

DR. THEOFANIS EXADAKTYLOS

“Eureka? The entrepreneurial spirit in public debts”



“ The only hope will come from a sound and decisive political answer on behalf of the European Union and the Greek government, not based on solutions that undermine the efforts of a whole nation and the future of generations to come but rather on pragmatic ways which provide the necessary means for a society to operate in a just manner ensuring the wellbeing of its least well-off members.”

It is certainly not a secret that ‘Plan B’s have been cooked up for the future of Greece within the Eurozone. From time to time new ideas and incentives come to the forefront, the latest one being that of Mr. Simon Wolfson, CEO of Next and Conservative life peer, who is trying to entice economists to come up with a plan for how countries can quit the Eurozone by offering a cash prize of £250,000 to the best solution. Not too bad of an idea if only the solution was so cheap and, in fact, not political.

Nonetheless, another plan that has come to light recently, gaining some momentum especially in Germany, is the ingeniously named scheme ‘Eureka’. The concoction of the scheme belongs to Roland Berger, a consultancy firm, and one of its senior partners, Mr. Markus Krall. According to the company website, what this plan suggests is the creation of a holding company to take over all Greek state assets and sell them to a European institution for about €125 billion. The idea is that Greece will be able to repay some of its debt reducing it almost by half from 145% to 88% of GDP. In the meantime this holding company would be handling the Greek assets by restructuring and privatizing them and giving any surpluses back to Greece by 2025. They claim this is a development plan that can attract investment, as it is cutting out of the picture the government as the source of corruption.

Mr. Krall is trying to sell this plan to the Greek government and opposition parties as the solution forward. Can he succeed? It may be true that such scheme looks quite lucrative in its conception, an idea that Greeks should be jumping to grasp! But then again what Roland Berger seems to be ignoring is the fact that Greece is not a private asset owner, nor an individual businessman trying to save their company or household from bankruptcy—it is in fact a country. In the opinion of this author, there would be no political figure in Greece at the moment that would be willing and able to put their signature at the bottom of such document. It is not a matter of political will alone, it is also a matter of legitimacy, pride, decency and respect towards a whole nation. The biggest sell-off of public assets in Europe since the collapse of existing socialism will be a political suicide to any prime minister who would agree to it. But most importantly, it will be the final push off the cliff to the ailing Greek society, which for the past three years has experienced a sharp rise in unemployment and blatant exploitation of labour; the deterioration of services offered by the government in health and education; an increase in criminal activity rates and ever-growing disparities across the social classes; and, a young generation disillusioned by the lack of opportunity and the prospects of an even bleaker future.

Moreover, this is not a simple transfer of assets to pay off a debt: what it appears to be is a full transfer of sovereignty in the hand of foreign lenders, without mechanisms of checks

and balances, without mechanisms of transparency and accountability. How can Greek citizens trust that this holding company will make the most of their assets and that any surpluses in its books will feed back into the Greek economy? Who will be the ultimate umpire of this project? I am not at all convinced that this consultancy firm and its executives recognize the kind of fermentations taking place at the moment within Greek society. Their ignorance would only be offsetting a state of anarchy and mobocracy, where at the end only corruption and cronyism can reign.

The only hope will come from a sound and decisive political answer on behalf of the European Union and the Greek government, not based on solutions that undermine the efforts of a whole nation and the future of generations to come but rather on pragmatic ways which provide the necessary means for a society to operate in a just manner ensuring the wellbeing of its least well-off members. In all certainty, when Archimedes yelled 'Eureka' he had made an important scientific discovery, but when private consultancy firms come up with names like these for their salvation packages of countries, they better understand the context in which such a phrase ought to be used.

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