

ANNUAL GENERAL MEETING OF SEV Hellenic Federation of Enterprises

11 May 2010

ADDRESS BY SEV CHAIRMAN, Mr. DIMITRIS DASKALOPOULOS

Mr. President,
Mr. Prime Minister,

By electing me to a third term of office for two years, the members of our federation have expressed their confidence in my actions over the past four years. I am honoured and aware of the responsibility that their choice entails for me. I have no doubt as to how difficult and crucial the next two years will be for our nation and its people. The political and economic systems will undergo a very real test of survival, with seriousness, consistency and effectiveness being the criteria. Ladies and gentlemen, we are all being judged, and at present no verdict has been reached. The spectre of bankruptcy has not yet retreated. For that reason, allow me to give the General Meeting the title of a General Call to Responsibility – which is what the present circumstances demand.

Ladies and gentlemen,
Dear friends,

With great pain we are experiencing the disintegration of the post dictatorial political landscape. It has been a regime of profligate cronyism, fiscal irresponsibility and pervasive corruption combined with the populist character inherent in our party political system. This has led Greece to the verge of bankruptcy. We shall now undergo a four-year programme of reconstruction, which will consist of all the measures that we ourselves should have taken years ago. It is harsh, but inevitable. Especially harsh will be the consequences for our people.

The disintegration of our nation is not simply economic – it is all-encompassing. It is also a crisis of conscience for our society. Deep down we know only too well that the responsibility for the decline of the country is a collective one. The guilt of others absolves no one else. In Democracies, the citizens are the accessories of the politicians. If the politicians are the perpetrators, the instigators are the citizens. Naturally, the humble citizen does not carry the same burden of responsibility as the self-interested minister or member of Parliament. The former has become the victim of his own choices – the latter is the executive. Today, however, there exists the need for collective change. And this demands that we enter into a process of relentless collective self-criticism. We have to confront squarely the bitter truths of the broad road down which we have travelled to where we are today. And this because it is the only way for us to recover from the historical mistakes of the past 35 years and close the “restoration of the democracy” chapter, consciously swallowing the bitter pill of measures we are forced to apply.

And it is indeed a favourable sign that despite the heavy burden of the present crisis, our society, despite the fear and insecurity that besets it, appears to have become aware of certain truths, such as:

- The state glasshouse – the State of clientelism and parasites – has gone bankrupt once and for all. No more can nominations to positions, favours or even subsidies be guaranteed. That State is not in crisis. That State is the crisis.

- The “bubble” of prosperity founded on loans and subsidies, finally and irredeemably has burst. The Greece of age-old wiles can no longer pull the wool over the eyes of its lenders and associates. It has to survive on what it produces.
- Evasion and deceit cannot constitute a sustainable attitude in the present economic climate. We have to re-learn how to work and produce.
- Our standard of living will fall noticeably, at least for the next five years – given that we shall remain in the monetary union of the euro. Should a return to the sad relic of the drachma occur in a fit of national pride, it would signal poverty and pain for our whole society.

And yet, even today, there are those who underplay the size and depth of the crisis, who refuse to acknowledge that the battle is being fought to prevent us becoming a debased and scorned corner of Europe and the Balkans.

They do not wish to accept that today we are paying for our own indolence.

The clamour of petty-politicking, the party rivalries, obsolete fixations and the flat obstructionism of unions, have smothered the voices of wisdom, ignored the insightful warnings of imminent collapse and, until now, have sought to subvert any will for real change.

Unfortunately, these roots lie deep in our society of political parties, unions, media and economic vested interests which are battling, openly as well as below the surface, to prevent the unavoidable shrinkage of the State, which its own decomposition is leading to. These are the same vested interests which for the past thirty-five years have bolstered a hollow development and distorted redistribution of wealth, reducing us to beggars in the markets and among our partners in Europe. These are vested interests which exist only through and because of the State, upon which they depend for their survival and their parasitic privileges.

A State of favoured individuals and spoils for all is the only environment in which they are able to exist, the only ideology they can operate with. They always pose as the “friends of the people”; wailing about the horrors that will be brought down upon us by the IMF, while representing everything that has forced our recourse to it.

In order to preserve our so-called national independence, they want to condemn our country to destitution and marginalization. That is what will serve their interests.

Ladies and gentlemen,

We cannot afford to deceive ourselves. The painful measures we are called to undergo are not some international conspiracy for the oppression of our country. They are a much-needed therapy. Much can be said about the specific mix of economic policy expressed through the package of measures. Such criticism would be easy and not without foundation. The therapy seems so drastic to us because we have allowed the rot to spread and deepen. For almost four decades, we have been living off loans and accumulating debts. We have become schooled in the lesser effort, easy solutions, easy money, disregard for the law and corruption. We have elected our politicians on the basis of their promises and not of their deeds. We have feathered our own nests in a parasitic, anachronistic, corrupt system, which strangles the economy and emasculates society.

Today, we are called upon to pay the price, all of us, including those who have laboured honestly, have struggled with nothing but their own strength on which to rely, have supported their families, not stolen or been party to the break-up of our state-fed Greece.

These citizens, like all citizens, are anxious and wonder: will the heavy burdens of today open the way forward to a better tomorrow? Is there hope?

I unreservedly reply: Yes. I believe both in our will and our potential. There is hope – alongside three crucial and at the same time fundamental prerequisites: the abolition of State cronyism, the implementation of radical institutional reforms and the establishment of new conditions for development; prerequisites involving a profound volte-face of attitude, ethos and values.

The anachronistic State based on clientelism must be abolished now and replaced by a new structure in the service of the citizen and of a productive economy. If the State does not change, the country cannot change either. The taxpayer can no longer pay the salaries of thousands of superfluous staff in hundreds of useless public organizations, bodies, associations, committees and legal entities. The loss making state owned public utilities and miscellaneous bodies cannot be allowed to continue strangling the budget. The corporatist trade unions of the big state owned companies cannot be allowed to continue blocking their privatization. Strict controls of cost and performance in the public sector must now come into force. How much longer can the 'party' in the public economy be allowed to continue at the expense of the private economy?

The political system of the post dictatorship era operated more often than not in response to the bogeyman of petty-political cost rather than with the incentive for beneficial reform. The present government appears to be more consistent and more decisive. We call upon it to go ahead uncompromisingly with institutional reforms to change structures and attitudes:

The new administrative structure of "Kallikrates"; the new electoral law and the new Parliamentary regulation; start by giving the example, by limiting the number of political staff, by limiting the privileges and immunities they enjoy. We must put up a stiff fight to do away with political backhanders who are at the root of corruption. The political system must put the business of Constitutional reform back on the agenda, in order to modernize Education, Justice, the Environment and Development.

Business in Greece is prey to the obstacle course of bureaucracy, the burden of taxation, the labyrinth of multiple overlapping laws, the anti-business mind-set and the resentful state interventionism. In our country, a mediaeval business climate has been imposed. The Government must send strong and, after so long, real messages that it is open to investment and looks favourably upon business. It must complete the freeing-up of all markets and closed professions. It must curtail state intervention – only then will you see prices fall. Now what is needed is direct action away from the narrow beaten track; a new law for the promotion of Greek and foreign investment and accelerated procedures for their realization; exploitation of every latent potential for development, daring initiatives for collaboration, radical moves for the creation of opportunities, unhesitating and decisive.

The State could collect much more money from the profits of businesses. But not through increased taxation rates; its revenue will increase relative to the extent that the environment favours the adoption of more business initiatives, the realization of greater investments and the accomplishment of stronger profits.

All these are choices and measures reflecting our own political will – independent of any proposals from abroad. If we do not to put them swiftly into practice, we are in danger of having to pay a heavy price yet again for the support package and new evils to be inflicted upon us.

Ladies and gentlemen,

The country's debt-ridden budget can no longer finance the operation of a competitive economy of production. And it will never be able to again. Only the private economy is capable of restoring the scorched earth of the state-owned economy, with dynamic investment plans to exploit the potential of the gaps created by the necessary shrinkage of the State, and naturally absorbing the inevitable unemployment that will be created by these cut-backs. Only modern businesses can return the Greek economy to sustainable development. Only in business and enterprise can the driving force for national recovery be found. To be part of the modern world, we have to transform ourselves from a country of civil servants to one of entrepreneurs.

Already, in the last 20 years, private enterprise has been in the forefront, leaving politicians lagging behind, on competitiveness and economic modernization, emancipated to a large degree from the patronage of the State and party politics. We have operated in the service of a work culture which is foreign to the Public sphere, and have shaped a new dynamic economy in stubborn resistance to state obstacles. This is why all the niches of development still active today are to be found in the private sector.

This of course tends to pass unobserved in a country where popular anti-business sentiments are a basic characteristic of the established public debate. State-dependent interests have demonized enterprise and profit with a view to furnishing an ideology cover in their effort to sell client privileges as the redistribution of wealth. They have given the terms favour and bestowing gifts the new name of public justice. "And you," you may ask, "What have you been doing?" We have left the public prosecutors of ideology and the patrons of the post-dictatorship era to rule unchallenged. Thus, the sinecures in the public sector, early retirement, and political party-driven scrounging were dressed up as progressive, popular ideology and became a social blueprint, a way of life. The civil-servant ethos destroyed enterprise.

I can assure you that I have no hesitation in admitting that in the sphere of business things are far from perfect. In a state dependent economy, there have been state-dependent businessmen. In a country run along party rules there have been businessmen upholding the rights of political parties. In a state of fiscal unaccountability, there have been businessmen who were only too happy to usurp public resources – without delivering any social dividend. However, many such practices sully the image of the modern business class; they fail to produce the real picture.

The new enterprise generation operates and performs differently. It is based on meritocracy, creative initiative and professional mentality. Its ethos is vision and risk, investment and hard work. It constitutes exemplary creative collaboration between people who, within organized activity, produce measurable results, which in turn produce a manifold social dividend.

Each modern business constitutes a source of wealth: wealth for those who shoulder the risks, for the families of those employed and for the society to which it belongs.

This is what our country needs today more than ever before: this model, this result and this prospect;

Ladies and gentlemen,

The political landscape of the post-dictatorship era is inextricably linked to the social and economic model of the post-dictatorship period. The political parties are experiencing their own crises of conscience and management together with the system which they have nurtured to nurture them in turn, now in a state of disintegration. And yet the parties of the post-dictatorship era are part of the fabric of this model, administratively and ideologically. The Public Sector is their source, their attitude, and in the final analysis their strength. The wider client-character of the political system, extending from public administration even to Education and Culture, has created in its own form the civil servant character of the country itself and its hollow development. Today, the reluctance of the parties to prune the branch upon which they sit is only too apparent. They have the premonition that shrinkage of the State and unhindered development of the private sector and economy will shrink also their power, and consequently their privileges.

Thus, a fundamental question poses itself: is a political system riddled with cronyism in a position to privatise the economy and society? Can state dependent political parties withstand a shift that brings them in line with the private sector? Indeed parties are called upon to realize that they cannot sidestep the present imperatives. If our political system regards the bail out package as a means of preserving the political landscape of the post-dictatorship era, it will not be able to control the crisis, and will end up becoming a victim of it. In other words, the political system is being called upon to transcend itself. If it cannot, it will be sidelined.

Ladies and gentlemen,

Our transition to a new model of development and the transformation of our economy is not a technical issue, but a social earthquake. The battle to be waged for our future demands deep changes in attitude, behaviour and values. It must be waged on all fronts and on all levels.

The State we once knew, from which everyone had learned to expect everything is no more. All that remains are its bones. And on this skeleton has gathered an idiosyncratic party-political and corporate nomenclature, which wishes to keep Greece in quarantine and to continue to suck her dry.

This faction cultivates fear and rage in our people, because it can offer neither hope nor prospects. It sows the seeds of denial to harvest votes. It preaches revolution, which is no more than its own preservation.

Is there anything to counterbalance this radical anachronism? Is there no antidote?

Yes, there is! It is a modern business class, by nature open, restless and creative. There is a private economy which rewards daring, hard work and ability. There is a private, national initiative, capable of responding to the expectations, ambitions and dreams of our best young people who are today spiritually alienated from their place of birth. There is a Greece which seeks to succeed through working, and not through the demands of

experienced demonstrators (old hands); a tenacious Greece, which will foot the cost of change because it is capable of meeting the challenge on its own terms.

Dear friends,

In the final analysis, every country acquires a position for itself which has been secured by its creative citizens and not by its drones. The younger productive forces have bitterly reached maturity, experiencing the stagnation and successive disillusionments of the past thirty-five years. These are the only forces today which can stir Greek society into action, fundamentally renew the productive mechanism and put small, yet large, Greece back on the map of countries to be reckoned with. Many are attempting to avoid the purgatory by discovering the need of a new 1974, of a new "restoration of democracy". But a real change of regime can only come about through the real economy, through the transfusion of a new ideology and institutional base in both society and the political system. Greek business and creative acumen still has the potential to surprise. It can turn the tables on today's fallen Greece.

Ladies and gentlemen,

Mr. Prime Minister,

I believe that politically this is the only valid wager given the developments that the future holds in store.