en

Publication | 11.02.2015

Green proposals and policy options for the way forward in Greece

Greens/EFA position paper

A key benchmark for assessing how and whether a sustainable debt trajectory can be reached is the amount that according to the conditions of the programme the Greek public sector needs to devote to servicing the debt burden on a yearly basis. It has also to be noted that most of the current debt is actually external debt and therefore the amounts devoted to debt servicing are actually essentially allocated to foreign debt holders. The expected primary surplus as foreseen in the programme is of around 3% in 2015 and 4.5% onwards under baselines assumptions of rather robust nominal GDP growth (around 5% per year in the first few 'catching up' years and 3.7% in the medium to long-term). **Historical experience shows however that it is economically utterly unrealistic and politically unreasonable to assume that a country will pay 4.5% of GDP to service its mostly external debt burden over more than twenty years in a row, especially if the same country leaves basic fundamental services unattended and underfinanced as it is currently the case in Greece.** A country which has endured such a socio-economic disaster does not have the capacity to devote key resources to high amounts of external debt. Such situation needs therefore to be taken properly into account when assessing the 'socially responsible capacity to pay external debt' of a specific country. In that perspective, **the public debt sustainability concept needs to be reviewed on the basis of a fundamental rights oriented approach. If debt service obligations represent an obstacle for the provision of sufficient minimum resources for financing essential services and hence for fulfilling fundamental rights obligations, then such a debt should be deemed unsustainable.** In order to fulfil the objective of reaching a debt service burden consistent with a fundamental rights oriented approach, **Greece will need further measures to reduce the burden of debt**. A few measures could in that perspective facilitate such objective while creating some necessary conditions for a sustainable recovery of the Greek economy.

(...)

- **DOWNLOAD THE POSITION PAPER**
- **DOWNLOAD THE SHORT VERSION**

Recommended

Press release

Jan van der Wolf



[Social Package step in the right direction but more am…]

06.05.2026

Event

REMADE IN EUROPE

05.05.2026

Press release

homa-appliances_unsplash.com



[We need an industrial booster for European industry, c…]

04.03.2026

Event



[EU TECH STARS SUMMIT]

05.02.2026

Responsible MEPs



Sven Giegold

Member



Philippe Lamberts

Member

Please share

- E-Mail