

# **JOLTING EXPECTATIONS**

## **Suggestions on Exiting the Great Recession**

Who will lead Greece out of the social and economic troubles that have marked the last three years? What policies will it take to escape the Great Recession? These are everyday questions for citizens who understand that the current crisis is one step away from a full-fledged economic freefall with no end in sight, and a potentially dire end like poverty levels last seen in the 1950's.

The first question has an easy answer: the people! No reforms are going to take place without a strong and persistent push from public opinion. A good example of this push was the recent formation of the Papademos coalition government. The second question does not take a pithy or short reply. But we know that Greece cannot afford to fail when its lenders are as willing to help as the ECB-EU-IMF “troika” appears to be now.

Below we offer four suggestions to all voters which we think will reverse the pessimism that holds the entire private sector in its grip—households, firms, domestic and foreign investors, lenders and so on. If implemented, these suggestions will have immediate effect.

**Suggestion 1:** Cut the umbilical cord that connects politics with corruption by involving yourself directly in everyday politics. Avoid political parties made up of professional politicians and labor leaders. In public opinion polls and at the ballot box, vote for parties that exclude career politicians.

Greece needs to clean house. The best way forward requires practical minds, non-partisanship, and understated politics free from ideology-spouting loudmouths. Female technocrats and politicians often have what it takes for this purpose. They will make decisive contributions in fixing Greece as they have in other European countries where laws require substantial female presence in parliaments, city councils and corporate boards of directors.

**Suggestion 2:** Give women more power if you want to contain social conflict and to gain wide support for practical policies that will clean up the mess in which men have put the country.

Unemployment is rising, tens of thousands of small enterprises are shutting down, because VAT rates have reached 23%, and legal profits are too heavily taxed.

**Suggestion 3:** Demand that taxes, that weigh heavily on business activity, be reduced drastically.

Even if corruption is contained and taxes are reduced, no investments will take place unless social peace is established. Recall that during 1979—2010, 7500 strikes, including general strikes, have taken place.

**Suggestion 4:** Participate in the meetings of all labor and other organizations that are supposed to represent you. Deny small groups of professional labor leaders, that have dominated labor relations, the privilege of representing you and thus take back from them the control of public transportation, schools, athletic facilities, hospitals and public spaces throughout the country.

As we have argued elsewhere, it will be important to put in motion the process of revising the country's present Constitution, so as to combat effectively corruption in government and its agencies, ensure unencumbered and efficient functioning the justice system, guarantee balanced budgets and responsible public borrowing, safeguard the openness of professions and markets, and establish universal, fair and efficient social safety nets.

January 1, 2012

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