

## FINANCIAL TIMES

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# Alexis Tsipras grounded by dissent from within Syriza

Kerin Hope in Athens

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Alexis Tsipras. Greek prime minister

After four hours of discussions with EU leaders in Brussels on Wednesday night, Alexis Tsipras was planning to return on Friday in hopes of at last sealing a bailout deal with creditors.

But the Greek prime minister has been grounded by a torrent of anger and resistance from his Syriza party. Instead of flying to Brussels, he will on Friday be appealing to a restive parliament in Athens with his government — and the country's financial future — on the line.

“The overwhelming sentiment in the [Syriza] parliamentary group will be one of rejection,” Antonis Kamaras, a Greek political commentator, said of the bailout terms being offered by creditors. “It’s hard to see how the leadership can prevail.”

Mr Tsipras had called Wednesday's talks “constructive and friendly.” But a senior Greek official said the International Monetary Fund, which was not represented at the meeting, had imposed new conditions that had not been tackled in earlier negotiations in Brussels.

Back in Athens, Mr Tsipras later told aides: “Extreme proposals are not acceptable to the Greek government. We must all understand how much people have suffered in the last five years and games must stop being played at their expense.”

With members of Syriza's far-left faction already stridently denouncing the creditors, the party could face a split if the premier crosses his self-imposed “red lines” on pensions and taxes in order to strike a deal with bailout monitors.

Sitting in a cramped office at party headquarters, Alecos Kalyvas, Syriza's economic strategy chief, captured the mood of the party's mainstream. Greece faced big problems and “time was running out”, he said, but he “cannot accept” more pensions reductions, energy price rises and

public sector job cuts.

Asked if a deal would be reached before the current bailout extension runs out at the end of June, Mr Kalyvas responded: “I’m optimistic but only moderately.”

In the meantime, Greeks continue to withdraw cash from local banks amid fears that capital controls may be imposed if the negotiations run into problems, or if Athens is unable to pay a series of four loan instalments totalling €1.5bn to the IMF this month.

Last week depositors pulled more than €2bn out of their accounts, according to two senior bankers. The outflows resumed this week but in smaller amounts, they said.

Even though Greece’s central bank made clear on Thursday evening that the cash-strapped government will not make a €300m payment to the IMF due on Friday, Athens does have the cash to cover that bill — as well as another €350m instalment due on June 12, according to Greek officials with knowledge of the national accountants.

One such official said the government had enough money to cover its full €1.5bn in obligations to the IMF this month — raising the prospect that the latest moves were a form of posturing by Mr Tsipras to impress his party.

Before Mr Tsipras flew back from Brussels, members of Syriza’s extreme left faction urged him to call an immediate general election if the talks resulted in an ultimatum from bailout monitors.

John Milios, the party’s previous economic strategy chief and leader of a new far-left faction, the Red Network, called for Greece to halt payments to the IMF and impose capital controls.

“We’re at a critical point, and I don’t know if there will be an agreement. The government is on a slippery slope . . . and what I see ahead is blackmail,” Mr Milios told a meeting of his supporters.

Panayotis Lafazanis, the hardline energy minister and official leader of the Left Platform, insisted that electricity prices would remain unchanged and that impoverished households would continue to be supplied with free electricity.

“This agreement isn’t in compliance with Syriza’s progressive platform and it’s not going to happen,” Mr Lafazanis said. “We’re a government of principle and we won’t be responsible for doing such great damage to the country.”

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