



How Greece can recover from Covid

by Yiannis Mouzakis and Christian Odendahl

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The European recovery fund provides Greece with an important opportunity to address some of the country's economic difficulties, offering grants of about 12 per cent of the country's annual GDP to be spent over the coming years. The national recovery and resilience plan, which Greece has submitted to the EU, is encouraging. If Greece's government implements the plan effectively, the country may be about to turn a corner. But it has a steep hill to climb, argue Yiannis Mouzakis and Christian Odendahl in a new Centre for European Reform [policy brief](#).

Greece has largely been out of the European spotlight since its economic and financial assistance programme ended in 2018, marking the end of eight years of economic crisis. However, the country still faces three major economic challenges over the coming decade: the legacy of its long economic depression, the impact of the COVID-19 pandemic, and how to overcome the structural weaknesses of its economic model.

The authors take a close look at the weaknesses of the Greek economy, such as its export performance (which is poor for a country with Greece's level of income), low levels of foreign direct investment, and the lack of funding for firms and entrepreneurs. They also consider what Europe should do – over and above the recovery fund – to help Greece make a full recovery.

"We have known for a while that Greece's underlying economic issues have not been resolved, and the pandemic is adding to Greece's problems. But the recovery fund offers a unique opportunity for a combination of investments and reforms to make Greece reach a higher growth path," said Yiannis Mouzakis, co-author of the report and co-founder of MacroPolis, an economics consultancy based in Athens.

"Greece still has many problems to deal with, and its state institutions, such as the judicial system, and cleaning up its banks should be a priority for reform and investment. But Europe has its part to play. Unless European policy-makers raise demand and inflation across the continent, the weaker countries will always struggle to catch up," said Christian Odendahl, co-author of the report and chief economist at the Centre for European Reform.

Note for editors:

For further information on the new research and to request an interview with Yiannis Mouzakis [@YiannisMouzakis](#) and Christian Odendahl [@COdendahl](#), please contact Rosie Giorgi in the CER press office on pressoffice@cer.eu or +44 (207) 233 1199.

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