

«Η οικονομία της Ελλάδας, τα προβλήματά της αλλά και η ανάκαμψή της και οι προοπτικές της».

Συνέντευξη με τον ομογενή οικονομολόγο-καθηγητή κο Ανάργυρο Χααραλαμπόπουλο

Παραγωγή: Δημήτρης Καμετόπουλος

Στο πλαίσιο του 39ου Ελληνικού Φεστιβάλ του Σύδνεϋ ήταν προγραμματισμένο να γίνει στην μέση της φετινής χρονιάς μία άκρως ενδιαφέρουσα ομιλία από τον καθηγητή-οικονομολόγο Ελληνο-αυστραλό ομογενή Ανάργυρο (Ακη) Χααραλαμπόπουλο. Όμως λόγω της επικρατούσας κατάστασης με τις αυστηρές οδηγίες του πολιτειακού Υπουργείου Υγείας Νέας Νότιας Ουαλίας για τον καθολικό εγκλεισμό λόγω πανδημίας, η ομιλία του ομογενούς δυστυχώς ακυρώθηκε δύο φορές. Σήμερα στον ΚΟΣΜΟ φιλοξενούμε τον κο Χααραλαμπόπουλο, ο οποίος μας παρουσιάζει την ομιλία του σε μορφή διαλόγου μεταξύ μας στα Αγγλικά.

In the framework of the 39th Greek Festival of Sydney a very interesting talk was scheduled to occur at the middle of this year by Greek-Australian Economics teacher Anargyros (Akis) Haralabopoulos. However, due to the current full lockdown restrictive conditions by the New South Wales Ministry of Health caused by the pandemic, the presentation unfortunately was cancelled twice. In today's KOSMOS, we are hosting Mr Haralabopoulos who is presenting his talk in a conversation format between us in English.

Question

Dear Mr Haralabopoulos, our mother-country, Greece has been through a lot the last decade or two tackling many fronts, especially on the economic sector. As a general note, could you give us a bit of background to the economic situation of Greece compared to the European Union the last decade or so.

Answer

Greek output collapsed by 26.5% from 2008 to 2013 and by 2018 the Greek economy was about the same size as in 2000. By comparison, the EU economies saw their output fall by 5% between 2008 and 2009. However, the EU region has expanded strongly to be 17.5% larger by 2019. Greece, unlike other EU nations basically has not recovered from the Global Financial Crisis (GFC) of 2008. Not surprisingly, Greek total employment has not recovered since the GFC. At the end of 2020 there are some 689,000 fewer jobs in Greece compared to the start of 2008 when 4,567,200 people were employed. Although the unemployment rate has declined in Greece, this has been driven by unemployed people leaving the work force and many others those leaving Greece for employment in other EU nations, the US, Canada and Australia. To make matters even more difficult



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there has been no meaningful recovery in business investment since the GFC.

There are however positive signs. Economic reform in Greece has brought about an immense reduction in the cost of borrowing for the Greek Government. Bond rates of over 30% during the crisis would ruin any industrialised nation. Greek government costs of borrowing are now not significantly different from those in Germany.

Greece has dramatically reduced its budget deficit; the current account deficit has fallen substantially, and Greek wages are more competitive than prior to 2008. Prior to the reforms initiated after Greece's bailout, Greece was in an absurd position with respect to the current account and the budget.

Decades of financial incompetence on the part of both Greek political parties in government, that is New Democracy and PASOK resulted in an accumulation of public debt to 213% of Greece's national output. Greece has the highest gross government debt to GDP of any country in the EU. By any measure, this is unsustainable and an immense constraint on Greece. Greece's economic destiny is now dependent on international interest rates and is a hostage to creditors.

The IMF and OECD had been warning Greece from the early 1980s about the unsustainability of budget policies.

Question

What is the IMF's (International Monetary Fund) role and position to the Greek economic situation the last few years and into the future?

Answer

The IMF was crucial in rescuing Greece from default and economic collapse. Contrary to popular views the IMF along with the European Commission and the European Central Bank were instrumental in preventing Greece from becoming another Zimbabwe or Venezuela. The bail-out of the Troika came attached with harsh economic reforms. This necessitated Greece obtaining a Bailout from three international creditors—the European Union, the European Central Bank and the IMF (International Monetary Fund). All three institutions, also known as The Troika, provided Greece with around 239 billion Euros.

Greece needed to reform its economy. Specifically address tax evasion, reduce Government waste, deregulate industries, and become more competitive. Irrespective of the GFC, Greece needed to do this the sooner the better. The GFC was a wakeup call for Greeks. Greece had to address its absurd ongoing budget deficits. Invariably, Greece would have been confronted with its mountain of public debt one day. That day just happened to be in 2008.

Question

Why has the recovery not taken place the same as it did in the rest of the EU?

Answer

Unlike other EU nations that adopted harsh economic policies in response to the GFC, Greece has not experienced the recovery in output that other nations have enjoyed. In fact, the output of the EU has now significantly exceeded output levels in the year before the GFC. There are several factors that are impeding recovery. The most significant is a lack of investor confidence (related to political instability) and more importantly a broken banking system (loan default rates are extremely high) not lending to business. Without available funding it is difficult to support a solid recovery. The situation is comparable to the situation facing Japan after a collapse in commercial and residential property prices in the 1980s led Japanese banks curtail lending thereby precluding small businesses from expanding and becoming larger businesses