



Speakers Gather at Emergency Economic Summit in Athens as Greece Reaches Moment of Truth

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A Greek exit from the Eurozone would have catastrophic consequences, according to speakers gathered at an emergency economics summit in Athens on Tuesday.

While divided in their views about what should be done to solve the crisis — which has now really reached make or break time — the invitees were united in their certainty that a "Grexit" must not be allowed to take place.

Greek economist Nicholas Economides, a professor at the Stern School of Business in New York, said leaving the Eurozone would have as severe consequences as the 1919-1922 Greco-Turkish war. "We're talking about an enormous bank run as a result, no confidence in the new currency, poverty much worse than we've already seen, lack of basic items such as medicine and petrol," he said. "I hope we never reach this scenario."

'Now is the moment of truth, on June 5.'

Greek Finance Minister Yanis Varoufakis made a brief appearance at the [Emergency Economic Summit for Greece](#), organized by the Atlas Network and the Cato Institute, to say the country could not keep lurching from bailout to bailout but must insist on radical change.

"We have refused to sign on the dotted line because it's not a solution to throw good borrowed money after bad borrowed money simply to keep pretending that the crisis of insolvency is a crisis of liquidity as we've been doing since 2010," he said. "What we are trying to do with these negotiations is to get the other side [the troika] to remove itself from a failed logic which they know has failed but can't acknowledge for political reasons, while at the same time acknowledge that Greece, if it doesn't reform itself seriously, is not going to recover, whatever macroeconomic miracles we pull out of a hat."

The government last week managed to make a scheduled 774 million euro debt payment (\$860 million) to the International Monetary Fund (IMF), but only by emptying an IMF holding

account, [reported Reuters](#). Now desperately short of cash, it has more payments twice the size of the recent one due in weeks, and pensions and salaries to pay at the end of the month.

On Monday, Varoufakis claimed a deal with international creditors was imminent, while a Greek newspaper claimed to have a leaked report showing the European Commission had offered Greece an agreement worth 5 billion euros (\$5.5 billion) — later [denied](#) by officials.

On Wednesday, parliamentary speaker Nikos Filis, from Syriza, said Greece would not be able to make its next IMF payment — of 1.5 billion euros (\$1.66 billion), due June 5 — without a deal with creditors. "Now is the moment of truth, on June 5," he [told](#) ANT1 television.

Greece's five-year economic crash was fueled in large part by successive government overspending, leading to an overinflated and inefficient public sector and contributing to corruption and cronyism.

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A common theme among speakers at Tuesday's summit — who included Greek MPs and ex-finance ministers of European and Latin American countries — was the urgent need for structural reforms to tackle Greece's public sector and culture of corruption. Many argued the country needed to promote privatization and a free market economy. Greece currently ranks as the worst country in the European Union in terms of economic freedom, coming last in rankings [global competitiveness](#) and [transparency of markets](#).

But the ruling far-left Syriza party, who swept to power in January on an anti-austerity platform, is ideologically opposed to free market economics. It is seeking a bail-out from the European Union that allows it to prioritize public sector pay and pensions and pursue a program of tax reform and job creation.

Nobel Laureate Thomas J. Sargent, the summit's keynote speaker, told VICE News Greece was a key factor in what would happen next with Europe's single currency. "Greece is right at the center of destiny of the Euro, not whether it survives but what it will look like as it survives," he said.