

Who was planning a coup? Tom Stroschneider in Neues Deutschland

yanisvaroufakis.eu/2016/07/20/who-was-planning-a-coup-tom-stroschneider-in-neues-deutschland/

By yanisv

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The image is a screenshot of the website for the newspaper 'Neues Deutschland'. The header features the newspaper's name in large white letters on a dark green background, with the subtitle 'SOZIALISTISCHE TAGESZEITUNG' below it. A navigation bar contains links for 'Home', 'Meinung', 'Politik', 'Gesellschaft', 'Kultur', 'Sport', 'Ratgeber', and 'Dossiers'. Below this, there are more specific links: 'Inland', 'Berlin und Brandenburg', 'Ausland', 'Bewegung', 'Wirtschaft und Umwelt'. The article by Tom Stroschneider is dated 11.07.2016 and is categorized as 'Ausland'. The main headline is '»Sie waren so demütigend«' in large, bold black font. Below it, the sub-headline reads 'Deutsche Grexit-Drohung, griechische Geheimpläne und der Mangel an politischer Aufarbeitung: ein Jahr nach #ThisIsACoup'. A photograph shows two men in suits laughing together. At the bottom, a pink banner contains the text 'Gemeinsam sind wir stark' and '– linker Journalismus ist mir etwas wert!'.

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Von Tom Stroschneider 11.07.2016 / Ausland

»Sie waren so demütigend«

Deutsche Grexit-Drohung, griechische Geheimpläne und der Mangel an politischer Aufarbeitung: ein Jahr nach #ThisIsACoup



Gemeinsam sind wir stark
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This article by Tom Stroschneider was first published in the German newspaper Neues Deutschland. [Read the German original here](#) or the English version on the DiEM25 site.

In Athens, the opposition is currently trying to suck political honey out of a story that is actually already old hat:

before and during the “Greek Spring”, the SYRIZA-led government made preparations for the possibility of a forced exit from the Eurozone. Now however, critics even speak of a “coup that never happened“. Why now?

Because the advisor of the former Finance Minister Yanis Varoufakis, American economist James K. Galbraith, has just published a book which deals, among other things, with the famous “Plan X”. The leftist government of Greece wanted to use this plan to prepare for what the political right and neoliberals all over Europe were demanding: Grexit. Not freely, but as a measure that should hit Athens hard.

We later saw how right Greece was to explore, as far as possible, what would happen in case of Grexit and how to react. Exactly one year ago, just before the critical Brussels summit on a new loan program, the German Finance Ministry circulated a discussion paper threatening Greece with expulsion from the euro. The social, economic and political consequences would have been severe.

There were some in the leftist party SYRIZA who speculated with the idea of exit from the common currency. But no one really at the top in Athens wanted to push such a highly dangerous step or go about it himself. The deliberations on how to respond to a forced Grexit were made in secret – no wonder considering the potential consequences of it becoming known: even more uncertainty among savers and businesses, the possible reactions of financial speculators and so on.

“Revolt against the Euro”: But by whom?

In the summer of 2015, excerpts were released from a telephone conference recording in which Yanis Varoufakis talked about some of these theoretical scenarios. A Europe-wide storm of indignant headlines broke loose. The then newly-retired finance minister was even reported for treason. Newspapers wrote about a “Grexit hack” and a “drachma coup” [at that time](#); things were mixed that didn’t fit together just to promote one message: that the leftist Greek government was planning a “revolt against the Euro”.

At that time, Varoufakis had already revealed that which should not be a surprise and even less a scandal. In one of the first interviews after his resignation, he reported that a “small group” had “worked out on paper” what “may have to be done in that case [of Grexit]”. A group of experts who met between March and May, partly under conspiratorial circumstances, finally delivered a long report to Greece’s finance minister.

Incidentally, [Varoufakis and Galbraith were not the only ones pondering the possible consequences of a Grexit](#). The National Bank of Greece, finance ministries of various eurozone countries, and international organizations all pondered it – and not just after SYRIZA came into power.

However, because Varoufakis embodied that which public opinion had been criticising throughout Europe since January 2015 – an anti-politician, an intellectual in office, an economist who was suddenly faced with the business of politics – this finance minister remained the center of indignant headlines until just a few months ago. But now that Varoufakis has founded a movement to continue his fight for solidarity in Europe, the opposition in Greece is attempting to blame Tsipras himself for defending against Grexit.

How the Greek opposition is exploiting the “secret plan”

[Just recently the conservative party Nea Dimokratia has renewed its call for a parliamentary inquiry](#). The leader of the socialist party Pasok, Fofi Gennimata, is calling for an official investigation of the “secret plan”. [And even within SYRIZA](#), the excitement is not much smaller. Vice Finance Minister Giorgos Houliarakis attacked Galbraith in parliament last week – apparently he saw himself on the defensive. Ex-SYRIZA MP Panagiotis Lafazanis, who now leads the unsuccessful split-off party Popular Unity, criticised “Plan X” from his perspective: that Tsipras’ government had never had a real plan – neither for Grexit nor for negotiations with the creditors.

The fact that the verbal attacks now mainly turn against Tsipras is not just because Varoufakis is no longer a member of the Greek government, but also because of the publication of Galbraith’s book. In it, there is no hint that

Prime Minister Tsipras also knew about the Grexit workgroup. However, the US economist wrote a [short article](#) for Varoufakis' European movement DiEM25 pointing out that the "the preparation of a preliminary plan" (for the event that Greece is forced out of the euro) was "requested by the Prime Minister". Since then, the opponents of SYRIZA have sensed an opportunity for political gain from this issue.

Tsipras' hint: just ask in Berlin

The debate in Greece, however, has a large gap: the role of the German government. Incidentally, it was Tsipras himself who pointed this out last year. In July 2015, defending Varoufakis, who had again been in the crossfire, [the Prime Minister gave the crucial clue](#): "Ask the government in Berlin. They will tell you what kind of plan that is."

It is one thing for German politicians to have been among those repeatedly demanding Grexit after SYRIZA's electoral victory. It is quite another for the German finance ministry to have blackmailed the Greek government with a semi-official paper putting Grexit on the negotiating table.

[What then came out of](#) Wolfgang Schäuble's office was designed to

1. obliterate a compromise proposal from Athens
2. keep the International Monetary Fund on board for a new loan program
3. place the SYRIZA-led government in front of the "either or" decision. Either Tsipras had essentially to submit to the demands of the creditors, or they would "offer Greece swift negotiations on a time-out from the eurozone over at least the next five years". What an offer.

A date one should still remember

When the discussion paper became known to the public on Saturday, 11 July 2015, it caused a medium-sized political earthquake – and that at a time when there was certainly no lack of historical events in terms of Greece and the euro crisis policy. Someone wrote on Twitter that one must remember the date: the German government threatened Athens with the alternative of either eviction from the euro or acceptance of the country's complete sellout under foreign control. And it was clear, too: it was not a blunder that this paper reached the public eye. This is one of the characteristics of such discussion papers, or non-papers, as they are also known. Even if they do not officially exist, they naturally develop an official effect. Someone just has to want them to be known.

This discussion paper was instrumental in leading to the known consequences: in the night of 12-13 July 2015, after long nightly talks and under pressure from the Grexit threat, Prime Minister Tsipras accepted the third loan program, which came with severe conditions for Greece. Varoufakis would later speak of a moment of defeat; it was "the best possible result," said the office of the Prime Minister at the time, trying to find a silver lining to the cloud.

The German role in the game against Athens, especially the role of the Grexit-threat and of the discussion paper, has hardly been investigated or evaluated. The SPD initially claimed not to have known anything – although Minister of Economy Sigmar Gabriel said something different. The opposition was outraged by the fact that the "proposal" for [at least] a temporary Grexit had been made in circumvention of parliament. Even Social Democrats expressed the valid fear that a withdrawal of Greece from the eurozone would have been the end of the common currency. The result was another – but this result, too, had severe consequences: for Greece.

Investigation? Almost none so far

Immediately after the Brussels summit, the German government presented the excuse that the discussion paper had been formulated in the event that "Greece had itself expressed a desire to take, for example, a time-out from the euro" – despite politicians in Athens having always and repeatedly declared their categorical wish to remain in

the euro. Even today inconsistencies remain in the question of whether and when the Grexit option had really been discussed between the German ministers of finance and economy.

The German government has also brushed aside all criticism that the “Steffen-paper” (as it is sometimes called in the Greek press, referring to German Secretary of Finance, Thomas Steffen, the representative in the Euro Working Group, which prepares the meeting of ministers) had become [a political lever against Greece](#) bypassing the Bundestag. Remember that the discussion paper was presented to the Eurogroup on a Saturday and was only forwarded to the Bundestag on Sunday. According to the German government, it had been “not a negotiation document” in the sense of the laws detailing parliamentary participation requirements – so, according to the government there had been no need to inform parliament in advance.

[The German government’s responses](#) to some questions related to the discussion paper were very curt. Grexit? “Such a decision would have been a matter for the Greek government.” And why then the discussion paper? It “showed options for further action”. What did Gabriel really know? “The Federal Minister of Finance, Dr Wolfgang Schäuble, had conducted talks about options for Greece within the German government ahead of the Eurogroup meeting of 11 July 2015.”

“Be used as a way of pushing the Greek government”

The conservative Athens newspaper *Kathimerini* [offered a glimpse](#) of what could really be behind the thing. Already on 6 July 2015, almost a week before the Euro group meeting, Angela Merkel is said to have proposed the idea of a “five-year time-out from the Euro” for Greece in speaking to French President François Hollande. He had issued an unfavorable opinion that such a move would neither help Greece solve its problems, nor could one be certain that the “time-out” would remain temporary.

Kathimerini voices the suspicion that the idea of Grexit was also discussed on 9 July 2015 between Merkel, Vice-Chancellor Sigmar Gabriel and Foreign Minister Frank-Walter Steinmeier – as an instrument to push the government in Athens to accept a new loan program in line with the will of the creditors (“be used as a way of pushing the Greek government”). The next day, only 24 hours before the crucial Eurogroup meeting, the discussion paper was sent around to the representatives of the Euro Working Group. However, according to *Kathimerini*, the way that Finance Minister Schäuble used the Grexit threat to blackmail the government in Athens went beyond what had been agreed to by the heads of the governing coalition.

The newspaper’s source: a German government official who was familiar with the negotiations of the time. “What shocked us about the discussion paper was the way in which they laid down the conditions for Greece remaining in the eurozone. The conditions were so humiliating that they appeared to have the goal for Greece to reject them.” This would have resulted in Grexit.

So who here really pursued a “Plan B”? Looking back, Galbraith writes that it had not been the task of his working group to make recommendations for a euro exit. So they had not made any. “We prepared for a scenario that everyone hoped to be able to avoid.” The ones planning a coup were certainly not the Yanis Varoufakis group.