

If only Greece was a company this crisis would be over ...

Published: January 13, 2026, 8:56 am

It is [almost bizarre to note that the Guardian](#) is carrying a story this morning that says Greece's debt is unpayable whatever happens now.

This fact has been obvious for some time. Greece has rising debt that is well above any internationally recognised sustainable level and because of falling income, imposed on it by the EU and IMF, has not the remotest chance of paying that debt off.

You can blame Greece for that. And some of the blame is undoubtedly its to bear.

You can also blame the banks who made so many of the loans to Greece in the heady days after the Eurozone was created very much more. They assumed they could lend to Greece without risk because monetary union meant they could never lose.

The sad fact is that they have, by and large, been proved to be right. Commercial banks did suffer some losses on Greek debt but then offloaded the rest of their reckless lending to public institutions, mainly the ECB. That is why so much of the Greek bailout funding has not gone to Greece: a large part has ended up with banks, a fact widely ignored by the media.

But the point remains that what is left is unserviceable without radical reform of the Greek economy that permits it to grow again, and that reform is not possible unless existing debt is written off. That's because without that write off all the money needed to invest for growth will instead go in debt servicing.

Long ago the reality of this type of crisis was recognised in the commercial insolvency world. What Greece is in is best described as a classic receivership situation where there is a surviving activity well worth preserving (it's a country, after all) but where any chance of it prospering is prevented by debt burdens that are the consequence of past mistakes. In the commercial and personal world, and even for some forms of local government, we pragmatically allow such restructuring because whilst no one wants to see non-payment of debt we prefer that to no payment at all and the continuation of a struggling entity always tottering on the brink of potential failure.

We need to recognise that if Greece was a company a pre-packaged insolvency would probably solve most of its problems, in days. It is time we did the same for countries. But don't hold your breath because bankers object to this, largely because the guarantee that countries won't fail is what they think underpins their own risk, and the last thing they want to do is accept responsibility for that.

So Greece must suffer when glaringly obviously a better solution can be and should be found. In the commercial world you might call that professional incompetence. Internationally it's just callous. But no one is listening.