



HOW FAST CAN WE GROW? Vital questions for America, Europe and Greece

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Jack Lew
Former US
treasury secretary

Jack Lew: Η ελάφρυνση χρέους παραμένει σημαντική

*Θετικές εξελίξεις στην Ελλάδα – Η προσπάθεια πρέπει να συνεχιστεί –
Απαιτείται ένα σύνολο παρεμβάσεων*

Η δημοσιονομική πρόοδος θέτει τις βάσεις για υψηλότερη ανάπτυξη στο μέλλον, ωστόσο, η Ελλάδα χρειάζεται περαιτέρω μεταρρυθμίσεις για την προσέλκυση επενδύσεων, όπως και ελάφρυνση χρέους, η οποία παραμένει σημαντική. Την εκτίμηση αυτή εκφράζει ο τέως υπουργός Οικονομικών των ΗΠΑ, **Jack Lew**, σε συνέντευξη στα Economist Events και την Hazlis & Rivas, με την ευκαιρία της συμμετοχής του στην εκδήλωση **“How fast can we grow?”**, η οποία διεξάγεται σήμερα το απόγευμα, στο Καβούρι της Βουλιαγμένης.

«Είχαμε διαφορετικές μακροοικονομικές απόψεις, αλλά πάντα σταθήκαμε από κοινού στη σημασία διατήρησης της Ατλαντικής Συμμαχίας και της Ευρωπαϊκής Ένωσης», αναφέρει μεταξύ άλλων για τη συνεργασία του με «έναν καλό φίλο», τον υπουργό Οικονομικών της Γερμανίας Βόλφγκανγκ Σόιμπλε. Εξάλλου, ο ίδιος διακρίνει διατηρήσιμη οικονομική βελτίωση στην περιοχή της Ευρωζώνης, αν και κατά τη γνώμη του «η βελτιωμένη οικονομία της Ευρώπης θα ήταν ακόμη ισχυρότερη αν ο διαθέσιμος δημοσιονομικός χώρος χρησιμοποιούνταν πληρέστερα».

Παράλληλα, ο κ. Lew τονίζει με νόημα ότι εμπορικές συμφωνίες όπως η TTIP και η TPP είναι σαφώς προς το συμφέρον των ΗΠΑ. Αναφερόμενος ειδικότερα στην αμερικανική οικονομία, εκφράζει την άποψη ότι μέσα σε ένα

περιβάλλον μεγέθυνσης δεν χρειάζονται μεγάλες περικοπές φόρων που προσθέτουν στο έλλειμμα. «Θα ήταν το αντίστροφο του Ρομπέν των Δασών να περικόψεις ιατροφαρμακευτικές παροχές προς χαμηλόμισθους εργαζόμενους για να μειώσεις φόρους σε υψηλά επίπεδα επενδυτικών εισοδημάτων, αλλά αυτό ακριβώς θα έκανε η εκκρεμούσα νομοθεσία», συμπλήρωσε ο τέως υπουργός Οικονομικών των ΗΠΑ.

Ολόκληρο το κείμενο της συνέντευξης στα Αγγλικά:

Do you detect a reverse in the course of the Greek economy? Or is it still too early? On the one hand, Grexit seems to have left the table, but on the other hand we still don't see any growth rates that would point to a success story in Greece.

Greece has clearly made progress. The most recent IMF review reflected that progress, as do measures of economic performance. After a period of better growth, the economy did flatten out, but improved fiscal conditions are a basis for better growth in the future, and a first step back into capital markets reflects that progress. Countries cannot simply cut or borrow their way to sustained growth. To reach sustained growth and improved income equality requires a balanced and disciplined approach that supports both economic demand and investment – which is why maintaining reforms and ultimately reaching an agreement on debt restructuring remain so important. With this balanced approach, Greece should be an attractive place to invest, and should see growing access to capital markets. There is still more work to be done, but with the continued determination of the Greek people and their elected government, and the ongoing cooperation of international partners, the future holds the promise of further economic improvement in this birthplace of democracy.

As it emerges from the Eurogroup meeting of June 15th in Luxembourg, the IMF will continue to participate actively in the Greek program, but will only disburse money if and when the medium term measures on the Greek debt are specified. How do you evaluate this development? Is it a good solution?

I have long agreed with the IMF that debt restructuring is essential to achieve a long term solution that puts Greece back on a path to sustained economic growth. It is in the interest of Europe, as well as the IMF and the US, for Greece to be on an economic path that promotes domestic and geopolitical stability. I was encouraged that the Luxembourg meeting produced greater certainty that debt restructuring will be addressed, and in that context hopefully resolve the Greek financial situation so that it does not require constant revisiting. That in and of itself will help produce a better environment both for economic growth and political stability. Since Luxembourg, additional progress on the IMF review and an initial step into the private capital markets are both positive developments.

In your opinion, where should the Greek side give more emphasis? On the demand for further frontloaded debt relief or on the implementation of reforms that will improve competitiveness and increase GDP? What's more important?

The best solution is not a choice between these options, but all of the above. A well balanced plan that maintains credible fiscal targets, economic reforms that promote sustained investment and hiring, and debt restructuring that produces sustainable flows should all be combined in a comprehensive plan. Until all the elements are addressed at the same time, there will be an expectation of additional rounds of negotiations and all parties will hold back because of that. Moreover, the sum is greater than the parts if done together, and the impact on confidence and investment would be greater.

What is your experience through your cooperation with German Finance Minister Wolfgang Schäuble, and how do you assess the performance of the Eurozone today?

Minister Schauble is a good friend, and I deeply value the role he has played to advance US and European cooperation to build a stronger and safer world. He and I sometimes have different macroeconomic views, but always stood together on the importance of maintaining the Atlantic Alliance and the European Union. On matters of mutual security and protecting sovereignty, one could ask for no better partner than Minister Schauble, whether addressing Russia's invasion of Ukraine, supporting Iraq's economy so battlefield gains against ISIL were not lost in a weakened economy, or working together to stop terrorist financing. In response to the refugee crisis, Germany relaxed fiscal demands, at home and through Europe, to promote an immediate and significant response.

Minister Schauble was a leader within Germany to knit together east and west, at substantial economic cost, and to advance cross European cooperation, including in the areas of financial reform and resolution

Europe is finally experiencing sustained economic improvement, and in my view Europe's improved economy would be even stronger if available fiscal space was used more fully, and this would relieve pressure to use monetary tools. But it is also the case the Europe's economy is much healthier than it was a few years ago.

Where do you detect changes in US economic policy until now, following Donald Trump's election, and how is the prospect for the Transatlantic Trade and Investment Partnership being shaped?

I believe that trade agreements like TTIP and TPP are very much in the interest of the United States. High standard agreements that open markets for trade also advance progress on labor, health, environmental protection and business practices. Since the US has historically held to high standards on our own, broadening the acceptance of high standards makes the US more competitive. I fear that abandoning US leadership in these multilateral

negotiations invites others to fill the void, with the likelihood of lower not higher standards as an outcome.

The workplace is changing rapidly not just because of globalization, but even more because of advances in technology. Our political debate tends to merge the two, perhaps because it is easier to blame the anger of an anxious public on others than it is to take a hard look inward and ask how we can address issues within our own economies.

Each country and region faces its own challenges. In the US, for example, we know that we can build a stronger foundation for economic growth by investing in our aging infrastructure, which would create good middle class jobs today and in the future. We also know that we need to do better at education and training – for the young and not so young – so that we have skilled workers to fill jobs that are and will remain available. We also need to maintain a responsible fiscal policy and pay for these investments, particularly with the emerging demographic challenge of an aging baby boom.

In a growing economy, we do not need big tax cuts that add to the deficit. And in an economy where increasing shares of income go to returns on capital and highly compensated individuals, we should not roll back tax rates on the most fortunate. We should fix a tax code that too frequently lets wealth accumulated from investments go untaxed and in a deficit neutral way reform our business tax code to eliminate loopholes and lower rates that drive businesses to leave the US.

It would be reverse Robin Hood to cut health benefits for low wage workers to reduce taxes on high levels of investment income, yet that is exactly what pending legislation would do.

Going forward, we will do better if the debate shifts to areas where we should be able to work together – things like rebuilding our infrastructure and training our workforce. This would start to address the real source of the anxiety that is driving political expressions of anger.

Press Office

The Economist Events for Greece, Cyprus, Malta & SE Europe

Η εκδήλωση του Economist και της Hazlis & Rivas, η οποία θα διεξαχθεί σήμερα, στο ξενοδοχείο Divani Apollon Palace & Thalasso στο Καβούρι, υπό τον συντονισμό της διευθύντριας για την Ευρώπη του Economist Intelligent Unit **Joan Hoey**, θα διερευνήσει την αρχιτεκτονική της Ευρωζώνης, τη θέση της Ελλάδας και την πορεία της παγκόσμιας οικονομίας, δέκα χρόνια μετά από τη διεθνή χρηματοπιστωτική κρίση του 2008.

Τη συμμετοχή τους έχουν επιβεβαιώσει:

- **Jeroen Dijsselbloem, πρόεδρος του Eurogroup και υπουργός Οικονομικών της Ολλανδίας**
- **Γιώργος Χουλιαράκης, αναπληρωτής υπουργός Οικονομικών της Ελλάδας**
- **Jack Lew, τέως υπουργός Οικονομικών των ΗΠΑ**
- **Ευάγγελος Μυτιληναίος, πρόεδρος και διευθύνων σύμβουλος, ΜΥΤΙΛΗΝΑΙΟΣ**

Οι εργασίες θα επικεντρωθούν μεταξύ άλλων στην τρίτη αξιολόγηση του ελληνικού προγράμματος, στην κατάσταση που διαμορφώνεται στην Ευρώπη μετά τις εκλογές σε Γαλλία και Γερμανία, καθώς και στον αντίκτυπο του Brexit στη διεθνή οικονομία.

Παράλληλα, θα διερευνηθεί η δυναμική στον τομέα του εμπορίου και των επενδύσεων, όπως και η νέα εποχή στις διατλαντικές οικονομικές σχέσεις. Στο πλαίσιο της εκδήλωσης, θα παρουσιαστεί η πρόβλεψη του Economist για τις εξελίξεις στις ΗΠΑ, την Ευρώπη και την Ελλάδα.

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