

2-1-16

THIS IS AN EFFICIENT ECONOMY: GREEKS WILL SOON ENJOY THE OPERA!

By Nicholas Charitonidis



[Faliro Sports Pavilion Arena](#) (right side) and [Stavros Niarchos Foundation Cultural Center](#) (left side) – Athens, Greece, under a sad sky.

In the depths of the worst crisis ever seen in our lifetimes, especially in Greece, Adam Smith's "invisible hand" takes care to allocate (extremely scarce) resources in the most efficient manner: One of the most beautiful opera houses is under construction in Athens. So, very soon Greek people will be able to enjoy state of the art culture, let alone with empty stomachs.

At the beginning of 2000, another "efficient" allocation happened: Olympic Games Structures. In a frenzy chore of billions (most of them borrowed), lots of grandiose buildings were constructed, with least attention to essential substructures for real improvement and growth. Contractors made fortunes overnight, as well as other side agents, while Greece in paper showed wild growth, taking the title of the "south tiger". What else with such a waste of billions? Alas, this "efficient" allocation would be verified just a few years later: Full destruction of the (unsustainable) Greek economy.

Opera house is a donation of "Stavros Niarchos Foundation". This is a nonprofit organization, founded by Niarhos shipping company, a shipowner. This construction site is the only notable in the greatest

area of Athens, while one can observe great innovative construction parts, as the ultra thin synthetic roof. While there are other uses of the wider project like a great park, swimming pool and library, which no doubt have a social value, one can hardly admit that this is an efficient allocation of (almost nonexistent) resources. In a Greek reality, with real unemployment level near 40% (in young people greater than 60%), with hundreds of enterprises going out of business each month, with tenths of thousands of young people leaving Greece for a better hope, it sounds that the last necessity is to allocate money in projects like this. By a tragic irony, the (super modern) building on the right side of the photo (on the left side is the said opera under construction), with the strange name "taekwondo" (from the homonymous Olympic sport), standing idle, rotting and rusting from 2004, has nowadays an important social role: To host immigrants from Syria.

One could argue that as far as this project is financed from a private donation, it is the right of the donor to decide what to do with its money. While this seems logic, in a second level of analysis objections arise: Such donations are stakes of private company profits. It is reasonable to believe, that such a donation serves primarily the interests of the foundation (or the parent company) and not the social interest, which may take some advantage but not for sure in the most efficient way.

Greece struggles to stand on its feet. Unfortunately, any sustainable production base disappeared during the last 30 years, under the neoliberal doctrine. Instead of growing under its competent advantages like the best in the world climate or strategic logistics location, it plummeted under politicians guidance in an ocean of debt. If we are to discuss about efficient allocation of resources, projects like the Olympic Games and the Opera are apparently of last priority in a society like this. Instead, they are most effective for emergence of inequalities ala Thomas Pikety: A least minority makes great fortunes in a short period. On the other hand, after so many expenditures for vitrina projects, we Greeks struggle to grow without even having the right to use a decent national road to make business (the most important national road Athens - Patras is left semi finished since 2008 with just one traffic lane!).

Greece should try to erect its road of exit from the deep crisis on its competitive strengths. Its politicians should deeply understand what this means and struggle to succeed. Whether it is easier to succeed within or without the euro is a subsequent matter. For sure, projects like the Olympic Games and the Opera are inferior in such a situation, compared for example with the port of Piraeus infrastructure for transit of merchandize originating from East Asia. This is a real competitive sector. Instead of looking at this, we waited for the Chinese to make relevant investments (COSCO), costing much less then the Olympic Project. In the meantime, our politicians, instead of searching methods to promote our national interest (competence) under EU environment (for example the erection of a Balkan road to central Europe to promote our logistics competence), left all relevant business (profits) to our north "partners". Because they ignored (or pretended to ignore) that the treasure is not the investment, but the position: In a lunatic's sense, 70% of all trade from far east to Europe passes through north Europe ports like Rotterdam and Havre, although ships pass just beside Piraeus or other Greek ports, traveling several more days to approach north Europe, wasting time and fuel and polluting the environment. Nowadays, instead of giving such struggles of national interest, as equal partners under EU, we (that is our politicians) beg Germanç for mercy, as the bad guys. As if German companies did not do their best under "efficient" projects like Olympic Games or Operas (anyone heard about Siemens scandal?).

Companies or (their subsidiaries) non profit organizations under capitalism will do their best for magnifying their profits or tax exempts. They will use every means to succeed this, including buy off of politicians. They all together will allocate resources in the most efficient way for the good of their pockets and not of society. We, simple people, must understand where we live and how matters are regulated. It is for our advantage to be problematized, what targets are intended by projects like Olympic Games and Operas under such a situation (today's Greek reality) and act appropriately instead of cheering them.