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Greeks hostile as EU 'task force' starts work

By Joshua Chaffin and Kerin Hope in Athens



Greek protesters set fire to emergency tax notices at a demonstration in September against civil service cuts and new levies

Last week, a shudder went through the Athens office that is the temporary home to the “task force”, the team of European Union civil servants dispatched to Greece to share their administrative expertise and help revive the country’s crisis-hit economy.

It was not a reaction to the uncollected trash that had piled up outside the building thanks to protests by the city’s rubbish collectors. Rather, it was the discovery that a leftwing Greek newspaper had printed photos of each task force member along with a front-page headline announcing: “The Prison Guards Have Arrived.”

Bureaucrats do not usually receive such publicity. But in this case it is a measure of the unpopularity with which they are viewed by a nation trying to come to terms with its humiliating loss of sovereignty.

Other Greek tabloids published cartoons depicting the taskforce’s German director, Horst Reichenbach, dressed in full military uniform and barking orders – a not-so-subtle allusion to Germany’s wartime domination of Greece.

It was not the reception that Mr Reichenbach, a mild-mannered international civil servant, was hoping for. He and his team say they have come to Athens to assist with the modernisation of

the country's creaking public administration. "We want to help Greece in its effort to overcome this painful economic crisis," Mr Reichenbach told local newspapers during a visit to Athens last week.

Beginning this month, Greek ministries will open their doors to dozens of European civil servants offering expertise on privatisation, tax collection, small business lending and accelerating disbursement of billions of euros in EU funding

If the troika of Greece's lenders – the European Commission, the International Monetary Fund and the European Central Bank – are the stick, always demanding fresh austerity measures and deeper budget cuts in exchange for loans, then the task force hopes to be seen as a carrot promising a better future.

As the tabloid reaction suggests, not everyone sees it that way. "They are not princes and clergymen interested in improving Greek society," said Leandros Antonopoulos, a director-general in Greece's tourism ministry. "These people want their money back."

Others who might have been receptive to the task force have lost faith in European generosity after a succession of increasingly tough austerity measures that have wreaked havoc on their families and businesses without delivering any appreciable signs of improvement.

"It's like you have this disease and every day they tell you there is a different treatment to make you feel better," said Christos Chanos, the third generation to lead a family business that makes umbrellas and sun shades. "First they tell you it won't last long and that you will get over it. Then they tell you you will die – 'but don't worry, we will be by your side.'"

Such sentiment may only harden with the prospect of hundreds of foreigners parachuting into Athens in the coming months to keep tabs on nearly everything the government does.

Eurozone leaders agreed last week that a permanent "monitoring capacity on the ground" should be established in Athens as part of the latest rescue package. Although keen to avoid perceptions of an outright takeover, EU officials acknowledged they intended to keep a full-time eye on the government to prevent the horse-trading and backsliding that has undermined reform plans. "We need a more permanent presence," one senior German official told reporters.

In spite of the sensitivities, there are plenty of Greeks eager to embrace Mr Reichenbach. To many in the beleaguered private sector, in particular, the task force's powers cannot be too sweeping and its members cannot arrive soon enough.

"[The task force is] very, very, very welcome," said Themis Tsokas, who runs a family owned hotel in Mykonos. He views Mr Reichenbach's team as a last hope to confront a bloated public sector the political class is no longer capable of addressing – either because it is too corrupt or too incompetent, or both.

"The guys who created this whole mess are going to the Greek people and saying: 'I will fix it. I have the remedy.' It's crazy," Mr Tsokas said.

Mr Reichenbach has gone out of his way to emphasise the task force serves at the Greek government's invitation. It has the power to advise but not to direct. Some of its initiatives should go down well, including a plan to develop Greece's solar energy potential for export and another to use the European Investment Bank to help unlock €500m (\$696bn) in lending for credit-starved small businesses.

Far more controversial, though, will be efforts to improve the woeful tax collection system – an activity that cuts to the heart of the country's sovereignty. Greece has more than 300 tax offices, many staffed with local officials of questionable competence. A central bank official estimates 30 to 35 per cent of potential tax revenue goes uncollected each year. At the same time, businesses complain about having to negotiate with corrupt tax authorities over murky rules and with little legal protection.

The crisis has only made this issue worse as the cash-strapped government has imposed a series of ad hoc levies that have left businesses reeling. "Everything is frozen," Mr Tsokas said after cancelling a planned renovation of his hotel. "We're in a situation where we don't know what we will pay, when we will pay or how much."

Some fear the tax system is an example of a bureaucracy so rotten it is beyond reform – with the aid of the task force or anyone else. The only hope, they say, is to set up new government channels that bypass the existing ones.

Georgios Kouskoulis, the deputy head of the 12,000-member tax collectors' union, has a weary expression suggesting he has heard all these complaints before. "We're the bad boys of the system," he said, sipping a coffee in a smoky Athens bar.

What Greece's tax collectors needed, Mr Kouskoulis argued, was more resources and a clearer tax code. A US Internal Revenue Service support programme had been helpful in the mid-1990s in dealing with tax evasion, he said, suggesting his members were not automatically opposed to foreign assistance.

"If the help is at a technical level, it's no problem," Mr Kouskoulis said. "What we don't want is a German sitting in our office, giving orders."

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