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Greece

# It's time

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## **Description:**

The fear of Greek exit from the euro should no longer cripple us. The Syriza government's decision to transfer all available public sector funds to the Bank of Greece marks a political turning point. This high-risk move exposes in the clearest possible way the nature of the situation as it has evolved in the two and a half months since the February 20 agreement.

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**The fear of Greek exit from the euro should no longer cripple us. The Syriza government's decision to transfer all available public sector funds to the Bank of Greece marks a political turning point. This high-risk move exposes in the clearest possible way the nature of the situation as it has evolved in the two and a half months since the [February 20 agreement](#).**

The argument that was put forward then in favor of that accord was that it "bought time," at however painful a price, so as to prepare the ground for key summer negotiations.

The claim was that for a four-month period the European Central Bank would call a halt to the torture it had been imposing on the country's economy since February 5, when it decided to terminate the most important mechanism for funding the Greek banks. As it is now generally recognized, the government was dragged into signing that unbalanced agreement through pressure from an accelerating outflow of bank deposits and the threat of bank collapse.

Now, with [public coffers emptying](#) to forestall a cutoff of debt servicing and inescapable state obligations, it is evident that the only time that has been bought is time that works to the advantage of the Europe institutions and that the Greek side is exposed to an intensifying blackmail as its position deteriorates.

The unprecedentedly belligerent climate at the [Eurogroup meeting](#) in Riga, with the Greek Finance Minister Yanis Varoufakis being pilloried and ridiculed by his counterparts (even those from countries of the weight of Slovakia or Slovenia) shows clearly enough how much humiliation the government has had to swallow over the last two months.

## Behind the Mistake

In a noteworthy statement on April 23, the deputy minister responsible for international economic relations who has now succeeded Varoufakis as the head of the Greek negotiation team Euclid Tsakalotos said characteristically: "When we put our signature on the February 20 agreement we made the mistake of not making sure that this agreement would be a signal to the European Central Bank to start the countdown for liquidity."

But this "mistake" does not have to do with some secondary aspect but with the central point of the agreement. There is a specific reason for it, and this reason is political, not technical, in character.

The Greek side did not take into account what was obvious from the outset, namely that the European Central Bank and EU were not going to sit twiddling their thumbs when faced by a government of the radical left. The biggest gun in their arsenal is liquidity and it was entirely logical and predictable that they would resort to it immediately. And naturally the lenders have every reason to continue ["tightening the noose"](#) (as Prime Minister Alexis Tsipras puts it) until they have forced the Greek side into total capitulation.

To put it differently, if with the February 20 agreement the lenders had agreed to "ensure liquidity," if they had delinked its provision from the specific austerity plans they seek to impose, they would simply have deprived themselves of the most significant means of exerting pressure they have at their disposal. That Tsakalotos believed they would do this smacks of extreme political naivety, if not willful blindness, particularly when [a major section](#) of his

own party has been warning from the outset of the inevitability of this development.

So the "mistake" results from a fundamentally wrong working hypothesis, on which the government's whole strategy has been based from the outset: that "we will finally reach an agreement with the lenders" allowing Syriza to implement its program while staying the eurozone. This is the doomed logic of "left Europeanism."

## What's Next?

However much the phrase has been used and misused, we cannot find a better way of describing the country's present situation than by saying that it is hanging by a thread.

With the method and content of the legislation on the transfer of funds, the government finds itself in a very difficult situation not only financially, but politically. The preconditions may well have begun to be created in Greece for cacerolazos, demonstrations on the model favored by the reactionary and foreign-sponsored oppositions in Latin American countries trying to overthrow left-wing governments.

The only escape route from the threatened confinement in the cage of the Memoranda, and derailment of the government's project, lies in the activation of the popular mobilization, recapturing the combative and hopeful climate that prevailed prior to the February 20 agreement.

It is not too late. Now is precisely the time for straight talk, the only that can have an impact and activate the people, precisely because it treats them with due respect, as adults and the agents of their own destiny.

What is at stake in Greece is the possibility of a radical change and the opening of a route towards a political overturn and emancipation of its people, its working classes, but also the future of workers across Europe.

The fear of Grexit should cripple us no longer. The time has come to make it clear for a start that whatever funds are channeled under the new legislation into the public coffers are earmarked for coverage of public and social needs and not for payments to lenders.

The time has come to put an end to the soporific waffle about "negotiations going well" and "agreements on the way."

The time has come to put an immediate end to the surrealistic references to "mutually beneficial solutions" and the "partners" with whom we are supposedly "joint proprietors of the EU."

The time has come to reveal to Greek and international public opinion the data that would expose the relentless war being waged against this government.

And the time has come, above all, to prepare at long last, politically, technically and culturally, for the only honorable solution, the parting of the ways with this implacable neoliberal cabal.

The time has come to make concrete the content, and explain the viability, of the alternative proposal, starting with the twofold initiative of a suspension of payments to the lenders and the nationalization of the banks and progressing, if necessary, to the choice of a national currency, approved by the public through a popular referendum.

## It's time

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The time has come for serious thought but also for decisiveness. This is the time when disaster and redemption stand next to each other.

This is the time to fight back.

6.5.15

[Jacobin](#)