

## SPIEGEL Interview with Greek Prime Minister Tsipras: 'We Don't Want to Go on Borrowing Forever'

Interview Conducted By [Manfred Ertel](#), Katrin Kuntz and Mathieu von Rohr | March 7, 2015



Greek Prime Minister Alexis Tsipras in his office in Athens: "I believe that the euro zone is like a wool sweater: When it starts to unthread, then it can no longer be stopped."

**In a SPIEGEL interview, Greek Prime Minister Alexis Tsipras discusses planned reforms, the polarizing effect his government has had on Europe and the possibility of a "Graccident," Greece's accidental exit from the euro zone.**

Alex Tsipras seems almost inconspicuous as he stands in his enormous office in Athens' Maximos Mansion, and very relaxed. Greece's new, 43-year-old leftist prime minister, a thorn in the side of German leaders in Berlin, has a soft handshake. On the conference table is a pad of paper bearing the government coat of arms along with neatly written notes in preparation for our interview.

Tsipras wants to explain himself and the policies of his government, he says, adding that he hopes to answer questions openly and honestly so that people in Germany understand him better. Now, he says, is the ideal time for such a discussion, coming as it does after the negotiations with Brussels and shortly before Athens intends to present its new reform plans to European Union finance ministers on Monday.

The prime minister has given us an hour for the interview. He speaks Greek as he explains his plans in a deep, yet quiet voice, even laughing occasionally while leaning back comfortably. His self-confidence does not come across as arrogant, seeming instead to be rooted in his firm conviction that his position is the right one. He knows, he says, that life is full of compromises and that compromises are also vital for his country's cooperation with the European Union. "We must leave disaster of all kinds behind us," Tsipras says. "That, too, is why I wanted to speak with you."

**SPIEGEL:** Mr. Prime Minister, most of your European partners are indignant. They accuse you of saying one thing in Brussels and then saying something completely different back home in Athens. Do you understand where such accusations come from?

**Tsipras:** We say the same things in Germany as we do in Greece. But sometimes, problems can be viewed differently, depending on the perspective. (He points to his water glass.) This glass here can be described as being half full or half empty. The reality is that it is a glass filled half-way with water.

**SPIEGEL:** In Brussels, you have given up your demands for a debt haircut. But back home in Athens, you continue talking about a haircut. What does that have to do with perspective?

**Tsipras:** At the summit meeting, I used the language of reality. I said: Prior to the bailout program, Greece had a sovereign debt that was 129 percent of its economic output. Now, it is 176 percent. No matter how you look at that, it's not possible to service that debt. But there are different ways to solve this problem: via a debt cut, debt restructuring or bonds whose payback is tied to growth. The most important thing, though, is solving the true problem: the austerity which has driven debt way up.

**SPIEGEL:** Are you a linguist or a politician? You told the Greeks that you got rid of the troika and sold it as a victory. But the European Commission, the International Monetary Fund (IMF) and the European Central Bank (ECB) are still monitoring your reforms. Now, they are simply called "the institutions."

**Tsipras:** No, it isn't a question of terminology. It has to do with the core of the issue. Every country in Europe has to work together with these institutions. But that is something very different than a troika that is beholden to nobody. Its officials came to Greece to strictly monitor us. Now, we are again speaking directly with the institutions. Europe has become more democratic because of this change.

**SPIEGEL:** What change? You still have to submit your reform plans to three "institutions" for approval.

**Tsipras:** The reforms won't be approved by the institutions. They have a say in the process and establish a framework that applies to all in Europe. Previously, the situation was such that the troika would send an email telling the Greek government what it had to do. Our planned reforms are necessary, but we are deciding on them ourselves. They aren't being forced onto us by anyone. We want to stop large-scale tax evasion and tax fraud more than anybody. Thus far, it has only been the low earners and not the wealthy that paid. We also want to make the state more efficient.

**SPIEGEL:** But we're still a bit confused. Does Greece want and need a third bailout package in June when you run out of money?

**Tsipras:** I wouldn't call it a bailout.

**SPIEGEL:** What would you call it instead?

**Tsipras:** I would say that Greece has financing needs. We have massively consolidated our budget in recent years and now have primary surpluses instead of deficits. But we still can't borrow money ourselves on the capital markets. To do so, we have to **win back trust, b**ecome competitive and return to growth. Until that time, though, we have to finance ourselves in another way.

**SPIEGEL:** Which means, you need money from the Europeans.

**Tsipras:** Look, it's not about philanthropy for Greece. It's about joint responsibility and European solidarity. If Greece can't service its debt, that also has an effect on our partners. As such, a safety net for Greece is necessary and **we also have to return to the capital markets as rapidly as possible.** But that can't be combined with a program that has led to a situation of social distress; we need one that brings growth.

**SPIEGEL:** That is likely the opposite of what the German government would like to hear.

**Tsipras:** Some believe that investment can be triggered by further reducing labor costs. But we have already reduced them by 40 percent and it has hardly resulted in any new investment at all. The money that has flowed to Greece was aimed at saving the banks -- it didn't solve our liquidity problem. We don't want to go on borrowing money forever; we want to get out of this tight spot. But we can only commit to measures that we are also able to implement.

**SPIEGEL:** If we understand you correctly, you want more loans, but you don't want to subject yourself to any more controls.

**Tsipras:** In a crumbling society and a country with a humanitarian crisis, you can't sink wages any further. We can, however, push forward with structural reforms. We want to finally create institutions to efficiently apply taxes. We want to modernize the judiciary so that you no longer have to wait a year for a verdict. In the future, it should be possible to establish a company quickly and without extensive bureaucracy. We will also develop a land and property registry, something that has been promised since 1930.

**SPIEGEL:** Why do you think you will be successful in doing what your predecessors promised to do, but failed?

**Tsipras:** Because we are not part of the old system, as our predecessors were. In particular, we will restrict the unrestrained activities of the oligarchs. They control the media and still receive huge loans from the banks, in contrast to normal companies. We would also like to monitor the work of state suppliers, which have established vast cartels. No reasonable person can be opposed to such a plan, and we are determined to tackle it.

**SPIEGEL:** What about privatizations?

**Tsipras:** There we do in fact have a different approach. We have to make state assets usable, but we shouldn't sell everything. Otherwise, the proceeds will disappear directly into the black hole of debt. Instead, we want to use the revenues from state-owned companies to shore up social welfare.

**SPIEGEL:** On Monday, your government will be presenting your first reform proposals in Brussels, which will then have to be approved by the euro-zone finance ministers. What is your plan?

**Tsipras:** We will propose six reforms that are ready for implementation. First: combating the humanitarian crisis. We want to create an electronic Citizen Smart Card that can be used to access public services for which applications to seven authorities had to be made in the past. The needy will also be able to use it to pay for groceries and electricity. Second: the necessary administration reform to make the state more efficient. Third: the introduction of a rate payment plan for tax debts. The fourth reform has to do with tax administration and the fifth aims at the creation of a politically independent tax council. The sixth is the creation of a task force for targeted tax audits so as to combat tax evasion in the middle classes as well.

**SPIEGEL:** The first point sounds like more spending. How do you intend to finance it?

**Tsipras:** We have already presented a draft law in parliament. It corresponds with our promise to establish social justice. The humanitarian crisis is collateral damage resulting from the bailout program. Today, 35 percent of Greeks live beneath the poverty line and 600,000 children don't have enough to eat, according to UNICEF. We have already received EU funding for the fight against the humanitarian crisis and I will speak to European Commission President Jean-Claude Juncker in the coming days to find out if we can receive additional funds.

**SPIEGEL:** In the rest of Europe, people are concerned about your plan to allow Greeks to pay back taxes in up to 100 monthly installments. Are you not concerned that such a plan will cause tax revenues to dry up completely?

**Tsipras:** Quite to the contrary. It will create immediate revenues for the state. At the moment, the tax debt owed by Greeks is increasing by a billion euros each month. We want to reverse this development. And of course we will not offer this to people who are capable of paying but want to cheat.

**SPIEGEL:** What exactly is your proposal to create a tax council about?

**Tsipras:** It will be a tax authority that is independent of politics. Do you know how it was in the past? Major companies could call the prime minister here at Maximos Mansion and the terms would be changed in their favor overnight. That shall no longer be possible.

**SPIEGEL:** Do you really believe that will enable you to force the rich to pay?

**Tsipras:** Surely you know that there are two Greeces. The one Greece is that of 4 million people who live below the poverty line. You can see the other Greece if you go out on a summer evening in a Bouzouki nightclub along the coast or if you go to Mykonos. It is the Greece of the tax evaders and the cheats. We know full well that many of these bars and restaurants don't issue any receipts. We are going to be very strict against this Greece.

**SPIEGEL:** And what makes you so confident of success?

**Tsipras:** We are forming a task force for targeted checks and its staffing is to be changed every two months so that it doesn't become corrupt. We have a minister who is responsible for combatting tax evasion, a former public prosecutor. An independent organization is to be set up under him that is not influenced by the political system.

**SPIEGEL:** That sounds very ambitious at a time when your money is already running out. In March, you have to pay back just under €4 billion, but you aren't officially scheduled to receive the next tranche from the bailout program until the end of April. Will you even manage to get through this month?

**Tsipras:** I unfortunately have to admit that, during the past 30 days, I have spent 90 percent of my time negotiating how we can meet deadlines in order to secure our financing. That is in no way productive or creative. The meeting of the Euro Group on Feb. 20, when our loan agreement was extended, was an important step. A decision was made to give us breathing room, but the ECB is still holding onto the rope that is around our necks.

**SPIEGEL:** And where will you get the €4 billion from?

**Tsipras:** Greece could issue short-term government bonds, so-called T-Bills ...

**SPIEGEL:** ... but to do that, you would need the ECB's agreement, and it's not going to allow you to do that.

**Tsipras:** If the ECB insists on this decision, which in our opinion is not the right one, then it will be taking on a major responsibility. Then the thriller we saw before Feb. 20 will return. That, though, would be a political decision that should not be made by technocrats.

**SPIEGEL:** The ECB is politically independent.

**Tsipras:** I am confident that the necessary decisions will be made and that we will bridge the financing gap by the end of April.

**SPIEGEL:** Many experts now fear a "Graccident" -- Greece's accidental exit from the euro. If the ECB doesn't agree to your T-Bills, that's exactly what might happen.

**Tsipras:** I cannot imagine that. People won't risk Europe's disintegration over a T-Bill of almost €1.6 billion. There is a saying for this in Greece: A wet man does not fear the rain.



Tsipras on Greek Finance Minister Yanis Varoufakis: "Everyone has the right to an opinion." AFP

**SPIEGEL:** Afterwards, a far more fundamental conflict awaits. You want to put an end to austerity policies, but German Chancellor Angela Merkel doesn't want to allow such a thing. These widely divergent positions were glossed over as "creative ambiguity," as your Finance Minister Yanis

Varoufakis put it. However, it will no longer be possible to ignore this brewing conflict in June.

**Tsipras:** That is why we need to put these four months to good use. Europe is facing a dilemma: One either accepts the demands of the people in the south, who have suffered a lot under austerity, and correct the course -- or one reacts arrogantly and punitively. If that were to happen, Greece would gradually suffocate. That, though, would no longer just present a financial danger, but also a political one.

**SPIEGEL:** For whom?

**Tsipras:** The growing civil movement for a change of course in the south would then become an anti-European current. By punishing Syriza in Greece, you do not slow the dynamic of Podemos in Spain -- instead you compel it to become anti-European. By doing so, you strengthen Beppe Grillo in Italy, Marine Le Pen in France -- and opponents of the European Union like Nigel Farage in Britain will be very, very pleased.

**SPIEGEL:** Surely there is support for a loosening of austerity in some countries. But you were isolated during the negotiations with other euro-zone countries. You even attacked the governments of Spain and Portugal in recent days, complaining about their lack of support. Should Europeans really be talking to each other like that?

**Tsipras:** One cannot speak of a conflict between countries. Greece does not divide states into friends and foes. It was a criticism of the austerity policies. The interpretation that Greece is isolated is entirely wrong. Throughout the entire time of the negotiations, we have experienced solidarity from all of Europe of a kind we haven't seen since the times of the dictatorship.

**SPIEGEL:** But there are tensions between Germany and Greece.

**Tsipras:** The atmosphere that was created in the past -- in Greece, but also in Germany -- was not good. There is in fact an unfair climate towards Greece in Germany. Media like the *Bild* newspaper portray all Greeks as greedy bums and con artists. And here in Greece, Germans are portrayed as hard-nosed people who have enmity towards us. But it's not about a clash between people -- it's one between conservative and leftist forces. The one side is pushing for austerity and the other wants growth.

**SPIEGEL:** Is your only lever to change austerity a credible threat to leave the euro?

**Tsipras:** I rule out a Grexit because I love Europe. I believe that the euro zone is like a wool sweater: When it starts to unthread, then it can no longer be stopped.

**SPIEGEL:** Some in Germany, including people in the federal government, believe the euro would be stronger without Greece. In your party, too, there's a minority that wants to return to the drachma.

**Tsipras:** If we were to hold a referendum tomorrow with the question, "Do you want your dignity or a continuation of this unworthy policy," then everyone would choose dignity regardless of difficulties that would accompany that decision. But the threat to Europe today isn't Syriza or Podemos, it's the Front National in France or AfD in Germany.

**SPIEGEL:** Many in Berlin haven't found your government's performance to be particularly confidence inspiring. They feel provoked by Finance Minister Varoufakis.

**Tsipras:** Everyone has the right to an opinion. We also don't meddle in German domestic policy and dictate to Germany who becomes finance minister or chancellor. That is why we would prefer our partners to let us decide who we choose as our representatives.

**SPIEGEL:** Is it true that you ordered [Mr. Varoufakis to give fewer interviews?](#)

**Tsipras:** I have called for less words and more action from all members of the Ministerial Council (the official name of the government cabinet), not just Mr. Varoufakis.

**SPIEGEL:** In recent weeks, you have met with many top politicians in Europe. Is it just by chance that you haven't visited Angela Merkel yet?

**Tsipras:** That is not by chance. I received an invitation from François Hollande, from Matteo Renzi, from the Austrian federal chancellor and the Belgian prime minister and even from David Cameron, but I have not received an invitation from Angela Merkel. If I were to receive an invitation from the chancellor, I would accept it immediately. I have telephoned with her and we have spoken during summits. I think we have a good relationship and that there's good chemistry between us.

**SPIEGEL:** So why don't you initiate a first visit yourself?

**Tsipras:** So far I have not asked for one; I only became prime minister a short time ago. I have been open to anyone who wants to meet with me. When I needed to speak to Frau Merkel, I called her. I do not go places where I have not been invited.

**SPIEGEL:** Mr. Prime Minister, we thank you for this interview.

*This interview has been translated from the German.*

Source: [<http://www.spiegel.de/international/europe/spiegel-interview-with-greek-prime-minister-tsipras-a-1022156.html>]

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