The Alternative Policy of INE GSEE for the Greek Economy to Exit the Crisis

Europe at the Crossroads: A Union of Austerity or Growth Convergence?

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Figure 2: The Solvency Index for the Greek Government Sector

- hedge
- speculative
- ponzi
- ultra ponzi

Projections
Figure 3: The Solvency Index for the Greek Government Sector, 2014-2020

- hedge
- speculative
- ponzi
- ultra ponzi

Projections
Figure 4: IMF’s Expected Growth Rate (Baseline Scenario)
Figure 5: The Growth Rate that Satisfies the Solvency Condition

The growth path for Debt sustainability

Baseline growth path
Figure 6: The Target Growth Rate –30% Fall in Interest Payments

The growth path for Debt sustainability

30% decrease in IP

Baseline growth path
Figure 7: The Target Growth Rate -50% Fall in Interest Payments

The growth path for Debt sustainability

Baseline growth path

50% decrease in IP
Figure 8: Solvency Index – 30% Decrease in Interest Payments

Projections
Figure 9: Solvency Index – 50% Decrease in Interest Payments
The Policy Proposal of INE-GSEE

✓ An Alternative Approach to Debt Sustainability that depends on the strategy “sustainable primary surplus – sustainable public debt”.

✓ An Employment of Last Resort approach to the sustainability of primary surplus and to the stimulus of domestic demand

✓ Re-regulation of the Labor Market
Figure 11: The Target Growth Rates

- Sustainability growth path
- Baseline growth path
- g of ps 2,5%
- g of ps 2%
An overall of 48.6% decrease in Interest Payments would be required.
An overall of 58.9% decrease in Interest Payments would be required.
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Thanks for your attention