

Tsipras has taken a quick lesson in Euro-speak

Greece's new Prime Minister Alexis Tsipras has proved a quick learner. After less than a month in office, he has finally mastered the great quality of fudge necessary for dealing with the EU institutions. Mind you, it remains to be seen how convinced the Greek people will be that his capitulation to the hated "troika" was a victory. Before last Friday's capitulation, he enjoyed a level of popular support which most Prime Ministers could only dream of – 75%. Unless the Greek people are particularly gullible, it is hard to imagine his government retaining its popularity for long.

Tsipras' statement on Friday that "We kept Greece standing and dignified" was a masterpiece of Euro-Speak. He went on to say that the agreement with Eurozone finance ministers "cancels austerity" and added: "In a few days we have achieved a lot, but we have a long road. We have taken a decisive step to change course within the euro zone." Reality is very different. Tsipras declared Greece was "leaving austerity, the bailouts and the troika behind" but has been forced to continue with austerity and extend the bail-out. As for the hated "troika (the ECB, the IMF and the European Commission), Syriza has secured an agreement not to use the name "troika", but these three bodies, now referred to as "the institutions" will still oversee Greece's bailout.

It promised to push through a series of anti-austerity measures including upping the minimum wage, scrapping taxes and re-hiring a number of civil servants. Instead, it has had to promise not to roll back the reforms introduced by previous governments or introduce any controversial measures during the four-month period of negotiations on a new long-term deal. Although Syriza has managed to reduce the agreed level of primary surplus it must achieve and has at least been able to

suggest which reforms it would like to implement, they must be agreed by the other Eurozone countries. It is, to all intents and purposes, a total capitulation.

Wolfgang Schäuble, the German finance Minister rubbed salt into the wounds when he said, "Being in government is a date with reality, and reality is often not as nice as a dream." In other words, "this immature group of idealists has had to grow up quickly." Herein lies Syriza's problem. The party promised the impossible. The country is bust, its main creditors are fellow-EU member states and the only alternative to years of grinding cuts would have been an Iceland-style banking crash which would have forced Greece out of the Eurozone and possibly the EU as well. It would have meant a spike in inflation and things getting even worse before they got better. Faced with these tough choices, Tsipras and his finance minister Yanis Varoufakis blinked and rolled over.

What this will mean to those many Greeks who celebrated the Syriza victory with such enthusiasm less than a month ago remains to be seen. There may be issues within Syriza itself which, as has been pointed out before, is not a monolithic political party but an association or coalition of left-wing factions, some of which may not be willing to go along with this humiliation. PASOK, which Syriza has replaced as the main party of the left, was soon on the attack. "No propaganda mechanism or pirouette can hide the simple fact that they lied to citizens and sold illusions" said Evangelos Venizelos, the party leader.

In summary, Greece has secured for itself a four-month extension to the current deal at the price of an embarrassing climbdown which the party's leadership has tried to disguise as a victory. It saves Greece's banks from collapse for the time being while still leaving the most critical question unanswered:- How is a country that may no longer even be able to achieve a primary surplus bring down its vast debt of 175% of GDP? The markets may be happy at Friday's deal, but it may

yet prove a false dawn – a lull in, rather than a termination of, the Eurozone's woes.

.