

## George Irvin on the Greek crisis - suggesting this is a...

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Prof George Irvin is a man I have a lot of time for. [He's written about the Greek financial crisis today, saying:](#)

*Was this necessary? Clearly not; the EU could have borrowed money at 3% and lent it to Greece at the same rate or lower. Similarly, the harsh conditionality imposed was not merely unnecessary but, as many have argued, deeply counter-productive. Greece did not need to cut social spending then, nor does it today. Rather, it needs to raise productivity, particularly in the export sector. This can best be done by means of new investment.*

*A sensible EU bailout plan would direct cheap funds at productive expansion rather than insisting on punitive contraction. Indeed, Greece needs concessional lending (at less than 3%) -which could be financed by means of a new E-bond, a Tobin tax, un-sterilised quantitative easing, or some combination of these and other instruments.*

*In short, the real lesson of the Greek debacle is not that that peripheral countries should exit the eurozone (although that is now a distinct possibility); rather, it is that the current situation results from the increasingly rightward drift of Europe and the short-sightedness of our political class. Sadly, most European social-democrats have been complicit in this deplorable state of affairs.*

Spot on George - which also makes clear that too many social democrats have lost their way.