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## Pragmatism is required amid Greek deal stand-off

Sir, The difficulties of negotiations between Greece and the eurogroup pose a real risk of no agreement — with potentially serious consequences, economic and political, for the Greek people and for all citizens of the EU. The essence of an economic union is give and take — giving now that you may benefit later, as well as responding to the democratic demands of its citizens. In fact, in the view of many of us, “appropriate concessions” by creditors would actually benefit not only Greece, but even those so adamant at staying the course. Without a change, the European project could fail.

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We fear that inability to reach a positive agreement could be the beginning of the break-up not just of the eurozone but of the European project. The consequent distress would contribute to disintegrative political tendencies. It is clear what Greece needs now: economic recovery — aided by a significant easing of fiscal targets, of a maximum of 1.5 per cent of GDP surplus; by some financial restructuring of its debts, including linking debt servicing to meaningful growth; and by fiscal reform that involves cracking down on corruption and weakening of the economic powers of oligarchs.

Moreover, as your columnist Wolfgang Münchau insists (February 16) the Greek government has a democratic mandate for alternatives to the failed policies of the past. For its partners, currently wedded to a draconian model of fiscal adjustment leading to lack of growth, there is the challenge and the opportunity of tailoring policy to recovery, investment and jobs. Admittedly this requires a degree of pragmatism: but the pay-off is the promise of more growth in Europe. And growth, as they say, lifts all boats. Time may be

running out — but there is, it seems, a deal to be struck.

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