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FOR IMMEDIATE RELEASE

**GREECE FACES INEVITABLE DEFAULT AND SHOULD REFUSE  
FURTHER AUSTERITY MEASURES, LEVY SCHOLAR SAYS**

ANNANDALE-ON-HUDSON, N.Y.— Street protests, worker strikes, and political turmoil have intensified in Greece as the country reacts to the next round of austerity measures at the heart of the latest proposal to help it avoid default with its foreign creditors. While Prime Minister Lucas Papademos threatened to eject any ministers who objected to the new austerity deal, a policy paper from the Levy Economics Institute of Bard College argues that default is inevitable, the latest deal merely buys time, and that Greece should refuse to accept another “lethal injection” of austerity measures that are leading to the dissolution of its economy and society.

“It is high time for Greece to put an end to the EU farce that has now turned into a real tragedy,” writes Levy Research Associate and Policy Fellow C. J. Polychroniou in his paper “Put an End to the Farce That’s Turned Into a Tragedy.” He contends that the austerity measures have backfired, and that debt has increased while the country’s standard of living has rapidly deteriorated, workers’ wages have plummeted, public services and infrastructure have deteriorated, and labor rights have been rolled back to preindustrial standards. “With the economy in free fall, Germany and the IMF insisted on even bigger doses of the same medicine, thereby sending the country’s economy deeper into depression and unleashing a process of social decomposition that, in combination with the total surrender of national sovereignty to Berlin, is leading many in Greece to draw (mistakenly) symbolic parallels to the nation’s occupation by Germany during World War II.”

Polychroniou concludes that Greece should refuse additional austerity measures and threaten immediate default. “At this juncture, there is no other way out,” he writes. “However, if the EU is intent on keeping Greece in the eurozone, it should respond in turn with the immediate implementation of a large-scale economic plan (something along the lines of a Marshall Plan) as a means of halting a member-state’s economic hemorrhaging and the dissolution of an entire society.”

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One-Pager No. 25: *Put an End to the Farce That’s Turned Into a Tragedy*

To read the full text of this policy paper or to learn more about the Levy Economics Institute of Bard College, please visit [www.levyinstitute.org](http://www.levyinstitute.org).

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