



PRESS RELEASE

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TSCF slams EU for dramatic mishandling of the Greek crisis

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The showdown between EU and the Greek government has temporarily ended in July 2015 with a planned new bailout program. This program is symptomatic of the shortcomings of the euro project.

- On the one hand, EU is widely responsible, along with the IMF, for the Greek debt problem and for the downturn of the Greek economy. Blind austerity reduces demand, and reduced demand diminishes in turn government fiscal income. If Greek banks were on the brink of collapse, it was not due to endemic factors but to the fact that the ECB was threatening to cut off its liquidity assistance lifeline. If the ECB was able to do so, it was because the Greek government had renounced its monetary sovereignty in the hands of the ECB. Otherwise, Greece could have printed as much money as it needed to refloat its banks. If Greece had kept its national currency, trade deficits would have declined as the Greek currency depreciated and the cost of imports soared. It would not have needed to borrow that much, and lenders would not have based their loans on the illusory guarantee of eurozone membership.

Greece's creditors do not need the money that is being demanded. Under a business-as-usual scenario, the money received is just lent out again to Greece. Greece pays its creditors with the money that they lend to Greece. This Kafkaesque, circular system has for only meaning to keep Greece in the eurozone, so as to continue building a supranational state in Europe, regardless of what the human and economic cost may be.

- On the other hand, if the Greek government did not seize the opportunity to take Greece out of the euro, it is because it did not have the courage and the competence to prepare thoroughly for this possibility. The 'disorderly bankruptcy' that the Greek government said it feared could have been avoided if government had taken the appropriate preparatory steps.

The negotiators have signed an agreement they do not believe in. Truth is that there is no way for Greece to fix its debt problem, if it keeps the euro as its currency. For TSCF, the most plausible and positive prospect is that Greece eventually leaves the euro. Maintaining it at all cost into it, in the objective to save the euro as a monetary and political integration project, is political fanaticism. An orderly exit from the eurozone remains the most favorable scenario for the Greek people and for the European people.