Eurogroup and Greece Sign Ceasefire Agreement

Feb. 22—The tentative agreement hammered out by the Eurogroup of finance ministers and the Greek government is little more than a ceasefire, buying time for Athens while allowing the Eurozone to kick the can down the road.

The Greek government did not get the only means to actually solve this crisis: a European conference that deals with not just the Greek debt. but that of all the EU countries. including Ireland, Portugal, and Cyprus; and a New Deal for Europe that would fund a recovery. Such a conference would have to implement a Glass-Steagall-style reform of the hopelessly bankrupt trans-Atlantic financial system. The Eurogroup kept these solutions off the agenda altogether.

Athens won the demand that the Memorandum of austerity conditionalities designed by the Troika of the European Central Bank, the European Commission, and the International Monetary Fund will be replaced by one drafted by the Greek government that addresses the humanitarian catastrophe created by the Troika. This plan has to be approved by the EU before the agreement is finalized.

The Eurogroup refused the request of the Greek government to use the remaining €11 billion in the Hellenic Financial Stability Fund, the bank bailout fund, to clean up the non-performing loans of the Greek banks. This was rejected with a statement reiterating that the funds can only be used for recapitalization and resolution. The latter refers to bank bail-in by their depositors, with the "resolution" funds going, in effect, to the creditors identified by the ECB.

While the Greeks did not get the six-month loan extension that they had sought, they did get a four-month extension of the program. Since Athens does not want to accept any more bailout funds, which would only add on to the debt pile, in reality, all this means is that the ECB will not cut off the Greek banking system from liquidity under the Emergency Liquidity Assistance program, the suspension of which would force the Greeks to immediately institute capital controls and emergency measures which would see Greece leaving the Eurozone.

If the agreement means anything, it means that within the next four months, either Europe and the United States put the current system into bankruptcy, or face collapse, which could take place almost at any minute. For the Greeks, it gives them time to either convince the other Europeans of the righteousness of their cause, or prepare to implement Plan B, joining the BRICS for a new development paradigm.

—Dean Andromidas