

**The Impact of the Crisis on Greek Citizens:
Moving Forward Towards Recovery!**

SPEECH

by

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INAUGURAL SESSION

31 May 2013

Seul le texte prononcé fait foi

Check Against Delivery

Dear Minister
Distinguished guests
Dear friends and colleagues,

It truly is a great pleasure, personally and for all members of the Various Interests Group of the European Economic and Social Committee, to be here with you today in this beautiful city named by King Cassander after his wife 'Thessaloniki', who was the half sister of Alexander the Great! In Greece, 'History' is inescapable, we are imbued with its memory, we are graced by its wisdom and we are humbled by its responsibility, both for Greeks and Europeans alike. For did not the French President Valéry Giscard d'Estaing say in 1979 that "*Europe without Greece is simply not Europe*"? That is a statement to be remembered in the 6th year of Greece's recession and today, during our discussions on 'The Impact of the Crisis on Greek Citizens'. But I am getting ahead of myself and before entering into the heart of today's topic, I would like to begin by very warmly thanking Mr Bakatselos, President of the Chamber of Commerce and Industry of Thessaloniki, for allowing us to organise this event at their premises and for very generously hosting the lunch. Your philoxenia is greatly appreciated. I would also like to thank the two members of the Various Interests Group of the EESC from Thessaloniki, Mr Panayiotis Gkofas and Ms Evangelia Kekeleki. Your joint energy and determination have made this event a success! I apologise Panos, if it has taken us so long to organise this event since you first came to me with the proposal 18 months ago, but as you say in Greece 'Kalio arga, para pote!'

Please allow me to make one final interlude before getting into the crux of our discussions today: in this meeting room we are some 30 members of the European Economic and Social Committee from different European countries. Amongst us is also the former *Greek* President of the EESC, Mr Dimitris Dimitriadis, a Thessalonikios! We have the *Greek* President of the Employees Group of the EESC, Mr Georges Dassis. We also have among us the Vice President of the EESC Mr Wilms from Germany, plus the President of the Employers' Group, Mr Krawczyk from Poland. But what I would like to clarify is that we are not the Troika and we are not the European Commission. We represent European Employer, Trade Union and a variety of civil society organisations who have been appointed to the EESC by Member States. The EESC is a *consultative* body to the European Commission, European Parliament and Council and our role is to advise them and to make known to them the views of organised European civil society. But to do so, we have to be informed and that is why today, our primary objective is to *listen* to you and to jointly explore how Greece can move forward towards a sustainable future.

In several press articles over the last few years, Greece has been compared to Iphigenia, Agamemnon's daughter sacrificed so that the ships may set sail for Troy. In today's analogy, the recompense is the preservation of the Eurozone and there is more than one victim. Austerity has been the bitter medicine for several European countries, including my own, Italy. There is now also the question of what road France will take in the next few months. But we can all agree that there are degrees of austerity and in the case of Greece, without doubt there has been a *devastating* impact socially, economically and even politically. When parents have to suffer the pain of almost 2 out of every 3 young people without a job; when 27% of the total working population is unemployed and socially excluded; when it is

predicted that by the end of this year there will be 3.9 million Greeks living in poverty out of a total population of 11 million, then we are facing an explosive situation. To which we must add the very severe cuts to pensions reaching up to 60%, substantial cuts to health and education budgets, the introduction of a new minimum wage of 470 Euros when the prices in Greece are almost the same or even more expensive than those of Brussels... We must add the decimation of the Middle classes, the brain drain, the exponential rate of suicides and infectious diseases, the reality that a country which has been a member of the EU for thirty years has citizens who are so poor that they cannot buy medicines or fuel...

Fortunately for Greek citizens and greatly to their credit, the economic crisis has been mirrored by an outburst of charitable works, mutual help to fellow citizens and a great deal of creativity in the cultural sphere. There are also some signs of improvement, with 0.6% growth foreseen for Greece for next year. It is calculated that the country has regained 2/3 of its pre-crisis competitiveness and that bank deposits are starting to increase. But the fact remains that Greek GDP has shrunk 20% since 2007 and that the human cost of this crisis has been *extremely* high. It really is as if Ephialtes having betrayed the Greeks at Thermopylae, has returned triumphant.

And at this point, I would like to say something which I think is long overdue: Bravo! Bravo to Greek citizens for your *endurance* over the last few years. Even the IMF in its recent report praised Greece for the "exceptional" progress in reducing its budget deficit and recognised that the reductions in jobs and salaries have resulted in "an unequal distribution of the burden of adjustment". And if I may humbly add, I believe that the perceived loss of sovereignty resulting from the austerity programme has been particularly difficult for Greeks to accept. For not only was Athens the birthplace of democracy, but Hellenes are a proud people, where *filotimo* or honour is of paramount importance.

The question is how to move forward now? How do we get Greece *and* Europe out of this vicious circle of depression, for let us not forget that this is also a *European* crisis. For whereas in 2013 the Eurozone economy will contract by 0.3%, the global economy will *grow* by 3.3%. Moreover, it has been calculated that the cost of young *Europeans* not being in employment, education or training is 153 billion Euros per year. And if Greece or Portugal are having difficulties in overcoming the crisis, it is also because their exports have been reduced as crisis-hit Europeans *elsewhere* are reducing consumption.

Ladies and gentlemen, the crisis in Europe has resulted in unprecedented levels of mistrust by European citizens in the European Union. Recent figures released by Eurostat, the EU's statistical service, reveal that only 33% of Europeans trust the EU and only 30% of Europeans have a positive image of the EU. But despite these figures, I remain a convinced Europhile. For in today's globalised economy, the EU has a key role to play in *complementing* national strategies. The EU does not have all of the solutions and errors have been made. But it is through cooperation at the European and international level that solutions will be found. Look at the subject of tax evasion. The cost to *Europe* of tax evasion in the 27 Member States has been calculated by the European Commission at 1 trillion Euros per year! And the cost of the shadow economy is 20% of Europe's GDP. But as a result, both the

EC and the G7 have decided to make tax evasion a priority, with coordinated actions across national frontiers.

Which brings me to my next point: both for the crisis in Greece and the rest of Europe we need to get the right balance between austerity, fiscal responsibility and growth-promoting measures. We need the right balance between the economic and social dimensions to the crisis. So yes, the fiscal, banking and financial unions are necessary pillars of Economic and Monetary Union. Yes, individual countries need to fight corruption, to reduce deficit imbalances and to carry out Structural reforms in order to make them more competitive. But these measures *must* be complemented by growth and equity promoting measures, by employment creation, inter-generational solidarity, poverty reduction, the protection of consumer rights, the sustainable and efficient use of resources, territorial and social cohesion. We must strengthen Europe by supporting the Single Market and the Europe 2020 Strategy. We must take concrete steps to re-industrialise Europe, provide liquidity to our SMEs, invest in Europe's competitiveness, in research and development and international trade. And the key actors in this process should be our SMEs, the social economy, the green economy, the liberal professions, etc. We must invest and not regress in qualitative education, lifelong learning, decent work and enhanced mobility for Europeans. And all of the above should be underpinned by *political legitimacy* and *democratic accountability*.

Before drawing my presentation to an end, I would like to mention that there is currently a wind of change in the EU. Finally, political leaders are waking up to the reality that we need a Social Pact for Europe, that we need a monetary union with a 'human face'. There is now talk of "austerity being neither effective nor socially viable" of "austerity...having reached its limits". The European Economic and Social Committee has been actively involved in these discussions and only last week we adopted an Opinion entitled 'The Social Dimension of EMU', of which I was the rapporteur. In this Opinion, we called for a European Social Action Programme and Social Investment Pact, which would include the right of Europeans to a minimum guaranteed income. We called for the creation of a European Anti-Poverty Solidarity Fund and for increases to the European Social Fund. We argued in favour of the establishment of European Social Bonds and of a European Network for Unemployed Workers. And of course, all of these proposals are additional to existing EC initiatives. For example, the proposal for a 'Social Investment', which would invest EU funds in social protection and human capital. Or the EU's Youth Employment Initiative, which would help regions and Member States to better tackle youth unemployment. Basically, the message that I would like to pass is that the EU can help austerity-hit countries through social and growth promotion measures.

Ladies and gentlemen, European citizens cannot take any more empty promises! For 'Europe' is not a 'project', it is a living reality, which impacts all of us in a myriad of ways. Next year under the Greek Presidency of the EU Council, the elections to the European Parliament will take place. Unless we want to witness the total disenfranchisement of the EU by European citizens at these elections, we need to act today! Now is the time for Europe to pool its efforts and invest in a social approach to the crisis and to EMU. But to do so, we need the power of imagination and the strength of determination!

Dear friends, let me close by recalling that 2013 is the 150th anniversary of the birth of the distinguished Greek poet Constantinos Cavafys, who in his famous poem 'Ithaki' calls on the reader to "Keep Ithaki always in your mind, arriving there is what you are destined for". So let Europe's sustainable recovery from this crisis be the 'Ithaki' for all of us!
