

Greek bailout talks shift into higher gear

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Athens: Greece's talks with its international creditors on a third bailout worth 85 billion euros (USD 93 billion) shifted into a higher gear today, with lead negotiators from the European Union and International Monetary Fund meeting key ministers in Athens.

The talks with Finance Minister Euclid Tsakalotos and Economy Minister Giorgos Stathakis follow preparatory meetings in the Greek capital this week between lower-level officials on reforming the tax system and labor market regulations.

The third bailout will include a new punishing round of austerity measures heaped on a country reeling from a six-year recession and more than 25 percent unemployment.

Prime Minister Alexis Tsipras has pledged to back the new cutbacks, while openly admitting that he disagrees with them. "We will implement them, yes, because we are forced to," he said in parliament today. "But at the same time we will struggle to change them, to improve them and to counter their negative consequences."

The bailout talks with the IMF, European Commission, European Central Bank and European Stability Mechanism must be concluded before August 20. That's when a debt repayment to the ECB worth more than 3 billion euros is due - money which Greece does not have.

Today's meetings came hours after Tsipras defeated a bid by dissenters in his left-wing Syriza party to push for an end to bailout negotiations and seek a return to the old national currency, the drachma.

The party's governing central committee backed a proposal by Tsipras to hold an emergency party conference in September, after the talks have been concluded.

Dissenters had sought a conference earlier, pressing the government to abandon the negotiations. Tsipras effectively lost his majority in parliament in a vote three weeks ago, when nearly one-fourth of Syriza's lawmakers refused to back new austerity measures, arguing that the party has betrayed the anti-austerity platform that got it elected in January.

"This country no longer has democracy, but a peculiar type of totalitarianism - a dictatorship of the euro," prominent dissenter Panagiotis Lafazanis said.

Pro-European Union opposition parties were left to save the bill and have continued to prop up his government, while Tsipras has taken no disciplinary action against dissenters.

"We have to agree that we can't go on this way," Tsipras told the committee members during a 12-hour meeting. He added that "the absurdity of this strange and unprecedented dualism within the party must stop."

Later today, Tsipras defended his flamboyant former finance minister, Yanis Varoufakis, who came under heavy fire over claims he made - and confirmed after they were leaked - that he had drafted contingency plans for a parallel payment system that could have eased a euro exit.

- AP