

# Colourful nonsense

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2012-2-7

[As the Greek politicians are drawing and re-drawing their “red lines”, their minimum thresholds against the demands of the troika, other ‘colourful’ Greek idioms come to mind, about “green horses” (meaning, imaginary realities), “black midnight” (meaning, utter ignorance) and, excuse my French, “blue ding-a-lings” (meaning, nonsensical drivél)...]

In his latest intervention on the Greek issue, the famous economist and Nobel laureate Paul Krugman argues that the new measures proposed by the troika will not work and instead will exacerbate the problem of the Greek economy, sinking it deeper into recession. This is exactly the case; but this is not the issue.

In his latest intervention on the Greek issue, the famous economist and Nobel laureate Paul Krugman argues that the new measures proposed by the troika will not work and instead will exacerbate the problem of the Greek economy, sinking it deeper into recession. **This is exactly the case.** Reductions in social security contributions will weaken the revenues of the pension funds and of the state. Cuts in the so-called “minimum” wage (which, however, in Greece is actually a wage floor on which other wages are indexed, not a mere minimum on hourly pay rates) will further weaken consumption and (labour) demand. And the reduction in government spending will further reduce liquidity in the economy. Further compression of labour (wage and non-wage) costs will not bring new investments and will not ‘push’ towards a reduction of undeclared employment and of the informal economy, because the structural problems – the high investment risk and the organisation of production around micro-units with low propensities to re-invest their profits and an orientation towards cost-based competition – will remain.

But all those who object to these measures on the basis of the above, fail to see that the alternative is not the preservation of the existing status quo, but rather the total bankruptcy of Greece. A bankruptcy that will fully erode people’s incomes, will evaporate asset values and will lead, immediately or eventually, to a Greek exit from the Eurozone.

They fail to see that this is it: there is no more the luxury of choice. The only thing that is, is the responsibility – one of truly historic proportions – to maintain the country’s position in the European political and economic system and to start (re)building things from scratch.

Those who are fighting in anguish for the preservation of supplementary pensions and who strive for the introduction a minimum floor on the proposed cuts, should better agree today on the (unjust and unbearable) horizontal cuts that the troika so desperately demands, and start from tomorrow, first thing tomorrow – since they care so much –, with new legislation that taxes high incomes and commits the accruing revenues for the introduction of a solidarity allowance for low-income pensioners. Because all these agonising fighters should know – and do know – that recipient of the €300 supplementary pension is not only the desperate elder who can hardly maintain herself and pay to keep warm in the winter, but also the 58-year old retiree with the fancy sports car, whose basic pension is four times that of the ‘elder’ and is nicely supplemented by a couple of thousand Euro of (typically, undeclared) income from rents. So let those who care so much, let them agree with the troika on an EU-sponsored introduction of a computerised system for recording and monitoring real estate holdings (hardly a cadastre – since the country has not been able to do even that, 30 odd years into its accession to the European Community) and let them start intensive and extensive checks on the use of property declared as empty or owner-occupied (e.g., holiday homes). Let them identify those who systematically conceal their supplementary incomes, let them tax those incomes, and let them use the obtained revenues for the establishment – at long last! – of a fair and redistributive social policy system. Let them seize those houses that produce undeclared proceeds and let them allocate these houses to the “neo-homeless” – for whom so much they seem to care.

But this will take for ages, you may rightly say, and by the time all this happens people will go hungry. Well, let them

do! Why, will they somehow be fed if the country goes bust? Will they enjoy the delights of some imaginary feast of which the troika – and people like myself – are so tragically unaware of? I say let them go hungry – but give them the hope, and the assurance, that something is changing, that something is being done, that there is a reason for all this. Because if we do, we will then be able to say that we have the will, we have the resolve, we have the capacity to change. And we will then be able to turn to this infamous troika and demand – yes, demand – better terms for the loans and less stringent measures. And if we do, then we will have Paul Krugman – and common sense – as our undisputable ally. Only then. Not by refusing to face reality, not by pulling out silly-old “red lines” and by self-volunteering as some sort of “defenders of the poor and the needy” – while in reality perpetuating the society’s free-fall into poverty and deprivation and tragically wasting the last drop of dignity that the country possesses.

So let us put aside the “red lines” and all this colourful nonsense and let us all try, let us work together, to re-build this country from scratch and take it to the position that we think it deserves to be. If we can. If it deserves it.