

Afterword

The Greek Bail-out Drama: Is This Time Different?

After the NO prevailed in the referendum of July 2015, Tsipras made a 180° U-turn¹ and after a couple of weeks reached an agreement with the creditors, substantially surrendering to their demands. Now, after that preliminary deal, economists and analysts around the world, believing a Grexit almost inevitable just a month ago, insist that the proposed deal between the Greek government and the creditors is only band aid for Greece's economy and so, it will not work. Of course, after five years of depression, having the troika back in Athens to discuss a new package of what we call "reform austerity" is not the easiest thing in the world. However, this time it seems those preconditions for a viable solution are well in place—with one big "if." Let us explain why.

First, it seems that the Greeks have now understood that there are no easy or viable policy alternatives to a deal, so any reactions to the agreement are expected to be rather mild. Voters do not (at least by mid-summer 2015) recognize the last five months as a disaster for the economy and, instead, they seem to believe that Prime Minister Alexis Tsipras did

the best he could to negotiate effectively with the creditors. So, if Mr. Tsipras cannot deliver something better for them, nobody can.

Second, the Europeans now understand that only Mr. Tsipras—a left-leaning, highly popular at least for the time being, Prime Minister—can not only pass the bills of the prospective agreement but more importantly guarantee implementation with minimum social unrest. Some commentators will caution that Mr. Tsipras openly expresses doubts about the political orientation of the agreement and questions the “social fairness” of it, but what do you expect a politician to tell voters? That he is enthusiastic about the program?

Third, the Europeans this time seem to be determined to use the “carrot and stick” method. The carrot is called “reforms for money” and “reform for some debt forgiveness, of any kind.” If the creditors play well, the program might deliver results this time. The stick is called “a temporary Grexit” and will be used to convince not only the government but also the domestic political system as a whole that it must comply with the rules of the prospective agreement.

Fourth, the Europeans seem now to agree on some kind of re-profiling of the Greek debt. This will serve as a victory for Mr. Tsipras in the eyes of domestic voters and protect his popularity. This is indispensable if the creditors want reforms to pass and, this time, to see them efficiently implemented in the real economy. The creditors now understand that the focus should be on the real implementation of reforms, most of which were very effectively described in the IMF 5th review from summer 2014, and which are still waiting to be applied in the real economy.

Fifth, this time the external environment is much better than it was two or four years ago. Eurozone growth rates are steadily improving, the European Central Bank’s Quantitative Easing (QE) program continues to mutualize the Eurozone’s debt (that will hopefully include Greek bonds), and French President Francois Hollande’s proposals last week regarding the urgent need for a “eurozone government”² show that European leaders now understand that the multiples deficits—institutional, democratic, and financial—of the euro have to be addressed this time immediately and substantially. Delays in effecting such changes will only favor the extreme political forces arguing not only for the dismantling of the euro area, but for a break-up of the entire EU project.

Now for the “if.” As July 2015 data reveal a large drop in private sector employment, the point made by European Council president, Donald Tusk, during his interview to the European media on 17.7.2015³ regarding the importance of youth unemployment with respect to the prevalence in Europe of a mutual support between the far right and the far left, sounds particularly relevant for Greece. This mutual support Mr. Tusk, a pragmatic politician and historian, argues has been observed before all calamities Europe has gone through. As Mr. Tusk correctly pointed out, the voice of extremist that questions everything resonates easily in challenging environments like the one Europe faces today. This places particular demands on the voice, arguments, and policies adopted by political leaders who have to safeguard on the one hand austerity that paradoxically in the long-term secures prosperity, and to fence off the voices of populism. As argued in Chaps. 2 and 9, the incompleteness of the Union has generated a self-fulfilling prophecy in Greece. Disrupting the expectations that drive this process goes beyond the technical agreement and the details of it and is the responsibility of politicians—Greek and European. Therefore without determined political leadership, like the one suggested by Mr. Tusk, any technical agreement will not suffice to restore Greece to growth. In order to save the day, political leadership has to make bold steps not in 2025, but now. Only then will Greek and European leaders rise above the final resting place of the tax-paying Greek private sector and have their own “Gettysburg Address moment” in European history. This is something that especially German leaders and opinion makers should realize sooner rather than later, as an increasing number of Greek companies seek to migrate to neighboring EU countries discovering awe struck in the process what a reasonable country risk, friendly business environment, and predictable taxation really mean.

In spite of this big “if” and the evaporation of growth during the past months, Greece has a genuine chance to attract foreign investment, upgrade the value of its national assets, get more money from privatizations, increase the value of collateral holdings by the banks, and create more jobs and income and, thus, at last recover strongly. With Greece and the Troika back at the negotiating table, this time could well be different.

Notes

1. Mr. Tsipras, an engineer with a degree and master's from the National Technical University of Athens, famously had claimed, on May 23, 2015 during a speech to the Central Committee of his party, that SYRIZA had made a 360° turn, suggesting that Syriza had made a U-turn (which is a 180° turn) turning its back on the Memorandum. <http://youtu.be/fxWY29anbg>.
2. <http://www.bloomberg.com/news/articles/2015-07-19/france-s-hollande-proposes-creation-of-euro-zone-government>.
3. <http://www.ekathimerini.com/199654/article/ekathimerini/news/tusk-europe-was-close-to-catastrophe-over-greece>.

Author Index¹

A

Abowd, J., 14
Acemoglu, D., 170
Alcidi, C., 141, 212
Alesina, A., 15, 86, 88
Ardagna, S., 88
Arestis, P., 17
Arghyrou, M., 18, 19
Azariadis, C.

B

Bachmann, R., 166
Baldwin, R., 10, 11, 20, 24n6
Barroso, J. M., 157, 158, 277
Batini, N., 88
Bayoumi, T., 11, 16, 17
Beetsma, R., 12
Blanchard, O. J., 14, 19, 88

Bordogna, B., 228
Bordo, M., 11, 17
Böwer, U., 191
Burtless, H., 136

C

Cacciatore, M., 85, 136
Chortareas, G., 18, 19
Cohen, D., 14
Colomer, J. M., 273
Cooper, R., 12

D

De Grauwe, P., 21, 24n3
DiNino, V., 24n6
Dixit, A. K., 12
Draghi, M., 158, 170, 188, 277

¹ Note: Page number followed by 'n' refers to notes.

Dunn, R., 11
 Duval, R., 126

E

Eichengreen, B., 10, 11, 17
 Elmeskov, J., 126
 Emerson, M., 12
 Engel, C., 12, 24n3
 Eurostat, 24n2, 186, 188, 189,
 198–200, 203, 210,
 213–214n6, 226

G

Giavazzi, F., 19
 Giuliadori, M., 12
 Gros, D., 141, 142, 184
 Guichard, S., 87

H

Habermas, J., 269, 271, 276
 Hamilton, A., 162–164
 Hausmann, R., 169, 259

J

Jonung, L., 11, 17

K

Kempf, H., 12
 Kenen, P., 9
 Krueger, A., 11, 15

L

Lambertini, L., 12
 Leigh, D., 88

M

Malliaropoulos, D., 124, 142
 Masson, P., 16
 McKinnon, R., 9, 12
 Mitsopoulos, M., 1, 30, 44, 68, 123,
 124, 142, 145, 154, 178, 184,
 188, 189, 191, 194, 198, 202,
 212, 219, 220, 227, 243, 249,
 271, 290, 291, 295, 297, 298,
 315
 Mundell, R., 9, 17

N

Nicoletti, G., 123

O

Obstfeld, M., 11, 15, 24n4, 304

P

Papadimitriou, D., 30, 62
 Pelagidis, T., 1, 21, 30, 44, 68,
 123, 124, 142, 145, 154,
 178, 184, 188, 189, 191,
 198, 202, 212, 219, 220,
 271, 290, 291, 295, 297,
 298, 300, 310
 Peri, G., 15

R

Ramaswamy, R., 18
Robinson, J., 170
Rose, A., 10, 12, 19, 20, 24n3,
24n5

S

Sachs, J., 16
Sala-i-Martin, X., 16
Sapir, A., 170
Scarpetta, S., 123
Sloek, T., 18
Stanley, T.D., 10, 12, 24n5

T

Trichet, J. C., 170, 276
Tsibouris, G., 86

V

Van Rompuy, H., 84, 157, 158
Venizelos, E., 159, 162, 163
Véron, N., 291, 293

W

Wolfers, J., 14
Wolff, G., 170

Subject Index¹

A

Abuse of office, 30, 32, 137
Accession, euro area (EA), 50, 138, 188
Adjustment program, 87, 88, 92, 180, 183–185, 203, 220, 256, 278n1, 303
Administrative burden, 39, 47, 73, 111
Administrative cost, 167, 169, 190, 193
Agreements, 3, 4, 43, 46, 51, 69–71, 84, 116, 142, 148, 185, 187, 199, 200, 204, 213n5, 213–214n6, 236, 238, 240, 242, 250, 283, 286, 298, 299, 303, 306
Airport, 37, 51
Airways, 50, 60, 109

Annual Macroeconomic Database, AMECO, 198
Arbitration, 70, 91, 200, 213n5
Asymmetric shocks, 9, 10, 13, 14, 16, 21, 23
Atlas of Economic Complexity, 169, 259
Austerity, 3, 32, 45, 47, 79, 89, 158, 177, 221, 283, 286, 298, 304, 306–309, 311, 315

B

Bake-off, 68, 120
Bakeries, 61
Balance sheets, 37, 161, 165, 194, 210, 218, 219, 225, 227, 229, 230
Bank of Greece (BoG), 30, 160, 286, 289

¹ Note: Page number followed by 'n' refers to notes.

- Banks, 12, 18, 33, 37, 50, 74, 86,
99, 144, 159, 160, 163–166,
171, 218–220, 222, 223,
227–230, 232, 236, 237, 239,
240, 242, 261, 265n1, 281,
288, 320
- BoG, *see* Bank of Greece (BoG)
- Bonuses, 148, 187, 199, 200, 213n3
- Budget
 central government expenditures,
 108, 111
 central government revenue, 108
- Bureau van Dijk (BvD), 192
- Buses, 39
- Business, 1, 37, 47, 48, 58–61, 68,
72–74, 97, 119, 120, 142,
161, 166, 192, 194, 205, 218,
225, 226, 230–232, 234–237,
240, 242–245, 252, 256–259,
261, 262, 264, 283, 284, 288,
293
- Business cycle, de-synchronization
of, 9
- Business environment, 59, 61, 68,
72, 83, 93, 95, 96, 118, 136,
167, 188, 255
- Business sector, 73
 See also Private sector, 73
- BvD, *see* Bureau van Dijk (BvD)
- C**
- CA, *see* Current account
- Collateral, 82, 162–164, 223, 225,
229, 235, 255
- Collectives, 46, 51, 54, 70, 91, 134,
168, 271
- Common currency, 9–23, 31, 35,
42, 93, 157, 171, 264
- Common currency area, 20, 31, 32,
69, 171, 275, 294
- Common decision making, 170,
303
- Communications, mobile, 57, 68
- Community, 24n3, 35, 95
- Companies
 larger, 4, 151, 152, 194, 195,
 236, 246, 257, 259, 261, 262
 smaller, 119, 194–196, 236, 246,
 255, 257, 258, 263
- Compensation, 150, 185, 190, 201,
254
 of employees, 113, 148, 150,
 180–184, 186, 188, 189, 201
- Competition, 37, 38, 42, 48–50, 57,
60, 73, 74, 96, 97, 118, 123,
167, 202
- Competition Commission/
 authority, 10, 17, 18, 31,
 33–35, 39, 40, 58, 61, 67,
 68, 73, 74, 76, 78, 89, 90,
 95, 108, 119, 122, 124,
 138–140, 178, 213n1, 239,
 244, 257, 258, 261–263,
 288, 289, 304
- Conditionality program, 3, 44, 59,
79–85, 88–92, 137, 141, 144,
145, 155, 156, 160, 167, 177,
200, 262, 297, 298, 313–316,
318
- Conflicts/costs, potential sources of,
9–12
- Coordinated policies, 157, 158
- Corruption, 30, 32, 34, 40, 57, 74,
124, 137, 139, 177, 270,
278n1, 288, 289
- COSMOTE, mobile communications
 subsidiary of OTE, 57

- Cost competitiveness, 69, 71, 190, 212
- Costs
 average, 200
 cost cutting, 32, 36, 42–44, 53,
 67, 79, 82, 83, 86, 88, 91, 93,
 118, 121, 122, 135, 161, 163,
 298, 315, 318
 social, 33
 wage, 71, 169, 203
- Council, 93, 94, 99, 100, 288, 290,
 313
- Council decision, 98, 100, 159
- Council recommendations, 2, 3, 93
- Crisis
 financial, 220
 fiscal, 220, 227
 international, 45
- Currency, 2, 9–13, 17, 18, 20, 23,
 23n1, 24n3, 29, 35, 37, 40,
 98, 101, 169, 171, 264, 286,
 320
- Current account (CA), 18, 19, 22,
 23, 67, 85, 144, 208
- D**
- Debt
 business sector, 235
 dynamics, 41, 100, 160
 gross, 113
 private, 227
 public, 40, 41, 107, 110, 159,
 212, 224, 251, 303
 ratio, 96, 97, 99
 See also Loans
- Decree, 48, 56–58, 61, 135
- Delors package, 35
- Demand disturbances and trade,
 12–14
- Democracy, 271, 273, 275, 319
- Democratic, 4, 34, 262–265,
 269–278
- Demonstrations, 61, 284, 287
- Deposits, 90, 156, 165, 166,
 218–221, 223, 227, 261
- Depression, 85, 122, 135, 136, 153,
 161, 166, 168, 220, 221, 227,
 242, 295, 298, 309, 315, 316
- Devaluation, 169
- Distribution of employees, 195–198
- E**
- EA, *see* Euro area (EA)
- EC, *see* European Commission (EC)
- ECB, *see* European Central Bank
 (ECB)
- ECJ, *see* European Court of Justice
 (ECJ)
- Economic activity, 9, 12, 112, 120,
 123, 163, 223, 224, 248, 256,
 259–263, 281, 282, 291, 319
- Economic asymmetries, closer and
 more democratic union to
 heal, 4, 269
- Economic growth, 13, 19, 220, 305
- Economic policy, *see* Policy
- Economic Policy Conditionality,
 116, 117
- Economist, The, 151, 166
- Economy
 competitive, 20, 119
 depressed, 316, 319
 global, 49
 international, 55, 209
 market, 124, 198, 295
 private, 38, 52, 107, 125, 161,
 199, 202, 251, 260, 301, 317

- Economy (*cont.*)
 productive, 45, 153, 203, 294, 317
 real, 5, 12, 166, 220, 293
- EEAG, *see* European Economic Advisory Group (EEAG)
- Election rules, 271–274
- Elections, 44, 45, 48, 51, 53, 55, 59, 94, 107, 108, 122, 137, 166, 169, 218, 236, 271, 272, 274, 275, 282–285, 290, 293, 295, 302, 308, 311
- Elections, European, 272, 274, 277, 285, 293
- Electricity, 49, 50, 59, 60, 73, 117, 127, 164, 190, 203, 204, 214n8
- Electricity markets, 59, 60, 74
- EMI, *see* European Monetary Institute (EMI)
- Employee contributions, 195–198
- Employees
 full-time, 154, 195, 196
 salaried, 33, 142, 153, 185
 tax-paying non-government sector, 125
 total compensation of, 180, 188
- Employers, 46, 52, 70, 126, 156, 197, 199, 200, 213n3, 248
- Employment
 and education, 46–47
 in government and pensioners/
 former government employees, 181
- EMU, *see* European Monetary Union (EMU)
- Energy, 37, 119, 148, 169, 194, 203–209, 213–214n6, 214n8, 242, 252, 289
- Energy cost, 194, 205, 206
- Energy prices, 203, 207, 208, 213n6, 252
- Enterprises
 public, 38, 77
 state owned, 37, 38, 54, 74, 79, 134, 142, 232
 See also Companies; Businesses
- EU, *see* European Union (EU)
- EU law (European laws), 234, 264, 265, 271–273, 275, 276
- EUREKA project, 145, 163
- Euro area (EA), 2, 4, 10–20, 22, 23, 29, 30, 60, 83–85, 87, 92, 95, 98, 107, 116, 123, 131, 136, 148, 150, 166, 168, 169, 171, 178–181, 189–191, 201, 210–212, 218, 221, 223, 225, 243, 263, 269, 270, 309, 314, 315, 318
- Euro area crisis, 15
- Euro area exit, 123, 136, 165–171
- European bodies, 271, 272, 276
- European Central Bank (ECB), 1, 10–12, 18, 34, 36, 44, 87, 90, 92, 116, 117, 160, 161, 170, 214n9, 218, 221, 223, 265–266n1, 281, 283, 306, 308, 309, 313
- European citizens, 168, 170, 244, 273
- European Commission (EC), 2, 22, 33, 44, 58, 82, 86, 88, 92–99, 115–117, 147, 149–152, 161, 166, 167, 179, 181–184, 189–191, 201, 239, 265, 271, 273–275, 277, 300, 305, 306, 309, 310, 313

- European Community, 34, 35, 41,
43, 45, 47, 51, 54, 62, 126
- European Council, 2, 112, 116, 313
- European Court of Justice (ECJ),
234
- European Economic Advisory Group
(EEAG), 85
- European Monetary Institute (EMI),
100
- European Monetary Union (EMU),
10–23, 23n2, 24n3, 30,
32–37, 43, 44, 55, 60, 67, 69,
75, 92, 98, 100, 101, 133,
265, 318
- European Parliament, 271, 273, 275,
277
- European Parliament election, 271,
273–275, 277
- European parties, 277
- European Union (EU), 18, 20, 21,
23n1, 40, 51, 57, 59, 65,
92–101, 126, 145, 156, 159,
166, 168, 170, 190, 201, 204,
230, 231, 234, 238, 239, 243,
250, 252, 258, 260, 262–265,
270–273, 275–277, 283, 287,
291, 294, 303
- Europe, people of, 271, 273–275
- Excise taxes, 203, 205, 213n6,
214n8, 251, 252, 262
- Expenditure
items, 76, 78, 79, 109, 111, 155
primary, 87, 94, 108
- Exports
energy intensive, 204–207, 209
non energy intensive, 206, 207
- Expressions, 65, 67, 69, 74, 77, 83,
88
- External imbalances, 18, 19, 89
- F
- Featherstone, K., 30, 62
- Feldstein, M., 11
- Fertilizer, 58, 61
- Financial assistance, 92, 94, 116,
159, 276, 277, 299, 314, 315
- Financial institutions, 120, 160, 218,
219, 227, 265n1
- Financing, 37, 51, 57, 74, 89, 91,
120–123, 145, 161, 162,
165–167, 194, 210, 212, 220,
225–227, 251, 263, 286, 316,
319
- Financing gap, 82, 121, 122, 161,
319
- Fiscal adjustments, 29, 40, 78, 82,
85–88, 90, 92, 133, 145, 302,
316
- Fiscal consolidation
effort, 32, 40, 44, 66, 83, 86, 88,
116, 161, 318
strategy, 85, 86, 91, 156
- Fiscal policy, *see* Policy
- Frankel, J., 24n5
- Frieden, J., 12
- Fuel, 61, 208, 209, 242, 286
- Full-time employment, 46, 195–197,
248, 249
- G
- GDP, *see* Gross Domestic Product
(GDP)
- General government, 35, 91,
109–111, 113–115, 117,
131n1, 139, 140, 153, 155,
156, 179, 181, 212, 218, 249
- General government entities, 91,
109, 117, 139, 140, 212

- Government
- balances, 97
 - central, 107–111, 156, 212
 - coalition, 30, 34, 53, 115, 122, 218, 282
 - control, 96, 286
 - deficit, 35, 99, 112–116
 - employees, 125, 137, 181, 243
 - employment, 144, 179
 - expenditure, 1, 42, 87, 108, 111, 112, 121, 303
 - intervention, 43, 73, 270
 - new, 42, 48, 57, 89, 108
 - personnel costs, 40, 63
 - policies, 16, 57, 284
 - revenues, 108, 109, 111, 115, 150, 224
 - services, 125, 192
 - strong, 48, 94
 - subsequent, 56, 61
 - successive, 75, 76, 83, 122, 123, 140, 145, 148, 154, 155, 165, 218, 264
 - successor, 58, 109
- Government bonds, 18, 110, 121, 160, 163, 165, 219, 265n1, 281, 308, 309
- Government budget
- central, 108, 110, 111
 - general, 110, 111, 155, 156
 - ordinary central, 109
- Government debt
- general, 110, 113–115
 - restructuring Greek, 162
- Government's statements, 60
- Greece
- and average of euro area countries, 131, 212, 263
 - economic policies in, 94
 - education, 95, 97, 146, 243
 - employment, impact on, 36
 - euro area, 2, 4, 13, 23, 83–85, 87, 98–101, 116, 166, 168, 169, 171, 178–180, 190, 191, 201, 210, 223, 309, 314
 - Europe and the chances of success, 44–46
 - fiscal consolidation, 42, 45, 75, 82, 87, 93–95, 314
 - golden years, 65–79
 - and Greek companies, 166
 - labor costs, 200
 - Maastricht treaty, 2, 3, 30, 56, 159, 165, 168, 313
 - macro-environment, 36
 - and Portugal Source, 208–210
 - structural reforms and, 29, 67, 68, 89, 90, 177, 188, 190, 217, 264, 297, 302, 307, 308, 316, 319, 320
 - tax evasion and reforms, 39–40
- Greek crisis, 178, 218, 305
- GREXIT, 170, 221, 246, 251, 294, 302, 303, 309
- See also* Euro area exit
- Gross Domestic Product (GDP), 11, 13, 14, 16, 35, 37, 40, 51, 53, 80, 85, 86, 90, 94, 96, 97, 99, 107–111, 113–115, 142, 150, 151, 163, 165, 180–184, 188–191, 201, 221, 223, 224, 243, 246, 252, 253, 259–262, 281, 282, 294, 299–308, 317
- estimated, 190
- ratio, 40, 86, 94, 97, 107, 108, 110, 111, 317
- Gross monthly wage, 195–198
- Gross Value Added (GVA), 191

- Growth prospects, 4, 43, 78, 136, 138, 157, 197, 260, 301, 320
- Growth rates, 9, 14, 18, 19, 23, 45, 97, 112, 250, 301, 304, 305, 308
- Guidelines, 94–97, 118, 213n5, 231
- H**
- Hellenic Republic, 122
- Hellenic Telecoms, 68
- Hospital, 54–57, 90, 109
- Hotels, 169
- Households, 163, 218, 219, 227
- I**
- ICT, *see* Information and Communications Technology (ICT)
- IKA (Idryma Koinonikon Asfalisevn), primary private sector social security fund, 194, 196–200
- IMF, *see* International Monetary Fund (IMF)
- Industry, 11, 49, 125, 148, 199, 200, 204, 205, 207, 209, 214n8, 252, 262
- Inflation, 9, 10, 12, 18, 34–36, 40, 46, 66, 67, 69, 91, 99, 100, 220, 292
- Information and Communications Technology (ICT), 39, 54, 70
- Infrastructure, 35, 39, 45, 47, 58, 66, 70, 74, 134, 138, 163, 177, 193, 255
- Innovative/innovation, 66, 73, 134, 152, 202, 240, 242, 252, 259
- Institute of International Finance (IIF), 163
- Interest, 11, 37, 38, 40, 42, 50, 56, 68, 78, 82, 86, 87, 108, 110, 113, 121, 123, 124, 138, 157, 159, 167, 168, 214n8, 221, 230, 231, 233, 239, 275, 283, 287, 288, 300, 309, 311, 315–318
- Interest rate, 9, 11, 17, 18, 34–36, 40, 69, 82, 85–87, 96, 100, 107, 211, 220, 226, 282, 291, 292, 299, 306, 307, 311
- Interest rate government, 220, 282
- Interest rate private sector, 291
- Internal devaluation, 1, 3, 11, 140–145, 163, 165, 177–212, 291, 302, 316, 317
- International Monetary Fund (IMF), 1, 2, 5, 21, 33, 42–45, 47, 53, 56, 63, 65–101, 116, 117, 123, 136, 144, 156, 159, 161, 168, 181, 189, 190, 197, 253, 283, 285, 297–311, 313–315, 318
- L**
- Labor costs, 69–71, 136, 169, 186–188, 194, 198–212
- Labor flexibility, 14, 15, 23
- Labor market policies, 69
- Labor market reforms, 70, 90, 91, 93, 123, 177, 188, 194, 316
- Labor market rigidities, 14–17, 123
- Law
- bankruptcy law, 236, 241
 - election law, 94
 - EU, 93, 234, 264, 265, 272, 275, 276

Layoffs, 47, 50, 59, 85, 125, 137,
179, 194, 196, 291

Liquidity, 90, 162, 220, 221, 223,
225, 233, 263, 286, 320

Liquidity, crisis, 2

Lists, closed, 272, 273, 277

Lists, open, 273, 274

Loans

to corporations, 226

to household, 227

to non financial companies, 211
non-performing, (NPL) (NPL's),
217, 227–229

M

Main Financial Institutions (MFI),
219

Malliaropoulos, D., 124, 142

Management, human resources, 62,
63, 125, 134, 137

Mandate, 34, 36, 155, 158, 160,
166, 167, 170, 221, 271, 273,
277, 286

Manufacturing, 136, 169, 189,
192–194, 209, 259

Media, 61, 161, 287–289, 310

Medium Term Fiscal Strategy (MTFS),
79, 81, 89, 118–122, 139

Members of Parliament MP (MP's),
32, 34, 35, 39, 45, 284, 289

Memorandum of Understanding
(MoU), 3, 43, 44, 67, 70, 71,
76, 80, 81, 116–119, 135,
139, 177, 294, 318–320

Metro, 37, 51

MFI, *see* Main Financial Institutions
(MFI)

Minimum wages, 14, 70, 71, 136,
185, 188, 195–197, 199, 200,
285

Monetary policy, *see* Policy

Monetary union, 12, 15, 18–21, 38,
94, 99, 156, 313

Monopoly, 47, 56, 57

MoU, Memorandum of
Understanding (MoU)

MTFS, *see* Medium Term Fiscal
Strategy (MTFS)

N

National Reform Program, 95, 96

Net revenue, 108

Network industries, 59, 60, 67, 74,
93, 95, 97, 118, 123, 124,
126, 127, 135, 136, 177

New Democracy (ND) Greek
political party, 32, 33, 35, 283,
293

NFC, *see* Non financial companies
(NFC)

Non financial companies (NFC),
192, 193, 202, 211, 292

O

Obstfeld, M., 11, 15, 24n4, 304

OCA, *see* Optimum Currency Area
(OCA)

OECD, *see* Organization for
Economic Development and
Cooperation

OECD average, 82, 145

OECD countries, 126, 127, 146,
257

- OECD Economics Department
Working Papers, 127
- OECD PMR index, 131, 191, 202, 203
- OMED Greek mediation and arbitration organization, 199
- Optimum Currency Area (OCA), 9, 10, 14, 18, 20, 23
- Organismos Tilepikoinonion Ellados (OTE), 57
- Organization for Economic Development and Cooperation (OECD), 33, 57, 59, 73, 83, 87, 126–131, 141, 145, 146, 168, 243, 253, 258
- OTE Hellenic Telecommunications Company, 68
See also Hellenic Telecoms, 68
- P**
- Panhellenic Socialist Movement, Greek political party (PASOK), 30, 32–35, 41, 48, 52, 61, 115, 283, 293
- Parliament, 29–55, 66, 83, 94, 116, 133, 271, 273, 275, 277, 284, 285, 287, 293
- Pension, 54, 55, 67, 77, 89, 90, 95–97, 108, 111, 112, 140, 141, 146, 148, 150, 154, 156, 177, 179, 184, 189, 212, 213n2, 220, 248, 260, 282, 285, 304, 306, 307, 317
See also Social security, 67
- Pension reform, 67, 74–76, 94, 95, 97
- Peripheral countries, shortage of money stocks for, 17–18
- Personal Income Tax (PIT), 116, 151
- Petroleum products, 208
- Pharmacies, 135
- PMR, *see* Product Market Regulation (PMR)
- Policy
economic, 29, 31, 94–97, 100, 117, 157, 170, 223, 273, 302, 303
fiscal, 11, 24n4, 31, 34, 35, 87, 89, 96, 269, 270, 276, 303, 305
monetary, 10–12, 14, 21, 34, 157, 221, 223, 269, 275, 320
structural, 98, 269, 277
- Policymakers, 2, 30, 86, 170, 218–220, 223, 242, 251, 256, 259, 264
- Poll, 61, 290
- Price stability, 37, 99, 100
- Private sector
economy, 165
employees, 123, 125, 142, 146, 183, 250, 253, 259
employment, 140, 143, 144, 220, 246, 248–250, 253, 317
lenders, 144, 159, 160, 163
wages, 71, 142, 177, 188, 190, 202
- Private Sector Involvement (PSI), 2, 51, 88, 89, 121, 145, 159–165, 219–221, 227, 251, 265–266n1, 319
- Privatizations, 32, 38, 39, 42, 43, 46, 47, 56, 59, 60, 66, 72, 74, 76, 82, 89, 91, 100, 121, 124, 125, 134, 135, 177, 232, 282, 284

- Privilege, 3, 38, 50, 119, 121, 123, 124, 140, 154, 167, 200, 212, 221, 315–318
- Product market, 67, 68, 72, 83, 95–98, 111, 118, 120, 123, 127, 136, 188, 190, 191
- Product market reforms, 67, 72, 111, 120
- Product Market Regulation (PMR), 68, 127, 131, 190, 191, 202, 203
- Professional services, 83, 93, 95, 118, 119, 123, 124, 177, 191
- Program, 2, 3, 5, 24n4, 36, 38, 40, 44, 46, 47, 53, 56, 59, 60, 62, 66, 71, 72, 74, 79–92, 94, 98, 100, 101, 111, 116, 117, 121, 125, 126, 131n1, 133–141, 144, 145, 155–157, 159, 160, 167, 177, 180, 183–185, 190, 200, 203, 239, 240, 259, 262, 291, 294, 297–299, 301, 302, 304–311, 313–318
- Property, tax, 82, 163, 219, 252–255, 285
- Prophecy, self-fulfilling, 166
- Provisions, 35, 61, 119, 120, 134, 139, 157, 164, 199, 227–229, 232, 235, 274, 314
- PSI, *see* Private Sector Involvement (PSI)
- Public finances, 3, 94–97, 107–115, 133, 138, 139, 142, 148, 150, 155, 156, 170, 171, 184
- Public-private partnerships (PPPs), 73, 74
- Public sector
 employees, 62, 108, 122, 125, 137, 140–142, 144, 153, 156, 179, 181, 183, 184, 212, 213n1, 220, 262, 317
 employment, 76, 123, 140, 142, 144, 249
- Public Telecommunications Company, 57
- See also* Organismos Tilepikoinonion Ellados (OTE)
- R**
- Railroad, 49, 60, 62, 117
- Ratio, 40, 94, 96, 97, 99, 107, 108, 110, 111, 143–145, 147, 148, 178, 180, 181, 190, 192, 201, 202, 227, 259, 317
- Recession, 2, 11, 18, 33, 34, 43, 85, 86, 89, 90, 111, 112, 120, 135, 136, 161, 194, 221, 281–283, 298, 315
- Recommendations, Commission, 3, 93
- Refineries, refinery, 49
- Reforms
 labor market, 70, 90, 91, 93, 123, 177, 188, 194, 316
 product market, 67, 72, 111, 120
 structural, 29, 35, 37–39, 44, 46–53, 62, 66–68, 72–74, 83, 88–91, 94, 100, 118, 120, 121, 177, 188, 190, 203, 217, 264, 297, 302, 307, 308, 316, 318–320
- Request for financial assistance, 92, 94
- Restructure, 38, 39, 42, 90, 137
- Revenue, 16, 32, 36, 37, 41, 43, 44, 54, 77–79, 93, 100, 108–113,

- 115, 125, 135, 138, 139, 141,
150, 151, 153–156, 161, 164,
183, 184, 224, 242–247, 250,
251, 253–258, 262, 298, 314,
319
- Road haulage, 62, 135, 202, 203
- S**
- Salaried, 181, 250
- Salaried employment, 141, 145, 148,
152, 155, 179, 180, 185, 194,
206, 243, 248, 250, 255, 263
- Salaried labor, 4, 146, 148, 151, 155,
223, 250, 253, 262
- Salary, 39, 50, 53, 108, 122, 137,
142, 153, 184, 187, 190, 196,
198–200, 220, 257, 260, 290
- Sectorial agreements, 199, 200
- Self-employed, 116, 141, 145, 147,
148, 178, 243, 250
- Self-employment, 146, 148, 152,
153, 212, 243, 253
- Shipping, 70, 192
- Shipyards, 37, 50, 52
- Shop opening hours, 56
- Siemens, 52
- Single market, 38, 93, 221, 223,
225, 264, 276, 320
- Social security, 17, 37, 38, 42, 46,
54, 76, 97, 98, 108, 109, 111,
112, 117, 118, 121, 122, 124,
133, 140, 145, 146, 148–150,
153–156, 184–187, 189,
195–198, 213n3, 220, 243,
246, 248, 250
- Social Security Contributions (SSC),
145, 146, 149–151, 153–155,
185–187, 189, 213n3, 243,
246, 248, 250, 299
- Social security funds, 100, 108, 109,
111, 121, 156, 185, 195–198,
219
- Social security system, 17, 37, 77,
95, 97, 111, 112, 121, 122,
133, 140, 184
- Solar farms, 68, 164
- Solidarity, 109, 212, 239, 243, 246,
248, 290, 307
- SSC, *see* Social Security
Contributions (SSC)
- Statistics, 54, 78, 79, 142, 189,
199
- Steel, 204, 206–208, 214n8
- Strike, 4, 47, 50, 59, 61, 94
- Structural differences ensuring
permanent shock-trends
democratic mandates, 271,
273–277
- European parties, role of,
277–278
- national fiscal and structural
policies, 269
- powers and democratic mandates,
271–272
- Structural policy, *see* Policy, 277
- Structural reforms, 29, 35, 37, 44,
46, 47, 62, 66–68, 72, 73, 83,
88–91, 94, 100, 118, 120,
121, 177, 188, 190, 203, 217,
264, 297, 302, 307, 308, 316,
318–320
- Subsidiarity, principle of, 276
- Synaspismos, coalition of radical left
political parties, Greek political
party, 34, 39, 51

- SYRIZA, Coalition of radical left political parties, Greek political party successor to Synaspismos, 51
- T**
- Tax
- authorities, 32, 39, 40, 108, 138, 178, 239, 244, 257, 258, 261–263
 - evasion, 54, 78, 122, 124, 137–139, 148, 150, 153, 231, 259, 261
 - high, 146, 151, 169, 204, 242, 243, 246, 254, 255, 261
 - TAXIS ICT system of the Greek tax authorities, 108
 - wedge, 146, 148, 155, 243, 248–250, 253, 258, 262, 263
- Taxpayer, 48, 49, 52, 166, 244, 282, 303
- Telecommunications, 37, 39, 49, 52, 56, 57, 60, 73, 242
- TEU, *see* Treaty for the European Union (TEU)
- Textiles, 206, 207, 209, 210, 214n8
- TFEU, *see* Treaty for the Functioning of the European Union (TFEU)
- Tourism, 61, 70, 71, 169
- Transfer, 22, 34, 40, 56, 77, 79, 85, 90, 92, 146, 234, 274
- fiscal, 23
- Transport, 33, 39, 50, 56, 60, 62, 74, 127, 202, 203
- See also* Road haulage
- Treaty, 31, 34, 38, 46, 271
- Maastricht Treaty, 3, 30, 31, 41, 56, 83, 133–171, 313
- Treaty for the European Union (TEU), 166, 272, 276
- Treaty for the Functioning of the European Union (TFEU), 134, 159, 272, 276
- Troika, 3, 44, 71, 79, 86, 107–131, 153, 154, 177, 179, 183–185, 190, 201, 203, 283, 284, 286, 287, 304, 309, 311
- See also* European Commission (EC); European Central Bank (ECB); International Monetary Fund (IMF)
- U**
- UK, *see* United Kingdom (UK)
- Uncertainty, 2, 12, 19, 47, 68, 83, 119, 121, 122, 126, 145, 159, 162, 165–167, 169–171, 193, 194, 218, 220–222, 227, 229, 246, 249, 263, 264, 291, 293, 317, 319
- Unemployment, 9, 11, 14–17, 20, 22, 23, 23n2, 33, 36, 43, 46, 47, 71, 90, 96, 97, 136, 156, 178, 179, 227, 317
- Unemployment benefit, 43, 47, 70, 85, 136, 156
- Union of Industrial Consumers of Energy (UNICEN), 204
- United Kingdom (UK), 11, 51, 52, 60
- United States (US), 15, 16, 35, 162, 241, 274, 278n4

W

Wage moderation, 69, 71

Wages

basic, 153, 186,
195–198

and earning, 180–200

gross, 185, 186, 190, 195–198,
213n3

Work

arduous, 70

clandestine, 70

undeclared, 70

Z

Zavvos Committee, 58