

Interview

The big picture

Crises create opportunities: Greece and Europe must take the next steps

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Mr. Wöhrmann, once more, we have to talk about Greece. Although Greece's influence on the world and even on the European economy is limited, the Greek crisis was still felt on U.S. and Asian stock exchanges. One reason for this sensitivity is that the functioning of monetary unions is of global interest. How do you assess the Brussels compromise?

I think it is a good political solution in the present circumstances. Politics is the art of the possible, not necessarily the implementation of the economic optimum. However, what we are talking about here is a fragile, protracted process. As slowly as Greece was sliding towards "Grexit", it is now moving away from it. Greece will have to deliver reforms permanently with further aid only granted step by step. But this also offers a great opportunity to the Greek government. The necessity of change serves as a protective shield against domestic attacks. Now the Tsipras government must articulate a viable domestic agenda. Neither turning back nor standing still is an option any longer. The chances of restructuring Greece have never been higher.

Do you think that the Greek population shares this optimism?

Greece will need a cross-party, societal and foreign-policy consensus in order to seize this opportunity. Capital controls – as well as some elements of the rescue package which reduce demand – are hampering growth, which could be politically explosive.

And could still lead to "Grexit" after all?

The discussion of "Grexit" should be conducted in a non-dogmatic way. There are positive examples of the dissolution of currency unions (the former Soviet Union) and of economic recoveries after devaluations (Iceland). But leaving the euro would be a road paved with many unknowns, and the economy would be paralyzed again during the transition period. A "Grexit" would not be possible against the will of the Greek people anyway. The opposition to the re-introduction of the drachma even by the tourism industry, which might be one of the winners from devaluation, speaks volumes. By the way, Greece's export base may well not be broad enough to benefit from devaluation.

The United Kingdom and the United States are very down on "Grexit" and the Brussels compromise.

Surprising, isn't it? They have long identified Greece's membership as one of the Eurozone's biggest flaws – so why should "Grexit" now suddenly pose a major threat? I am less surprised that these two countries now desire a more relaxed approach towards Greece. They have only a minor financial stake in the Greek rescue and have themselves carried current-account deficits over many years.

Are Greece's economic data proof of the failure of all programs so far?

Over many years, the Greek economy has resembled a foundering ship with many

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