

Greece may be far away, it may be a small economy, but it is dragging down the value of your superannuation because its problems are a drag on the global sharemarket. The root cause of the problem is simple. The national sport of Greece is cheating. Cheating across every tier of society. Greece needs to be thrown out of the euro zone. The crisis is coming to a head, as it must, but we will all pay. It is merely the most extreme manifestation of a failure of democracy by the European Union.

The Greeks are being forced into a humiliating and unsustainable austerity program, which is contracting their economy into a depression. This is one of several misguided policies by the European Central Bank and the EU, which have not grasped the impossibility of maintaining the fiction that Greece is a viable member of the euro zone, or even the European Union itself.

Feel no sympathy for Greece. The Greek government lied its way into the Economic and Monetary Union in 2001, presenting false data, and ever since Greece has been a cancer in the euro zone. Ostensibly, the national sport of Greece is football, but even football is compromised by the real national sport of cheating. Two years ago, the governing body of European football, UEFA, sent the Hellenic Football Federation dossiers detailing a pattern of illegal betting and match-fixing involving dozens of games. Some of the biggest clubs in Greece were involved. The Hellenic Football Federation, like so much of the rest of Greek society, preferred the path of delusion, delay and denial. It did not respond. It did nothing. After 18 months, UEFA officials went to the Greek criminal justice system. News of the meeting broke in the media. The Greek government had to begin a criminal investigation. In June, authorities charged 84 officials with offences related to match-fixing, involving 54 games, including even a game

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Home > National Times > Politics > Paul Sheehan > Article

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## Throw out cheating Greece before the rot cripples rest of the world

September 15, 2011  
OPINION

**Paul Sheehan**  
Sydney Morning Herald columnist  
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## "Throw out cheating Greece before the rot cripples rest of the world"

last year between the two domestic giants, Olympiakos and Panathinaikos. In July, two other Superleague clubs were demoted for match-fixing.

It was a metaphor for the nation which Transparency International rates as the most corrupt in Europe (with Bulgaria and Romania, except that they had to emerge from a repressive communist system). Greece has the highest rate of tax evasion in Europe. So pervasive is this problem that the nation is bankrupt. Confronted with a need to cut spending and raise revenue, the government has been crippled by an inability to raise taxes

because the tax system is so rotten and the culture of evasion is so ingrained across everyday life.

Whereas in most Western countries, including Australia and the US, studies have shown that people do not begrudge paying taxes if they believe the tax system is equitable, no such ethos applies in Greece.

Almost every element of society shares in this inglorious achievement. Successive governments piled up debt to pay for social services and pensions. The public service was bloated and its unions demanded early retirement and generous pensions. Public debt has blown out to

about 150 per cent of gross domestic product. The courts have a backlog of 300,000 tax cases. The tax-collection system is riddled with a culture of bribery. The banks have been reckless. The business community is immersed in tax avoidance. A large anarchist subculture wants to cripple capitalism. And the rich are the biggest tax cheats of all.

The black economy in Greece, where tax is avoided altogether, is estimated at 27.5 per cent of GDP, about double the scale of the black economy in Australia, and does not include the underground economy of crime.

As for the larger failure in

which the Greek failure is unfolding, Western Europe has created a structural tension between the wishes of its various national peoples, expressed through their parliaments and central banks, and the dictates of a transnational bureaucracy, the European Union.

The most dangerous fault line is the conduct of the European Central Bank, which cannot set the fiscal policies of EU members but is acting as if it can. It has been buying zombie bonds issued by Greece, Italy, Spain and Portugal, the derisively called PIGS economies. The markets see this as folly because the debt mountain of the pigs is much greater than the resources of the European Central Bank.

The euro zone is fractured between the profligate Mediterranean PIGS and the prudent northern bloc led by Germany and the Netherlands, which in recent days have indicated they have reached the limit of their willingness to bail out Greece.

The bond market has worked out this policy schism. The sharemarket has worked it out. The markets have stopped believing in the credibility of European political solutions. The result is a run on the banks most vulnerable to PIGS debt. Greek debt is becoming untouchable, with the yield on two-year debt now an extraordinary 47 per cent. Ever since the high point for modern Greece, the 2004 Olympics in Athens, it has become increasingly clear that the country was living on borrowed time and borrowed money, a state of collective delusion. Even Greece's two biggest Olympic stars, two medal-winning sprinters, turned out to be drug cheats. They even staged a fake accident to avoid a doping test. The whole country is heading into a crash now and it is not fake.

**Paul Sheehan**  
Sydney Morning Herald columnist  
September 15, 2011

## AUSTRALIAN HELLENIC COUNCIL (VICTORIA)

Friday 16 September 2011  
**Mr Peter Fray**  
Editor-in-Chief  
Sydney Morning Herald  
GPO Box 506  
Sydney NSW, 2001

Dear Editors,

RE: Mr Paul Sheehan's article "Throwing out cheating Greece before the rot cripples rest of the world?" - Sydney Morning Herald 15 September 2011, page 11

As the Australian Hellenic Council (Vic) is the leading public affairs body of the Australian Hellenic community of Victoria, it is our responsibility and ethical obligation to correct slanderous and degrading statements that are empirically and statistically incorrect, that serve no purpose but to denigrate people of Hellenic heritage in the diaspora. To generalise and attempt to encapsulate the entire Greek society as "cheating" and stating

that "Greece has been a cancer in the euro zone", is humanistically belittling that blatantly contravenes the most basic of journalistic deontology.

This pathetic diatribe of negative spin by the author of the article, one Mr Paul Sheehan, clearly represents the author's questionable writing skills and most importantly, ignores the ethical and professional essence of journalism, that being to seek the truth of the story. Journal-

ism is based on the quintessence of public debate which allows society as a whole to comment constructively. However, this article is clearly based on subjective journalistic vilification which serves to encourage readers to hand out cultural insults and disparage the entire Hellenic race.

It is our belief that Mr Sheehan's article is filled with empirically incorrect statistics and distorted facts and, most evidently,

personal negative bias towards a national culture. This can most certainly be accepted as racial vilification as the author evidently is particularly selective in portraying misconstrued and reprehensively flawed scribble, posing as a "report".

This is quite disturbing as actions such as these build on the currently existing loathing of ethnicities as demonstrated within your comments section below the article.