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Greece is in trouble over its debt, particularly after the discovery that its budget deficit was around twice as large as a percentage of GDP as had been expected. The Prime Minister George Papandreou announced a series of significant spending cuts, including a 10% cut in overall government operating budgets and a cut in social security. Despite this, his plans failed to glean credibility with all three international rating agencies. Although the UK has a lower debt as a percentage of GDP at 68.6% compared to Greece's 112.6%, its budget deficit is slightly higher as a percentage, and so far plans for debt reduction come to cuts of only 3.2% a year according to the IFS, far lower and less ambitious than those of Greece.

The credit agencies may be waiting for an expected change of government before they seriously question the UK's treasured AAA rating, but whoever wins the approaching general election will have to do much more than Greece to appease the credit agencies and prevent government borrowing costs spiraling out of control.

The lesson to learn from Greece's experience is that a bold plan is sometimes not sufficient, although unquestionably necessary. Leonard Mlodinow's book "The Drunkard's Walk" cites the psychological effect of providing fuller justifications to alibis in order to bolster their credibility in almost all walks of life: Mr Papandreou announced huge cuts, but failed to explain where exactly they would fall. The UK's Prime Minister in 2010 would have to make absolutely clear what would be cut, as well as by how much if its plan is to attain adequate credibility. Whilst general aspirations to cuts by the Conservatives in all departments except health and international development may be a start, a serious programme involving specifics is urgently needed. A new government would not have very long to appease the agencies, so a plan may have to already be in place.

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