

Sign the Agreement Now!

We have reached the end of a negotiation that took several months and was associated with a debilitating lack of liquidity for the Greek State and for the private sector and with enormous uncertainty. If an agreement with the Europeans is not immediately reached, Greece will default, inside or outside the Eurozone. Grexit would be a total disaster, involving collapse of the banking system due to massive withdrawals, high inflation, tremendous loss of purchasing power for the Greek population, shortages of basic goods, and marginalisation of the country. Even a default within the Eurozone would soon lead to Grexit since it would be extremely difficult for any Greek government to handle it. It would require enormous support from the ECB, which would not be forthcoming. In a short time, the Greek government — voluntarily or under pressure — would transition to the new Drachma. Thus, both types of default (inside and outside the Eurozone) lead to the total disaster associated with the new Drachma.

A last-minute agreement will be far from perfect and without the necessary structural reforms. However, it will be much better compared to the chaos of default and Drachma. The Greek government must sign this agreement now!

- Marios Angeletos, MIT
- Costas Azariadis, Washington University in St. Louis
- George Constantinides, University of Chicago
- Haris Dellas, Universitat Bern
- Nikos Economides, New York University
- Michael Haliassos, Goethe University Frankfurt
- Yannis Ioannides, Tufts University
- Costas Meghir, Yale University
- Stylianos Perrakis, Concordia University
- Manolis Petrakis, University of Crete
- Chris Pissarides, Nobel Laureate, London School of Economics and University of Cyprus
- Thanasis Stengos, University of Guelph
- Dimitris Vayanos, London School of Economics

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