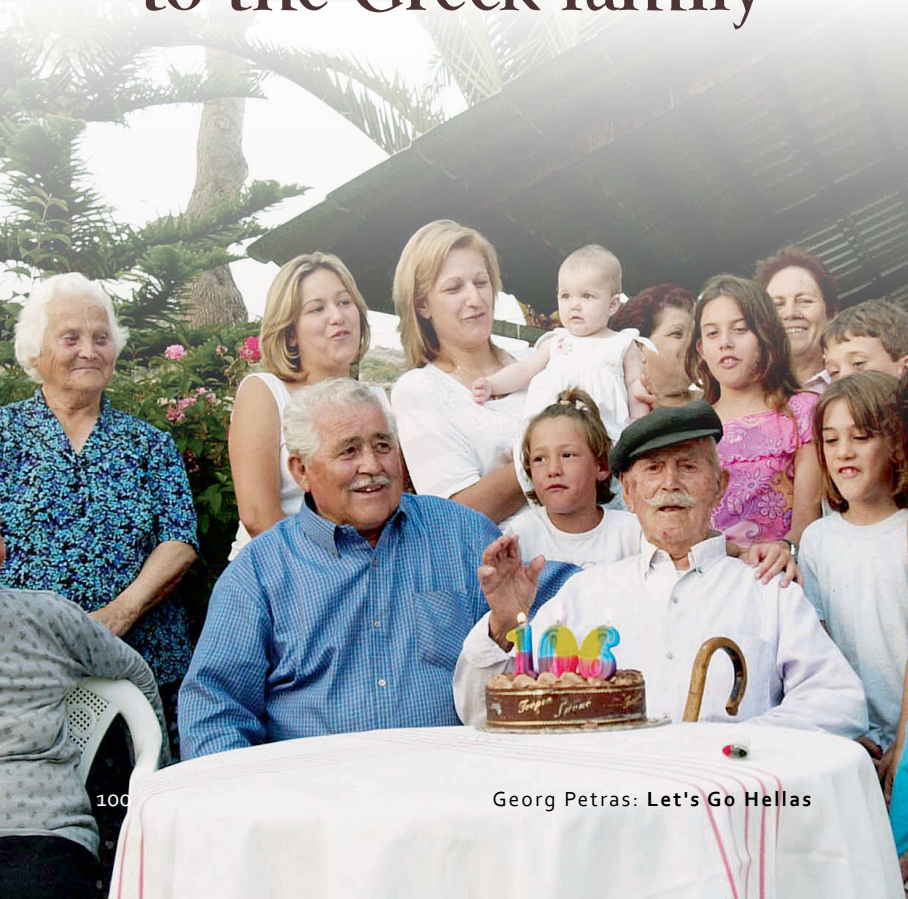

Chapter 10

Let's go Hellas! And praise to the Greek family



„A ship in harbour is safe, but that's not what ships are built for." This guiding principle has accompanied me for many years. Our future is Europe, we need more courage! I say this as a German, a Greek and a European. My ideas and thoughts for the future of Greece and the EU as a whole are summarized below:

The EU has been trying for six years to end the crisis in Greece by means of loans and calls for tougher savings and reform programs – and all have been in vain. The reason for this failure, to my eyes at least, has little to do with the Greek government. The formulation of the aid programs was not without flaws, which you can clearly observe today.

What does six years of crisis mean? This means six years of unemployment, increasing social insecurity and the impoverishment of society. Above all, it creates the feeling of hopelessness. If, after six years, the economy is still not growing, then even people who have faith in the economy become pessimistic and the belief in an economic upswing is lost.

Blame does not just lie at the doorsteps of politicians who are in fact now doing much more to end the crisis. Greece needs a competitive tax system which ensures that the money can be efficiently collected – and indeed that means everyone's money. It needs a viable pension system. And it requires a legal sys-

tem which operates more expeditiously than before and which fights against corruption and cronyism. Here, too, I have noticed positive developments. Even holidaymakers in Greece can come across this daily in small details like the receiving of receipts after transactions. A step in the right direction is also the training of Greek tax inspectors in Düsseldorf by German associates in the summer of 2016. And believe me, if Germans were somewhat more relaxed like Greeks, which is what many people would like, and the Greeks a bit more organized like Germans, then we would have the perfect European.

As so often is the case, there are generally two sides to the coin. Driven by the so-called Troika (later called the “Brussels Group”) and the bureaucrats from Brussels, the financiers have hardened their attitudes and adhere steadfast to the so-called fiscal targets, i.e. pure austerity measures. At first that was completely justified. At the beginning of the crisis, Greece had a double-digit percentage deficit. A change to better fiscal balances could only be achieved by radical measures and the situation has now significantly improved and, according to current reports, has returned to being slightly in the positive in 2016. This is an impressive achievement by the Greeks.

But the time for radical measures is over. Even the International Monetary Fund (IMF) now admits that concentrating on high savings targets is economically counterproductive. It is frequently being said from well informed sources that the IMF, which is known for its hardline attitude with regard to budgetary restructuring, believes that to implement economically meaningful structural reforms has more significance than to fix fiscal targets which are anyway not always observed.



Demo in front of the Parliament in Greece's capital

That is maybe no less painful, but results in better outcomes, economists assure.

According to a study conducted by the European School of Management and Technology (ESMT), and reported in newspapers such as *Handelsblatt* and *Spiegel*, it has been shown that Europe and the International Monetary Fund (IMF) have, above all, saved banks and other private creditors in recent years.

This has been a long ascertained accusation. But now, for the first time, the ESMT has provided a detailed account. Economists looked at each individual credit instalment and examined where the funds flowed and who received the bulk of the first two rescue packages. The result: Only 9.7 billion euros, or less than five percent, arrived and was distributed in the Greek budget. Therefore, less than five per cent of this credit