

The Troika's Message to the New Greek Government: We Don't Care About Humanitarian Issues

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Since 2010 the troika, consisting of the International Monetary Fund, the European Central Bank and the European Union's commission, has forced different governments in Athens to implement six consecutive austerity programs which have severely lowered the living standards of working people, devastated Greece's social systems and plunged millions into poverty. This is why on 25 January, the majority of the Greek population decided to vote for a party that raised their hopes for a better future by promising an end to austerity.

Four weeks later this dream has been shattered. In last week's negotiations the troika left no doubt that it will not deviate from its path of insisting on the unrestricted continuation of austerity politics. In other words: The working people of Greece will have to keep filling the gaps in the state budget generated by the bank bailout in the beginning stages of the Euro crisis.

Germany's finance minister Schäuble jumped at the chance of using the confrontation with the new Greek government for a deliberate show of intransigence, delivering a clear message to the working people of Europe: The troika's policies are solely determined by the interests of financial capital which has no concern for the plight of jobless teenagers, starving senior citizens or cancer patients, who are no longer able to pay for their medication.

Right after the Greek elections, the IMF made it a point to demonstrate its power by immediately suspending its payments to Athens. On February 11, it was followed by the ECB, which stopped accepting Greek state bonds as collateral for ECB loans. Contrary to its presentation in the mainstream media, this measure was not directed against Greek banks (whose emergency credit line was immediately extended by 5 billion euros), but against the Greek government, which had dared to openly criticize the troika's policies.

The economic groundwork having been laid by the IMF and the ECB, the EU, led by Germany, took over and began to deliberately humiliate the new Greek government. Ignoring any mention of the humanitarian catastrophe brought about by austerity politics, each and every proposal for even the most faint-hearted reforms was met with outright rejection. Instead, the EU insisted that Syriza submit to complete adherence to all agreements forced on the country under the predecessor governments and accept them as an essential prerequisite for further negotiations.

At the same the mainstream media unleashed an intensive campaign of slander, stirring up anti-Greek sentiment by blaming Greek working people of having lived "beyond their means", of having obtained membership in the Eurozone by fraudulent means, of showing

no gratitude towards their “saviors” and refusing to fulfill their obligations towards their “partners”. Reports were launched that the EU was preparing to exclude Greece from the Eurozone, and finally the bundle of lies was topped by the presentation of Alexis Tsipras and his cabinet as a group of radical “ultra-leftists” and even “revolutionaries” threatening the destabilization of Europe because of their dubious attitude towards private property.

Nothing could be further removed from the truth than each of these allegations. The working people of Greece have never lived beyond their means and are in no way responsible for the financial crisis, which was brought about by bankers and ultra rich investors engaging in reckless speculation. Greece’s entry into the Eurozone was jointly prepared by an alliance consisting of the government in Athens, US investment bank Goldman Sachs (whose advice cost Greek taxpayers 800 million euros) and several financially incompetent EU bureaucrats who left behind a debt of 5 billion euros that Greek taxpayers will have to repay until 2020.

Wolfgang Schäuble’s assertion that Greece was “saved” by the EU is an outright lie. After several Greek banks could no longer service their debt to foreign banks due to their enormous losses in the US subprime mortgage market, leading politicians of the EU transferred their taxpayers’ money to the Greek government, which in return passed it on to its European and American creditor banks. What Schäuble calls “saving the country” was in actual fact a major redistribution of wealth from the working people to the ultra rich.

The exclusion of Greece from the Euro zone is a highly improbable scenario and deliberately used to increase public pressure on the Greek government. Greek state debt runs at 320 billion euros, with most of the money insured in the derivative market. The sum total covered by credit default swaps that would come due in the event of a “Grexit” is estimated at between 3 to 5 billion euros. Even if in actual fact these figures should be considerably lower, a “Grexit” would most probably lead to the default of one or several international banks and provoke a systemic failure. One can be pretty sure that the troika (especially the IMF, as most credit default swaps are issued by 5 major American banks) would go out of its way to prevent this from happening.

Labeling the new government in Athens as “ultra-left” or even “revolutionary” is ridiculous. Alexis Tsipras and his cabinet have neither called for the expropriation of Greek billionaires or the nationalization of corporations and banks, nor have they announced the introduction of a planned economy. They have more than once stated that they are firmly committed to the EU, the common currency and even to the troika’s austerity program. Syriza or at least those presently leading it are not leftists, but liberals, committed to market economics and fiercely opposed to questioning the system of capitalism.

However, there is a deeper meaning to the demonization of Syriza and last weeks’ humiliation of its government by the troika that extends far beyond the borders of Greece: They intend to show the working people of Europe that, even though they are suffering, there is no room left for liberal reform politics. They are meant as a warning to all those who dare voice their protest against social and economic grievances, telling them that from now on whoever demands reforms will immediately be treated as a radical questioning the foundations of the system.

Although it may sound absurd, there is a grain of truth in all of this. The all-embracing domination of the real economy by the financial sector and its chase for ever higher profits

no longer tolerates even the smallest economic or social concessions. This is due to the fact that international investors have been able to continue and even expand their speculative business after the crisis of 2007 / 2008. Not having experienced any serious legal restrictions and never having been held accountable for their financial crimes they are running even higher risks, expecting to be bailed out again in case of need. This has led to the fact that their wealth and therewith their financial and political power has increased considerably over the last seven years.

As far as Syriza's future role is concerned, the party or rather the coalition of parties it constitutes is without doubt doomed to failure. Ending austerity and at the same submitting to the demands of the troika is just as impossible as becoming a pacifist and remaining within NATO. Syriza will not be able to stick to even a few of the promises it made during its election campaign. On the contrary, as the ratio of Greek debt to GDP has increased by almost 50% since the beginning of the crisis and is currently running at 175 %, the troika will soon demand even harsher measures from Mr. Tsipras and Mr. Varoufakis.

As the working population of Greece has not elected Syriza on a whim, but out of deep desperation, its very existence at stake, the continuation of austerity politics will surely provoke a strong reaction. The troika's tough stance and Syriza's abandonment of its election promises will certainly lead to a wave of social unrest which could shake the country to its foundations and spark off protests in other countries, possibly triggering a conflagration all over Southern Europe. On the other hand, it might also lead to a strengthening of right wing forces and thus raise the danger of fascist dictatorship.

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