SYRIZA’s programme for the rescue of Greek and European capitalism

By Robert Stevens
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“Today we are presenting to you not what we would want to do, but what we are able to do.”

With these words, Alexis Tsipras, the leader of SYRIZA (Coalition of the Radical Left), presented his party’s programme at Greece’s Thessaloniki International Fair in September of 2014. If he were more honest, Tsipras would have added, “And what we are able to do is determined by the international financial elite with whom we are now in constant discussion.”

The New Democracy/PASOK government failed to elect a head of state last month, triggering national elections later this month, with SYRIZA leading in the polls and considered the front-runner to head the new government. Its “Thessaloniki programme” is being touted as a progressive solution to the crisis. In reality, it is shaped by SYRIZA’s goal of convincing Greek and European capitalism that it is the party best suited to avert an impending disaster.

SYRIZA’s programme calls for a “European New Deal” of public investment, to be financed by the European Investment Bank. It stresses that, as opposed to the current Samaras government’s perspective of building an alliance only “with the German government,” SYRIZA is “ready to negotiate and we are working towards building the broadest possible alliances in Europe.”

Its central call is for “quantitative easing (QE) by the European Central Bank (ECB) with direct purchases of sovereign bonds.”

While this program of money-printing is favoured by the ECB, it is not supported by Germany.

SYRIZA offers only the most threadbare proposals to ameliorate the austerity measures imposed by successive Greek governments at the behest of the “troika” (the European Union, the European Central Bank and the International Monetary Fund). It claims that a SYRIZA government will lead “the country to recovery” by “gradually reversing all of the (EU) Memorandum injustices” and “gradually restoring salaries and pensions so as to increase consumption and demand.”

It calls for a National Reconstruction Plan to “reverse the social and economic disintegration, reconstruct the economy, and exit from the crisis.” But the first of four “pillars”, aimed at “confronting the humanitarian crisis”, is given all of 239 words in the programme.

The measures outlined are aimed at only “the most vulnerable social strata”. They include free electricity (but only up to 3,600 KW per year) and meal subsidies for 300,000 families. Other measures include restitution of the Christmas bonus, free medical and pharmaceutical care for the uninsured unemployed, and a public transit card for the long-term unemployed and those who are below the poverty line.

What has been carried out in Greece is a humanitarian disaster and what SYRIZA proposes does not even begin to address it.

Confronting the social catastrophe imposed on Greece, according to SYRIZA, will consume only a bit more than €1.8 billion out of the €11.3 billion total cost of its programme. But according to the Centre for Progressive Policy Research, a Greek think tank, *€ 62.5 billion* in austerity measures were imposed in Greece between 2010 and 2014.

Many people are massively indebted as a result of layoffs, wage and pension cuts, and a raft of new taxes that disproportionately hit the poorest. But under SYRIZA, there will be only a “case-by-case partial write-off of debt incurred by people who now are under the poverty line, as well as the general principle of readjusting outstanding debt so that its total servicing to banks, the state, and the social security funds does not exceed one-third of a debtor’s income.”

The ruling elite would remain virtually untouched. Regarding pervasive tax evasion by the richest Greeks, SYRIZA proposes “[T]o collect, at a minimum, €20 billion out of a total of €68 billion in arrears over a seven-year period.”

So paltry is its proposed effort that SYRIZA is forced to acknowledge it would bring in only €3 billion in the first year.

SYRIZA’s programme has been developed in the course of intense discussions with leading political figures—above all, despite occasional critical remarks on both sides, with representatives of Germany’s ruling elite.

Last week, the Italian newspaper *La Stampa* reported that Jörg Asmussen, a leading member of Germany’s Social Democratic Party (SPD) and a cabinet minister in the Christian Democratic Union/SPD coalition government of Chancellor Angela Merkel, has been involved for weeks in secret talks with senior figures within Syriza.

Asmussen was previously a member of the European Central Bank’s Executive Board and is close to ECB President Mario Draghi and Germany’s finance minister, Wolfgang Schäuble. He is described by *Business Insider* as “the man chosen by Frankfurt and Berlin to deal with Alexis Tsipras.”

Those chosen by SYRIZA to sound out the representatives of capital are themselves, in the main, from privileged bourgeois backgrounds and are unabashed about their extensive discussions with the world’s leading capitalist institutions.

John Milios, SYRIZA’s chief economist, is a graduate of Athens College, the most prestigious private school in Greece. In an interview with the *Guardian*, in which he is described as the son of parents “with distinctly non-leftist views,” Milios states, “I never had any affiliation with Soviet Marxism.”

Among those with whom Milios has met are Schäuble. Elaborating on his role, Milios said recently: “[I] will continue to be constantly present in the formulation of Greek and international public opinion… institutionally participating in crucial meetings with international bodies (IMF, government agencies of other countries, financial centres, etc.) as I have done to date…”

In an interview with a Greek newspaper, Milios said of “the international contacts” he meets regularly, “believe me, ‘out there’ a very delicate handling is required.”

Another of Tsipras’s advisors is the economist and shipping family heir Giorgos Stathakis. In January 2014, Stathakis reassured the financial elite that a SYRIZA government would pay back the vast majority of Greece’s debt. He stated, “Over 90 percent of the debt is traditional, public debt of the markets, in other words, bonds. There is no legal process to challenge this.”

Euclid Tsakalotos, another Tsipras advisor, is a SYRIZA deputy and an Oxford-educated professor of economics. In 2012, he told the Australian Broadcasting Corporation that there was nothing too radical in the party’s programme, stating, “We really have a programme the old labour parties and the social democrats used to have…”

The ruling class know with whom they are dealing and that they have nothing to fear from SYRIZA. Krishna Guha of investment banking advisory firm Evercore ISI told the *Financial Times* , “We believe that Tsipras will prove more pragmatic than past SYRIZA rhetoric suggests. He has opened back-channels to Berlin, Paris and Frankfurt, and has every incentive to try to negotiate relatively cosmetic changes to Greece’s program and ride the early-stage Greek recovery rather than derail it.”

Even so, SYRIZA will be instructed to travel even further to the right if it is not to face destabilisation by Germany and the EU. The influential *Der Spiegel* reported Saturday that Merkel is ready to see Greece leave the euro zone if a SYRIZA-led government abandons its commitment to austerity measures.

“The German government considers a euro zone exit (by Greece) to be almost inevitable if opposition leader Alexis Tsipras leads the government after the election and abandons budgetary discipline and does not repay the country’s debts,” *Der Spiegel* wrote.

In an interview with *Rheinische Post* on New Year’s Eve, Michael Fuchs, a senior Christian Democratic Union figure, threatened, “If Alexis Tsipras of the Greek left party SYRIZA thinks he can cut back the reform efforts and austerity measures, then the troika will have to cut back the credits for Greece… The times where we had to rescue Greece are over. There is no potential for political blackmail anymore. Greece is no longer of systemic importance for the euro.”