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IN ORDER NOT TO REMAIN ALONE

Panagis Vourloumis, *Kathimerini*, May 30, 2010

Greece secured a salvage packet of €110 billion plus a commitment from the European Central Bank to buy its government bonds regardless of rating. These measures aim at giving our country time to correct the way things have been run for many years. However, the reasons these measures were taken have less to do with the interest of our European partners in the way we misgovern ourselves *and more with the fear that our bankruptcy could trigger a domino effect putting the Euro in danger.* Recognising that other EE members using the Euro, such as Ireland, Portugal and Spain could be affected, EE, together with the Greek package, created a much bigger safety net, of €750 billion. Without the fear that we could draw others down the precipice it is not unlikely that we would have been abandoned to our fate.

This possibility still exists.

The shock created by the Greek crisis forced EE to face the reality that you cannot have a common currency without a common economic policy, at least in the basics. And that you cannot rely on the goodwill of member states to comply. So now we will have rules and mechanisms to save the Euro and avoid repetition of the crisis.

Already the countries with problems have by themselves begun to take measures, showing that they realise the seriousness of the situation. Ireland almost immediately took the medicine and is already over the worse. In Portugal, Government and Opposition have joined forces to take hard and unpopular measures, without imposition from the outside. Spain is following the same road. No Euro country, including Italy and Belgium is comparable to Greece. Their problems are more containable and the chances are that they will overcome them even without using the facilities of the package and of ECB. Such countries also produce and export and their external debt is manageable.

It is, therefore, almost certain that in a year or two our partners in misery will have recovered and, if we haven't done something about it, we will find ourselves as the only problematic state in Eurozone. In the meantime a big part of our external debt which is now in the hands of European banks and other institutions will have shifted to the ECB or absorbed by the support package. In this way pressure on their Governments, by the banks that now hold Greek paper, will be much less because they will have unloaded it on impersonal international institutions.

The message is clear. We have to fix our ways, taking the necessary structural measures which we know very well what they are, regardless of political cost. The road will be long and difficult but for the support package to work we have to prove continuously that at least we are doing our part. Otherwise, next time we will be entirely alone.