Greece – A New Standoff with the Troika, Germany and the IMF

By Peter Koenig
Global Research, February 13, 2017

Region: Europe
Theme: Global Economy

Background

Greece has warned the International Monetary Fund and Germany to stop playing with fire a day after Athens and its creditors failed to reach a deal on the country's debt crisis.

Greek Prime Minister Alexis Tsipras told his party that the IMF and German Finance Minister Wolfgang Schaeuble should stop playing with Athens' debt. He said a solution would be found while urging the IMF to revise its forecast for technical level discussions to continue. On Friday, Athens and its international creditors failed to reach an agreement on the country's debt relief and budget targets. The troika of Greek creditors wants Athens to come up with a strategy to repay its over seven-billion-dollar debt that's due this summer before releasing another batch of bailout loans.

Note: The Troika is the triumvirate formed by the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF).

Press TV Interview with economist and geopolitical analyst Peter Koenig

PressTV: What is your take on what has just happened in the past few days between the Troika, Germany and the Greek Government?

PK: My first reaction and advice to Greece is to default on the 7 billion euros. The second thought is – default with a strategy to exit the euro and if necessary the EU.

Greece today has a debt of close to 300% of GDP. This is almost triple of what it was in 2007 / 2008 when the 'crisis' began. This debt is totally unsustainable and can never be paid back, less so under constant austerity programs imposed by the IMF and the troika as a whole (IMF, European Central Bank, European Commission).

Greece today is totally mortgaged so to speak – almost every public service and public asset was transferred – most clandestinely – to the European Stabilization Fund in Brussels – to be sold off at fire sales prices. These public assets include public utilities, such as airports, highways, water supply and sanitation services, electricity, even public beaches, hospitals and schools.

This is *THE* opportunity for Greece to get out of their quagmire.

Get back her own currency – regain her sovereignty as an independent country with an independent monetary and banking system. With public banking that works for the Greek economy – and no longer for the Wall Street globalized banksters.

This should have been done a long time ago, but it's never too late.

PressTV: Why do you think Greece has not done yet what you suggest? They must have economists who come to the same conclusions.

PK: That's the million-dollar question I keep asking myself since quite a while. Yes, they do have good economists, and I know of some who have quit working for the government under these circumstances.

I have a few speculative explanations. First, it is possible that the Greek leadership was threatened by the troika; perhaps some individuals were physically threatened, which would not be unusual for those who pull the strings in Washington and Brussels. It is also possible that the 'nominally socialist' government has been threatened with 'regime change' – that could indeed be by brute force, à la Ukraine…especially since Greece is hosting a strategically important NATO base in Europe.

Peter Koenig is an economist and geopolitical analyst. He is also a former World Bank staff and worked extensively around the world in the fields of environment and water resources. He lectures at universities in the US, Europe and South America. He writes regularly for Global Research, ICH, RT, Sputnik, PressTV, The 4th Media, TeleSUR, TruePublica, The Vineyard of The Saker Blog, and other internet sites. He is the author of Implosion – An Economic Thriller about War, Environmental Destruction and Corporate Greed – fiction based on facts and on 30 years of World Bank experience around the globe. He is also a co-author of The World Order and Revolution! – Essays from the Resistance.

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