

# The essential terms of a new development model for Greece

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# Plan of the presentation

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1. Democracy and common goods as a major perspective
2. Rethinking the productive activities
3. Getting the finance at the service of development
4. Promoting endogeneous territorial development

# Democracy and common goods as a major perspective

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- Democracy is important for the life of the *polis*, for public affairs
- Democracy is strongly linked with the preservation/development of common goods as natural resources, history, culture, education...

# Democracy and common goods as a major perspective

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- But Democracy concerns too productive activities (industry, agriculture, linked services)
  - => Industry and agriculture should be considered as common goods of all Greeks
  - => Firms should be considered as fulfilling other goals than only profit : they have to answer to social needs even when they performe them into markets
  - = > Stakeholders rather than shareholders

# Rethinking the productive activities

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1. Mid and long term, a country cannot consume more than it produces
2. Since more than 30 years Greece productives activities have declined though the consume has increased (till 2008 !)

## Rethinking the productive activities

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- In the long run, when Greece exports 1 euro industrial products, it imports between 3 and 4 !
- This deficit is much more important than the public deficit !
- The question is: how to reduce production/consume gap, import/export deficit ?.....

## Rethinking the productive activities

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- The answer of the government today: reduce the consume and, consequently, the imports + try to increase the exports by attracting foreign investors through all forms of dumping
- => this choice leads the contry to a miss-development

# Rethinking the productive activities

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A left government should reinforce the productive activities towards the answer to fundamental needs of the population (food, housing, health, clothing, mobility...)

⇒ The priority is the **internal** demand/needs and secondary exports

⇒ This general principle has to guide the industrial policy



# Rethinking the productive activities

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- In order to develop the productive activities to respond the internal demand, the main dimension is not cost reducing but:
  - => Innovation (new products, new processes, new organizational forms among firms and between firms and vocational training or research institutions)
  - => Quality standards

## Rethinking the productive activities

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- In this perspective, labor should not be considered as a cost but as a creative factor: competencies, experience, individual and collective capabilities
- Instead pushing productivity and taylorism (technical division of labor), promoting education, knowledge, know-how, team working through complementarities

## Rethinking the productive activities

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- Supporting as well « conventionnal » firms as cooperatives (social economy)
  - => « Conventiounnal » firms (SMEs) should be supported through revised taxation, banking facilities, better vocationnal training, public incentives to create/reinforce professionnal and local networks
  - => Cooperatives have to supported through specific instruments, funding and legislation

# Getting the finance at the service of development

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- 4 principles:
  1. Moratorium instead memorandum (stop to the payment of interests !)
  2. A strong reduction of the nominal value of the debt
  3. A better use of european funds (European Bank of Investment + Regional Funds)
  4. A clear reorganisation of the banking sector in order to develop investment and consume (instead speculation)

# Promoting endogeneous territorial development

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- Stop to all forms of dumping, especially local dumping (so-called « special zones » ignoring labor and environmental legislation)
- And instead: promoting endogeneous territorial development based on the (3) complementary dimensions of « proximity »

# Promoting endogeneous territorial development

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- Territorial development based on Proximities:

=> physical proximity (important but not enough)

=> complementarity of resources, especially skills

=> cultural proximity

Taking care of natural resources, « short » relations between producers and users

# Some brief conclusions

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- A new model of development (instead wrong measures to get growth a bit higher for a while)
- A model combining:
  - \*democracy
  - \*rethought productive activities responding to internal demand
  - \*a new way to consider the labor (ergassia instead doulia)
  - \*territorial endogeneous dynamics
  - \*protection of the nature