

## **FINANCIAL CRISIS IN GREECE: AN INTERVIEW WITH PROF ANIS H. BARREKTAREVIC**

*Professor Anis H. Bajrektarevic of the University of Applied Sciences in Krems, Austria gave a printed interview to the Greek weekly newspaper “Ependytis” for the Greek financial crisis and the role of Germany and European Union.*

**RIEAS publishes the interview of Prof. Bajrektarevic exclusively in English language.**

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**Do you think that Germany accepts as only means to deal with the financial crisis the tight fiscal policy? Are there any alternatives possible?**

The current so-called financial crisis and the weak euro that came along is actually a big time for German exporters. They are many losers in Europe right now, but we should not miss from our sight who are the winners.

**There is a perception among the hard battered people of Greece that German Ministry of Finance uses Greece as an experiment in order to test the limits of the European population in view of the austerities policies planed ahead. Do you agree?**

What is the additional pervasive effect of (any) crisis on democracy? 9/11 is just one in a series of confirmations (e.g. from the ‘Nixon shock’ to the ongoing Greek/Euro debt saga) that any particular crisis may turn beneficial to those seeking the nontransparent power concentration. Once a real democracy starts compromising its vital contents, it corrodes degenerates and turns formal. Many contemporary examples show us that for a formal democracy, it is not far from ending up as an oppressive autocratic dictatorship with either police or military or both residing outside a strict civil and democratic control. A real democracy will keep its financial establishment (as much as its armed organs, and other alienation-potent segments) under a strict popular democratic scrutiny and civil control through the clearly defined mechanisms of checks and balances. That is the quintessence of democracy.

**Do you believe that a Greek exit from the Euro- zone is a possibility? What will be the consequences if the government of Athens does not implement the financial programme of the Troika?**

Despite a constant media bombardment with cataclysmic headlines, the issue is not what will happen with EURO or any other socio-economic and political instrument. The right question is what will happen with us – as means are always many, but the aim remains only one: the self-realization of society at large. We can not save euro on expenses of human lives, but vice versa.

**The Greek financial crisis is not a Greek problem but a European problem on the whole. Do you agree with the above assumption?**

Negotiating on the coined “Euro-zone debt crisis” (debt bound economies) without restaging the forgotten Lisbon strategy (knowledge-based Community) is simply a lame talk about form without any substance – it is a grand bargain about control via austerity, not a vision of prosperity.

Consequently, the Euro-crisis or any other financial/debt crisis – for that matter – is only a construct of our mental projection as it is not founded anywhere in the deeper layers of reality... The very epilogue of the financial crisis seems to be only the redistribution of dependencies and enhanced control, not at all steering up the nations to a well-being, to a self-realization. If the elected democratic governments are reluctant to be instrumented to this end, Politbureau of the non-elected apparatchiks will eagerly finalize the unfinished. Therefore, we even interpret the very word ‘crisis’ falsely. This term has a dual meaning: ‘hardship’ (fear-anger) as well as ‘opportunity’ (exploration-liberation). Opportunity per definition will always challenge the established status quo, but that thought usually disfranchises, discourages and disengages us. Example? Since the reporting on the Greek/Euro sovereign debt crisis has started, how many words related to a change or opportunity have you heard (e.g. solidarity, creativity, initiative, job creation, action, broader consensus, vision, rethinking, bravery, dignity, self-respect, trust, virtue), and how many words related to a paralyzing status-quo (e.g. monetization, toxic assets, fiscal discipline, austerity measures, monetary control, budgetary straitjacket, conditionality strengthening, general savings, concerns intensified, budget cuts, downgrading, debt instruments, social haircut, withheld guaranties, massive default, tightening the financial screws, consumer confidence, record low, collapse prevention)? For a cognitive mind, a period of crisis is not the time to seed fear, to save, back off and wait, but to spend, to grant a freedom of initiative, to fully mobilize and largely engage fresh ideas and all other human resources. (After all, one entity is in a decline when it reacts to the risks, far more

than it acts on opportunities.) This simple wisdom has nothing to do with the so-called economy; it is merely a question of perception.

**What do you believe about the future of the Euro. Can you make a risk assessment about the future of political cohesion, if the financial crisis extends to the majority of the member- states?**

The difference between a dialectic and cyclical history is a distance between success and fall: the later Lisbon (Treaty) should not replace but complement the previous Lisbon (Strategy). It is of both a predictive and prescriptive wording. Restaging the Lisbon Strategy and reintroducing all of its contents is not just Europe's only strategic opportunity, but its grand generational/historic responsibility as well.

**The austerity policies that are imposed by the governments of European Member - States are creating the preconditions for the disappearance of the middle class. Do you agree with this statement?**

The present-day Union, aged but not restaged, is (in) a shadow of the grand taboo that the EU can produce everything but its own life. The 'Old Continent' is demographically sinking, while economically yet keeping afloat. The numbers of the unemployed, underemployed or underpaid/working-poor are constantly growing. The average age of the first labor market entry is already over 30 in many MS – not only of Europe's south. The middle-class is pauperized and a cross-generational social contract is silently abandoned, as one of its main operative instruments – the Lisbon strategy – has been eroded, and finally lost its coherence.

To worsen a hardship, nearly all European states have responded wrongly to the crisis by hammering down their respective education and science/R&D budgets. It is not a policy move, but an anti-visionary panicking that delivers only cuts on the future (generations). (E.g. the EU investments in renewables have been decreasing ever since 2008. Still, today, the EU budget allocation to agriculture subsidies is 10 times bigger than to R&D.)

Recent generational accounting figures illuminate a highly disturbing future prospect for the EU youth. Decades of here-us-now disheartened consumerism corroded the EU's community fabrics so much that, cross-generationally speaking, the present is the most socio-economically egotistic European society of all times. On the other hand, Europe has never witnessed a youth so apolitical, apathetic and disengaged in last 250 years (as their larger front of realities has contracted into the sporadic and self-disfranchising protests over the alleged cyber freedoms or decontextualized gay-rights only).

## **Does the European Union have the institutional mechanics to cope with the financial crisis?**

From the democratic, transparent, just, visionary and all-participatory, a holiday from history- model of the European Community, the EU should not downgrade itself to a lame copy of the Federation of Theocracies – the late Ottoman Empire.

This authoritarian monarchy is remembered as a highly oppressive and undemocratic although to a degree liberal and minority-right tolerant feudal state. The Ottoman Federation of Theocracies was of a simple functioning system: with the Sultan's handpicked Grand Porta (verticalized/homogeneous monetary space of the EMU and ECB, moderately restrained by the Council of the EU) that was unquestionably serviced by the religious communities from all over the waste Oriental Empire (horizontalized/heterogeneous fiscal space of the EMU, in which every state freely exercises its sovereignty in collecting taxes and spending), unless otherwise prescribed off-hand by the Sultan and his Porta (ECB and IMF).

## **How does the economic balance of power between Europe and Asia influence the western financial policies?**

The over-financialization and hyper-deregulations of the global(-ized) markets has brought the low-waged Chinese (peasant converted into a) worker into the spotlight of European considerations. Thus, in the last two decades, the EU economic edifice has gradually but steadily departed from its traditional labor-centered base, to the overseas investment-centered construct. This mega event, as we see now with the Euro-zone dithyramb, has multiple consequences on both the inner-European cultural, socio-economic and political balance as well as on China's (overheated) growth. That sparse, rarefied and compressed, labor which still resides in the aging Union is either bitterly competing with or is heavily leaning on the guest workers who are per definition underrepresented or silenced by the 'rightist' movements and otherwise disadvantaged and hindered in their elementary socio-political rights. That's how the last world's cosmopolitan – Europe departed from the world of work, and that's why the Continent today cannot orient itself (both critically needed to identify a challenge, as well as to calibrate and jointly redefine the European path). To orient, one need to center itself: Without left and right, there is no center, right?!

Contemporary Europe has helplessly lost its political 'left'. In the country of origin of the very word *dēmokratía*, the President of the Socialist International has not so long ago introduced to his own citizenry the most drastic cuts that any European social welfare system had experienced in the last 80 years. The rest of official Europe (and the rest of 'unofficial us', as we are passive spectators) still chews the so-called Greek debt tirade as if it is not about the very life of 12 million souls, but a mere technical item studied at the secondary schools' crash-course on macro economy. As if by trivializing what we (want to) see, we are not ourselves brutalizing what will (later) happen to us.

