 20.

The abolition of the Troika's oversight of Greek budgetary policy was a central campaign demand of the ruling "Coalition of the Radical Left" (Syriza). However, in agreeing to negotiate a third credit program, Syriza has also agreed to the resumption of Troika visits.

While the representatives of the Troika have not promised anything and a possible credit agreement could fail at any moment, the Syriza government has decided to carry out a number of measures that weaken its own position in negotiations and further worsen the social situation in the country.

The government is once again making debt and interest payments its highest priority, just as it has already done in the past few months. Even though the health care system is collapsing and hunger is spreading in the streets of Athens, the Greek government transferred over €6 billion to the institutions of the Troika on Monday.

The ECB received €4.2 billion (of which €700 million is allocated for interest payments), €2 billion went to the IMF and a few hundred million to the Greek National Bank. The government is using a bridging loan made available by the European Fiscal Stability Mechanism, the EU rescue fund, for this purpose. The special credit totals €7 billion and has a maximum term of three months. It remains unclear whether the payment will be large enough to last until an agreement is reached in August.

In an agreement with the euro group, the Greek government has committed itself to bringing certain laws through parliament before the beginning of negotiations. Before the Troika sits down at the table with representatives of the government, the parliament has to pass two reforms today.

On the one hand, the parliament has to implement settlement guidelines, national regulations for the implementation of a banking union of the kind that the European Parliament and European Council decided on in May of last year.

In addition, civil court procedures are supposed to be accelerated. According to the former Greek finance minister Yannis Varoufakis, who was involved in negotiating the deal, the main purpose of this measure is to simplify the "foreclosure, eviction and the destruction of thousands of households and businesses that are not in a position to pay off their credits."

In the past few weeks, the government has already pushed deep social cuts through parliament, and a massive increase in the value added tax. Previously, processed and packaged foods as well as local public transportation had a reduced tax of 13 percent. Now they will be taxed at the full 23 percent.

This has led to an immediate increase in the cost of food that will affect the poorest of the poor most of all. Retailers will increase the price of goods by an average of 20 percent. In a country in which only half of young people have work, in which up to 40 percent of workers no longer have health insurance, this increased cost-of-living means abject social misery.

Because the ECB increased the emergency credits for the Greek banks by only €900 million on Thursday, the restrictions on bank withdrawals remain in effect even though Greece has made its overdue debt payments. The banks did reopen their doors, but normal account holders continue to be restricted to withdrawals of only €420 per week. The capital controls will remain in effect until further notice.

The opposition to the austerity measures is growing in the population, which already rejected them in the referendum by a majority of over 60 percent. The public service trade union federation Adedy announced a protest demonstration of workers in front of the parliament building on Wednesday evening.

Prime Minister Alexis Tsipras already had to depend on the votes of opposition parties last week. The conservative New Democracy (ND), the social democratic Pasok and the economically neoliberal party To Potami (The River) secured the austerity plan a comfortable majority in parliament.

The government coalition of Syriza and the right-wing populist Independent Greeks (Anel) did not achieve a majority on their own, however, because 32 of the 149 Syriza representatives voted against the law and six abstained.

Even though Tsipras removed the rebels from their government posts over the weekend, he was afraid that the number of "no" votes on Wednesday could rise once again. The daily newspaper *Avgi*, which is affiliated with Syriza, speculated on Monday that Tsipras would consider resigning if the "no" votes in his own fraction increased. It reported that Tsipras was afraid of falling below the threshold of support by 120 representatives in his own party, which are necessary for winning a confidence vote when the minimum number of representatives for a quorum are present.

On Tuesday, the government announced an agreement with the creditors that it would drop from the agenda a vote on abolishing the tax advantages of farmers as well as a vote on the elimination of early retirement. With regard to the first law, other Syriza representatives as well as ND representatives had announced their opposition. The votes on these laws are now supposed to take place in the first few weeks of August.

Under these conditions it is even possible that the number of "no" votes will decrease. The head of the Left Platform grouping within Syriza, Panagiotis Lafanzanis, voted against the deal last week. Consequently, he was dismissed as environment and energy minister by Tsipras. Even after this humiliation, he promised that he would continue to support the government. According to the daily newspaper *To Vima*, he claimed he was not disappointed, and would continue to push for the unity of the party.

Representatives of the Troika made it clear at the same time that no concrete agreements have yet been made. Even the amount of a third credit program is still unclear. It could add up to €86 billion, but could also be quite a bit smaller.

The expulsion of Greece from the eurozone is also not yet off the table. The deputy leader of the Christian Democratic Union/Christian Social Union (CDU/CSU) fraction in the Bundestag, Arnold Vaatz (CDU), plans to lodge a complaint with the German Federal Constitutional Court if new credits on the order of billions are planned for Greece. "I do not see that the stability of the eurozone will be endangered by cutting out Greece," Vaatz told the periodical *Super Illu*.

Austrian Interior Minister Johanna Mikl-Leitner wants to combine a new credit program with harsher measures against refugees. "A stable system of asylum in Greece should be the condition of an aid package for Greece," the conservative politician told the *Kurier*. She wants to require the Greek government to register refugees and take their fingerprints. In addition, the representative of the right-wing Austrian People's Party wants the Greek government to work more closely with the EU Asylum agency EASA and the border protection agency Frontex.