

The Greek Debt Crisis - Send in the Futurists

What are the possible scenarios for how a Greek debt default might play out?

We are regularly asked to explore future scenarios both for the European Monetary Union (EMU) and for the more indebted European economies in the wake of the current debt drama being played out in Greece. Of particular interest is what might happen if Greece does default on its debts at some point. The bulk of the analysis we've seen so far from economists, governments and the media has been short term focused and heavily laden with emotional rhetoric. We've seen little or no robust exploration of the longer term ramifications of any particular course of action for Greek society and the wider economy. This short termism has helped contribute to the current hysteria that masquerades as debate.

In our view, we need considered analysis exploring different possible scenarios of how a Greek default could play out and the implications for Greece, the rest of Europe and the EMU. The midst of a crisis is when you have the absolute attention of key stakeholders and is - we feel - the ideal time to take a short pause for reflection. We suggest they bring in futurists who could help Greece and the EU explore the multiple drivers at play using some form of accelerated scenario planning exercise. This would allow for a rapid but comprehensive review of critical drivers, assessment of how these key factors might interact and identification of the resulting scenarios that could emerge. In our view we'll never have a better opportunity to ask some fundamental questions - such as:

Can the EMU accommodate countries as economically diverse as Germany and Greece?

How do we repair the EMU mechanism to allow for countries to leave as well as join?

If Greece drives through the current austerity programme in the face of public opposition, how long might it take to rebuild confidence, trust and economic vibrancy?