

Syriza MP Asks \$330 Billion Dollar Question: “How Will A Four Month Extension Improve Our Negotiating Position?”

By [Costas Lapavitsas](#)

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[Costas Lapavitsas blog and Zero Hedge](#)

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While the tone may not be as vociferous as [historic Syriza MEP Manolis Glezos' recent statements over the Greek 'new deal'](#), the rhetoric of [Costas Lapavitsas \(newly-elected Syriza MP\) blog post](#) is clearly questioning the decision-making of his party's leadership.

With regards to “our commitment to the Greek people, we have deep concerns,” he begins, detailing five major questions that must be answered (Tyler Durden).

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The Agreement with the Eurogroup

Five Questions Require an Answer [Πέντε ερωτήματα απαιτούν απάντηση]

by **Costas Lapavitas**

[Costas Lapavitsas blog](#)

The text below is a rough translation from the Greek original courtesy of Zero Hedge, edited by Global Research. Our thanks to Zero Hedge.

The agreement with the Eurogroup is not final, partly because we do not know yet what ‘reforms’ will be proposed by the Greek government today (Monday, February 23) and which of them will be accepted. **But with regard to those reforms which have already been selected on the basis of the SYRIZA program , we have deep concerns, in view of our commitments to the Greek people.**

The general outline of the Eurogroup agreement is as follows:

1. Greece asks for extension of the current credit support agreement, which is based on a series of commitments.
2. The aim of this initial initiative is to enable the completion of the evaluation of the current agreement and to give time for the drafting of a new agreement.
3. Greece will immediately submit a list of ‘reforms’ which will be assessed by ‘institutions’ and finally agreed upon in April.

4. The existing funds of the Financial Stability Fund will be used exclusively for the needs of the banks and will not be under control of the Greek government.
5. Greece is committed to fully meet in a timely fashion all its financial obligations to its partners.
6. Greece is committed to ensuring 'appropriate' primary surpluses to guarantee the sustainability of the debt on the basis of the Eurogroup decision of November 2012. The surplus for 2015 will take into account the economic conditions of 2015.
7. Greece will not revoke measures, or make unilateral changes that can have a negative impact on the budgetary targets, the economic recovery, or financial stability, as established by the EU institutions'.

On this basis, the Eurogroup will initiate the underlying process with a four-month extension period under the current agreement and urges the Greek authorities to immediately initiate a process for the successful completion of the agreement.

It is difficult to see how this agreement will be conducive to reaching the 'Thessaloniki' commitment, which involves cancelling most of the debt and the immediate replacement of the memoranda with a National Reconstruction Plan.

Those who were elected under the Syriza platform pledged to move forward **in the implementation of the National Plan regardless of the negotiations on the debt**, because we need to restart the economy and rebuild fundamental social relations. It is necessary therefore to explain how this commitment will be carried out and how the new Syriza government will handle the tragic situation it has inherited.

To be more specific, the National Plan includes four essential objectives, the cost of which for the first year is as follows:

- I) Addressing the humanitarian crisis (1.9 billion).
- II) Restarting the economy with tax cuts, [State supported] "red loans" involving the establishment of a Development Bank, resetting the minimum wage to 751 euros (total 6.5 billion).
- III) A State Employment Creation Programme with a target of 300,000 jobs (3 billion euros in the first year and another 2 billion in the second).
- IV) Transformation of the political system involving changes in local government and parliament.

The sources of funding again for the first time planned are as follows (in euro):

- I) Settlement of debts to the tax office (3 billion)
- II) Combating fraud and smuggling (3 billion)
- III) Financial Stability Fund (3 billion)
- IV) NSRF and other European programs (3 billion)

In view of the formal release of the Eurogroup agreement, my questions are as follows:

1. National Reconstruction Plan

How can we fund the National Reconstruction Plan, when Euro 3 billion under the Financial Stability Fund is now outside Greek control? [Namely in the hands of EU financial institutions]

The removal of these funds from Greek control makes it even more pressing for the Greek government to collect large amounts of revenue attributable to tax avoidance as well as tackling the issue of short-term debts. How feasible is this prospect?

2. Remission

How will debt cancellation occur, given that Greece has committed itself to fully meet all its financial obligations in relation to its creditors in a timely fashion?

3. Austerity Waiver

How can austerity be rescinded, with Greece tied into conditions of debt sustainability, [where primary surpluses are allocated to debt servicing] namely to make this huge debt 'sustainable'? The 'sustainability' debt – as estimated by the Troika – was exactly the reason for the irrational policy of allocating primary surpluses to meeting debt obligations. **Since the debt has not been significantly reduced, the fundamentals of economic austerity will prevail, the impacts of which will be catastrophic for the Greek economy.**

4. Supervision and financial cost

How can we implement progressive change in the country, when the [EU financial] institutions' exert strict supervision while also prohibiting unilateral actions [by the Greek government and national institutions]?

5. Future negotiation

What will happen in the next four months under the 'extension' clause?

What are the prospects of future negotiations with our partners? Will they yield positive results [for Greece]?

What will prevent the deterioration of the political, economic and social situation of our country?

This period is absolutely crucial for Greek society, the Greek Nation and of course the Left.

The democratic legitimacy of the government rests on the implementation of the Syriza program.

The minimum requirement is to have an open discussion [and debate] of our party members as well as within the Parliamentary Group.

Key responses to these issues are of crucial significance. with a view to upholding the support of the people of Greece to our program.

The answers to these [crucial policy] questions will determine the future of our country and society.

Edited by Michel Chossudovsky, Global Research

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